



# City Council

## Workshop

~ Minutes ~

1408 Lake Street South  
Forest Lake, MN 55025  
[www.ci.forest-lake.mn.us](http://www.ci.forest-lake.mn.us)

Karin Derauf, Deputy City Clerk

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Monday, September 19, 2022

6:00 PM

City Center - Council Chamber

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[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	
Kathy Bystrom	Councilmember	Present	
Kelly Monson	Councilmember	Present	
Hanna Valento	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

Comments: City Administrator Casey provided an overall summary with information on the Budget Schedule and what has been discussed to date. He also commented on what will be discussed for the remainder of the 2023 Budget Discussions. He noted that the City is forming a Financial Plan that provides the citizens with reasonable and responsible financial information. He noted that the Plan started with Strategic Planning. He noted the objectives of the Strategic Planning Sessions including infrastructure, and parks and trails improvements and developments along with funding resources.

- a. Utility Funds
- b. Continue Discussion on 10-Year Financial Plan
- c. General Fund Update

Comments: Finance Director Knopik provided information noting that a 10-Year Capital Plan identifies anticipated capital needs as well as funding sources, a tool for the city to follow and it's used by rating agencies to understand the City's financial and operational stability. He highlighted the Target Cash Balance which identifies the minimum cash balance in the fund for operating expenses, capital items, and debt payments.

Finance Director Knopik commented on the Water Fund highlighting the water rates for 2023 and a proposed 6% increase for the next 10 years. He looked at expenses for wages and benefits along with other expenses that are projected to increase in relation to the



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increase for water rates. He noted that wages and benefits are expected to increase at 3% and other expenses are projected to increase at 2%. Finance Director Knopik discussed bond issuing for 2025 and 2030. He also highlighted the American Rescue Plan Act and receiving \$2,287,605 where these funds will be mainly used for water infrastructure improvements.

Mayor Bain asked about the 6% rate increase annually and bonding in 2025 and 2030. She also commented about expense increases of wages and benefits, and additional expenses. She expressed concern of inflation-proofing the increases appropriately and to make sure the increases are enough. There was further discussion regarding water rate increases. Mayor Bain indicated she agreed with the \$2.7 Million dollars going towards water infrastructure improvements. She also asked about future plans moving into 2024. Finance Director Knopik provided comments about the need of the water fund and the commitment of where the water rates need to be set.

Finance Director Knopik commented on the Sewer Fund and noted that the 2023 rates already reflect an approved increase of 6% and proposed a 5% increase for the next 10 years. He referenced the wage and benefit increases. He commented that this Sewer Fund, with the proposed increases, is tracking with where it should be in relation to expenditures.

Finance Director Knopik provided information on the Surface Water Management rates at a 6% increase beginning in 2023 and extending for the next 10 years. He discussed potential grant funding for a street sweeper, but noted that is not guaranteed funding.

Mayor Bain commented about funding and shared expenses with Comfort Lake Forest Lake Watershed District. Public Works Director, Dave Adams, noted that falls under professional services in the operating budget. He noted that there is a comparison of the City's fees along with other cities.

City Administrator Casey commented on the Park Dedication Fund. He noted that the Beltz Park project will have to be phased rather than complete the project all at once to ensure availability of funding sources. He noted that park dedication fees are unpredictable right now. He also noted that there will be a dedicated \$50,000 per year for the next 10 years.

Mayor Bain indicated she appreciated having a 10-year window for the parks plans. Councilmember Bystrom commented that she also appreciated the dedication to funding something consistent to the park funds.

Finance Director Knopik provided comments on the Property Tax Levy Projections and highlighted the general fund, proposed bond issuances, and equipment certificates. He noted that beginning in 2024 there will be a proposed 5% increase in the general fund to account for COLA and step increases in wages, the increases in costs of services and



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materials, and the new proposed positions. Finance Director Knopik provided information on bonds with a projection based on 20-year bonds at a 3.5% interest rate. He also commented on equipment certificates with a 10-year maximum and a 3.5% interest rate. Finance Director Knopik also commented on the Tax Rate History showing the values at about 40% and noted that the rate for 2023 will go down to about 35.6%.

Mayor Bain requested a review of 2023 street projects in general and then in relation to the 10-year plan.

## 6. Adjourn

Motion to: Adjourn

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kelly Monson, Councilmember
<b>SECONDER:</b>	Hanna Valento, Councilmember
<b>AYES:</b>	Bain, Bystrom, Monson, Valento
<b>ABSENT:</b>	