JOINT CITY COUNCIL/
FINANCE COMMISSION
MEETING
Cohen Room
Community Center
July 13, 2026

AGENDA

1. **Call to Order - 5:30 p.m.**

2. **Roll Call**

3. **Approval of Agenda and Consent Agenda**

   a. Approval of Minutes

   - Motion to approve the following minutes:

   - *July 21, 2025*
   - *August 4, 2025*
   - *August 14, 2025*
   - *August 18, 2025*
   - *October 20, 2025*

4. **2027 - 2036 Capital Improvement Plan**

   a. Presentation of 2027 – 2036 Capital Improvement Plan

   - Motion to accept the presentation

5. **Adjournment**

Council Regular Meeting

DATE: 7/13/2026
TO: City Council
FROM:
THROUGH:
BY: Shannon Pettit, City Clerk
SUBJECT: Approval of Minutes

Requested Council Action:
- Motion to approve the following minutes:

- *July 21, 2025*
- *August 4, 2025*
- *August 14, 2025*
- *August 18, 2025*
- *October 20, 2025*

Background:

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:
1. 2025.07.21 CC.FC
2. 2025.08.04 CC.FC
3. 2025.08.14 CC.FC
4. 2025.08.18 CC.FC.edited
5. 2025.10.20 CC.FC

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/FINANCIAL COMMISSION
OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

JOINT WORK SESSION
JULY 21, 2025
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Graves at 5:00 p.m.

2. INTRODUCTIONS

Mayor April Graves and Councilmembers Kris Lawrence-Anderson, Dan Jerzak, Teneshia Kragness, Laurie-Ann Moore.

Chair Joylenna Garcia and Commissioners Janice Brandt, Gretchen Enger, Jeff Lewis were present.

Also present were City Manager Reggie Edwards, Director of Fiscal & Support Services Angela Holm, Director of Public Works Elizabeth Heyman, City Engineer Lydia Ener, Public Works Planner Kory Anderson Wagner, Deputy City Manager Daren Nyquist, and Interim City Clerk Shannon Pettit.

3. 2024 AUDIT PRESENTATION

City Manager Reggie Edwards introduced Tom Olinger, CPA, to present the 2024 Financial Audit, and Finance Director Angela Holm would answer any follow-up questions. Ms. Holm stated that Mr. Olinger would be able to provide more insight into the audit and things Brooklyn Center could do moving forward.

Mr. Olinger stated he appreciates the invitation to speak at the meeting and will answer questions on the audit report and the results, discuss the General Fund, other governmental funds, Special Revenue, Debt Services, Capital Project funds, and the Enterprise funds. Mr. Olinger will discuss key performance indicators and comparisons between Hennepin County and Brooklyn Center's peer group. Mr. Olinger stated that the OSA has not yet had the 2023 comparative numbers, but he has had some insight and context moving forward, too.

Mr. Olinger continued that the overall audit opinion was unmodified, meaning it is a clean opinion where auditors followed the Governmental Accounting Standards Board (GASB) and the Generally Accepted Accounting Principles (GAAP) standards this year. This year was a relatively bigger GASB standard, which was related to compensated absences and involved taking a look at all of the types of benefits that are out there. The biggest benefit is sick leave. In the past, sick leave was based on what was paid out upon retirement; now it is based on retirement as well as what is expected to be used by employees going forward, by making estimates based on benefits used in the past.

Mr. Olinger discussed Minnesota Legal Compliance, and the auditors look at various state statutes in regard to deposits and investments, conflict of interest, debt, TIFF, and overall cash investments. When audits are done, the auditors test on a sample basis, so not every transaction is tested, but random samples are taken to look at various things. In the sample taken, no instances of noncompliance were found.

Mr. Olinger discussed the single audit report that was done this year, on American Rescue Plan Act (ARPA) dollars, and the findings that he had on the contracts. He is still following up on that to make sure that everything is in place correctly.

Mr. Olinger discussed the overall audit results with findings on internal controls over credit cards or P-cards. He stated there was some improvement from last year, with findings on sample tests done on the disbursements, which come down to additional documentation, especially with the P-cards. The P-cards need to have documentation for public purposes and overall expenditure. On a few of the samples, meals were paid for with credit cards, and documentation needs to be made on the business purpose for that expense, as state statute requires a business purpose for each meal paid for. This also applies to travel expenses, as that can be a gray area sometimes; documentation needs to be made on who is staying at the hotel, as well as the business purpose for those expenses.

Councilmember Moore asked what the rules are regarding asking questions during Mr. Olinger's presentation. Mayor Graves stated there were no rules discussed, but if there is a question, wait until the speaker is done talking and then ask a question. Councilmember Moore asked if there would be greater detail about expenses for meals, hotels, and travel that were found in the audit. Mr. Olinger stated he could provide the samples of expenses found if she wanted to go over them. Councilmember Moore said those expenses were not in the packet provided to the Council and Commissioners. Mr. Olinger confirmed that those findings were not included in the packet. Councilmember Moore asked if the Council would ever see those findings. Mr. Olinger stated that if she requested that information, he would provide it for her. Councilmember Moore said she would like to see those findings.

Commissioner Enger asked if the findings from 2023 and 2024 were from the same Department. Mr. Olinger replied that he would have to go back and look through the results, as the audit is done with random samples, and information is not picked from particular Departments. The audit has P-card expenditures that are randomly selected and tested.

Mr. Olinger explained that the second finding was Internal Controls over ARPA obligations. Mr. Olinger explained he is going over the contracts associated with those funds and the expenditures related to those funds. The way the grant was set up, the City has until 2024 to obligate the dollars, which means contracts are in place and those funds can be spent through 2026. At the time of this presentation, there were a few contracts that were outstanding that Mr. Olinger was checking on, on a sample basis, to see where those contracts are. He received those contracts and looked through them quickly today, and one of them was missing a signature. He will continue to look through all of the contracts, but it is really important to talk about the overall internal controls and consider signatures, dates, and timing on those contracts, and have the Finance Department have a central location to look at all of that information. Mr. Olinger stated the City should look into contract management software where contracts are electronically signed, date-stamped, and stored all in one place, so if anyone needs to find a specific contract, there is a better flow and process to do so.

Dr. Edwards said that all funds have been accounted for and allocated. The Department Directors go through the years' use of dollars, and there is an expenditure and contract proposal service. Dr. Edwards reviews those reports, and eventually, those contracts go to the Finance Department to make sure there is funding available and budgeted for those needs in the Departments.

Mayor Graves asked who had gone over those reports. Dr. Edwards responded that the Department Director, himself, and the Finance Department.

Mr. Olinger continued that for the 2023 audit findings, credit card expenditures were also questioned. He noted that there is a revamp of the City's disbursement policy happening, but there still needs to be a checks and balances system in place with Finance reviewing expenditures and having a process in place if there are questionable expenditures.

Councilmember Lawrence-Anderson asked who has P-cards. Ms. Holm stated that the Department heads, the City Manager, and the City Clerk have P-cards. The Department head can also designate someone in the Department to have one. For example, the Chief of Police does not carry a P-card, but the Administrative Assistant in the Police Department has a P-card for that Department. There are 12 people in total who have P cards. Councilmember Lawrence-Anderson asked why P-cards are necessary when Staff could request a purchase order and cut a check for expenditures. Ms. Holm stated that, according to the City's policy, a P-card should only be used when expenditures cannot be invoiced for a transaction. Ms. Holm explained that purchase orders have fallen by the wayside at this point, and normally, a P card would be used for expenses related to travel, such as hotel rooms, booking airlines, meals during that time, memberships, and things that the vendor does not have an invoice for. Ms. Holm stated that the City's policy is that anything that can be done by invoice or regular billing process should be.

Mr. Olinger stated that those expenditures were based on last year's overall findings, that P cards are supposed to be used as a last resort, and that expenses should flow through the normal disbursement type of transaction. Mayor Graves asked if there has been some improvement in those types of transactions. Mr. Olinger stated there has been improvement, but he goes back to the importance of documentation for all of those types of expenses. The overall disbursement policy is important because it gives direction for Finance and Department heads on how to put those dollars and controls in place.

Commissioner Enger added that the Finance Commission has another P-card policy that will be presented to the Council, as well as the purchasing policy as a whole. There will be updates to the language in the policy, as well as differences in credit card versus P-card.

Councilmember Kragness pointed out that even though there are findings related to the use of P cards, it does not mean that there has been malicious spending activity; it is just that there has been activity that goes against City policy. The Finance Commission is looking into the policy to make sure the policies are aligning with what the Staff is actually doing or able to do when audited, and that there is nothing going against policy.

Councilmember Moore stated she would guess that if those findings were extrapolated, there was nothing that would indicate that not following the P card policy was over any budget. She asked if it was, and if that was part of the audit's findings.

Mr. Olinger stated that his findings are more on the documentation side, which is the reason why P-cards are used. Councilmember Moore stated that if there is no documentation, then there is no way to know whether or not someone misused City funds. Mr. Olinger said that as long as there is a description of what the expenditures are for. Councilmember Moore asked if he is saying that there is evidence where there is no documentation for certain purchases. Mr. Olinger stated that on the purchases he found, one was for a hotel with a description listed, but it was not documented, and going forward, it needs to be noted what that kind of expenditure is for. Councilmember Moore stated that the documentation for those types of expenditures would be the responsibility of the administration to follow up on. Mr. Olinger agreed with Councilmember Moore.

Mayor Graves stated that often times in training sessions she attends, if she gets food at said training, when she submits to get reimbursed for food she submits an agenda and sign-in sheet for the meeting or training she was attending as well as a description of the meeting and training, as evidence that she attended the training in order to get reimbursed.

Mr. Olinger said that it is a really easy way to explain the business purpose of the expenses and the business purpose of the attendance at the event.

Councilmember Jerzak asked if it is clear that this is not a significant finding on the audit, and to recognize that this is an administrative issue of lack of documentation, and that it could be done better.

Mr. Olinger noted that this is a prime example of really focusing on the policy being directed to Finance and Administration and following through on that. Those policies are in place to protect the City and make sure that if anyone were to come back and question what certain expenses were for, it would all be accurately documented.

Mr. Olinger discussed the General Fund balance, which, compared to next year's budget, is the benchmark of what the City is looking at. The current City Fund balance policy is 50 to 52 percent, and there was an increase in the General Fund this year, right at 50 percent. The state auditor's guidelines are usually between 35 and 50 percent. The 50 percent is the LGA, and because property taxes are collected in December, it is the City's high point of cash, and the City has to float operations for a six-month period for overall expenditures. He noted that there was a general increase in the overall budget, but with rising costs, the General Fund balance has to continue to rise accordingly. There was roughly a million-dollar net change in the General Fund balance increase and about a half-million-dollar increase in the overall budget.

Commissioner Enger asked for clarification on whether the City should always shoot for that 50 to 52 percent and what factors drive that percentage. Mr. Olinger responded that a combination of an increased budget and the General Fund increase is one driving factor, and if there are situations where the General Fund balance goes down because of a lack of revenue coming in or expenditures going over budget, those are the things that would drive down that percentage. Commissioner Enger noted the red unassigned fund balance line is following the yellow City budget line on the chart shown, and Mr. Olinger noted the yellow line dropped down because the City went from a 24 million dollar budget up to a 28 million dollar budget, and is now building back up to the 50 to 52 percent.

Councilmember Kragness stated she wanted to point out that the percentage of 50 percent is the City's police. The state policy is closer to 35 percent. Brooklyn Center's policy is a lot stricter than the state standards.

Mr. Olinger went over the General Fund budget and compared it to the actual budget. As he noted before, the City had a little over a million-dollar General Fund balance increase, and revenues did exceed the budget by about $500,000. A good chunk of this was additional investment income over what the budget amount is, but to keep in mind that sometimes this is temporary because adjustments are made for market value, so this year it is over budget, but next year it could be under budget. He explained that, as far as expenditures, there was a positive budget variance, and all the programs came in under budget for this last year.

Mr. Olinger displayed a chart with a three-year trend of the General Fund revenue by type, with a tax increase being the main source of revenue, and this increase follows along with other cities, and taxes have to increase with the cost of inflation increases. He explained that in the last year, expenditures increased by four percent, which follows the trend of the tax increase.

Mr. Olinger displayed a chart of the City's taxes with key performance indicators. He explained that, looking at the tax rate in relation to the increase in overall taxes, the tax rate takes market value into account and is a combination of the levy increases and the tax rate. There was a tax rate increase, and the property taxes followed that trend, but the market value matched that increase. He explained that moving forward, it is important to keep in mind that the market value drives the ability to increase the levy with little or no impact on the citizens. He noted that taxes per capita from 2023 to 2024 stayed pretty flat and actually decreased slightly.
Mr. Olinger displayed information on General Fund expenditures by type, with inflation increase being the main cause of the increase, and explained that Public Safety costs have gone up for most cities in the area. Mr. Olinger asked Ms. Holm where the City was on Staffing for the Police Department, as he remembered the City was budgeted for more Police Staff positions. Ms. Holm replied that the Police Department is fully budgeted for available positions but is not fully staffed at this time. Mr. Olinger stated that it might be something to consider, as those positions get filled, as the budget will go up even more for Public Safety.

Commissioner Enger stated that the City spends four million dollars on Parks and Recreation, but $500,000 on Economic Development. She asked how the Council and Commissioners decide where that money goes.

Dr. Edwards stated that how money is spent by the Departments is that each Department is allotted a certain amount of money, and that is determined by basic infrastructure or footprint for funding each Department was in place long before any of the current Councilmembers or Commissioners were here. The City has maintained that footprint and has not proposed any fundamental shifts in Department funding. Dr. Edwards said that City Staff did try to increase efforts in economic development and added Staff in the last two years, but the fundamental core of which Department gets more money has not changed.

Mayor Graves noted that Commissioner Enger brought up an important question, and she has tried to talk about it since becoming the Mayor. She noted the importance of investing in other areas and the possibility of investing in other areas, which would reduce the cost of Public Safety.

Ms. Holm stated that it is also important to understand that the chart shown to them does not include the EDA; it is the General Fund. The EDA operates individually in the field of Staffing Economic Development. Mayor Graves asked if there is additional funding. Ms. Holm said there is additional funding that is not part of the General Fund and is not addressed on the chart shown.

Mr. Olinger displayed a chart with the Special Revenue Fund balances and pointed out a few values. He explained that the first value shown was Tax Increment District No. 3, which had a decrease of $644,142 in 2024, which was related to project costs. He explained that the other item that he and Councilmembers and Commissioners have had discussions about in the past is the Centerbrook Golf Course, which has had a deficit of $235,626, but the deficit has decreased by $22,232 since 2023. The reason for the decrease in deficit was $160,000, which was transferred in, with $80,000 from the General Fund and another $86,000 from interest that is not restricted from the ARPA dollars. He noted that moving forward, that interest is not something that can be transferred over and over, and taking that out of the equation, there is still a large deficit that needs to be addressed with funds from somewhere else.

Councilmember Jerzak asked how much was left in interest from ARPA dollars. Mr. Olinger stated that there is about a million dollars left in that fund that will be spent down in the next ten years. Councilmember Jerzak said that it is not a good revenue source to use; he noted that Capital Improvements need to be made and asked if that has been taken into consideration for the net subsidy long term. Mr. Olinger stated that Councilmember Jerzak is correct, and noted that it goes back to whether there are Capital reserves outside of general operations.
Mr. Olinger noted that the City Initiative Grants had a decrease of $711,224 from 2023 to 2024, with Blue Cross Blue Shield and Hubbard Grants in that fund that have been spent down. He noted that the American Rescue Plan Act shows a zero fund balance, but there is an obligated balance to be paid in cash. The reason it is a zero-fund balance is that it is unearned until those dollars are spent.

Commissioner Enger asked about the Tax Increment District No. 3 fund that had a decrease of $644,142 and if there was any concern over that. Mr. Olinger said that the fund collects the dollars coming in and then is paid back to a developer or used for expenditures on projects. He mentioned that in TIFF districts, those dollars are restricted items strictly within that district. Commissioner Enger asked if he knew if any of the funds listed are scheduled to be certified in the next year. Ms. Holm responded that those funds are still a few years out.

Mr. Olinger explained that for the Capital Project funds, there is a Special Assessment Construction fund and Street Construction fund, both of which had a positive budget increase. He explained that the increases shown are probably only a temporary increase as unspent bond proceeds, and in future years, unspent proceeds are going to be spent on Capital items. As far as the Capital Improvement fund, it had a decrease of $258,000, and there are going to be ups and downs with the overall budget based on needs. The Capital Reserve Emergency fund added $85,000 to the deficit, and as far as he knows there are not any more expenditures that should come out of that fund, but to make note that there is not funding going back into that fund to replenish it and moving forward, there should be a plan over the next five to ten years on how that deficit will be funded and paid down.

Councilmember Moore stated that this had been a problem for years prior to Dr. Edwards and Ms. Holm taking their positions. Dr. Edwards said that the City has to address the settlement.

Mr. Olinger stated that moving forward with the budgeting process, the Council and Commissioners should have a game plan on paying down that deficit.

Mr. Olinger discussed Debt Service funds and explained that these are funds that are paid back by taxes and assessments, not necessarily utility revenue. He continued that the few things of note are the total cash and investments of $5,009,960, the total assets of $7,335,042, and the gap between special assessments that will be paid back and used to help pay the debt moving forward. There are three items that have matured, and those funds can be closed once the debt is cleared off the books. Council action in 2025 would be to close those funds moving forward.

Commissioner Enger asked if $20,000,000 in outstanding bond debt is considered typical for a City. Mr. Olinger stated he has a slide with information on that coming up in the presentation. Commissioner Enger asked where the money comes from to pay off this debt, and if it mainly comes from property taxes. Mr. Olinger responded that she was correct and that the money would come from property taxes and assessments.

Dr. Edwards stated that this is typically where bonds come off, and the City may have an opportunity to reallocate some other funds to address some of those debt issues.

Mr. Olinger discussed principal and interest moving forward over the next nine years, regarding Debt Services. He explained that over time, as debt drops off, to keep investing in the City's infrastructure, old debt drops off, and new debt comes on. The other thing to keep in mind is inflation, and as prices go up, interest rates are higher than the bonds that are dropping off. Some of the previous bonds had a one percent interest rate, and newer bonds are now at a four percent interest rate. He noted that it might be an easy fix to reallocate levies, but keep in mind the cost of debt is higher, and do not pull from debt to fund other things. Mayor Graves stated that the City would not be saving any money doing it that way. Mr. Olinger agreed with Mayor Graves' statement.

Mr. Olinger moved on to Internal Service funds, where there are some deficits. He noted that the Internal Service funds are used for the PRA liability, and the costs are allocated to each of the General Fund Departments and the Utility funds. The overall cash balance is at $5,500,000, which is an increase of $368,000.

Mr. Olinger discussed the Water Utility fund and noted that he has seen a trend going down in those funds, and he is aware that there are steps in place to increase the rate for water. He warned that he still does not see the Debt Service covering the cost of operations. He stated that in the past, there has been talk of making sure water meters are giving accurate readings, and he cannot emphasize the importance of that enough. Mr. Olinger stated that once water meters are confirmed to be giving accurate readings, there should be a discussion of the rates for water utilities going up. He continued that it is deceiving to say that cash flow went up according to the chart shown, but there are $2,000,000 of unspent bond proceeds, and there will be construction costs that come into play too. At a minimum, the City needs to get to a point where it can cover the gap between operating receipts and the disbursements, so the City does not keep going backwards.

Councilmember Lawrence-Anderson asked if there has been any progress on the water meter issue. Ms. Holm stated that the City is currently working with a company to help identify the non-functioning water meters, and the large-scale project will be started this fall to replace the non-functioning meters. Mayor Graves asked if it is hard to replace the non-functioning meters. Ms. Holm stated that the process involves getting access to people's homes, and that can be difficult.

Councilmember Lawrence-Anderson asked if there are estimates for water, or if the citizens with non-functioning water meters are not paying anything for water. Ms. Holm explained that there are two types of non-functioning meters, and the ones that are most concerning are the non-reads, which do not register any usage, and so the City cannot do estimates on them. The citizens with the non-read meters are paying the $27.00 minimum charge for water per quarter, and are not charged for actual water usage. The City will move forward to replace the non-functioning readers this fall, and then a full-scale City-wide water meter replacement will happen over the next several years.

Councilmember Jerzak asked if there are any projections on the revenue that has been lost by the non-functioning water meters, and why it has taken so long to contract out the replacements. Ms. Holm said there is no way to know the amount of lost revenue, but the estimate is $200,000 per year that 400 meters could potentially be losing. The timing of the project is reliant on Staffing resources, and the decision to move to a contracted service to replace the water meters is based on timing and resources.

Mayor Graves asked if there was any way to be compensated by the company from which the City purchased the water meters. Ms. Holm stated she was not certain if any of the Public Works Staff would know the answer to that. Mayor Graves stated that the City bought this company's product, but it did not work, and the City lost money. Ms. Holm said she is uncertain about the details of the failed meters, and explained that meters have a useful life, and once meters reach a certain age, it is widely accepted that there will be failure rates. Mayor Graves stated she had asked this question before and got a negative response. Ms. Holm explained that ideally, there would be continuous status on this, and each billing cycle, there would be identified meters that were non-functioning, so that meters could be fixed quickly, and there would not be multiple non-functioning water meters. The City got behind, especially during COVID, when the City could not enter people's homes, and the volume of non-functioning meters has gotten to the point that the City's internal resources need to be used in other ways.

Councilmember Jerzak asked if there is a breakdown on the zero-read meters and if those meters are residential or commercial. If the meters are commercial meters where a high volume of water is used, the City could be losing a significant amount of money. Ms Holm stated that City Staff has that data, but she does not know off the top of her head.

Mr. Olinger moved on to the Sanitary Sewer Utility fund. This fund had a cash increase, but he pointed out that some of the increase was also on unspent bond proceeds, so the cash was really break-even from last year. The debt service and operating costs are slightly above the receipts, and the main difference was interest earnings that were tied to that and offset them. He noted that the City should stay aware of rising costs and new bond payments that will be tacked on to this fund in the future, so the fund does not fall into a deficit. He noted that the Storm Drainage Utility fund also had an increase in operating receipts, and the goal is for Storm Drainage and sewer projects to be paid from this fund, whether it is through debt payback or actual deposits.

Mr. Olinger moved on to the Municipal Liquor fund, and there was an increase in cash flow with a $20,000 increase in operations and $40,000 from additional interest, with a total of $1,100,000 in cash. He noted that as of 2024, the receipts were covering operations and the debt, and going forward, to make sure profit is covering debt payments.

Councilmember Jerzak asked if the chart showing the Municipal Liquor Store fund included depreciation. Mr. Olinger stated that the chart does not show depreciation. Councilmember Jerzak said that is what he thought, because if the chart showed depreciation, the Liquor Store fund would be at a negative balance. Mr. Olinger stated that this chart strictly shows cash flow, and if cash flow covers depreciation, then the City should set aside reserves for future performance. Mr. Olinger explained on the next slide that the change in position for the Municipal Liquor Store fund was at $80,000, which would include depreciation. Mr. Olinger noted that the overall gross profit for the Municipal Liquor Store fund did increase from last year, resulting in an overall net change.

Commissioner Enger asked about the actual cash versus the minimum target balance displayed on the chart shown, and what that means. Mr. Olinger said that he tries to look at what kind of cash the fund needs for operations, and cash above that is capital reserves.

Mr. Olinger displayed a slide with information about the Heritage Center of Brooklyn Center fund, which is operating at a deficit. In 2023, it had a $350,000 cash decrease, and in 2024, it is at $465,000 cash decrease. In total, there is a cash deficit of almost $700,000 in that Heritage Center fund. He noted that it sounds like there are plans in place to try to improve the deficit, but it certainly needs to be monitored, and at some point, it has to be paid back. If operations continue to lose money annually, money will have to come from some other source over a period of time. He continued that at some point, the bleeding has to stop, and asked the hard question if the Heritage Center is going to make money, or if the City is just hoping to break even. He understands that the Heritage Center has been in a tough situation since COVID, and the City is trying to get people to come back in there, but it is continuing to lose money. He said it is worth having a discussion about where money could come from to pay off that deficit, instead of continuing operations and digging a deeper hole.

Councilmember Jerzak stated if there were no reserves to pay for the Heritage Center deficit and if it is to continue operating as is, the City would have to pull funds from somewhere else such as the General Fund to pay for it, but between the Heritage Center and the Golf Course that is almost a million-dollar deficit and would be a very difficult decision for the Council to make. He asked if that deficit affects the bonding rate in any way. Mr. Olinger responded that any situation like this could happen. Mr. Olinger noted that the more important piece to this discussion should be whether there is a plan in place to address the deficit situation. Mr. Olinger stated that it comes down to the standards and the analysts who work on a plan.

Councilmember Jerzak stated that the expectation is to replace the reserves and build them back up, and even with a plan in place, it needs to be monitored very closely because the deficit is not going to be fixed overnight.

Mr. Olinger stated that to put it into context, this data is from this point in time, not the future, so moving out of a deficit from the data in 2024, the City would need to have over $465,000 for the Heritage Center in 2025.

Commissioner Enger asked how the Heritage Center can go from over a million dollars in cash to having a deficit of $684,000. Mr. Olinger stated that from his perspective, COVID had a huge impact on the Heritage Center because of the loss of revenue for conferences and expenditures related to that. After COVID, there was no real bounce back because companies chose to use virtual conferences instead of a physical building.

Dr. Edwards stated that, looking at the financials of the Heritage Center from the last decade, there were years when it had not made a profit and drew from its reserves. City Staff got to the point where it had spent all the Heritage Center reserves. Dr. Edwards wanted to point out that the Heritage Center has a pattern of losing money, but had been covered by its reserves in years past, and due to COVID, the deficit has been exacerbated.

Commissioner Enger asked how long the Heritage Center can continue operating at a deficit. Mayor Graves said it is disappointing because the Council has seen actual revenue go up over the years, but it is not enough. Mr. Olinger noted that Mayor Graves made a good point: the revenue has gone up for the Heritage Center, but costs have gone up too, and even with a gross profit, it does not cover operating expenses.

Councilmember Lawrence-Anderson stated that she has two millennials who are very conservative with money, and the idea of spending sixty thousand dollars on a wedding at a venue is not their mentality.

Mr. Olinger moved on to the Street Light Utility fund, with street lights being very consistent, with the reserves continuing to go up.

Mr. Olinger noted that the Recycling Utility fund has seen a continued decrease over the last several years, and there was an issue of contract costs going up, and the rates not following. He noted that in 2025, the rates did go up, which should help build up some revenue in that fund.

Mr. Olinger discussed Cash and Investment balances by fund type, and of note, a big portion of that is unspent bond proceeds, and it is not that the City is going backwards in cash, but with construction costs, it will pull that back, and that is similar to what the City has seen in previous years. He noted that debt key performance indicators as a percent of current expenditures have Brooklyn Center at a little over eight percent for 2024, with the potential for an uptick in 2025 due to recent expenditures, but the City is in line with other neighboring cities. Mr. Olinger stated that expenditures for Brooklyn Center for 2024 were $1,005 per capita, and Capital expenditures for Brooklyn Center were $203 per capita in 2024. He noted that the City should be careful about having low Capital expenditures because, at some point, it will have to look at replacement. Mr. Olinger's advice was that if the cost continues to get lower, the City should look at what Capital improvements need to be made going forward so that there is potential for reinvestment. He asked if anyone had any questions.

Mayor Graves thanked Mr. Olinger for his presentation and asked if any Councilmembers or Commissioners had any questions.

Councilmember Jerzak stated that Mr. Olinger had talked about the Capital investment budget, with an example being that the City has had to defray maintenance on several buildings. He noted that the Community Center needs upgrades, and as the City defrays these improvements, the costs get higher, yet the City does not have the ability to set aside Capital funds. He asked what the Council's options are, and if that includes bonding.

Mayor Graves said the area sales tax would have been great. Councilmember Jerzak stated that it failed by a thousand, so that is a moot point. Mr. Olinger said there are other sources of revenue that the City could explore and it comes down to either revenue or expenses and he wished he had a better answer, and it goes back to the planning side and narrowing down what the City's needs are and where the money can come from and if it does need to come from bonding. Mr. Olinger stated that if the Capital fund needs to increase revenue, the City should plan out what the increased revenues are as a general increase year over year, versus a sudden 25 percent increase that the City needs to find somewhere and make up for.

Councilmember Jerzak asked if there was anything in particular that the audit found concerning or alarming. Mr. Olinger said the items that were discussed earlier, where there was cash going backwards, were the biggest concern that he saw. His advice is to have a plan in place to stop that from happening moving forward.

Mayor Graves thanked Mr. Olinger again for his presentation.

Ms. Holm stated there was a question in the chat about what donations refer to. Ms. Holm said she does not recall addressing donations. Mr. Olinger said it may have been donations that he mentioned in the items, like contributions from organizations. Ms. Holm said donations are not common. Mr. Olinger said there can be private donations. Ms. Holm said she wanted to make sure that question was addressed. Ms. Holm said another question that came in via chat was whether a list could be developed of all the ways and sources to increase funding. Ms. Holm said that is part of the budget process, where City Staff look at all the options the City has for funding as well as ways to maximize or increase those funds.

Councilmember Kragness stated that in years past, when the audit was done, she thought it was recommended by the auditors to have a more aggressive plan to increase funds. She stated she is curious if that is still the case, because she did not see anything presented regarding that aspect.

Mr. Olinger stated that as soon as the Council can address the deficit with a plan, the better. He suggested increasing water rates and figuring out revenue for the Heritage Center; whether the plan to do so is aggressive or not is up to the Council to decide.

Councilmember Kragness said that she thought in previous audits, maybe it was in writing, or that was just the direction the Council got from the auditor, that the Council had to put something more aggressive in place. Mr. Olinger said planning will help in the overall financial piece, and that is important.

Councilmember Moore stated that the majority of Councilmembers decided to close Municipal Liquor Store #2 because it has been a loss, no matter what the audit says; Store #2 was operating at a loss. It was also the majority of the Councilmembers who talked about just being a landlord for the Heritage Center without it operating under the City, and the same goes for the Golf Course. She noted that there have been Councilmembers who have brought up ideas about what to do going forward, and those discussions have been had by all Councilmembers about what to do going forward. Councilmember Moore commented that when there is talk about assets of the City, there is a Liquor Store versus a Community Center versus a Heritage Center versus a Golf Course, and she got bad flak for saying a Liquor Store is not a City asset. Councilmember Moore stated that a Liquor Store, compared to a Golf Course or a Heritage Center that has been there for years, is quite different. She reiterated that the Council is having those discussions to make a plan moving forward.

Mayor Graves said the Council should have those discussions and not necessarily oppose things that can get the budget in check and move things around.

Mayor Graves called a five-minute recess at 5:51 p.m.

Mayor Graves recalled the meeting at 5:58 p.m.

4. 2026 – 2035 CAPITAL IMPROVEMENT PLAN

Dr. Edwards introduced Public Works Director Elizabeth Heyman, City Engineer Lydia Ener, and Public Works Planner Kory Anderson Wagner to do the presentation on the Capital Improvement Plan.

Mr. Anderson Wagner noted that this plan is for major Capital Investments over the next few years, and he will go through the process with prioritized lists of Capital projects based on needs, funding opportunities, and operational capacity. Mr. Anderson Wagner stated that risk is also considered when looking at several projects.

Mr. Anderson Wagner displayed a slide explaining what the Capital Improvement Plan (CIP) is. The CIP is a plan for major capital investments over the next ten years and changes over time, with a focus on the first two to three years, and 2026 projects will be appropriated in the 2026 budget. Everything that goes into the CIP budget has maintenance, so there is an operations budget, but it is important to remember that as the City adds new things, there should be thought about how those things will be maintained throughout their life.

Mr. Anderson Wagner explained that types of projects included in CIP are street improvements, public utilities like water and sewer, park and trail improvements, facilities improvements, and flooding mitigation. Various funding sources will be used for these projects, including Utility fees, special assessments, franchise fees, state aid, a portion of local government aid, and grants.

Mr. Anderson Wagner discussed the CIP themes, which include tackling much-needed building maintenance. All of the buildings have deferred maintenance, and Staff is coming up with a strategic plan to address that maintenance. Other themes include strategic investments in parks, water, storm, and sanitary systems. Setting up for future grant opportunities, a lot of what City Planning does is see if its Department can get grants that will support infrastructure needs. Lastly, continuing ongoing investments in street and utility infrastructure.

Mr. Anderson Wagner discussed the CIP grant strategy, which includes leveraging Capital funding as grant matching dollars. Mr. Anderson Wagner has had multiple successes with this strategy, including the Humboldt and 65th Ave area improvements project, which cost $2,000,000, and the Pour in Place playground surface project, which cost $100,000. An upcoming project that the Department has already started working on came through the Park Capital plan that was adopted in May by the Council. This work involves flood mitigation in East and West Palmer Park, both of which have had chronic flooding issues.

Mayor Graves asked if, instead of fighting the flooding in those areas, there was a creative way for the City to make space for it. Mr. Anderson Wagner stated that yes, there is, and there is a visual coming up where he will discuss the options the Department is exploring.

Councilmember Kragness asked what the time frame was for using the grant funds discussed earlier. Mr. Anderson Wagner stated that the grant can vary from one to the next, but it usually lasts for two to three years. Ms. Heyman stated that the biggest pot of money for streets and infrastructure comes out every two-year period, so the two-million-dollar grant received for the Humboldt project came out of last year's solicitation, which was a 2024 win, and the grant is supposed to be spread out over a five-year implementation. The Department was able to advance the construction and pull that money early because the construction was ready to begin. She explained that advanced construction makes the projects cheaper and allows for more flexibility, but the five-year period is key to planning the CIP and putting in placeholder projects. There is no downside to putting a placeholder project further out in the timeline, because it gives the Department more flexibility, especially if a different type of grant comes through.

Councilmember Kragness asked if Public Works is being overly optimistic by placing so many placeholder projects in the CIP. Ms. Heyman responded that the Staff tries to put the number of projects in the CIP that the Department needs, add in a column for external funds, and move things around as opportunities arise. The reason Staff does that is for documentation; if documentation is not already in place, the Department could miss out on those funding opportunities.

Mr. Anderson Wagner explained that street project prioritization is driven by pavement ratings, a process of evaluation, and the age of the utilities, and fixing them when appropriate. Another layer to prioritization is documenting speeds and traffic volume before projects, so when streets are built, the Department knows how many people are using that roadway and how fast people are going on said roadway, and addresses speeding issues if needed. Some of the street projects planned over the next three years are investments in street and utility infrastructure, with large projects in 2026 on Humboldt Avenue from 53rd to 57th, which is a county road and is one of the last rural roadways, and will be modernized, and John Martin Drive. In 2027 and 2028, the large projects consist of Humboldt Avenue and the 65th area, Humboldt 69th to 73rd, and Orchard North and South. He noted that the Department intentionally tries to bounce around the City to ensure that they are not doing too much in one area too often.

Ms. Heyman stated that previous CIP projects were in Orchard West, and Orchard East is currently being worked on, with completion expected this fall. Based on the size of the project, they are now calling it Orchard North and South to maximize how the Department is bidding it to get the best possible construction costs.

Mayor Graves asked when the final phase of Brooklyn Boulevard would be completed. Ms. Heyman asked when Mayor Graves refers to the final phase of Brooklyn Boulevard and which section of Brooklyn Boulevard she is referring to. Mayor Graves said from the freeway to the north section. Ms. Heyman said she has not seen any plans on Brooklyn Boulevard, so that project might be pushed further out. Her guess is that the work down on Brooklyn Boulevard previously was done in the 1990s. Another section of Brooklyn Boulevard had been in the CIP, but given some of the other needs that had come up, it had been deprioritized.
Councilmember Jerzak asked about the John Martin Drive project in 2026 and if that was related to the Opportunity site at all. Ms. Heyman said Public Works is working with Community and Economic Development to make sure that nothing that is done on John Martin precludes anything that Community and Economic Development are doing or impacts anything that they would want in the future. The John Martin project listed in the CIP is driven by the current conditions of the roadway and some of the utility issues in that area that need updating. While there are plans for trails next to it, those are not part of this project but will be in the future. They will make the Community and Economic Development project a little easier with a conduit run to support future lighting and ensure that whatever Public Works does supports the other departments. Councilmember Jerzak stated that he was concerned about Public Works' coordination with Community and Economic Development.

Mr. Anderson Wagner explained that the Hennepin County street project consists of the reconstruction of Humboldt Avenue (CR 57). It was last reconstructed in 1930 and is one of the few remaining rural county roadways in the metro. Based on the county cost share policy, the City is contributing approximately $1,500,000, and the maintenance agreement will be negotiated after construction is complete.

Councilmember Moore said she recalled the Humboldt project being discussed three years ago when she was on the Finance Commission, and at that time, she does not recall that there was a City cost share. Ms. Heyman said previously that there was a handshake agreement between the City and the county that it was not a county project and the City would be responsible for the project because of the age of the utilities. If the City covered the entire cost of the project, it would cost $7,500,000; however, when the Public Works team reassessed the utilities, the assessment was that the utilities could hold, and that drastically reduced the responsibility of the City because it meant the City would only be responsible then for its cost share per policy. The county is going to look at its own cost-share policies because the cost for Brooklyn Center is rapidly becoming very high. There is another project called the 69th project that is a county section and the county was interested in the City doing it, but the project would have to wait until 2029 which is when 252 and I-94 is slated to come through, and while the City agreed with the county that the street needed construction and upgrades but the utilities will hold and the City can not afford to do both projects.

Mr. Anderson Wagner said one thing he wanted to add to the Hennepin County street project is that Public Works did traffic calming studies, and initial testing found it was a pretty high-speed corridor. Public Works is looking at narrowing sections of this road to address speeding.

Mr. Anderson Wagner moved on to the Humboldt and 65th area project, which is slated for 2027 construction with a $2,000,000 MetCouncil Regional Solicitation grant with a BCCS partnership. Public Works' goals are to improve roadway safety, calm traffic, make it easier for students to walk and bike to school, and reduce future City maintenance costs. This project will also include Brooklyn Center's first two roundabouts to handle high crash rates at those specific intersections. The use of roundabouts also eliminates the need for signals. There were signals in the CIP allotted to be replaced at Dupont and 65th, but because a roundabout is proposed for that intersection, that is half a million dollars taken out of the CIP. The next open house for this project is slated for September, and it is on pace to be constructed in 2027.

Mayor Graves asked what an RRFB is. Mr. Anderson Wagner stated that it stands for Rapid Rectangular Flashing Beacon. He said that Mayor Graves has seen them before; they are lights that flash at an intersection when a pedestrian presses a button to cross the street. He explained they are installing one across from the Police station.

Mr. Anderson Wagner explained the cost share challenges Public Works is facing with Hennepin County and MnDOT cost share expectations for upcoming roadway projects with uncertain timelines. The 69th Avenue from Brooklyn Boulevard to the Brooklyn Park border, as mentioned before, was planned initially for 2029, but cannot be completed then, because Brooklyn Center can not afford that cost share. That project has been moved to the City's CIP for the year 2035. Highway 252 is well underway, but the rest of that project is set to begin in 2029 with a cost share expectation that will likely be substantial and may force Public Works to move some projects around. He also noted that cost share reform is in progress at the local and state level, and by the time the Highway 252 comes around, he is hoping that Brooklyn Center will be in a better place than expected for localities in subsidizing.

Ms. Heyman discussed the Community Center and Public Works Garage with Community Center upgrades costing $3,500,000 to $4,000,000 in deferred maintenance and $5,100,000 in state funding. She noted that many buildings in Brooklyn Center are in need of maintenance, and in 2023, Public Works did a City wide look at the needs of all the buildings, and some of the projects came in much lower than anticipated, others were spot on with estimates, and others cost more.

Not all the projects have been finished, so it is difficult to give hard data on the maintenance costs of everything, but there are some serious backlogs on some of the buildings. Given that the local option for sales tax failed this last election, Public Works has been regrouping and working on what it would mean to scope smaller projects. While $5,100,000 seems like a lot of money, it does not go that far when talking about major upgrades to a building like the Community Center, so Public Works has had to pick and choose what can be done with contractors. She is hoping to have a presentation in August to the Council with some details on the finalized numbers. The Public Works Garage is a placeholder for a grant in the CIP for 2030 with $3,500,000 in deferred maintenance, and $1,500,000 funded in their Utility funds to start design and engineering. Staffing changes have been made in Public Works, so a full design has not yet been done. Public Works is exploring funding options for the Public Works Garage, but even before the change at the federal level, there were not many options for grant funding for local buildings. She stated that without the money, the project could not go anywhere, and Public Works would explore the needs not only with the building but also with the land the City owns. This means understanding if the ground had any contaminants, and what it would mean to build on the parcel, or if it were to be sold. All of that information would be included in the design and engineering plan once it begins.

Councilmember Jerzak asked about the $5,100,000 in state funding and asked if the City would have to match that amount of money. Ms. Heyman stated that originally, Public Works thought that the City would have to match that money, but Dr. Edwards did some research and made some phone calls and found out that in the legislation, there is no requirement for a one-to-one match on funding. She said she does not want to say that money does not have any strings attached to that money, but the City is not required to match.

Councilmember Jerzak asked if everything for planning, drawings, and reimbursables is included in that $5,100,000. Ms. Heyman said that is correct, and as Public Works looks into what is reimbursable and what is not, that $5,100,000 cannot be touched until a full-funding grant agreement is in place, and Public Works is not there yet.

Commissioner Enger asked what criteria are used to determine deferred maintenance and if it is strictly financial. Ms. Heyman asked her to clarify. Commissioner Enger asked how Public Works determines what is going to be deferred. Ms. Heyman said there was a backlog of years of non-investment, and the criteria they use is that the building is either really old, or it is pretty old, and if it fails, the City is in big trouble, and that determines how the Public Works can invest in the entire system. Mr. Anderson Wagner said that there was a facilities assessment in 2023, professionals went and looked at all the different assets of the building, including concrete, HVAC, and windows, and expected life, also known as when all items were installed in the building. Those items were then determined to be either highly critical or not. For example, an HVAC unit has a higher criticality than a window. Based on the findings from that assessment, items are put on the deferred maintenance list because that item might still be working, because it has been there for 30 years, but it could die in the next couple of months.

Mayor Graves noted that Mr. Anderson Wagner will discuss implementing asset management software that will dive deeper into this issue in the next couple of slides. She said she had to leave the meeting to pick up her daughter, and Councilmember Kragness would lead the rest of the meeting.

Mr. Anderson Wagner noted major utility projects that will take place over the next two years, including Well No. 11 Well and Pumphouse in 2024 and 2025 with a project estimate of $3,000,000 coming out of the water fund, Humboldt Avenue (CR 57) reconstruction (53rd to 57th) in 2026 at $4,400,000 and $800,000 in storm, sanity and water, Humboldt Avenue and 65th Avenue area improvements in 2027 at $9,600,000 and $2,300,000 in storm, sanity and water, Orchard Lane North area improvements in 2027 at $3,900,000 and $1,500,000 in storm, sanity and water, and Water Treatment Plant Redundant and Water Main connection in 2027 at $1,500,000 entirely from the water fund. Some of these projects are utility projects, but a lot of them are roadway projects as well.

Councilmember Jerzak stated that the Council has not had an update on per- and Polyfluoroalkyl Substances (PFAS). He also said it occurred to him that if Public Works is going to be dipping into the Water Utility fund, which is already nearly bankrupt, that only leaves one option: to pass that cost on to the residents. Ms. Heyman said that with PFAS, the option was to monitor given PFAS levels in the City's water, meet all state, local, and federal regulations, and that means Public Works will monitor every six months based on recommendations of PFAS consultants. There will be no major improvements to filter out PFAS from the water, as it would cost $25,000,000, and the only way to dispose of it is to take it to one of two locations in the United States and burn it. Brooklyn Center is lucky in that the water system comes in below the regulated amount. In terms of water projects, Public Works did look at what it would mean to push some of those projects out and make changes, and there was not a substantial change in rates.
Councilmember Moore asked about the improvements to Humboldt Avenue around the 65th area, whether the $9,600,000 included the $2,000,000 grant received for that project. Mr. Anderson Wagner confirmed it does. Councilmember Moore stated that $2,000,000 is from the grant and asked where the rest of the money is. Mr. Anderson Wagner responded that if she looked at the 2027 breakdown of all the funds, it would show where all the money goes for that project, including the grant money. Councilmember Moore thanked him for the information.

Mr. Anderson Wagner discussed the Traffic Calming Program and stated that Public Works has been working on it for a few years and has just put in their first permanent installation on Newton Avenue with four speed tables. He noted that $100,000 every other year will be used starting in 2025 for permanent projects, which allows the City to make improvements faster. The next place for installation is the Grandview neighborhood, with a pilot installation in the summer of 2025.

Commissioner Lewis asked how much the Traffic Calming program actually works because on 58th between Logan and Dupont is a speedway, and complaints have been made. He asked who residents should call to voice their concerns and if it had any effect. He witnessed drivers run through stop signs and into someone's home, which is very dangerous. Mr. Anderson Wagner said Public Works did receive three calls last year about that area, and in the next few weeks, Public Works will put pilot traffic circles in at 58th and Fremont and 58th and Emerson to divert traffic back to Dupont as opposed to traffic going through a residential area. Mr. Anderson Wagner explained that a traffic circle is a mini circle, but for the pilot, residents will see posts that are temporary, which force people at an intersection, instead of having a stop sign, to take a right, and force other drivers to move to the right as well, like a mini roundabout.

Commissioner Lewis asked if this is something that is going to be visible to the pilot project and to the residents. Mr. Anderson Wagner said every resident within a thousand feet of that project received a postcard notifying them of this project, and there will be signs with a QR code where citizens can give feedback on the project.

Ms. Heyman stated that Public Works is excited for this pilot program, but again, every project has maintenance, and with speed bumps, there are trade-offs. With speed bumps, plowing is more difficult, and the same is true for traffic circles. If traffic circles solve the problem at that location, the City could afford to put a couple more in, but if this becomes a solution for other speeding problems in other areas, there has to be an increase in operating funds for plows due to the size of the current plows.

Dr. Edwards stated that he would like Mr. Anderson Wagner to speak to the question of whether or not it matters if residents complain about traffic and speeding. Mr. Anderson Wagner said Public Works has a monthly meeting where comments or complaints go on a list that is addressed at the next meeting. Complaints are reviewed, and then speed data is collected with radar to see if it meets a standard, and then Public Works goes from there.

Commissioner Lewis asked if speed bumps would be an option for that area instead of the traffic circles. Mr. Anderson Wagner said speed tables are a tool, but right now traffic circles are specially designed because of the low volume of traffic in that area and the fact that the area is cut through issue.

Commissioner Lewis asked if speed tables can be removed for wintertime, as well as the traffic circles. Mr. Anderson Wagner responded that for the pilot program, the posts or mini traffic circles are only installed during the summer due to plowing concerns and are removed before winter. The speed tables are permanent and cannot be removed.

Mr. Anderson Wagner stated that the Facility Capital Improvement Program is based on the 2023 facilities assessment and sets estimates for different investments. Some of the recent fixes that have been completed are Police HVAC and plumbing, as well as a new City Hall elevator. Projects in progress include the West Fire Station roof, Police generator, and a variety of building concrete repairs. The next step is implementing asset management software to prioritize preventative work and stretch asset life, which will roll out hopefully within the next year. Ms. Heyman added that documentation is extremely important for all buildings, especially ones that need repairs in the event of a natural disaster. FEMA would ask for documentation on the condition of the building prior to the natural disaster. In order for the City to get reimbursement from FEMA, documentation would need to be provided, and that is what the software would be essential for.

Mr. Anderson Wagner discussed the Park Capital Plan, with the Park Capital Investment Plan completed in the Spring of 2025. Other 2025 projects included the Pour in Place at six parks (HC Grant), Evergreen Park Building repairs, Amphitheatre minor repairs, and Firehouse Softball Field irrigation. There is $200,000 in the CIP for 2026 that will be used for scoping projects and identifying CIP projects that can be leveraged with grants. In the longer term, Public Works will look at beginning work on Centennial Park Pond restoration and surrounding areas, and opportunities for a splash pad, along with East and West Palmer Park flood mitigation and wetland investment. Palmer Park used to be used for soccer field rentals, but due to constant flood issues in the spring and summer, soccer clubs have left, so by mitigating this issue, there might be a possibility of having soccer fields there again.

Ms. Holm discussed the financial highlights of the proposed CIP and said that no bonding is anticipated for the 2026 Capital Improvement projects. Capital Funds maintain positive cash flow and sufficient ending balances. Capital Funds will self-finance some components of the proposed projects. External funding sources are noted as applicable, and this funding model is appropriation-based, meaning the appropriation is based on the project, not the specific funding year. For example, Orchard projects that are finishing up this year started last year, and the City did not need to be appropriated this year.

Ms. Holm discussed the Capital Projects Fund, which can be referred to as the "everything else Capital Fund." The primary funding source is 50 percent of the local government aid appropriated by the state legislature each year. This fund is also used as a pass-through fund for Capital Improvement grants. The Capital Projects fund does not have any operating expenses; it has Capital expenses and project expenses. She noted that in 2030, the Public Works Garage is a placeholder shown on the Capital Project fund slide, but in reality, if that project ever came to fruition, it would have its own fund. This fund could be drained to zero on its cash balance every single year, with the thought that there would be expenses each year, but that is not the best financial management advice.

Councilmember Jerzak stated that at one point, there was $25,000,000 set aside, which is inadequate for the City's cost share. He asked if the City is required to continue to budget for the cost-share budget. Ms. Heyman stated that at one point, Public Works thought that was what the City's cost share would be, but the City does not have that type of money, and it was never set aside. This is why the City was so vocal during the local legislature this year, and was trying to make partnerships with other cities that are also pushing for reform in the cost-share policy, but nothing substantial went through this year. Legislation directed MnDOT to continue on its cost-share policy work, which has to be done by 2026. MnDOT’s plan was to get a large federal grant, but without knowing for sure what will happen, Public Works' stance is that the City will be on the hook for that large amount of money.

Ms. Holm continued with the Special Assessments Fund, which accounts for resources and expenditures that are financed wholly or in part by special assessments levied against benefited properties. Special Assessment revenue is often collected over a ten-year period. Assessment revenues are projected in this fund with the assumption that 25 percent of a new assessment will be collected in the first year. Expenditures that will be funded by bonds are placeholders in this fund until the bond is issued. Other Capital activities that do not require bonding are exclusive to this fund. Ms. Holm showed a slide with projected Special Assessments Reconstruction fund, and there is a column there, and anything in that column for the next ten years will be paid for by a special assessment one way or another.

Ms. Holm discussed the Street Reconstruction Fund, which accounts for resources and expenditures for major street infrastructure improvements. Ongoing maintenance activities are not included in this fund. Primary sources of funding are franchise fees collected from CenterPoint and Xcel Energy. The purpose of this fund is to accumulate resources to reduce the need for debt issuance. The improvements funded by the issuance of bonds require debt service property tax levies. If there are large improvements, and if it is not desirable to drain the fund completely, then a bond will be issued, and that would be the debt service property tax levy increase. The cash balance for this fund should always be positive.

Ms. Holm stated that the Municipal State Aid Fund, authorized by the Minnesota Legislature in 1957, provides annual maintenance allocation and annual construction allocation. Construction funds are tied to specific projects that must be approved by MnDOT. Projects are reimbursed over time via an annual allocation. Construction funding can lag years behind completion of projects in some cases (advanced may be allowed).

Councilmember Moore asked about a big spike in the City's use of MSA funds and could not recall what that was tied to, and asked if it was for Humboldt and 65th. Mr. Anderson Wagner confirmed that each piece of that stretch of roadway is entirely funded by MSA.

Councilmember Moore asked if that was a decision that Public Works made to use that $4,800,000, which is the bulk of the City's MSA funding for that project, versus other projects, either two years prior or five years from now. Mr. Anderson Wagner that not every single road is eligible to use MSA funds and based on the timeline this was the best project suited to use those funds, in addition due to this projects proximity to the school and 252, Public Works thought this would be good use of those resources to help fund traffic calming and other traffic safety issues. There was no other roadway project in this area that Public Works could throw this amount of money at, which is why it got allocated that way.

Councilmember Moore stated that she does not know which roads are MSA roads that go through residential areas and which ones are not, but it should also be taken into account the impact the residential owner has to pay for any sort of reconstruction or rebuild, and that it is equitable throughout the City. Ms. Ener said that assessments are done at a set rate and increased by whatever construction inflation is. Whether or not MSA funding is used does not change, and each stated residential property gets the exact same value.

Councilmember Moore said she gets questions from residents all the time, and now it is recorded somewhere. Ms. Heyman said she is always happy to talk to people or write them an email. Councilmember Moore said that when she is asked those questions and cannot answer them, she always sends them to the correct person. Ms. Heyman said she understands that it is a complicated issue, that CIP funding in general is less restricted, and that MSA funds are more restricted, and that if there is an opportunity to spend it and use it, it needs to be used first.

Ms. Ener said the City is obligated to spend down its MSA funds and cannot keep a massive amount of money in there, and for large projects like Humboldt, it is a great use of those MSA dollars.

Ms. Holm said it is critical to know that these funds are not received all at once; the state holds allocations for the City, and the state issues them to the City. This is one of those funds where there should always be a positive cash balance, and in 2035, with a lot of money on the projection, it may be a case where the City asks for an advance on those funds. To bring the cash balance in that fund up, that decision would be made through time and planning. Ms. Heyman said the City could ask for an advance, but what that means is the City is spending resources on a county roadway, and that restricts the things that Public Works can do to keep the system in shape.

Ms. Holm discussed the Utility Funds Capital improvements with many large street projects that have utility components that need to be funded by the respective utility fund. Utility infrastructure ages and needs to be rehabilitated and replaced. Large utility projects require sufficient funding to fully fund the project or continued revenues to support debt service payments. As an Enterprise fund, the primary revenue source is fees for service. Utility Fund budgets and proposed rates will be presented in greater detail at the Council/Commission meetings on October 20, 2025. Ms. Holm wanted to give a preview of the water fund because there has been a lot of discussion about it. The chart shows a negative cash flow indicated over the next two years, which will be closely monitored, and necessary steps will be taken to mitigate that. In the following years, the cash balance recovers in 2028, where the rate increase will level off, but having rate increases over three or four years gets the fund to a higher baseline rate. Ms. Holm stated that it is about not planning any huge discretionary projects during this time and allowing the fund to recover, and after that, the City can go back to business as usual.

Councilmember Jerzak asked if any significant delinquencies in the Water fund have remained the same or decreased. Ms. Holm stated that at this point, the delinquencies seem to be the same, but this will be the first year seeing the new rate, and it is unclear whether it will affect those delinquencies. The Department will monitor that very closely and implement some new processes to review delinquencies. Generally, what happens is that anyone who gets delinquent is replaced with new people that the City collects payments from, so it kind of evens out. Ms. Holm asked if anyone had any other questions.

Councilmember Moore asked about the non-working water meters and asked about the $200,000 in lost revenue and what the City could do. Ms. Holm said that the meters that are not registering water usage at all, the City cannot do anything, because there is no way to charge someone for an unknown amount of water usage.

Councilmember Moore asked about the non-transmitting meters. Ms. Holm said that the City is able to estimate water usage for those meters, but the meters need to be fixed immediately because the City could be over- or undercharging those citizens for water usage.

Councilmember Moore asked about the big blue spike in the 2025 chart and if that is the City's projection for some type of contract. Ms. Holm said that Well No. 11 is referenced. Councilmember Moore asked if Well No. 11 is included in the contract for replacement. Ms. Holm said it is included in the cash flow projection.

5. ADJOURN

There was a motion by Councilmember Kragness and seconded by Councilmember Jerzak to adjourn the meeting. Motion passed unanimously. The Brooklyn Center City Council/Financial Commission adjourned at 7:46 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/FINANCIAL COMMISSION
OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

JOINT WORK SESSION
AUGUST 4, 2025
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Graves at 5:04 p.m.

2. INTRODUCTIONS

Mayor April Graves and Councilmembers Kris Lawrence-Anderson, Dan Jerzak, Teneshia Kragness, Laurie Ann Moore.

Chair Joylenna Garcia and Commissioners Janice Brandt, Heidi Droel, Gretchen Enger, and Jeff Lewis were present.

Also present were City Manager Reggie Edwards, Deputy City Manager Daren Nyquist, Director of Fiscal & Support Services Angela Holm, Parks and Recreation Director Cordell Wiseman, Deputy Director Carissa Goebel, Police Chief Garett Flesland, and Interim City Clerk Shannon Pettit.

3. GENERAL FUND DEPARTMENT BUDGET PRESENTATIONS

Dr. Edwards explained that the City was entering the phase where budget presentations for all departments would happen, and each department would explain the outlook and landscape of their budget. Dr. Edwards said that each department budget would be reviewed and culminate in September, when the City would implement its preliminary levy, with the final levy occurring in December. Dr. Edwards noted that this year, per the request of the Council, he asked to increase the number of Finance meetings in order to have fewer presentations per meeting, so departments could make a short and more direct presentation with highlights and their numbers to the Council and Commissioners. Dr. Edwards asked if Finance Director Angela Holm had anything she wanted to add before getting to the presentations.
Ms. Holm stated that to make these meetings more manageable time-wise, there will be two to three presentations per meeting, with meetings planned for August 14 and August 18. After the August 18 presentation, all of the presentations pertaining to the General Fund departments will be completed. Mayor Graves asked what the presentation on August 14 pertained to. Ms. Holm responded that Central Garage, Public Works, and Community Development will be presenting on August 14. Mayor Graves said she may be absent on August 14, as she would be hosting training from five to seven o’clock. Ms. Holm said she could get those packets to Mayor Graves so she

could ask any questions if she needed to.

Commissioner Enger said she could not be at the next meeting either and asked if she could listen on Zoom, but would not be able to participate in discussions. Mayor Graves answered that typically, that has not been the way that the Council did it, but Councilmember Moore might be joining the meeting tonight that way, so she did not see why Commissioner Enger could not join the next meeting that way, too.

Ms. Holm clarified that at the August 14 meeting, presentations will be made by the Fire Department, Public Works, Central Garage, and then Finance and Debt Services.

Mayor Graves said she leaves town for a work trip on August 18 as well, but her flight leaves at 9:55 pm, so she should be able to make that meeting work. Ms. Holm said that the meeting should be wrapped up before Mayor Graves has to leave.

3a. RECREATION DEPARTMENT BUDGET PRESENTATION

Ms. Holm introduced Parks and Recreation Director Cordell Wiseman and Deputy Director Carissa Goebel for this item.

Mr. Wiseman stated that Ms. Goebel would be presenting the PowerPoint presentation today. Ms. Goebel explained that the Parks and Recreation General Fund portion is comprised of Administration, Recreational facilities, Programming, and Outreach divisions. It does not include the Heritage Center or Centerbrook Golf Course. The Outreach Divisions provide for the development and implementation of organized recreational activities, park outreach, and operation of the community Center and swimming pool.

Ms. Goebel explained that the Parks and Recreation Administration division not only hosts City Staff, but also has Department-wide charges. The Recreation facilities include the Community Center and the pool, and Recreation programming, which includes all the youth and adult programs, as well as special events. The Parks and Recreation Outreach program is a team that works with park permit holders.

Ms. Goebel stated that the staffing snapshot looks the same as last year, with one Director, one Deputy Director, the Outreach team that consists of two Managers, two Supervisors, part-time Staff, and Coordinators. Ms. Goebel noted that the budget change reflected in her presentation is a four-and-a-half percent increase due to staffing pay increases.

Ms. Goebel noted some Department highlights; they are printing their brochure, and residents within the City should receive it this week. The brochure has both the City news and the Recreation brochure inside. Parks and Recreation is sending out the brochure with the City news twice a year, to save on printing and postage. She explained that the numbers inside the recent brochure are still from last year and will go down. The Department is waiting for the first bill to make sure that the estimations are accurate, and those numbers will be adjustable through 2026.

Ms. Goebel stated that Parks and Recreation is making strategic investments at the Community

Center. She said the Department is trying to replace some fitness equipment that is aging, and the plan is to get one to two pieces per year, depending on price. As Community Center membership rates increase, it will be important to keep equipment functional to retain members. She stated that Parks and Recreation is working with a fitness group now to ensure that the equipment replacement budget is budgeted correctly for the next few years.

Ms. Goebel noted that Parks and Recreation wants to invest in a new projector for Constitution Hall. She pointed out that this would provide a good return on investment, since residents can rent out the projector and the cost for a new projector would be recouped within 100 rentals.

Ms. Goebel stated those were the things she wanted to highlight. Mayor Graves thanked Ms. Goebel for her presentation and asked if any Councilmembers had questions.

Ms. Holm noted that the two increases that Ms. Goebel referenced during her presentation were on page four of the Department budget.

Councilmember Lawrence-Anderson stated that she noticed a large increase in travel and mileage and questioned why there was an increase.

Ms. Goebel explained that the increase is due to the state conference that rotates in and out of the Metro every year. The other increase is for Staff training and development.

Ms. Goebel also explained that as revenue increases, people are largely using credit cards. Those fees are going to increase, and that is something that Parks and Recreation is working on with Ms. Holm.

Councilmember Lawrence-Anderson asked about replacement charges in the budget, and said she was curious about it because it is a generic term and had a 93 percent increase. Ms. Goebel stated she thought that was for Central Garage, and said Ms. Holm could clarify that.

Ms. Holm explained that it was for Central Garage and was a topic of discussion that will be gone over in the next meeting. She noted there would be a lot of discussion with Mike Marsh, who is the Central Garage Manager, and he would go over the costs of replacement vehicles. Ms. Holm stated that her Department has looked at what it would cost to replace those vehicles, one being a Transit van that was purchased for Public Safety, and the other being a Rec on the Go van that will also need to be replaced.

Chair Garcia asked about credit card expenses, and asked if the City is using P-cards for Recreation yet. Ms. Holm explained that the credit card fee is what the City is charged by the merchant processor every time the City accepts a credit card deposit, so every time there is a transaction, the City is charged a percentage per transaction. She noted that some cities are including that in the cost as a surcharge on registrations to offset that fee. Ms. Holm said Brooklyn Center is not at that point yet, but it should be a topic of conversation. Mayor Graves asked if Ms. Holm knew what those merchant charges equate to in losses for the City. Ms. Holm explained that the City would have the opportunity to charge back the full amount, which is $4,700. This would show up as an expense initially, but then as an upset in revenue in the General Fund. Ms. Holm said this should be discussed more in depth, as more residents are using electronic payments for utility bills. Mayor Graves said she would be interested in seeing how this would affect the Enterprise Fund. Ms. Holm said the Enterprise Fund is different.

Commissioner Enger asked what falls under other contractual services in the budget on page two. Ms. Goebel explained that if Parks and Recreation is renting a bounce house for an event, or working with an instructor for Afrobeats, or volleyball officials, those payments would be under contract as vendors as opposed to City Staff.

Ms. Goebel noted that Parks and Recreation Outreach, which is 45218, used to be the Health and Social Environment, which housed special events. This was done to align better with what the business units are doing, so Parks and Recreation Outreach can be personnel outreach only, and the Recreation program would include all programs and events.

Councilmember Lawrence-Anderson asked about Workers' Comp, which showed a negative 33 percent.

Ms. Holm explained that Workers' Compensation rates are going down, but Finance wants to make sure that those charges are allotted, but that number may change.

Councilmember Lawrence-Anderson asked if the City switched companies. Ms. Holm said no, and explained that the City is insured through the league, and it is the City's experience modifiers that have lowered the rates, as the City has seen fewer Workers' Comp cases.

Councilmember Jerzak said it is more commonplace now to pay the additional credit card processing fees. He noted that he was just at the DMV, where he paid the fee, and several restaurants have added the credit card processing fees. He said he would highly encourage the City to try to recover those processing fees, because most people are used to paying them. Mayor Graves said the businesses do not need to pay it. Councilmember Jerzak said some businesses have gotten into lawsuits over that. Mayor Graves noted that as long as the City still offers the opportunity to pay fees in different ways, then there are still ways for people to avoid having to pay that processing fee if it is that important to them.

Mayor Graves asked about membership rates and if there was a change from last year. Ms. Goebel said she did not run the membership numbers, but the fees she tracks are revenue per month, and it is up from last year.

Mayor Graves asked about music in the park and stated that this year, there were two or three events, and she received quite a bit of feedback from community members about them. She received one written letter that is in her office, which was very beautiful, about a long-time resident with a disabled wife who loved the music in the park. She said maybe next year there could be more than two events. She asked if there were only two events scheduled because of the budget, and if so, maybe some fundraising could happen because she thinks those events are very helpful in creating community cohesion. Ms. Goebel explained that Parks and Recreation has discussed getting a sponsorship to help keep costs low for those types of events, as that program was mostly cut last year from their budget. She explained that it is tricky because they would have to secure sponsorship well in advance in order to book bands early on in January, but she is hoping that Parks and Recreation can bring back. Mayor Graves said she thinks the community has a desire for those events, and the parade used to have music from the park and movies in the park. She stated that she hopes Parks and Recreation can get a sponsorship package so she can promote it and ensure those events can continue.

Mr. Wiseman said he gets a lot of feedback on their program, and they do not have the ability to charge and keep that money for events like music in the park. He would like to see more events like music in the park though, and the Department is looking at ways to be creative, because that is a popular program that he does not want to lose.

Councilmember Jerzak asked about a greenhouse that was purchased in order to foster food sustainability, and there were some challenges, including the fact that the greenhouse would not work in other environments. He asked what had happened to that greenhouse because he had never heard anything else about it after that. Ms. Goebel said she knows that Parks and Recreation is not paying for storage for that greenhouse, but does not know if it was ever sold. She could find out and get back to Councilmember Jerzak. Councilmember Jerzak appreciated that and said to put it in the Friday update. He noted that it would be an asset, and if the City cannot use it, someone else might be able to. He said it was a good idea, but it had unintended consequences and was a large purchase.

Councilmember Lawrence-Anderson asked about the old fitness equipment and what Parks and Recreation would do with it. Ms. Goebel said it depends on what kind of state the equipment is in. She said the main issue is that the equipment is so old, it has passed its prime, and there are no parts available to maintain or fix it. Sometimes, the fitness organization that Parks and Recreation works with is able to purchase equipment that still works from Parks and Recreation for parts.

Mayor Graves thanked Ms. Goebel and Mr. Wiseman for their presentation.

3b. POLICE DEPARTMENT BUDGET PRESENTATION

Dr. Edwards introduced Police Chief Garett Flesland to present this item, and asked Ms. Holm if she had anything she wanted to add before the presentation started. Ms. Holm said there should be page numbers on the document in front of them, so Councilmembers and Commissioners can reference items if there are questions.

Chief Flesland stated that the current proposed budget reflects study operations, continued rebuilding of sworn Staff, and disciplined spending to sustain the downward trend in violent crime while improving quality of life and property crime prevention. He explained that the Police Department is organized into five divisions, and the request tonight does not ask for any new positions in 2026. He noted that the Police Department budget proposal keeps them on course to stabilize their workforce and focus on delivering core services.

Chief Flesland noted that in regard to sworn positions, positions are currently at 41 of 50, meaning the Department is still down 18 percent. The non-sworn full-time positions are fully staffed. The non-sworn part-time positions are not as staffed as he would like, but he has been working on a couple of hiring processes. He explained that hopefully, the Department will be getting a few new CSOs in the next couple of months.

Chief Flesland discussed upcoming activities with two Police Officers who are scheduled to start on September 2, and that would bring the total up to 43. There is one additional ICPOET Apprentice Police Officer who is in the middle of training, and three ICPOET Apprentice Police Officer spots for the upcoming cohort.

Mayor Graves asked if Chief Flesland could explain the acronym ICPOET. Chief Flesland said it stands for Intensive Comprehensive Police Officer Education and Training (ICPOET). He continued that the state gives them $50,000 for each spot that the Department can use; however, the Police Department wants to support that education process. He explained that $50,000 pays for the seven months of training, as well as tech, psych, background, uniform supplies, and the remaining money goes towards the salary and fringe benefits because those individuals are full-time Brooklyn Center employees while they go through the training program.

Chief Flesland said he also has one Cadet who should be eligible to be appointed to Police Officer next March, and is in the process of applying for two additional ICPOET spots, as the state has a little bit of funding left. He said in summary that he thinks the Police Department has a realistic path to be near full strength by mid-2026. This would reduce overtime pressure and allow for more proactive community engagement time. He explained that as they approach the milestone of being full-strength, he will be revisiting the workload study that the Police Department and the City had done in June 2023. Specifically, he will be looking at the portions that concluded that the Police Department was still down some full-time positions from that study. He noted that he will revisit the workload study to see where to maximize the services they could provide to the community.

Chief Flesland said the proposed budget for 2026 is extremely flat, with proposed increases a result of ongoing agreements, such as contract services and subscription fees, all increasing in cost, coupled with a projected increase in personnel costs. He stated that there are no noteworthy programs for 2026 and that the focus will be on stability within the Police Department, rebuilding sworn Staff and part-time Staff, and increasing the quality of the services they provide. He said the Police Department will focus on continuing to evolve while being conscious of the importance of being fiscally aware and responsible.

Councilmember Moore apologized for being late but five o'clock is too early for her to make meetings, and although she did not hear the presentation from Chief Flesland or Parks and Recreation, she noticed that there was a two percent property tax increase for the coming year and if the Council decided to remove that increase, she asked what the Police would lose in terms of the Public Safety budget.

Chief Flesland said the Department would have to prioritize the services that it provides while reducing or eliminating others. He noted that he has very little control over the majority of the budget. A lot of the budget is driven by personnel costs, contracts, and agreements with other entities. He said that some of those entities are state-mandated, and the Police Department has to have a relationship with those entities. For example, there has to be an advocate for domestic abuse that the Department works with. He said the Police Department is being as fiscally creative as it can, shifting responsibilities from Animal Control next year and pursuing a different route for those services. He noted that the increase is very lean, and the Department would have to cut services if there were no increase. Councilmember Moore thanked Chief Flesland for his honesty.

Councilmember Jerzak asked Dr. Edwards to help him understand the purpose of these meetings, and noted that there has not been a poll by the Council to see if anyone was in favor of a levy increase. He said that previous discussions with the Council have been about going back to basics and being very careful about having any raises. He said it would be beneficial for the departments making presentations to know up front what the Council was thinking regarding a levy increase. He noted that there is a September deadline for a levy amount and another deadline in December.

Dr. Edwards said the purpose of these meetings is simply for the departments to present to the Council what their needs and proposed budgets are. Dr. Edwards said he is ultimately responsible for presenting a budget to the Council for approval or adjustment. He said the general attitude of the Council has been conveyed to the departments as far as budgets go. Dr. Edwards pointed out that inflation and staffing costs will comprise the three percent increase in the proposed budgets. He reiterated that the purpose of these meetings is to convey what is happening in each and every department.

Chief Flesland said that prisoner boarding charges have increased by 34 percent, and explained that the Police Department has to pay a variety of fees when people are arrested and taken to Hampton County Jail, and those fees have gone up considerably.

Commissioner Lewis asked if those charges are from the county. Chief Flesland confirmed those charges are from the county, and the fees associated in the budget are the estimated placeholder for what the Police Department will have to pay. Ms. Holm pointed out that as of April, the Police Department had paid $40,000 in prisoner boarding charges, so the projected $70,000 might be conservative. Chief Flesland said the Police Department tries to minimize the number of people taken to jail, and there is a cite and release policy they try to utilize, but the costs have gone up. Chief Flesland commended the detectives and officers who are doing a great job of finding the correct people with probable cause and taking said individuals into custody.

Commissioner Lewis said he was just curious about the increase in numbers, and it sounds like it is out of the City's control.

Councilmember Kragness noted that the budget for 2025 was much lower than the year prior. She pointed out that any increase is going to feel like a massive increase when there was no increase in the year prior.

Councilmember Moore asked about an additional meeting added to the schedule. She asked why another meeting had been scheduled when all the department presentations had already been scheduled.

Dr. Edwards clarified that two meetings have been added because the Council had requested them to give time for deliberations, to hear from all the departments, and to spread out those presentations. Dr. Edwards also pointed out that departments were instructed to focus their presentations down from 15 slides to five or six slides, to be more time efficient.

Councilmember Moore asked if those meetings will not start until 5:30 pm. Dr. Edwards said those meetings are scheduled for 5:00 pm, but it is up to the Council to decide if they need to move them back to 5:30 pm.

Councilmember Moore stated that Commissioner Lundy and other Hennepin County Commissioners have said they are proposing the largest ever property tax increase. She noted that as a Councilmember, she would have to look at the big picture and determine if the residents in Brooklyn Center could afford it.

Chair Garcia asked Chief Flesland about overtime charges.

Chief Flesland said all the full-time employees are working 40 hours a week, and there are a variety of ways those employees could end up working overtime. If employees are held over to finish a custody report, or they are scheduled to be done at 5:00 pm, but they are in the middle of something that has to be finished, that could all result in overtime. He explained that the Police Department has shift minimums, so there is a minimum number of police officers on duty throughout the day. If someone calls in sick, and the Department falls below minimums, then he will call someone else based on seniority to fill that spot, or someone else will stay late to fill that spot, and that could result in overtime for those employees. He stated that a variety of community engagement opportunities cause employees to work overtime because it is an addition to the normal schedule. Chief Flesland noted that a lot of employees worked overtime because the Department was significantly understaffed. As the Department has increased staffing, overtime will come down.

Chair Garcia asked, with the Expanded Response, if Chief Flesland foresees any kind of impact on Police Department staffing.

Chief Flesland said there would be additional support, but he is still waiting to see what the actual results are with Expanded Responders, as there is still a learning curve in dispatching Expanded Responders. He noted that Expanded Responders are being dispatched more at night, and there are some newer dispatchers working at night who may be more open to dispatching other resources or responders. Chief Flesland stated that Expanded Response will eventually take more calls, but a lot of the calls are to the Police first to make sure that the scene is safe, if there is an allegation of a crime or weapon.

Councilmember Jerzak commented that if there is a critical incident where several employees have to use overtime, it can add up very quickly.

Mayor Graves asked Dr. Edwards to speak on contract negotiations as related to overtime.

Dr. Edwards said it is still in negotiations.

Chair Garcia asked if that was a contract for 2025 and 2026.

Dr. Edwards said the contracts begin in 2025, and it is unlikely that the City will do a one-year contract, but it will determine that as the City goes through negotiations.

Mayor Graves asked how much the City's emergency reserves are supposed to be. Ms. Holm stated that by policy, the General Fund reserve is supposed to be 50 to 52 percent for next year's budget.

Mayor Graves asked what fund the City used for the settlement. Ms. Holm said the City has a fund called the Capital Emergency Resource Fund, and it is actually at a negative balance of about $-600,000, and that fund does not have a minimum requirement for it other than zero. Dr. Edwards said that there is no policy for that fund. Mayor Graves asked what the funding requirements were historically. Dr. Edwards said that historically, there had been a million dollars in that fund. Ms. Holm said initially it was funded with a million dollars, and over time, it built interest and had a balance of $1,300,000 prior to the settlement. Mayor Graves said she is curious about a way to get that fund balance back to zero and eventually get back up to a balance similar to what it was prior to the settlement. Mayor Graves suggested forfeiture as a possible way to start adding money back into that fund. She noted that it is not an aggressive way to move back in the right direction, but it could start to make a dent, and should be a conversation that Councilmembers and Commissioners are having. Mayor Graves said the reason she is suggesting the forfeiture comes from the Police Department is because that is the Department that depleted the fund. She noted that she is not blaming a specific person for that; in general, that was the Department that took the money from the Capital Emergency Fund, and no one else has brought it up.

Councilmember Jerzak said he thought there was a payment plan worked out last year to replenish the Capital Emergency Fund. He asked if there had been any deposits made into the fund. Mayor Graves asked Ms. Holm if there was any kind of repayment plan figured out last year, specific to the Capital Emergency Fund.

Dr. Edwards stated that there was a thought two years ago that the City would be able to, but the plan could not be actualized. He stated that there is no current place in the budget where money can be moved to replenish that fund.

Dr. Edwards added that funds came through direct loans or MSA dollars. He explained the City had some funds in the Capital Emergency Fund for transportation in the event of a bridge collapse; however, when the settlement happened, the City had to look at any and all dollars available to address the settlement. Dr. Edwards explained that while there is not a readily available source to replace the money in that fund, the Council and Commissioners should be thoughtful about that. He noted that he anticipates presenting some plans to modify the policy on the City's resources. The policy currently is 50 to 52 percent on the City's current reserves, which the state recommends at a minimum of 35 percent, so Brooklyn Center is fairly high in comparison, but he does not believe the City should deplete its resources. He noted that funds could be moved around to cover some one-time Capital Improvement projects, or add funds to another fund that is low on cash. Dr. Edwards explained the City will have to find an opportunity to get additional funding, or at the end of year when there is a balance in the reserves, that money could be shifted back into the Capital Emergency Fund, but there is currently not a plan or specific source of funding that the City can use to replenish that balance.

Dr. Edwards continued that the goal is to create multiple reserves and cash balances across the board, as opposed to having one extremely high balance account with the rest depleted.

Councilmember Moore stated that the reserve issue predates Ms. Holm, and the City was not putting away reserves prior to the settlement. She asked if franchise fees were implemented and what reserve that fee would go into. Ms. Holm said that franchise fees go into street reconstruction. Councilmember Moore asked if the City had a reserve for street reconstruction. Ms. Holm said that all the City's Capital Funds have reserves.

Councilmember Moore said the storm sewer looks horrible, and asked if the City had a huge deficit in that fund. Ms. Holm said the storm fund looks good; everything but the water utility fund was good.

Councilmember Moore asked where else there was any money sitting in a reserve fund that had a positive balance. Ms. Holm said there is one General Fund reserve, but that should be kept in place. Each of the utility funds has a reserve, as well as the other Enterprise funds, and the City does not move reserve money around too much; the only way to do that is through the Council.

Councilmember Moore said the settlement money was pulled out of a fund from which she might not think to typically pull money. Dr. Edwards said the City has always been solid when it comes to reserves, as they have more than what is typically recommended, which allows some modest shifting of funds if necessary. He explained that when it came to the settlement, the courts did not care where the money came from, and the Capital Emergency Fund was the only fund the City had that would not affect operations.

Councilmember Kragness said the reserves are like a savings account, and the City's biggest source of revenue is property taxes. If the Council is strict about not increasing property taxes, then the City will not increase its largest revenue source. She continued that expenses are going to increase no matter what, and without any excess revenue coming in, there is nothing extra to put away in reserves. She stated that it would be nice to have built-up reserves, and she was glad Mayor Graves brought it up. She noted that the Council has been very clear on keeping property taxes down, but should keep in mind that without more revenue, there could be an emergency where funds are needed, and some tough conversations would have to happen.

Councilmember Jerzak asked to hear from Chief Flesland about the 450 fund, as it has gone down significantly over the last few years because of state statutes. He concurred with Councilmember Kragness about property taxes, but on the flip side, maybe the City has to make cuts too, and the largest place for cuts is salaries. He noted that it would be a good discussion he would like to have. He asked to defer to Chief Flesland on the explanation of portions of funding.

Chief Flesland said he was not prepared to talk about funding definitively, but generally, there are strict requirements on what forfeiture money can be spent on, and there has to be some kind of nexus between how the money was obtained and what it is going to be spent on. He gave an example of forfeiting a car in a DWI arrest, and those proceeds have to go towards enforcing traffic-related incidents. He said he could get more information on it to talk more definitively, but it is structured and limited in what the funds can be spent on.

Dr. Edwards said Brooklyn Center's forfeiture is not very significant. Mayor Graves said she knows that, and that is why replenishing any funds would take a long time using forfeiture, but it might be something to look at as a plan.

Chief Flesland said the last significant purchase from forfeiture was new radars for the squad cars because they were beyond their service life.

Dr. Edwards clarified that forfeiture could be used for budgeted items for which forfeiture funds could be used throughout the year.

Councilmember Moore said there have been conversations about duplication among community engagement, both in the Police Department and in Parks and Recreation under Director Turks, and she stated that she knows the Deputy City Manager is working on an outcome-based approach with multiple variables. She noted that there is an opportunity to slim down in terms of the City doing more with less money, in her opinion. She said the Council has seen it across the state of Minnesota and the United States with many different agencies, and the impact will be long-term. Councilmember Moore said the Council, along with the Directors and Dr. Edwards, can look at the budget and figure out where to tighten the belt, and if that means that the Council has to cut some City Staff somewhere, then that needs to be considered.

Councilmember Kragness said it was unfortunate that in the early stages of looking at the budget, the first things mentioned were cutting costs and cutting staff. She stated that the Council should give staff more credit, and find more creative ways to slim down on services, or cut other services that do not require cutting staff. She noted that cutting staff should be a last resort, and it is unfortunate that sometimes it is the first resort for other Councilmembers. She stated that Councilmembers should be mindful of saying that cutting staff is a last resort, and look at other alternatives first, before going that route.

Councilmember Moore said she would like to follow up. Mayor Graves said she was going to let Chair Garcia speak first, and Councilmember Moore had to be recognized by the presiding officer before speaking.

Chair Garcia asked if insurance was used in a portion of the settlement payment. Dr. Edwards said the City has insurance up to $2,000,000, so what the City had not covered with its own funds was covered by insurance.

Chair Garcia said property taxes are the highest source of revenue, and the Police Department is the highest expense department, so in light of which department is putting the most money into the Capital Emergency Fund, if the liability exists in the highest expense department, should that department be contributing the highest percentage to the Capital Emergency Fund, or if contributions be spread across departments.

Dr. Edwards said the City does not budget recovery on reserves by department; it is a City challenge, and anywhere the City can find a dollar, it is applied. As far as reductions go, they are looked at organization-wide. The Police Department is the largest expense in the budget, but it is important to look at the minimum of what it takes to maintain a particular service. He said he understands it is automatic to look at the largest budget first to find a reduction. It is important to remember to look at all the departments and the total package of services that the City chooses to provide, and making cuts is not done department by department, or whether a department is the largest, or generates revenue, or does not generate revenue. The focus is more on what services the City needs and what reductions can be made in order to provide those services.

Chair Garcia said something has to be considered, given that the Police Department has produced a liability. She said that the Police Department is an increasing expense and a liability, and asked how to hold the Police Department accountable. Chair Garcia said she does not know what that accountability would look like and suggested personal liability insurance.

Dr. Edwards stated that the City is insured as an organization, and when there is a liability or an incident, it is not the department's incident; it is the City's. The City is held accountable and responsible for an incident. Dr. Edwards stated that if a child fell off a swing at a park and was injured, Parks and Recreation would not be held accountable for that. He continued that all departments are held accountable on a daily basis to avoid liability issues, and if an incident does occur, then it is looked at from one organization's perspective on how to recover.

Chair Garcia asked if the City was on trial for the incident in question. Dr. Edwards said yes, when the judge ruled that there had to be restitution, the judge did not reference the Police Department; the judge referenced the City. The City was held accountable for everything that happened, and the City is not insured as individual departments, but as a whole organization.

Councilmember Moore said she had a comment not in retort to Councilmember Kragness but just to clarify that staff and wages are the most expensive cost to the City. She noted that the Council put a lot of pressure on the residents after a seven percent tax increase last year, hiked the water bill 25 percent, had a school levy, and the county had a tax increase. She said there is no revenue, there are no new buildings, no new applicants for licensing, and Community Development is down to nothing. Councilmember Moore said she did not know what was happening in terms of codes and fines, but generally, no one is building anything new in Brooklyn Center.

Councilmember Moore continued that in terms of recovering Police Department costs, the City's number one priority for the majority of residents has been Public Safety, and for anyone to consider pointing out that the Police Department is the most important thing to her, her neighborhood, her City, and the majority of the residents she takes offense to that. She thanked Dr. Edwards for looking at the City as a whole, as she does as well, and doing what is in the residents' best interest.

Mayor Graves stated she wanted to make it clear that she is very supportive of Public Safety. She stated she appreciates and supports the Police Department; she just wanted to start the conversation and make sure the Council is thinking about all avenues of trying to get that reserve fund out of the red. She noted that it is important to ask how the City will replenish that fund and ask about equity and accountability as well. Mayor Graves said accountability is how the City tries to prevent certain situations from happening again, and looks at it not just in how the Departments provide services to the community, but in how the Departments operate as a City.

Councilmember Jerzak stated for the record that citations can never be used as a form of income.

He noted that he does not want it to look like the Council is pointing fingers at any department. He stated that if there are areas of Enterprise Funds that are not functioning, then the Council needs to either get them functioning, contributing, or make some decisions. He noted that Ms. Holm had stated that there was $200,000 lost in revenue due to faulty water meters, and the City needs to get those fixed and get that revenue back. He said every place needs to be looked at to get revenue.

Councilmember Moore concurred with Councilmember Jerzak and asked if all Councilmembers were getting a water bill. All Councilmembers responded that they were getting water bills. Councilmember Moore continued that everyone who has a connection with the City should allow the City to come in and check their water meters. Councilmember Moore continued that she has heard rumors that there may be individuals who are not getting their water bills, and that is concerning to her. She thanked Ms. Holm, Director Heyman, and Public Works for getting the water meter replacement contracted and moving forward with those replacements. She noted that there are other areas where the City could have been more proactive to have less loss in the last year.

Commissioner Enger said she loved all this conversation, but should circle back to Chief Flesland. Mayor Graves said she was going to circle back.

Councilmember Jerzak said there is a distinct difference between non-performing water meters, which some people might not know they have, and a minimum water bill. Those two things are administrative duties that people have to sort out. He stated that if a water meter is not performing, most people are probably not going to run to the City and ask to be charged. He said he would not make allegations about who is or is not getting a water bill, and it is none of his business as a Councilman, but it is important to him that the water meters are functioning and the City is getting the July revenues, and the quicker it gets resolved, the better it will be.

Chair Garcia said she wanted to defer to the Commission Code of Conduct and stay on topic with what is happening.

Mayor Graves said there was some off-topic conversation, and although it may have been a direction she was not expecting, it is part of the reason the Council wanted to have more meetings, so there could be more discussion. She asked if anyone had any other questions specific to the Police Department presentation. No one wished to ask any more questions. Mayor Graves thanked Chief Flesland for his presentation.

3c. DEPARTMENT BUDGET SUMMARY – SUPPLEMENTAL INFORMATION

Dr. Edwards stated that this item 3c. Department Budget Summary and Supplemental Information is supplemental information, so there is no presentation or discussion about that, and there are no more items on the agenda.

4. ADJOURN

There was a motion by Councilmember Moore and seconded by Mayor Graves to adjourn the meeting. Motion passed unanimously. The Brooklyn Center City Council/Financial Commission adjourned at 6:28 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/FINANCIAL COMMISSION
OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

JOINT WORK SESSION
AUGUST 14, 2025
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Graves at 5:01 p.m.

2. INTRODUCTIONS

Mayor April Graves and Councilmembers Kris Lawrence-Anderson, Dan Jerzak, Teneshia Kragness, and Laurie Ann Moore.

Chair Joylenna Garcia and Commissioners Brandt and Jeff Lewis were present.

Commissioners Leonard Brown, Venus Coleman, Michael Donnelly, and Gretchen Enger, were absent.

Also present were City Manager Reggie Edwards, Deputy City Manager Daren Nyquist, Director of Fiscal & Support Services Angela Holm, Director of Public Works Elizabeth Heyman, Deputy Director of Public Works Mike Marsh, Director of Community Prevention, Health and Safety LaToya Turk, Fire Chief Todd Berg and City Clerk Shannon Pettit.

Mayor Graves noted she would have to step out during this meeting to attend a previously scheduled training function.

3. GENERAL FUND DEPARTMENT BUDGET PRESENTATIONS

Dr. Edwards explained that the Community of Health and Safety presentation would be first, although that Department was previously scheduled to go second to last on the agenda. Finance Director Angela Holm reiterated what Dr. Edwards said, that Community of Health and Safety presentation would be first, and noted that while Central Garage is not directly part of the General Fund budget; it is General Fund adjacent and a big part of the conversation about the General Fund, which is why it is scheduled for a presentation at this meeting.

3a. OFFICE OF COMMUNITY PREVENTION, HEALTH, AND SAFETY BUDGET PRESENTATION PUBLIC WORKS DEPARTMENT BUDGET PRESENTATION

Director of Community Prevention, Health and Safety LaToya Turk introduced herself and explained that her Department's role is to ensure coordinated Public Health approaches across different sectors, including Public Safety, health, economic stability, and access to essential resources in the City. She noted that her Department relies on diverse evidence-based practice strategies to support the well-being of residents and business owners in the City. There are two divisions in the Department: 42010, which is the Office of Community Prevention, Health and Safety, and 41760, which is media engagement.

Ms. Turk explained that her Department has had the same staffing for the past two years and has no proposed changes. The Director, one FTE for the Community Engagement Specialist and Coordinator, and one Artist in Residence. Ms. Turk asked if Ms. Holm had anything she wanted to add regarding the Staff. Ms. Holm said she is still working with Department heads to be as lean as possible when it comes to staffing each Department, but there is a detailed attachment regarding staffing for the Commissioners and Councilmembers to review if needed.

Ms. Turk continued with budget highlights and noted that she would call her Department Office of Community Prevention Health and Safety (OCPHS) for short. She stated that OCPHS is a central component of the City's prevention and intervention strategy, as well as a 2026 plan to continue to expand response efforts to increase community engagement opportunities. Mayor Graves thanked Ms. Turk for her presentation and asked if anyone had any questions.

Councilmember Moore asked Ms. Holm if there was a three percent or some type of COLA increase included in this particular budget. Ms. Holm said there is a three percent COLA increase in this budget, which is pretty standard. Dr. Edwards commented that every budget that the Council and Commission would see would include that increase in budget. Councilmember Moore thanked Dr. Edwards for that information. She asked about the Engagement positions, plus the Artist in Residence, and how those positions are documented in the budget between the two funds, and as line items.

Ms. Turk said the Engagement Staff are all listed under Engagement, and those positions are listed as the Community Engagement Specialist, the Community Engagement Coordinator, and the Artist in Residence. Councilmember Moore said there were three positions then listed under Engagement, and asked if Ms. Turk's Director position was listed under 42010 plus other line items. Ms. Turk confirmed that Councilmember Moore was correct.

Councilmember Moore asked if there was any additional breakdown in the budget beyond Ms. Turk's Director's salary under 42010. Ms. Holm said she was not sure what Councilmember Moore was asking. Councilmember Moore said she did not receive a line-by-line budget for the Department and is looking at a proposed budget of $441,000, which includes Ms. Turk's salary and benefits, and the next line is for three positions, so she is not sure what is included in the budget.

Ms. Holm said a line-by-line budget should have been included in the packet for this Department, but one correction to note is that the Artist in Residence position is budgeted under the 42010, and the two Engagement Specialists are under the Engagement business.

Councilmember Moore asked if the Director and Artist in Residence are under 42010. Ms. Holm said that it is correct and that it is noted in the line-by-line budget.

Councilmember Lawrence-Anderson asked if there are any grant funds that have not been received or exhausted, or if all funding would be from the General Fund. Ms. Turk said that any grants that the Department has applied for were placed in the weekly newsletter so the Council would be aware of them. She stated that her Department does not currently have any grant funding to offset the salary and wages.

Dr. Edwards explained that the positions that Councilmember Moore was asking about and the budget in front of the Council are all from General Fund dollars and do not include grant funding. Grant funding is held in a separate account.

Councilmember Lawrence-Anderson asked how the Council would know where money is coming from if there are two separate accounts, the General Fund and grant money. Ms. Holm explained that grants and grant programs would be addressed specifically at a meeting scheduled in October and would not be seen today in the budget meeting. The information in front of the Council and Commissioners is all exclusively from the General Fund. Ms. Holm continued that there is one grant, a lifeguard grant, that the City gets from Hennepin County that would offset some expenses in recreation.

Councilmember Jerzak asked about the differences, roles, and duties between the Engagement Coordinator and an Engagement Specialist. Ms. Turk responded that she was not aware she would have to give detailed information on positions, but would follow up with HR and give the scope for each position to the Council.

Mayor Graves said from her experience, a coordinator typically has more implementation tasks, whereas a specialist might be more involved with the overarching planning. She noted this was from her general perspective and experience, and she has not looked specifically at the scopes of the two positions in question.

Councilmember Jerzak said he asked the question to ensure there was no duplication in those two positions in the Department. He noted that when that information is provided, it would be good to have the salaries of those two positions listed as well to ensure full transparency.

Dr. Edwards said that as a position goes from tier to tier, the position might start at Engagement as a general staff member, and then up to a specialist, to a coordinator, and eventually to a supervisor. These tiers typically follow with education, responsibility, and decision-making. He explained that a coordinator may be responsible for designing a program or particular event, while a specialist may come in and complete tasks that are assigned to them.

Councilmember Jerzak asked if those two Engagement positions are work-from-home positions. He explained that the reason he wanted to know was that he received a complaint from a resident who had been trying to reach out to the Engagement Staff and could not reach anyone. He stated that Ms. Turk did not have to answer that question tonight, but wanted to relay the information from a resident.

Dr. Edwards said there are several City Staff members who can complete tasks at home, but the City does not have any Staff who work completely from home. Every Department has office hours, and there is a policy where a Staff member can request from a department Head to work two and a half days out of the week from home, but this varies from person to person and department to department.

Councilmember Moore referenced the budget under 6449 under contractual services for $170,000, as it pertains to the expanded response and Canopy, and how long that contract lasts, and if it bleeds into 2026. Ms. Turk said the contract for Canopy runs into mid-year 2026. Councilmember Moore asked if it was a two-year contract, but it did not get up and running until April 2025 because Canopy had to find an office base. Ms. Turk confirmed that it is correct. Councilmember Moore asked if the $90,000 in the budget was for the first half of the year, specifically for Canopy. Ms. Turk said the $90,000 in the budget was for an expanded response, which includes the County and Canopy routes. Councilmember Moore stated she would like a breakdown of each.

Councilmember Moore asked about the program denoted in the budget that supports 30 at $1,500 for $45,000 PW Rex. Ms. Turk stated that PW stands for Public Works, Rex stands for Parks and Recreation, PD stands for Police Department, and FD stands for Fire Department. Councilmember Moore asked again what 30 at 1,500 for $45,000 is, and if it pertained to staffing from those departments. Ms. Turk said it could be a number of things, as there are events and engagements that the Department is supporting from various departments. Councilmember Moore said she would like more details about that particular line item.

Councilmember Moore asked about the Interveners for $20,000, which is actually a separate PDOC PHS program that has a different amount of $15,000 according to the notes. Ms. Turk asked which line item she was referencing. Mayor Graves said Councilmember Moore was looking at the comments for the 2026 budget. Councilmember Moore said she was looking at 6449. Ms. Turk asked Councilmember Moore to repeat her question. Councilmember Moore answered that she would like a list of line items that pertain to the $170,000 and how that is broken down. She asked about the salary for the Director, getting a six percent increase, and asked if all City Staff were getting that increase, or if this Department is playing catch-up because she was just told that a three percent increase is standard. Dr. Edwards said that a three percent increase goes across the board, but depending on the size of the budget and department, that will dictate the increase. The bottom line is that all staff are budgeted to get a three percent increase.

Ms. Holm said the increase will also take into account any adjustments or salary step increases. A salary step increase will also include a three percent increase. Councilmember Moore said she would stop asking questions for now.

Councilmember Jerzak asked about the $20,000 for Interveners and what the responsibilities are for that position. Ms. Turk said that could be a variety of things, as her Department supports community Interveners in schools, and if there are flare-ups in certain areas of the City. Her Department also supports community Interveners at Police Department calls for community Interveners' response, and if contentious topics come up at City Council, there needs to be an intervention there. Councilmember Jerzak asked if the Interveners are generally the same group of people. Ms. Turk said it depends on the Intervener's qualifications and the call type to determine which Intervener group would respond. Councilmember Jerzak thanked Ms. Turk for that clarification.

Chair Garcia asked about the Expanded Response under the notes, which states Expanded Response SW, and if that references a Social Worker that the county provides. Ms. Turk said there is a Social Worker who is part of the Expanded Response team, and there are two Social Workers who are part of the full team. One Social Worker is embedded with the Police Department, and one responds to 911 calls. The Social Worker noted on the budget is the 911 call Social Worker. Chair Garcia asked if that Social Worker is the City's. Ms. Turk responded that the Social Worker is part of the ERT team.

Mayor Graves asked for any additional questions. No one wished to ask any more questions. Mayor Graves thanked Ms. Turk for her presentation.

3b. PUBLIC WORKS DEPARTMENT BUDGET PRESENTATION

Director of Public Works Elizabeth Heyman stated that Public Works is responsible for all Street Maintenance, Park Maintenance, Building Maintenance, Grounds Maintenance, and Utilities. She noted that Public Works involves a wide range of staff. She explained that Public Works has six business units that are holding steady with 32 full-time staff members, with no addition of any FTEs in this budget.

Ms. Holm concurred with Ms. Heyman that the Public Works budget consists of several divisions within the Department, and each of those divisions is summarized with details provided in the packet to the Council. Ms. Holm reiterated that Department Heads were tasked with being very lean with their budgets and accomplished that in an expeditious manner. Ms. Heyman asked if Ms. Holm wanted to speak to any of the increases shown on the screen. Ms. Holm stated that Street Maintenance had an increase of 55 percent, and Traffic Control decreased by 40 percent, and that was exclusively due to realignment of positions. She noted one FTE movement, and Traffic Control had two FTEs budgeted in 2025, but now only has one. Street Maintenance budgeted for four positions and now has five FTE's. Ms. Holm noted that shifting Staff around skews the bottom line just a little bit, and the rest of the Departments are very lean.

Councilmember Jerzak asked if Ms. Heyman could explain what Traffic Control does. Ms. Heyman stated that traffic control involves taking care of all traffic signals, any signage, and striping. Traffic Control also assists with plowing and any kind of Street Maintenance in the winter.

Ms. Holm stated that it would be astute to talk briefly about Central Garage right now as well. She continued that if the Council sees a large increase in the presentation between 2025 and 2026 in Street Maintenance, it is in large part due to normalizing the replacement costs of plows, which are very expensive, and other vehicles that are utilized for Street Maintenance.

Councilmember Jerzak stated that he had read in the ledgers that the increase in the budget will also be due to accurate reflections of vehicle costs and wanted to be sure that was accurate. Ms. Holm confirmed that it is accurate.

Councilmember Moore asked to confirm that Ms. Holm is referencing line 943220. Ms. Holm nodded to confirm that it was the line they were referencing.

Ms. Heyman noted that one substantial increase that was included in the Public Works controlled line items has to do with Street Maintenance materials, and that line item is 43320-6224. This line item covers all materials for Street Maintenance, such as salt, asphalt, and concrete. Through the 2025 budget process, this line item was reduced by $25,000, and this was done to keep the levy as low as possible, but it was only possible because of a very dry winter. Ms. Heyman noted that in 2026, this line item should be brought back up to what it had been previously, plus accounting for a 5.75 percent inflation rate. She noted that the inflation rate was due to salt tonnage prices, which went from $100.99 per ton to $106.60 per ton per the City's contract. Ms. Heyman noted that this line item should be brought back up to $190,000, resulting in an increase of approximately $40,000. She noted that the City does have a full salt shed at the moment, but they had a dry winter, and this is Minnesota, so the Council should not bet on that continuing in the future, and without adding any funds to this budget, the City could have to play catch-up later on.

Councilmember Lawrence-Anderson stated she was wondering if the City had any salt reserves, and asked if Street Maintenance would use all of the salt reserves before ordering more. Ms. Heyman responded that the City has to put an order in for salt ahead of time, so the City has already placed an order for 800 tons for the 2025-2026 winter. This order covers the months of November through March. Ms. Heyman explained that the City has the ability to take full delivery or even up to 120 percent of the 800 tons, or only 80 percent of that order. She reiterated that the salt shed is currently full.

Councilmember Jerzak said that he thought there was a potential shortage of salt, and asked if that was still true. Ms. Heyman asked if Councilmember Jerzak meant that if the City were to run out of salt in January, the City would not have the ability to get more. Councilmember Jerzak nodded yes. Ms. Heyman said yes, that is possible, and the City never wants to be short on salt. She explained that the big snowstorms are not what use salt; it is the one to two inches of snowfall that takes the same amount of salt to get the snow down to a safe pavement level. She said that Public Works is feeling very good right now about the City's salt level, especially with the salt shed already full.

Councilmember Lawrence-Anderson stated that she often hears residents say that they are happy with how the roads are plowed. Ms. Heyman said she has very little to do with that part, but would pass on the praise to the crew.

Mayor Graves asked if there were any questions for Ms. Heyman.

Councilmember Moore asked about the Street Maintenance budget and asked if it was correct that the City had to add almost $1,000,000 to that line item. Ms. Heyman said that the question would have to be directed to Ms. Holm. Ms. Holm asked if Councilmember Moore was referring to the Street Maintenance materials line item. Councilmember Moore nodded yes. Ms. Holm stated that there was not that much added to that line item and explained that the Street Maintenance materials were cut back in 2025, and are now requesting that it go back up by $35,000. Councilmember Moore asked if it was requesting $190,000 on line 16224. Ms. Holm stated that it was correct.

Ms. Heyman responded that the $900,000 increase is the entire budget for the Streets as a Business Unit.

Mayor Graves asked if there were any other questions from the Council or Commissioners. No one wished to ask any further questions. Mayor Graves continued that a few weeks ago, she got an email from a resident praising the Public Works Staff after they came out and saved a kitten. Ms. Heyman said she would pass on that praise to the Staff.

3c. FIRE DEPARTMENT BUDGET PRESENTATION

Fire Chief Todd Berg stated that the Fire Department is divided into five different departments. There is an Administration that keeps track of the budget, all OSHA and state regulations, training, and reporting. The Fire Prevention department conducts fire inspections, provides public education, and engages with the community. The Operations Department is going out and fighting fire. The Training Department trains most Monday nights. The final Department is Emergency Management, which Chief Berg said is self-explanatory.

Chief Berg noted the Fire Department's highlights with response to 1,525 calls, with 267 calls in the month of July alone, which is a record. He noted that the Department's paid-on-call Firefighters provided 16,600 hours of service to the community last year.

Chief Berg went over Department Staffing and noted that the Fire Department's numbers always fluctuate a little bit due to paid-on-call Firefighters. He noted that currently there are five full-time employees and approximately 24 paid-on-call Firefighters. The on-call Firefighters, who are residents of Brooklyn Center, have to live within eight minutes of one of the fire stations. He noted that the 2025 staffing numbers include four new recruits, and the Department is currently in the process of hiring additional paid-on-call firefighters to start the Fire Academy in January. Chief Berg noted that currently, there are four full-time firefighters on the overnight duty crew; two of those positions are within the budget, and two have been frozen since 2020. Councilmember Moore asked Chief Berg to repeat those positions again. Chief Berg repeated that there are four full-time positions but only two in the budget, and will discuss the Safer Grant at the end of the presentation, which covers those positions.

Chief Berg explained the budget program for the Fire Department and that it operates under two budget codes: the 42210, which is the Fire Department budget, and the Emergency Management budget, which is 42500.

Chief Berg noted that the major changes in the Fire Department budget include personnel services, which have a 14.5 percent increase, and three percent of that is the COLA increase. He noted that there was a wage study and that paid-on-call wages had to be moved up to reflect the market rate. This increase was paid out of the Public Safety Aid. He noted that supplies had a 53 percent increase, which includes new computers in the squads, pods, and trucks. This update is on a rotation based on industry damage; every five or six years, the City has to update the computers. Chief Berg explained that the Department was trying to save money, but the warranty on those computers ended after this year, and they had to be replaced, which cost $47,000. He stated that the Fire Department had a 27 percent decrease in Central Garage charges, and that pertained to the

Department bonding for the three fire trucks that will be coming next year, and less maintenance on the old trucks that were behind on maintenance for 25 years.

Chief Berg stated that after listening to the Council and trying to keep the budget as low as possible, the Fire Department has an overall 0.54 percent increase. Emergency Management has an 18 percent increase, but the entire budget for Emergency Management is low, coming in at $15,000, which is only a $5,800 increase from the previous budget.

Chief Berg stated that the Department applied for the Safer Grant, which is a federal FEMA grant that would help offset the City's cost for four full-time Firefighters for the next three years. This year, there was a change in the Safer Grant, as it used to be 100 percent grant-funded. This year, if the City were to be picked, the City would have to kick in 25 percent of the grant amount for the first two years, and 65 percent of that grant amount in the third year. He noted that while it may seem confusing, the two full-time firefighters in the budget are covered by 25 percent with no additional cost to the City.

Chief Berg stated that if the 42210 budget is broken down in 2026, it comes in at a 13 percent increase. He explained that with a $2,400,000 overall budget, $182,000 of that budget pertains to Operations, which includes supplies, uniforms, and gear. He noted that $1,400,000 of the budget pertains to wages and benefits $606,000 is Central Garage charges, and $132,000 is utilities and fixed charges that the Department does not have control over. He asked if anyone had any questions for him. Mayor Graves thanked Chief Berg for his presentation and noted she had to step out for training and would leave Mayor Pro Tem Kragness in charge.

Ms. Holm clarified that the two Firefighter positions that are frozen in the Fire Department budget at zero are noted in the Fire budget, and the other two Firefighter positions are placeholders that are located in the HR budget. She stated that Finance wanted to do that to make sure that the City was demonstrating that the City needed the grant, and putting a Fire Department budget with four funded Firefighters did not make it look like the City needed that grant funding. She continued by saying that the Commissioners and Council would see the HR budget on Monday.

Councilmember Moore asked Chief Berg about the percentages the City would have to cover for the Safer Grant. Chief Berg stated that in the first two years, the City had to cover 25 percent, and then in the third year, the City would have to cover 65 percent. Councilmember Moore asked if the Fire Department applied for this grant last year and did not receive it, but is applying for it again. Chief Berg said that the Fire Department will apply for this grant every year until the Department gets it. He noted that this grant is the best value for the community.

Councilmember Moore said she knew last year that the paid-on-call firefighters were stretched to the max, ramping up recruitment and retention, as well as mental health awareness. She asked Chief Berg how he thought the Department was looking after a record number of calls in July. Chief Berg said he could not see into the future, but the Department was making it today. Councilmember Moore asked what making it means. Chief Berg said the Fire Department is responding to every single call; the paid-on-call Firefighters are showing up and going to their mental health checks. Morale around the Fire Department is fairly good, and probably better than it has been in a few years. He noted that the tipping point is going to be a continued increase in calls for service, as well as population and building increases. He said that when the Council agrees to all the buildings that are in the plans for the future, the Fire Department will try to stay ahead of that in staffing. He noted that when the Fire Department bought the tower truck, it was in response to a situation in the community where the Fire Department needed the proper tools in order to respond.

Councilmember Moore said she has always said that Public Safety is the number one priority for the majority of residents, which means Police and Fire. She noted that she is aware that the Fire Department had some challenges, especially for paid on-call employees, and when Chief Berg presented the Safer Grant last year, it was really about alleviating some of the stress on the paid on-call employees, as the Department Staffing was down then, too. She thanked Chief Berg for his presentation.

Councilmember Lawrence-Anderson stated that she thought two years ago, the Council and Commissioners were discussing the overnight duty crew, and it was a priority at that time. She asked Chief Berg when and how he thought the Fire Department could make that happen to help with the burnout. Chief Berg said that the Department is not there yet, and that is why they will continue to apply for the Safer Grant, as it is the best value for the citizens and the community. He noted that if the Department does get the grant, then they will have federal funding for the majority of the additional employee positions needed.

Councilmember Lawrence-Anderson stated that, in her opinion, virtually every resident would accept levy increases for the Fire Department and stated that the Fire Department has her full support, and she wants to make sure that the communities are safe, and thanked Chief Berg for everything he does.

Chair Garcia asked if the embedded Social Worker in the Police Department is available for the Fire Department as well. Chief Berg said that the Social Worker who is embedded in the Police Department helped out the Fire Department four to six times with individual issues throughout the community.

Mayor Pro Tem Kragness asked if there were any other questions. No one wished to ask any more questions.

3d. CENTRAL GARAGE INTERNAL SERVICE FUND BUDGET PRESENTATION

Ms. Holm stated that Central Garage is part of this presentation because it is adjacent to the General Fund and has seen some larger increases or adjustments. She noted that this presentation is informational so that people can understand the role that Central Garage plays within the City and ensure that Central Garage is properly funded and benefits public safety and other services that are required throughout the City. Ms. Holm also noted that she would discuss the need for the City to continue funding this entity. She said the Central Garage is an Internal Service fund, and that means that the centralized services allocate the costs of those services within the government. Central Garage is not talking about a building; it is mainly about the fleet and the equipment that is needed to provide services and keep the City safe and clean, and streets plowed. The Internal Service fund allows the City to centralize those costs so that the City can budget for fire trucks, which includes the handling and management of those fire trucks in one place. The costs for servicing a fire truck are allocated so the departments can see the allocation. This gives the Finance Department the ability to approve funds in the Internal Service fund in segregated departments rather than accruing funds to use in the General Fund. This allows Finance to be very specific in how dollars are managed and where those dollars are utilized. Services include vehicle and equipment purchase or replacement. She noted that every vehicle purchased gets purchased with a replacement schedule and follows the City policy, and that is how Finance calculates over time how much to save in order to purchase that same vehicle again. Central Garage also does vehicle and equipment repair internally, but contracts out for some repairs that might be done more economically or efficiently by a specialized mechanic.

Ms. Holm stated that there are Fuel Management Services within Central Garage, which include buying and inventorying fuel that is used by other City departments that then pay for the fuel they utilize.

Councilmember Lawrence-Anderson asked what happens to City vehicles that have exhausted their useful life. Ms. Holm said that, depending on the value of the vehicle, it is auctioned off or handed down to other departments that may still be able to use the vehicle. The City also has holdover vehicles; for example, there was a Ford Explorer in the Fire Department that had reached its useful life there, and then went to Parks and Recreation, and it is still in use. Ms. Holm noted that the City has to replace heavier-use vehicles at the right time.

Ms. Holm continued that Central Garage includes Staff time, supplies needed to provide services, contract services for large repairs, and vehicle equipment purchases. She said it is an all-inclusive fund; it has its own staff, provides its own supplies, and does all of its own work, but it does need to be funded.

Ms. Holm explained that Central Garage operates as one fund but has two distinct components. One is ongoing operations, and long-term replacement funding. Long-term replacement funding is very distinct from the day-to-day operations of the working organization. Ongoing revenue source for this fund is from other funds in the government, so it is not just the General Fund, the Water fund, or the Sewer fund; it is anybody who uses equipment who is going to contribute to Central Garage. Central Garage requires constant monitoring to ensure rates are sufficient to cover current and future costs. Ms. Holm explained that a big part of keeping Central Garage functioning is anticipating not only what a vehicle costs today, but what it will cost in 10 years or even in three years. Ms. Holm noted that a police vehicle that gets replaced every three years may have cost $25,000 three years ago, but will now cost $45,000 and then have to be outfitted. Ms. Holm noted that looking ahead helps protect the City's financial sustainability in future years.

Ms. Holm noted that ongoing operation costs and expense codes are in worksheets that the Council and Commissioners get at each joint session. She explained that ongoing operations are funded by an overhead allocation, which is shown as expense code 6462 in the department budgets, and direct chargebacks for repairs and maintenance, which is expense code 6463. Fuel costs are funded by direct charges as expense code 6461. Ms. Holm noted that there is an agreement with the school district for fuel purchases.

Ms. Holm explained that replacement costs are funded based on a long-term estimate. Future replacements, which are shown in expense code 6465, include replacement fire trucks. The big thing to keep in mind is the future value of money, and look ahead to what vehicles will cost in the future for replacement. She noted that some fire trucks could go up to 20 years before needing to be replaced, although once trucks are that old, they have very little salvage value.

Ms. Holm discussed Central Garage staffing in 2024. It was budgeted for six employees for 2025, and proposed for 2026, which is six employees, with one Administrative Staff member being allocated a quarter of the time to Central Garage to reduce staffing a little bit. She noted that the other five staff members, including the mechanics, are critical to vehicle maintenance in this entity.

Ms. Holm explained that the challenges Central Garage is facing are underfunding and increased vehicle costs. Ms. Holm continued that when the current round of fire trucks was purchased, it cost $300,000, but now the City will pay close to $1,000,000 to replace them.

Councilmember Lawrence-Anderson asked about a fire truck that was retired three years ago and shipped to Liberia. Chief Berg said that in 2015, a fire truck was retired and shipped to Brooklyn Center's sister city.

Ms. Holm explained that in 2025, Central Garage had a $685,000 budget for replacement costs for fire trucks because it had previously been underfunded for those replacement costs. She stated that bonding was the City's best option to purchase the replacement fire trucks because the cost would otherwise completely deplete the Central Garage fund and would limit Central Garage's ability to do anything else with the fund. Ms. Holm said those trucks would be bought with bonding, but the Council needs to think about the cost of replacing those trucks in 15 years and what the most fiscally sustainable model is. Ms. Holm said Finance has been working on a long-term projection plan based on what Central Garage has experienced up to this point. This plan would have a proposed multi-year plan over four to five years to regain stability in the Central Garage fund.

Ms. Holm stated that for 2026, Central Garage needed to increase replacement charges or replacement funding by $324,000 to get started. Central Garage would need about $600,000 to get back to ongoing operations so that revenues and expenses would net to zero. She acknowledged that a $900,000 increase is a big ask. She continued that the Finance Department monitors market values to ensure funding needs are addressed and adjusts as needed. Ms. Holm explained that she is proposing a one percent levy increase per year over the next five years to fully fund replacement charges and cover operations.

Ms. Holm said that even though the projections are very conservative, costs are increasing significantly over the next 10 years, and if the Council chooses to do nothing, then the funding for this entity will be in the hole very soon. She reiterated that the important thing to remember is that funding for replacement is not looking at what will be purchased in the current year, but funding for long-term purchases over the years.

Ms. Holm noted that in the earlier Public Works presentation, it was mentioned that there was a fairly large increase in Street Maintenance. Ms. Holm explained that after looking at the vehicles that are currently in Street Maintenance, it was realized that Street Maintenance is collecting at a much lower rate than it should be, and in order to get back on track, it needed an increase. She acknowledged that the $324,000 increase is a big number, and the plan forward is to ask for a one percent increase, which is about $250,000 over a number of years, in order to get back to zero. Ms. Holm asked if there were any questions.

Councilmember Lawrence-Anderson asked if, moving forward, the budget could be on one whole page. Ms. Holm stated that the budget was printed quickly before the meeting, which is why it was over more than one page.

Ms. Holm said there will be more discussions about Central Garage in the future, as the budget process moves forward.

Councilmember Moore asked how the Central Garage budget lines up with what the Council received in the budget. She asked if the Central Garage would be on the last page or the first page that Ms. Holm would typically go over. Ms. Holm said that what Councilmember Moore is seeing in front of her is a consolidation of the replacement line items in all of the budgets. Ms. Holm explained further that the budget in front of her was just looking at Central Garage and everything that goes into it as an entity. Councilmember Moore asked if there was a breakdown of each Department in the Central Garage. Ms. Holm said that each Department in Central Garage is not broken down in this particular packet.

Councilmember Moore asked what line the replacement charges are on. Ms. Holm said replacement charges are in the top section and do not have a number in front of them, but have a very large value.

Councilmember Lawrence-Anderson asked about the spreadsheet with insurance listed and a comment next to it, as well as what the comment was. Ms. Holm said the comment is a formula that is not the same as the cell next to it. Councilmember Lawrence-Anderson asked if the comment was relevant to what the Council needed to know. Ms. Holm said no, it was not relevant.

Councilmember Moore asked about the current needs for 2026, for $324,000 for replacement, and which department that is for. Ms. Holm explained that it is across all General Fund departments and is the increase needed from what was budgeted in 2025. Ms. Holm said that for 2026, the $324,000 is what is needed. Councilmember Moore asked if she would need to go to each Department budget to find that amount. Ms. Holm said currently, yes, that is not summarized.

Councilmember Moore asked about ongoing operations and whether she would have to go to each department to look that up as well. Ms. Holm said that ongoing operations are going to be consolidated into the repair, maintenance, and overhead, and the expense to the Departments would equate to the revenue that Central Garage gets and what that needs to cover, and the budget listed is to get back on track at least through 2026. Ms. Heyman clarified that the $600,000 was not in the budget. Ms. Holm stated that the replacement charges were included in the budgets because she felt like it was a more manageable number to get started, as it can not be done in one year. Councilmember Moore asked if the $324,000 is just for the year 2026. Ms. Holm stated that it is correct, and what is included in the budget that Councilmember Moore is seeing.

Councilmember Moore asked which line item is on. Ms. Holm stated that replacement charges are line item 6465.

Councilmember Moore said it is hard to track when it applies to different departments, and appreciates some increased level of clarity that this presentation provided.

Councilmember Jerzak said he was reluctant to approve the increase in the levy. He stated he understands that this fund was underfunded, and last year, the Water and Utility accounts were underfunded, and then inflation occurred. He noted that other departments have been underfunded or have other needs, too, and then it becomes a cumulative effect, where it just keeps adding to the levies. He added that the Brooklyn Center is not an asylum, and Hennepin County has now taken over the hospital and is telegraphing a huge increase, and the Council will likely be forced to ask for more money. He noted that the water bill has, in fact, doubled over a short period of time. He said the referendum from the schools also has to be added in. He noted that he got a phone call from an elderly resident who stated they are on a fixed income and only received a four-dollar raise for Medicare, and cannot afford to stay in their house anymore. He noted that all of the expenses are justified, but there has to be a balance. Councilmember Jerzak stated he does not like surprises, and this is a surprise that he did not know about, and he is glad Ms. Holm caught it, but there was one last year, too, that ended up costing more money. He said he just heard today that the levy increase would be $2,400 for the average family, and that hurts. He added that he just wanted Ms. Holm to know where he was coming from.

Mayor Pro Tem Kragness said that she remembered that over the last few years, Ms. Holm has been advocating to get those numbers back up for Central Garage, and there was some pushback then, too, and that the numbers make some people uncomfortable. She noted her appreciation to Ms. Holm for continuing to bring it up and keep it at the forefront so the Council can be mindful not just of now but also of the future.

Chair Garcia said that unless the Council figures out how to generate more revenue and increase the overall City budget, this will continue to happen.

Mayor Pro Tem Kragness noted that the main source of revenue for the City is property taxes, and if the Council is trying to keep those down, that is the revenue used to pay for the majority of everything for the City.

Councilmember Moore said she will not support a levy increase above zero percent. She said there are essential services in the City, but the residents can not afford them. She noted that it would all depend on the vote on the budget, but she was alarmed by some of the increases. She stated that for the Fire Department to come in at a 0.54 percent increase to maintain Public Safety is commendable. She stated she will not support major increases like she has seen in some of the departments up to this date, even if that means some Directors have to go back and figure out what to do with a zero percent increase. She reiterated that the Council will decide what the priority services for the City should be going forward.

Commissioner Brandt said, looking at inflation, healthcare, vehicles, tariffs and everything else going on, if the Council did a zero percent levy increase the Council would be putting the City at a huge disservice because the City would be losing money and that money will come out of the coffers, whether it is budgeted or not. She noted that she understands what Councilmember Moore is saying and that the levy comes out of her pocket, too, but keeping it at zero is kicking the can further down the road.

Councilmember Moore said she disagrees to a certain extent because some of the departments and positions were funded previously by grants, and are no longer. The Council, prior to Councilmember Moore, said very clearly that there is no revenue source, and no one is bowing down to come to Brooklyn Center. She added that the Opportunity Site has been sitting for four years now. She said that the Council would have to prioritize, and the Council previously said that once the grant funds run out, there is no guarantee that the City could continue these programs and services. Councilmember Moore said there is duplication across some departments, and this is a time to be innovative and look at what has been the most effective in terms of services.

4. ADJOURN

There was a motion by Mayor Pro Tem Kragness and seconded by Councilmember Moore to adjourn the meeting. Motion passed unanimously. The Brooklyn Center City Council/Financial Commission adjourned at 6:24 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/FINANCIAL COMMISSION
OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

JOINT WORK SESSION
AUGUST 18, 2025
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Graves at 5:32 p.m.

2. INTRODUCTIONS

Mayor April Graves and Councilmembers Dan Jerzak, Teneshia Kragness, and Laurie Ann Moore.

Councilmember Kris Lawrence-Anderson was absent and excused.

Chair Joylenna Garcia and Commissioners Gretchen Enger and Jeff Lewis were present.

Commissioners Janice Brandt, Leonard Brown, and Michael Donnelly were absent.

Also present were City Manager Reggie Edwards, Deputy City Manager Daren Nyquist, Director of Fiscal & Support Services Angela Holm, Director of Equity and Human Resources Dan Villarreal, Community Development Director Jesse Anderson, and City Clerk Shannon Pettit.

Mayor Graves asked if anyone had heard anything from the Commissioners. Finance Director Angela Holm said she had not heard anything. Mayor Graves said she would like to see those openings posted.

3. GENERAL FUND DEPARTMENT BUDGET PRESENTATIONS

City Manager Reggie Edwards explained that the Departments would continue their budget presentations and turned it over to Ms. Holm to explain the presentations. Director of Fiscal & Support Services Angela Holm said this would be the last round of Department budget meetings, and it should go fairly quickly. She said that Community Development Director Jesse Anderson would be presenting on EDA, HRA, and TIF, as it is adjacent to the General Fund.

Mayor Graves asked if Councilmember Jerzak had a question. Councilmember Jerzak asked Dr. Edwards if there were supposed to be minutes for the audit and if these meetings were available. Dr. Edwards said there is a recording, but he did not know if there were minutes prepared for special meetings like these. He stated he will double-check. Councilmember Jerzak said someone had asked him about the minutes, and he did not have the answer.

3a. COMMUNITY DEVELOPMENT DEPARTMENT BUDGET PRESENTATION

Community Development Director Jesse Anderson stated he would discuss the different Department divisions within Community Development, and noted that Administration (46320) is comprised of a Director and two full-time administrative assistant positions. The Director is responsible for providing overall Department leadership. The Building and Community Standards (42420) division is comprised of the Housing and Community Standards Manager, the Building Official, three Building Inspectors, four full-time Code Enforcement/Housing Inspectors, Seasonal Technicians, and Contract Electrical Inspections. The Development and Redevelopment (41910) and Economic Development (46310) are comprised of the Economic Development Manager, Planning Manager, an Associate Planner, and an Economic Development Coordinator.

Mr. Anderson went over the staffing numbers in each division of the Department. The position of Community Development Director is 0.5 for all of 2025 and 2026. The position of Economic Development Manager is one employee for 2024 (EDA), 2025 (EDA), and 2026 (EDA). The position of Planning Manager is 0.75 for 2025, 0.25 for 2025 (EDA), 0.75 for 2026, and 0.25 for 2026 (EDA). The position of Associate Planner is 0.5 for 2025 through 2026. The position of Housing and Community Standards Supervisor is one employee for 2025 and 2026. The position of Economic Development Coordinator is 0.25 for 2025, 0.75 for 2025 (EDA), and 0.25 for 2026, 0.75 for 2026 (EDA). The position of Building Official is held by one employee from 2025 through 2026. The position of Building Inspector is held by three employees from 2025 through 2026. The position of Code Enforcement and Housing Inspector is five employees from 2025 through 2026. The positions in the Administrative Department are two employees from 2025 through 2026. The BrookLynk Interns position has 0.1 employees in 2025 and 2026. The position of Seasonal Technicians has 0.3 employees for 2025 through 2026. The budget account total is 14.4 for both 2025 and 2026, and the Department total is 17.4 positions for both 2025 and 2026.

Mr. Anderson detailed the Department budget by business unit. The Planning and Zoning (41910) had a 19.55 percent change from the 2025 budget of $222,907 to $266,486 in 2026. The Building and Community Standards (42420) had a 3.16 percent change from the 2025 budget at $1,401,777 to the 2026 budget at $1,446,074. The Community Development Admin (46320) had a 2.76 percent change with a $329,490 budget in 2025 and a $338,599 budget in 2026. The overall budget for all divisions in 2025 was $1,954,174, and the overall 2026 budget is $2,051,159, with a 4.96 percent change.

Mr. Anderson noted that the Department budget is similar to that of 2025. There was an added $40,000 to the Planning budget and partial costs associated with the upcoming 2025 Comprehensive Plan. Cities are mandated to prepare comprehensive plans as required by the Metropolitan Land Planning Act (see MN Statutes 473.864). The 2050 Plan is due to the Metropolitan Council by December 31, 2027. Anticipate additional budgeting needs for the 2027 and 2028 City budgets. There were reduced anticipated contract services for grass abatements by $20,000 and nuisance abatement budget reductions by $15,000. The replacement costs increased by $21,633 for the Department's vehicles. Mr. Anderson noted that there would be a continued temporary shift of partial planner costs to the EDA account.

Mr. Anderson noted that these were all the General Fund accounts for his Department, and would explain other accounts within the Department that pertain to Special Revenue funds. He explained that there are the HRA/EDA funds, and the Tax Increment Financing (TIF) funds for Districts #2, #3, #5, #6, #7, #8,#9, and #10.

Mr. Anderson stated the 2023 EDA budget highlights had anticipated revenues of $696,849, with the levy accounting for $621,849, and TIF reimbursements accounting for $50,000, and interest earnings coming in at $25,000. Anticipated expenditures are at $717,408, with personal services accounting for $498,763 and professional and legal services costing $10,000. Other contractual services account for $25,000, and administrative service transfer costs are at $160,000. Mr. Anderson noted that the LAHA fund has some administrative costs that have to come out of the EDA fund.

Mr. Anderson noted the TIF districts, with eight active districts, two of which are decertified, so they are not collecting any more increment, but there is still money in those accounts. All of the accounts have funding with different restrictions on what the City can do with that funding.

Mr. Anderson stated that TIF District #2 is a primary financing tool for the redevelopment of the Earle Brown Terrace and Earle Brown Commons senior projects. This District was decertified in 2011 and has a current cash balance of $912,169 with interest earnings in 2025 of $45,000. The goals for District #2 are to provide EDA with options for redevelopment opportunities and to repay TIF District #5 inter-fund loan with the final payment made in 2024. This is the most flexible TIF fund for pooled funds.

Mr. Anderson noted that TIF District #3, which is located at Brooklyn Boulevard/69th, Brookdale area, and Willow/252, was decertified at the end of 2021, and 15 percent of the annual TIF revenues in this account are dedicated to the housing fund. This account is also responsible for most of the land acquisition and maintenance that the EDA has. The current cash balance in this District is $1,072,647, with 2025 planned activity expenses coming in at $203,980. Those expenses include administration reimbursement at $20,000, clean-ups/snow removal at $45,000, Fix Up Fund at $25,000, Rehab Loan Administrative $10,000, landscaping services $30,000, EDA utilities $88,980 primarily to City Utilities, and most funds from EDA land purchase will go back into TIF District #3. This District also has 2025 interest earnings of 70,000.

Mr. Anderson noted that TIF District #5 is the Renewal and Renovation District established in 2011 for the Shingle Creek Crossing PUD, and it decertified in 2029. This District has most of the increment going back into debt services for bonds related to the redevelopment. The current cash balance of this account is $1,613,198.16. Planned activity for this account includes revenue of $470,000 with a $440,000 increment and $30,000 in interest. Expenditures for this account include debt services at $367,875 and admin reimbursement at $20,000.

Mr. Anderson stated that TIF District #6 is the Housing District created for the development of an affordable assisted care senior facility called The Sanctuary. This account decertifies in 2043, and the District goals include providing revenue for the PAYGO note for The Sanctuary. The current cash balance in this account is $6,851.37, and the planned 2025 activity includes revenue of $68,208. Expenditures for this account total $66,928 and include the PAYGO note at $65,528, or

97.5 percent of the revenue goes back into The Sanctuary. He noted that this account will never pay out more than it brings in, so if the increment is decreased, the City will still pay out 97.5 percent.

Mr. Anderson stated that TIF District #7 is a portion of the Opportunity Site, and Kohl's and Bank of America. This account will close when a new District is created. An Interfund Loan agreement will allow TIF District #7 to pay back TIF District #3 for the Opportunity Site expenditures at a later date. The HOM Furniture TIF agreement for this site has been terminated. The current cash balance in this account is $554,297.18, with revenue coming in at $137,622 and expenses at a low $3,800.

Mr. Anderson discussed TIF District #8, which is 5801 Xerxes Avenue North, and was created to facilitate Sonder House and Point development. The goals for this District include providing revenue for the PAYGO note, and the excess increment can be used to support affordable housing. The current cash balance in this account is $117,697.91, with 2025 planned activity including $156,278 in revenue and expenditures coming in at $149,030, with 90 percent of that going towards the PAYGO note, and the remaining $3,000 going towards administrative.

Mr. Anderson discussed TIF District #9, which is The Crest Apartment Housing District. The goals for this District include providing revenue for the PAYGO note and ensuring that excess increments can be used to support affordable housing. The current cash balance for this account is $26,512, with 2025 planned activity including $53,225 in revenue and $49,123 in expenditures. The PAYGO note accounts for 90 percent of the spending in this account, with the remaining $1,400 going towards administrative expenses.

Mr. Anderson stated that TIF District #10 comprises Wangstad Commons Housing District. The goals for this District include providing revenue for the PAYGO note and ensuring excess increments can be used to support affordable housing. The current cash balance in this account is $13,677.84, with 2025 planned activity including $22,000 in revenue and expenditures coming in at $19,800 for administrative, and the other 90 percent going towards the PAYGO note.

Mr. Anderson said those were all the details about all the EDA TIF accounts, and asked if there were any questions.

Councilmember Moore asked if Mr. Anderson had an anticipated cost going forward for 2027 and 2028 in terms of the 2050 Comprehensive Plan. Mr. Anderson said the costs should be the same, and his estimate is that it will stay at $40,000 for 2027, and in 2028, the amount should be smaller as the Comprehensive Plan is finishing up at that point.

Councilmember Moore asked if the fees for grass abatement and nuisance are ever charged back to the homeowners. Mr. Anderson responded that there are revenue lines for those two categories, and the homeowners are sent invoices for those services monthly. If the fees are not paid by the middle of October, there will be a special assessment hearing. Councilmember Moore asked if there were any abatements that had to be assessed and placed on the following year's 2026 taxes. Mr. Anderson explained that the clean-ups get paid half the time, and the mowing gets paid for about 30 to 40 percent of the time, and 20 percent of the administrative citations get paid before they go on assessment, but eventually, all of them get paid. He noted that trees get assessed at one-year assessments and come back by the end of the next year. He continued that a lot of those fees are eventually offset by revenue.

Councilmember Moore asked about the EDA budget highlights and the $900,000 in interest earnings. She asked if the slide in the presentation should say personnel services instead of personal services. He noted that the slide should show personnel services and include Staff wages. Councilmember Moore asked if the $900,000 is sitting in that account on interest. Mr. Anderson said that the EDA account has funds but the long-term goal is for staffing costs to come out of the EDA account eventually, and for now, the TIF accounts are helping.

Councilmember Moore asked what the administrative service transfer pertained to. Ms. Holm answered that it is an administrative overhead fee, which includes Ms. Holm's time and Dr. Edward's time, so it is not a direct charge to those funds that Ms. Holm and Dr. Edward provide support to.

Councilmember Moore asked if both the closed TIF Districts #2 and #3 were used for potential land acquisition. Mr. Anderson answered that it would be up to the Council's discretion, but if there is something that the Community Development Department wants to use those TIF accounts for, it would be brought to the Council; however, there is nothing directly planned for TIF District #2.

Councilmember Jerzak stated that it was important to note that for commercial abatements, such as Brown College, which was a vast property that just sold, on closing, the City gets reimbursed, so eventually abatements all get paid and zeroed out, even with foreclosures.

Mr. Anderson noted that Brown College site has just sold, and he has a meeting with the buyer this week to find out what the buyer's plan is for the property. There are two options for that site. One option is to pay, and the other option will have to be put on next year's taxes.

Commissioner Enger asked about the EDA staffing shuffle. She wondered what the rationale is for doing part-time development, and if it is purely financial. She noted that in the spreadsheet, it was represented as being moved back in 2028. She asked what the back and forth between Community Development and EDA activities is, and if that affects the ability to track those activities. Mr. Anderson responded that there is no hard deadline, and the Department is not going to run out of money in 2028. He noted that his Department only cuts into the EDA budget by about $30,000, so he is not worried about running out of money there. He said that right now, he has the TIF accounts to pull money from, but they do not have the money that they used to have. The expenses that are split between the regular Department budget and the EDA budget are valid Staff positions that are doing things both for the EDA and on the Community Development side, and the Department is not big enough to have one employee do one task the entire time. He explained that eventually the money in those TIF accounts will run out, for example, using TIF #3 to do all the mowing and clean-ups around the City cannot be funded that way forever. In order to fund some of the TIF accounts, the City would sell land, and that money would go back into those TIF accounts. He said that the Director before him moved some of the money into the Redevelopment account, which he thought was coinciding with TIF #3 being decertified, and with budget challenges, it makes sense to keep doing so, temporarily.

(34:41) Councilmember Jerzak asked about the increased costs of 19 percent on page three of six, and he stated he thinks that is because last year Community Development opted out of the state reimbursement program, and asked if Mr. Anderson could offer an explanation as to why that is. Mr. Anderson said that he added $4,000 to that budget, moving it from $21,000 to $25,000, and the state did not do the reimbursement program this year, which would have helped, but moving that money around helps offset that cost, and wages are increasing for Staff. Mr. Anderson said the Department is not adding more Staff, and needs to pay current Staff a marketable wage. He noted this is realistically what it costs to get through the summer, plus the BrookLynk interns.

Councilmember Jerzak said that he knew that the intention of building and using interns was difficult to replace those individuals, and Inspectors are limited to how many hours they can put in seasonally, and asked if that was still true. Mr. Anderson said that was still true, and there is not a strong market for qualified building Inspectors, and recent research has shown the Code Enforcement position is a little less desirable. He noted that Brooklyn Park used to hire a neighborhood Health Specialist for Code Enforcement, and by adding the building, it brings in more people who can apply for the job. He noted, too, that the grant funding ended in 2025 for the Inspector Training Program.

Commissioner Enger noted that she thought Worker's Compensation insurance was going down, but then saw it went up by 15 percent, and asked if that was because a claim was being paid out. Ms. Holm explained that it is based on the organization's history, and every employee who works for the City is assigned a category with different percentages. She said that employees such as Inspectors who go out into the community are in a category with a higher percentage and expense level attached to them than an employee who sits at a desk all day. The numbers are estimated based on what Worker's Compensation has been in the organization's history, as well as talking to the City's Worker's Compensation insurance employee, who tells Ms. Holm what to expect to pay.

Councilmember Jerzak asked about 6421, and that someone had asked him about IMS and licenses, and the cost for the license, and not using LOGIS as it was not a very flexible system, and did not work very well. He noted that Mr. Anderson was almost four years into it and asked if he thought that was a wise move. He wanted an explanation because it was a significant expense. Mr. Anderson said there were some upfront costs for the changeover, but it is more efficient for the customers, with more online scheduling, and the Department was able to use fewer administrative staff because of it. Mr. Anderson continued that four years ago, the Department had two part-time Administrative Staff in addition to two full-time Administrative Staff, one of them left, and then the Department contracted the county to do homesteading, which saved the Department about $20,000 a year. He noted that with more happening online, it is more efficient for Administrative Staff, and there are still some challenges because the customers do not always find the right permit, and someone has to help them work through that, but the software is ultimately a cost savings.

Councilmember Jerzak asked about line item 6449 with $5,000, and asked Mr. Anderson to explain what the HC program is. Mr. Anderson said the $12,000 contract with CAPI helps the farmers' market. The fee helps with advertising and trash. He noted that last year, the City switched companies that were providing the same service, and CAPI took over.

Mayor Graves asked if Mr. Anderson wanted to talk about Elevate, too. Mr. Anderson said Elevate is a small business support and resource, and they offer 29 hours of consultation services for services such as legal advice, marketing, and loan assistance. Mr. Anderson said his Department is looking to host some of Elevate's events in Brooklyn Center, like CEO Next. He explained that CEO Next is an open forum where small businesses can come in and talk to business experts at City Hall. Mr. Anderson noted that Elevate is an excellent resource to send local small businesses to for help and support.

Councilmember Jerzak asked if an RSVP is sent out every year for the farmer's market or if it is just discretionary on what businesses are involved. Mr. Anderson said that an RSVP had not been sent out; it was an annual contract with small businesses.

Councilmember Moore asked if CAPI is running the farmers' market completely for the city. She asked if CAPI is doing all the marketing for it through social media. Mr. Anderson said Community Development is not involved that much with the farmer's market, other than if there is needed assistance, so CAPI runs everything.

Councilmember Moore said on page 33 of 88 and page three of nine of the budget, there are charges for sewer, storm, and street lights that are EDA lots that cost $88,000, and asked if there was any chance those lots could be redeveloped, as that is a lot of money. Mr. Anderson said he understands what she is saying, and his Department is trying to come up with some ideas for some of those properties to deal with that maintenance. The biggest one is the Opportunity Site, which needs to get going. The EDA Manager has been working on an RFP to cast a wider net so the City gets more interest in some of its properties. He noted that some of the lots they are discussing are challenging lots to sell because of their location, as they are remnant parcels from other City projects. He added that the investment market is challenging for investors right now, but his Department is trying to help.

Councilmember Moore asked about sales versus redevelopment and if that meant the City would sell those properties for an investor to come in and do all of the development. She noted that she has to ask because some of the properties are just sitting there and are large in size, and there is no interest. Mr. Anderson said in the current market, a large-scale sale is challenging, so the progress will be small and will not include a master plan of four to seven properties because that is unlikely in this market. The heavy lifting of infrastructure and roads, and getting the site prepared. Mr. Anderson said there are conversations happening with different developers to try to get some projects together.

Councilmember Moore said there has been very little movement there in the last two years, and some businesses have reached out and wanted to expand, but those plans fell through. She said Mr. Anderson probably already knows that the Department is or should be very aggressive in getting those properties sold because there are staff and benefits to consider. She asked what the staff and even the residents are getting out of development or redevelopment at this particular time, and said it was no fault of Mr. Anderson or his Department, but it was something to think about. Mr. Anderson said he understood where she was coming from and that it was something that his department had been working on. He noted that they were very close to selling the property about three years ago and probably missed the prime multi-family housing boom window, and it has been challenging since then.

Mr. Anderson said his Department does offer other services, and it is not just development. He noted that they offer small business support. Councilmember Moore said there are a few agencies besides Elevate, plus the Brooklyn Park business center, that any of the surrounding communities can use as well. Mr. Anderson said that with current market conditions, he has seen a renovation of current properties, but a brand-new building is a tough prospect right now. He noted that three years ago, an investor could invest in a project and see a seven percent return, and now an investor can put money in a money market account and see a six percent return, so that is the obvious choice an investor will make. He said the other challenge is that 610 West went up for sale two years ago and just sold for $220,000 a unit. To build that same building is about $330,000 per unit, and no bank is going to give $330,000 per unit to build something that will be valued at less than what it costs to build.

Councilmember Jerzak said at one time there was a designation, and noted that the bowling alley was designated as an enterprise and was a special federal designation, and asked if any of that still exists and if it applies to the Opportunity Site. Mr. Anderson said there is still a federal opportunity zone, and the EDA Manager is working on a work session with the Council to talk about it. He noted there are some ideas to improve that use more effectively.

Economic Development Manager Ian Alexander said those zones will be reallocated in 2027, and the Department has already been in contact to get the deed, to see if he can get any additional ones, and enterprise zones have been retired.

Mr. Anderson said there will be a Work Session discussion with the Council on the enterprise zones soon.

(Video and sound cut out)

Mayor Graves thanked Mr. Anderson for his presentation.

3b. COUNCIL AND ADMINISTRATION DEPARTMENT BUDGET PRESENTATION

Dr. Edwards introduced this item and said he would speak on the Council's budget, and the Council can have conversations about said budget. He noted that the Deputy City Manager Daren Nyquist would also present, as he is the Director of Administration. He noted that he and the Council continue to provide leadership both internally and externally, so the organization is in alignment with priorities established by the City. He noted a few highlights: the Council's budget, as well as the Office of the City Manager's budget, may have a few items that have increased, but the overall budget has been reduced. Dr. Edwards noted that the Council's budget has been reduced by 8 percent, and that is primarily due to the reduction in the contract with Common Sense. The City previously had a contract with Common Sense that totaled $60,000, which has been cut to $30,000, based on the Council's feedback. Dr. Edwards said there is still some money there, depending on how the Council chooses to utilize those resources in the year to come. Dr. Edwards noted that money could be used in the development within the Council to use consultants to meet one-on-one with the Council to resolve any particular matter. Dr. Edwards noted that in the recent Code of Respect, there is a process for conflict resolution with restorative measures, so there may be opportunities to use that money in order to have that type of dialogue. Dr. Edwards noted there was also a computer that was replaced for $1,300.

Dr. Edwards showed a slide with the different department expenditures, noting the Mayor/Council (4111) had a 2025 budget of $218,414 and a 2026 budget of $200,530 with an 8 percent decrease. The City Manager (41320) had a 2025 budget of $459,717 and a 2026 budget of $546,560 with an overall change of 18 percent. The Elections Department (41410) had a $142,911 budget and a 2026 budget of $211,562, with a 48 percent increase. The City Clerk (41430) had a 2025 budget of $238,900 and a 2026 budget of $234,489 with a 1.8 percent decrease. The Legal Department (41610) had a budget of $520,750 and a 2026 budget of $502,500 with a 3.5 percent decrease. The Communications Department (41750) had a 2025 budget of $329,627 and a 2026 budget of $397,605, resulting in a 20 percent increase. The Human Resources Department (41810) had a 2025 budget of $1,084,159 and a 2026 budget of $1,170,814, resulting in a 7.9 percent increase. The Information Technology Department had a 2025 budget of $976,466 and a 2026 budget of $981,329, resulting in a 0.5 percent increase.

Dr. Edwards explained the Office of the City Manager includes the City Manager and the Deputy City Manager and there were quite a few reductions, except there was an increase on other contractual services which budgeted for an additional $15,000 that pertains to development work with the Directors as that is critical work to move forward in the coming year and the success of the City as an organization. Dr. Edwards noted that all other line items are primarily reductions, outside of wages, which went up with all other staff at a 3 percent increase. Dr. Edwards asked if there were any questions about those two Departments before he continued the presentation.

Councilmember Moore said one Councilmember got a new laptop that cost $1,300, and asked what the iPad situation is. Dr. Edwards said there was only one Councilmember with an iPad, and did not know yet if the fee would be matched to replace it or not, and that is at the discretion of the Council.

Councilmember Moore said this would be on page one of three or page 51 of 88, and noted there is $10,400 for National League of Cities (NLC) travel expense and mileage reimbursement for conferences, while line item 6432 for the local League of Minnesota Cities (LMC) has zero. She said she would like to see those two line items switched around in funding because she does not support out-of-state travel for the Council. She also does not support reimbursement at conferences and meals, and the local workshops might not agree because of the $28,000 membership fee that the Council pays to be a part of LMC. Dr. Edwards said that when Councilmembers go to conferences, there is a registration fee. Councilmember Moore said she is giving her opinion about national versus local conferences for the Council.

Councilmember Moore continued that there are subscriptions and fees under LMC, which she believed the Mayor had brought up in Council meetings, and she guessed that all of those are required. Councilmember Moore listed off the subscriptions to Metro Cities, LMC, and LMC

Mayors. She noted that the subscription to the National League of State North Metro Mayors costs $12,500 and includes rotaries. She asked if all those fees and subscriptions were necessary. She said she knows there has been a long-standing relationship between the City and Council and Rotary, but she asked Dr. Edwards if he could speak to that as well. Dr. Edwards said that nothing is required, but that the Council would be remiss if they did not engage with part of organizations across the state, but the Council can opt not to participate.

Councilmember Moore asked if the fee really is $28,000 for LMC for the Council to be members. Dr. Edwards stated that she is correct. Councilmember Moore said that it is a local league, but she was talking about the NLC, and she agrees that the LMC is important, but Metro Cities, she does not know what benefit the Council would be getting from Metro Cities. She continued that the North Metro Mayors is $12,500 and is a lot of money, especially if every City is paying that. Dr. Edwards said the fees primarily go to support the association and the staff in their legislative work. He noted that Metro Cities, in particular, had legislated issues that may be different from LMC, so Metro Cities staff should have a voice at the legislative level.

Councilmember Kragness said she did not want to argue with Councilmember Moore, but she has a different opinion about continued education and learning. She noted that she herself is a highly educated professional, and that is due to continued education, and she takes her role very seriously, so if there is an opportunity to have career development or extra training, she accepts that. She stated she is glad that there is an education budget for Director development as well as Council development, and whether the Council chooses to participate in that or not is up to them, but she will take the opportunity to better herself. Councilmember Kragness said that whether that opportunity is local or not, anyone should have the desire to have further education.

Councilmember Moore said she would like to respond to that statement from Councilmember Kragness. She said that there is nothing budgeted for local conferences or workshops for the Council. Mayor Graves said Councilmember Kragness was just trying to make a statement. Councilmember Moore asked Mayor Graves if she was being corrected. Mayor Graves responded that she was not correcting Councilmember Moore, but she also did not recognize Councilmember Moore in order to let her speak, and Councilmember Moore jumped in anyway. Councilmember Moore said she would yield.

Commissioner Enger asked for clarification on the 18 percent increase in wages and salaries and asked if that was adding new staff and on page 53 of 88, line item 6449 under other contractual services, what outcomes are expected from the $40,000 performance measurement contract. Dr. Edwards said it is to develop a performance measurement system to track outcomes as the Department moves forward. Commissioner Enger asked if that was for a performance evaluation for full-time employees. Dr. Edwards said it has nothing to do with staff or performance but is related to services and programs that the City provides, and if the outcome and impact are what was intended. Commissioner Enger asked about the $25,000 used for coaching and Director team development, and how that will be measured for effectiveness. Dr. Edwards said the coaching development is not in place yet, but it will be measured by the performance and work that is done.

Mayor Graves said that because this program is new, a lot of it still has to be developed. Dr. Edwards said that the City invests in all of its Staff, and if Staff go to a conference and have development, then it would show in their work, but Dr. Edwards would look at the performance of that employee over the course of the year as it relates to whether that employee improves. Commissioner Enger asked if there is a performance evaluation protocol for employees in place. Dr. Edwards confirmed that there is.

Deputy Director City Manager Darren Nyquist discussed that the divisions that he is in charge of are included in the Administration Departments, which are Elections (41410), City Clerk (41430), Legal (41610), Communications (41750), and Information Technology (41920). Every division has a Manager and two Staff members underneath them. Staffing numbers have remained very similar over the last two years, with three Communication employees, three IT employees, and two and a half City Clerk employees. In 2025, Mr. Nyquist took an existing full-time customer service representative position from another division and brought that position over to the Communications division. Mr. Nyquist showed the budgets for each of the divisions with a notable increase of 48 percent in Elections due to an election happening next year in 2026. Mr. Nyquist noted that all the other divisions were kept on a tight budget.

Mr. Nyquist noted the Department budget highlights with local, state, and federal elections in 2026, wages for election judges and materials to administer, LOGIS charges increasing by five percent according to the IT Manager, and he thinks there is still value there. Mr. Nyquist said one thing he thinks the organization should look at is improving Laserfiche workflows, which is the City's electronic document management system. He noted that City Staff use a lot of paper, and if there were an automated workflow, it could save money and Staff time, but it would take some costs to develop that electronic system. Mr. Nyquist said those are the three things driving his budget this year and asked if there were any questions.

Councilmember Jerzak said on page eight of eight, line item 6422, he noted an expense for Microsoft 365 training even though that program was rolled out last year. Mr. Nyquist said he is in the process of developing a contract now for that, and there was some training last year, but not enough. Mr. Nyquist said he has had conversations with the other departments, and there is a need to understand, especially how to use Microsoft Teams and how and where to save documents. Mr. Nyquist said training was necessary for better understanding, but also from a cybersecurity aspect.

Councilmember Jerzak asked about line item 6408 for a Zoom license, and he thought City Staff were also using Microsoft Teams, but one of the constant complaints he gets is the technical difficulties with Zoom. He said if the City is using and paying for both programs, at least one of them should work. Mr. Nyquist said that was a good point, and he has discussed it with his IT Manager and Zoom for the City's purposes for City Council meetings, for example, is the best product that can be used right now. He noted that he just pulled all of the Zoom licenses and needs to do some work figuring out what the City should pay for and what it should not. He said that, in his opinion, work done internally among City Staff can be done over Microsoft Teams, but externally, Zoom is the best way to go.

Councilmember Jerzak said the Council does not have much to do with the administration in the day-to-day operations, but he said it is possible to have a discussion among the Councilmembers about what role they want to have in engagement with the public, for example, having Zoom open so residents can ask questions during a Council meeting. He said the Council may be able to help with that type of decision, and having two license fees and limited use deserves a more detailed discussion. Councilmember Jerzak continued that he is a huge fan of the workflow software idea, and he does not think the City is using Laserfiche to its advantage, and it could save a lot of money. Mr. Nyquist stated that he agrees with Councilmember Jerzak, and the reason Laserfiche is on the budget is that his Department would have to contract out the talent to develop those applications. Mayor Graves asked if Mr. Nyquist would be trying to build that talent into his Department. Mr. Nyquist said he would love to, but those types of applications have to be cared for, and he found a workflow program developed for HR by an employee, but then that employee left, and the data was no longer connected, and the application was no longer maintained and stopped working.

Finance Commission Chair Garcia said she is not concerned about an $8,000 training fee because there is a learning curve to switching, and Microsoft Teams does make a lot of sense, but what Mr. Nyquist is doing is great, and she hopes it is successful.

Mayor Graves asked if there were any other questions.

Councilmember Moore asked about the increase in the City Manager Department of 18.6 percent and said there has to be more than a three percent increase in Staff wages there, and the Deputy City Manager has only been in his position since the beginning of the year, so that seems a little quick to get a raise. She said she wanted to ensure that the City was not making two rotary payments, as there is one under the Council budget and one under the City Manager budget. She asked if they could discuss other contractual services further around coaching and said she was not in support of that for the Council. She said if there is a component of the Code of Respect with mediation which has yet to be approved by the Council, then maybe, but it is in the 2026 budget and could be reduced.

Finance Commission Chair Garcia asked if the Council was participating in concept development for the Code of Respect and then stopped. Mayor Graves responded that there was not enough consensus from the Councilmembers to continue, so it did not make sense to continue. Mayor Graves noted Dr. Edwards' point that if mediation was needed between Councilmembers or something that came up through the Code of Respect, then mediation could be utilized.

Chair Garcia said she was trying to understand why any Councilmembers would want to move from preventative actions to reactive measures. Mayor Graves said Chair Garcia would have to ask those Councilmembers who did not want to continue working on the concept development.

3c. EQUITY AND HUMAN RESOURCES DEPARTMENT BUDGET PRESENTATION

Dr. Edwards introduced Director of Equity and Human Resources Dan Villarreal. Mr. Villarreal said he started working with Dr. Edwards on this budget in May and has been with the City since last September. He said he is on the Equity and Human Resources team, which comprises recruitment and hiring, training and development, employee relations, compensation and benefits, and compliance and policy enforcement. Mr. Villarreal noted that there are four positions total in this Department: one Director, one Compensation and Benefits Manager, one HR Generalist, and one Payroll Coordinator. In 2024, there was one Customer Service Representative position, but earlier this year, it was moved over to Administration under Communications, and that position will no longer be in any proposed budgets.

Mr. Villarreal said his budget for Human Resources (41810) had a 7.9 percent increase. He noted that the increase is due to a wage study that was done in 2024, and is asking for a $100,000 reserve set aside for increased salaries to align with the compensation study. He noted that there has been turnover across the enterprise due to salaries that were under market value. He noted that the $19,000 is needed for an employee survey to ensure City goals are met as well as employee expectations, and an additional $10,000 is needed to transition from paper documents to Laserfiche.

Mr. Villarreal continued that the HR Department has a $62,000 expense related to MN State paid FMLA law that will be effective January 1, 2026, and all other items in the budget are related to running an efficient and compliant Department. Mr. Villarreal asked if there were any questions for him.

Councilmember Jerzak said he thought there was already a $100,000 set aside to increase salaries that was in the budget last year, and he asked how it is determined who gets that money and how it is distributed. Mr. Villarreal said there was a wage study, and job classifications were looked at, but the tenure of Staff was not. Instead, the pay increase was determined depending on the current job classification and whether there was a pay equity issue. He explained that to move everyone's salary would have cost the City $600,000. He noted that 17 employees were chosen based on job duties to receive a raise, and his goal is to move those 17 individuals up in pay again. Mr. Villarreal said the City's Building Official and City Engineers are positions that are at high risk of leaving if the City's salary is not competitive.

Dr. Edwards said that what is considered to be competitive in the salary market is going to be close to five percent lower or above 50 percent of the market value, according to the pay study. He noted that the majority of City Staff are within that range, and the City has tried to address those that are outside that margin over the last two years. The intent is to eventually get everyone in the organization up to that 50th percentile. Dr. Edwards noted that after salaries were addressed that were far outside that 50th percentile, they started looking at the pay structure itself to address who is within that 50th percentile and who is not, and that is how the money is distributed.

Councilmember Jerzak said he appreciated that information and thinks it would be helpful if that information were included in newsletters. He said he did not understand how pay increases were distributed, and it is important that employees understand it too, because otherwise, an employee could interpret it as meaning that the organization does not care about them if the employee does not receive a raise. He said that it is a valuable morale aspect that he wanted to pass on. He noted that another sensitive subject is that over $100,000 was paid for a work study for the Police Department, and nothing ever happened after that. He noted that it would be helpful to explain to Staff who the third party was, that the City used to determine pay equity.

Mayor Graves said she did recall that Police Chief Flesland had mentioned coming back to talk about that study next year. She continued that it is untrue that nothing happened after the study was completed, because two years ago, the Council added positions in the budget that the Police

Department did not ask for. She noted that Councilmember Jerzak should be careful about saying that the Council did nothing after that study was completed. Councilmember Jerzak said he retracted his previous statement and thanked Mayor Graves for bringing that to his attention. He noted that addressing the logical reasons why certain Staff can not get a raise would be helpful, but there are a number of individuals who have never had the opportunity to know what happened with that study.

Dr. Edwards clarified that what is proposed is a three percent raise, and that was critical to share with City Staff because the City only has $100,000 but a $500,000 problem, so it was never going to address everyone, but Dr. Edwards tried to ensure City Staff received the three percent raise to maintain competitiveness. Dr. Edwards continued that on the communication side of things, there has been an employee newsletter with information about wages. He said recently, there have been monthly presentations with all City staff related to the pay study. There have also been presentations on the Police Department, Public Works, Community Development, and Administration on the case study to ensure that City Staff understand and know what is happening.

Mayor Graves said it sounds like an equitable approach.

Chair Garcia asked if the job descriptions were updated prior to the study. Mr. Villarreal said they were updated, and employees and managers were able to update them, which were then forwarded to Mr. Villarreal. Chair Garcia asked if this study was done for every employee in the City. Mr. Villarreal said it was, but not all employees got a chance to log in because there were some positions that were siloed, and there are some individuals in universal positions, so Managers were encouraged to have at least one or two of those employees participate. He noted that some police officers did not participate, as did some crew maintenance, but overall, across the enterprise, the majority of employees filled out the initial request.

Dr. Edwards added that only full-time employees had the ability to participate in the study, not part-time employees.

Councilmember Moore asked about line item 6449 on page 70 of 88. She appreciated the notes that he put in there, and it was easy to follow. She noted that everything pretty much stayed the same within the budget, except for Thrive Pass where the budget goes from $3,100 up to $10,000 in 2025. She noted a consult on implantation for $100,000 that was reduced to $50,000 and an executive-level search of $30,000, which she said she had no idea what that meant. She asked if that was a placeholder in case one of the Directors leaves. Mr. Villarreal said the $100,000 went down to $50,000 because that was part of the study. Mr. Villarreal noted that the HR Department may need to hire a consultant to look over the different pay plans and structures. He said the wage study has been done, but no plan has been adopted yet. He noted that the $10,000 increase is under benefits because he anticipates there will be an increased cost associated with that company.

Councilmember Moore asked again about the executive-level search. Mr. Villarreal said that if an executive leaves, the HR Department will hire an outside firm to search for a new executive, and that is typically what the organization has done.

Councilmember Moore asked if that expense should be under contingency and if there is a reason why this expense is under contractual services. Ms. Holm said that the expense could be moved to the contingency line. Right now, on the contingency line, there are two Duty Crew members, the paid FMLA, and the $100,000. She noted that there is a specific purpose of the contingency line, and it will not change the budget, just that single line item. Ms. Holm continued that it is important to understand that the $100,000 from the salary study was also on last year's budget, so it is not an increase. The paid FMLA is in that contingency as a placeholder because it will get distributed across all departments, but there is no account to hold those funds until then.

Councilmember Moore asked if it is necessary to have $30,000 in the HR budget for an executive-level search. Dr. Edwards said there are always funds available for each Department executive because it costs $15,000 to search for a new one. Councilmember Moore said she thinks there are other areas in the entire City budget that could be cut rather than this $30,000. Dr. Edwards said if those funds are not used, they roll into the fund balance. Councilmember Moore asked if that $30,000 was used for Deputy City Manager Nyquist. Dr. Edwards said that whenever there is a transition, those are the funds that are used. Councilmember Moore thanked Dr. Edwards for the clarification.

Commissioner Enger asked about line item 6421 relating to software licensing fees, and there was a question if the City needed Adobe Acrobat in 2025 and in 2026, and the City is getting other licenses for $10,000 and it was determined that LOGIS did not fit the needs of the City and there is a $20,000 ask for additional programs and asked if all of that is correct. Mr. Villarreal replied that she was correct.

3d. FINANCE DEPARTMENT BUDGET PRESENTATION

Dr. Edwards introduced Finance Director Angela Holm to discuss the Finance Department budget. Ms. Holm said she would be presenting on Finance as well as some ancillary business units that fall under the umbrella of the General Fund.

Ms. Holm explained that the Finance Department's role in the City is to prepare and process information to facilitate the daily financial operations of the City, administer claims and risk management for property and casualty insurance, apart from health insurance, manage investments and issuance and repayment of debt obligations, and oversee internal controls and ensure compliance with all financial rules and regulations. All things that the Staff in the Finance Department take very seriously. Ms. Holm noted additional duties include managing the City's annual audit process, providing support to the City Manager in preparing annual budgets, and the Utility Billing division prepares quarterly billing and provides the collection of revenues from the City's five public utilities.

Ms. Holm explained that Department Staffing has not changed much over the years, with six total employees in the budget for both 2025 and 2026. The Staff includes one Director, one Accounts Payable Supervisor, one Senior Accountant, one Accounting Specialist II, and one Utility Billing Technician. The Accounting Specialist and Utility Billing Technician are supervised by the Accounts Payable Supervisor and do a fair amount of the utility billing work for the City. Ms. Holm noted that there are two Senior Accountant positions, and one is currently vacant.

Ms. Holm detailed the Finance Department's budget by business unit. The first line item, Finance (41520), is the one she directly manages. The 2025 budget for Finance was $760,823, and the proposed 2026 budget is $793,747, resulting in a 4.3 percent change. The remaining line items are the ancillary business units that fall under what the Finance Department does. Ms. Holm noted that the Assessing (41550) unit was taken over by the county, so the City will no longer pay for that service. The Joint Powers Payments (44110) and the Convention and Tourism (45310) are the units that handle the collection of lodging taxes that are paid to the Tourist Bureau, and they have had a decrease in the budget of 0.5 percent. The Insurance (48140) is all the City's insurance, which had a budget of $370,080 to $375,647, resulting in a 1.5 percent change. The Central Supplies and Support (48150) business unit had a 2025 budget of $179,628 and a 2026 budget of $139,428, resulting in a 22 percent decrease. The Vacancy and Turnover Savings (48170) had no change between the 2025 and 2026 budgets at $-400,000. The Reimbursement from Other Funds (48170) business unit is the allocated administrative overhead and had a budget of $-2,047,289 in 2025 and a $-2,242,399 budget for 2026, resulting in a change of 9.5 percent. Ms. Holm explained that this fund handles the Engineering Service Transfer, which is a piece of the Engineers' salaries that is directly charged to the Capital Projects, so a piece of what the City Engineers do becomes capitalized salaries and is a negative expense.

Ms. Holm continued that the Transfer Out (48120) business unit, which is comprised of the Technology Fund, the golf course, and the retirees of the medical benefit plan that the City needs to fund, has a budget of $330,000 in both 2025 and 2026.

Ms. Holm stated that the Finance Department budget highlights the increase for ergonomically improved workstations, including replacing or repositioning work surfaces and adding sit-to-stand options for all workstations. She noted that she hates to admit it, but her Department is a fairly sedentary group, sitting at a desk and typing on keyboards all day. Ms. Holm noted that comfortable and healthy workspaces are critical to the overall employee experience, as she is already seeing neck, shoulder, and back problems in her Staff and would like to avoid any more problems. This work was approved in 2024, but was delayed due to extended conversations about workspace configurations and finding space in the building. Ms. Holm said that is her biggest and only increase in the Department budget. Ms. Holm said there is some training and professional development that she would like to do to continue to allow her Staff to enhance their skill sets in order to do what the City has asked of them.

Ms. Holm said that other budget information worth noting is that the Joint Powers business unit is budgeted in Finance and other departments. She said Convention and Tourism is directly related to lodging tax revenue, and a portion of that revenue that is collected is paid to the Tourism Bureau. Insurance includes property and casualty insurance coverage for the City as well as the vehicle insurance for Central Garage. Central Supplies are services and supplies that benefit the organization, and have decreased a bit as a lot of departments have started to order their own supplies. Vacancy Savings is a method to capture savings from vacant positions. It is not required, but it is something the City does to recognize the monetary value when there are vacant positions. Reimbursement from other Funds is allocated overheard from Enterprise and Special Revenue Funds, as well as the Engineering transfer. The Transfer Out is funds transferred directly from the General Fund to other funds. Ms. Holm said that was a quick overview, and asked if anyone had any questions for her.

Mayor Pro Tem Kragness said she appreciated the intentional allocation for professional development, as she thinks it allows space for internal advancement so employees have the opportunity to advance up through the Department rather than moving out to advance.

Commissioner Enger noted that the ergonomic desks are very beneficial and praised Ms. Holm for seeking them out for her Staff. She asked about an item on page 81 of 88, line item 6207 under Professional Services, where there is a Mediators' Code of Respect cases listed, and asked Ms. Holm to elaborate on that. Ms. Holm said she would defer to Dr. Edwards on that item, as they had collaborated on this budget. She noted that it is under the Legal budget, which technically falls under the Administration umbrella, but it tends to be a budget item for which she puts a number. Commissioner Enger asked Dr. Edwards if that was just earmarked in case something came up. Dr. Edwards nodded and said Commissioner Enger was correct.

Mayor Pro Tem Kragness noted that it says there is a 233 percent increase, but it is only in the amount of $2,500.

Commissioner Enger asked about an item on page 88, the Technology Fund transfer that states that $100,000 is transferred for the Technology Fund, and asked what technology initiative this is supporting and what benefit this serves. Ms. Holm said this amount is noted under the Technology Fund transfer, and this fund was set up to centralize large technology purchases like hardware, servers, and the Microsoft 365 conversion, which was paid for with this fund. Ms. Holm noted that any type of technology purchase can get very expensive, so money is set aside for those purchases, much like how it is for the Central Garage. Ms. Holm explained that this is done, so large expenses do not take them by surprise, and the City loses a critical piece of information infrastructure.

Commissioner Enger said the $155,000 Golf Course transfer is the largest single transfer in the Transfer Out Fund and asked what the rationale is for doing this, as well as the metrics tied to the funding. Ms. Holm said that there is a much bigger conversation to have about the Golf Course itself, which was discussed at a previous Council meeting. Ms. Holm said that Finance had been transferring much less money in previous years, but during the audit, the Auditors told the Finance team that by transferring less money, the Golf Course was just going further in the hole, so the transfer needed to be more in line with what the needs are. The money had been transferred before the Golf Course became a Special Revenue Fund, so this transfer allows Finance to publicly capture that information and show what is being transferred to the Golf Course. Ms. Holm noted that the Golf Course is a much bigger conversation than is related to this specific budget.

Dr. Edwards said the essence of the transfer is that the City determined years ago that the Golf Course is an amenity that it wants to support. The Golf Course has not historically made money to fully support itself, but the City saw the Golf Course's importance and wanted to provide a subsidy in order to maintain it. Dr. Edwards pointed out that the Community Center is similar in that it does not fully fund itself either.

Commissioner Enger asked if the intent of the Golf Course is to eventually be self-funded instead of getting subsidies from the City. Dr. Edwards said that is correct, and hopefully, it will get to the point where the Golf Course no longer needs subsidizing from the General Fund.

Commissioner Lewis asked about page 79 of 88, line item 6321, which said 1X Team Global Service, and asked if that was for one phone line that cost $180. Ms. Holm said that it is correct, for one cell phone line, that costs $180 per year. She noted that the City has a lot of phones and gets a high volume deal. Commissioner Lewis asked how many phones the City has. Ms. Holm said she was not certain what the number is, and the only person who might know the total number would be the IT Manager. Mr. Nyquist said he just asked that question to IT as well, and he thought it was around 50 or 60.

Councilmember Jerzak asked about line item 6449 on page 85 of 88, and the $80,000 that he suspected was used for contractual services for the Community Center last year. He noted that there was a reduction in legislative consultant fees and other service items, and he recognized that the City has its own lobbyists, per se, in addition to the MLC and the Metro Cities, and asked if that 43.75 percent reduction is related to a fee that the City is not paying someone directly for those services. Councilmember Jerzak said other service items are the explanation he is looking for. Dr. Edwards asked if Councilmember Jerzak's question was about the reduction of $80,000. Councilmember Jerzak said yes, and if the $80,000 reduction was in relation to other services, such as the firm hired for the Community Center. Dr. Edwards responded no, he said he could find out the details related to that reduction, but that money was not used for the Community Center.

Councilmember Jerzak said he would like a little more explanation, but did not have to have the answer tonight, but that $80,000 reduction is a pretty significant drop, and the Council votes every year on what the legislative priorities are, and he wants to be sure that the Council is being represented in a fair and contractual way. He said this may have shown up in another department budget, but he could not find it.

Mayor Pro Tem Kragness said the Council just wants to make sure that the budget is being reduced, but not reducing services that the Council or City actually needs. Councilmember Jerzak said that was a fair statement to make, and he wants to be realistic about what services need to be funded.
Councilmember Moore said she had the same thing highlighted and wanted to know what the $80,000, which is now $45,000, is for. She asked about line item 6432 labeled conferences in schools, and said she absolutely agrees with Councilmember Kragness in terms of professional development. Another line item says all employees' in-service sessions, and was increased from $8,000 to $15,000, and she wanted clarity on what that is for. Dr. Edwards said that the line item does not pertain to the Finance Department, but the City does employee development for all employees, and guest speakers are typically brought in, so those funds cover those events. Councilmember Moore asked if that was for the All Employee meeting. Dr. Edwards confirmed that it was. Councilmember Moore said it is not really for a conference or school, even then. Dr. Edwards said it is for internal and in-house training and guest speakers, and last year it was not budgeted for, so it was put back into the budget for next year.

Councilmember Moore asked about Brooklyn Park regarding Northwest Tourism and whether or not the City of Brooklyn Center is getting the best value for its money. She noted that everything she has seen Northwest Tourism put out is about Brooklyn Park or Minneapolis, but she has never seen anything regarding Brooklyn Center and what is promoted. She said this is a lot of money, and thinks it should be revisited as a Council because she does not see the benefit of that partnership for Brooklyn Center.

Councilmember Jerzak asked about line item 6482 on page 10 of 10, regarding the Golf Course transfer, and he said he knew this would be an ongoing conversation. He wanted to bring up that the Director is going to come forward with different ideas on how to make more money, such as putting in a driving range. He noted that he was an employee with the City when the previous Director did a study on putting in a driving range, and there should be minutes to confirm this, but it was rejected then by the Council, and that was prior to Top Golf coming into the City. Councilmember Jerzak asked what had changed since then, if it was not practical to put in a driving range then, he asked why it is now being considered practical. He noted that he is asking this question to save a lot of time on the back and forth in the discussion regarding the Golf Course. He said to be realistic, the Council needs all the information.

Councilmember Moore asked Councilmember Jerzak about the previous study done prior to Top Golf. Councilmember Jerzak said he does not want to spend a lot of time on this because it happened a long time ago. Councilmember Moore said something happened around a potential driving range, though. Dr. Edwards said the driving range has been talked about for decades, and there are previous studies that were done, and those documents will be pulled out to check on the feasibility.

Commissioner Lewis said he went to the Golf Course for the first time and spoke with an employee, who said there are plans in the works and that he was a big proponent of putting in a driving range. Commissioner Lewis said this employee at the Golf Course gave him figures of $1,000,000 to put in a driving range, move the playground, and put up netting. This employee also showed Commissioner Lewis the idea that simulators would generate more revenue and be managed by a third-party. He acknowledged that he did not know the accuracy of the numbers that were given.

Dr. Edwards said that all of those things in that conversation between Commissioner Lewis and the Golf Course employee are options that are currently being explored, and the City is looking at any way to generate a dollar for the Golf Course.

Councilmember Jerzak said line item 6445 for a Conventional Growth Plan, and the City should regularly visit that and see if the City is getting the most bang for its buck. He noted that Gus Macker has gone to Brooklyn Park the last few years, but he does not know if Brooklyn Center is sharing in that as much as it could or should. He said that when the time comes, he would like to review it to ensure that the City's contribution is well justified.

Mayor Pro Tem Kragness said she was on the team to help promote the Gus Macker event, and the team tried to get the event in Brooklyn Center, but the City did not have the right space. She noted that she has gone to many Gus Macker events over the years, and any city that is associated with that event will benefit. Mayor Pro Tem Kragness noted that even though that particular event was not held in Brooklyn Center, the City still benefited from it because the overflow of people had to go somewhere.

4. ADJOURN

There was a motion by Councilmember Moore and a second by Commissioner Enger to adjourn the meeting. Motion passed unanimously. The Brooklyn Center City Council/Financial Commission adjourned at 7:36 p.m.

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL/FINANCIAL COMMISSION
OF THE
CITY OF BROOKLYN CENTER IN THE
COUNTY OF HENNEPIN AND STATE OF MINNESOTA

JOINT WORK SESSION
OCTOBER 20, 2025
COUNCIL COMMISSION ROOM

1. CALL TO ORDER

The Brooklyn Center City Council/Financial Commission Joint Work Session was called to order by Mayor Pro Tem Kragness at 5:35 p.m.

2. ROLL CALL/INTRODUCTIONS

Mayor Pro Tem Teneshia Kragness and Councilmembers Dan Jerzak and Laurie-Ann Moore.

Mayor April Graves and Councilmember Kris Lawrence-Anderson were absent and excused.

Chair Joylenna Garcia and Commissioners Gretchen Enger, Janice Brandt, and Jeff Lewis were present.

Commissioner Venus Coleman was absent.

Also present were City Manager Reggie Edwards, Deputy City Manager Daren Nyquist, Director of Fiscal & Support Services Angela Holm, Director of Public Works Elizabeth Heyman, Deputy Director of Public Works Mike Marsh, Street Maintenance Manager Tracy Bushinger, Public Utility Supervisor Mike Weber, City Engineer Lydia Ener, Director of Human Resources Dan Villarreal, and City Clerk Shannon Pettit.

3. BUDGET PRESENTATION

City Manager Reggie Edwards introduced Finance Director Angela Holm and Director of Public Works Elizabeth Heyman to present on the Utility Fund budget details.

Ms. Holm stated that the majority of the presentation tonight would be done by Ms. Heyman. Ms. Heyman stated that the Public Works Department is responsible for the maintenance and operations of the City's infrastructure and facilities in a quality, cost-effective manner, including water mains, valves, hydrants, metered connections, sanitary sewer, sewer service connections, lift stations, storm drains, treatment facilities, City-owned ornamental lights, and traffic signal lights.

Ms. Heyman summarized the Public Utilities Staffing levels, with 14.5 total full-time employees that include one Supervisor of Utilities, one Engineer, nine Maintenance personnel, one Public Works Administrative Assistant, a shared Forester, one Accounting Specialist, and one

Accounting Clerk. The shared Forester is a proposed position for 2026 that Brooklyn Center would share with the city of Crystal and would be an assigned position within the Public Works Maintenance team. This position is needed for more specialized work and grant writing skills.

Ms. Heyman noted that the new Forester position would take on all the same tasks as the existing Maintenance Staff, apart from weed-spraying for public streets. The new Forester position would have the knowledge for development and recommend long-term forestry resource management, along with grant-writing skills. She continued that the proposed funding for this position comes from $60,000 in the 2026 Stormwater Utility funds and can be justified to come from that fund due to urban forests providing water quality benefits. The proposed next steps are to include funding in the 2026 Stormwater Utility budget for this position, and work with the city of Crystal on a joint agreement for the position, along with posting the position to find an applicant in 2026.

Ms. Heyman detailed the Public Utilities part-time Staffing levels, which include eight Seasonal Maintenance workers, one Engineering Intern, one Lead Service Line Support member, and 10 proposed members of a Litter Cleanup crew for 2026, totaling 20 part-time employees versus eight part-time employees in the 2024 and 2025 budgets. She noted that there is also a need for two additional Seasonal Maintenance Staff, due to more newly planted trees, especially on Brooklyn Boulevard. She said the 2025 drought required two additional unbudgeted seasonal workers to help with tree-watering and had to dip into the reserves to pay for those positions. In 2026, it is proposed to add these two positions to the Stormwater Utility budget, which would require a $22,000 increase.

Ms. Heyman continued that the litter has been an ongoing issue in the City parks and public right-of-way. She noted that a proposed Litter Cleanup Crew could help remedy this and would be led by Recreation Outreach Manager Charles Walker. The funding proposal for this crew would total $40,000 and include 10 youth ages 15 to 17, who would be paid $15 per hour, and work six hours a day for eight weeks over the summer.

Councilmember Jerzak asked why the rate is $15 per hour when the equitable rate is $16 an hour. He noted that he would be more inclined to support this if the youth were paid equitably, and if the goal is to keep these youth coming back to work for the City, they should be paid closer to $17 to $21 an hour. Ms. Heyman said his remarks were noted, but she was trying to keep this budget as lean as possible, and it is ultimately up to the Council to decide the budget.

Commissioner Lewis asked how many days a week the youth would work. Ms. Heyman said the youth would work five days a week.

Ms. Heyman continued that the key initiatives for the Utility Funds are very tied to the Capital Improvement Plan. She noted a few projects that are funded out of the Utility fund include the 2025 projects on Well No. 11, which totaled $3,000,000, and the Golf Course Area Sanitary Rehabilitation project, which totaled $1,020,000 and is a partnership project with Met Council. The proposed projects funded from this fund include the 2026 Humboldt Avenue (CR 57) Reconstruction project, totaling $843,500, and the proposed 2027 Water Treatment Plant Reduction Water Main Connection at $1,497,000. She noted that the Water Treatment Water Main Connection is necessary, because if the main connection fails. The City would have no water.

She continued that other proposed projects include the Orchard Lane North project, estimated to cost $1,480,000, and the Lift Station 7 and 10 Rehabilitation, estimated at $1,257,000, which is crucial for sewer and sanitation. She noted that these estimates are drafts and can change as projects advance.

Ms. Heyman noted that a two-phase implementation for area street lights, near the Heritage Center, as well as through the Opportunity Site, is planned for 2026 and 2032 to balance funding capacity. She stated that the plan is to shift to locally available poles, and they were looking at the same supplier as MnDOT, which is Millerbernd, but they are having a lot of delays in manufacturing. She stated that this project supports energy efficiency and sustainability through modernized lighting technology.

Ms. Heyman noted that the Lead Service Line Inventory Initiative came from the state level and requires testing to ensure there are no lead service lines in service. She noted that of the verified 5,892 services in the City, no lead pipes were found. She stated that they are still waiting on the testing of 3,253 other services. Property owners have been notified to ensure testing is done and that there is a possibility that residents have lead pipes. She stated that per state regulations, notification is required annually. Ms. Heyman said that in the 2026 Water Utility budget, $19,000 is proposed to assist with data collection. She stated that due to the time period when Brooklyn Center was developed, it is not expected to find lead pipes, but because there is no clear documentation that lead pipes were not used, testing will continue.

Ms. Heyman summarized the Recycling Utility fund, which has residents pay a recycling service fee on their utility bill, which includes curbside recycling of standard recyclables and organics. This service allows free use of yard waste and tree branch drop-off sites, special materials drop-off days, and, every other year, curbside collection of bulky waste. The HRG Organics Contract is a service that began on April 1, 2025, and has 1,900 enrolled households across three member cities. This service costs $2.90 a month per household, but will increase to $3.75 when enrolled households hit 2,301, and will likely occur by April 1, 2026.

Ms. Holm noted that cash flow and rate projections include Capital Outlay based on a 10-year CIP. She stated that no debt issuance for utility funds is expected in 2026. Anticipated new issues include Water G.O. Revenue bonds each year from 2027 through 2035, Sanitary Sewer G.O. Revenue Bonds in 2027 and 2030, Storm Sewer G.O. Revenue Bonds each year from 2027 through 2035. She noted other assumptions are a five percent annual increase in personal services and a three percent annual increase in operating expenses.

Ms. Holm stated that targeted cash flow is a discretionary metric used to assess cash balances related to existing and future fund activity. The calculation factors are based on next year's activity and averages. The formula includes three months of operating expenses, plus existing debt service, plus capital outlay not funded by bond proceeds.

Ms. Holm explained that the water utility rate and cash balance, that has continued to display a negative balance over the last several years, are anticipated to have a positive balance in 2030, but this is only a projection that could change. She explained that the negative cash balance has to be carefully monitored, and there needs to be a distinct plan to address it, or the City’s bond rates will suffer. Ms. Holm acknowledged that the water utility and cash rate balance reflects a 25 percent water rate increase, which is not a small increase.

Mayor Pro Tem Kragness asked if anyone had any questions.

Councilmember Jerzak asked about the noted water meter project allotted for $343,247 for the 2026 budget, and said that if the water meters that are not functioning are not repaired, that is a significant loss of revenue for the City. He continued that this has been an ongoing issue for the last three years, and the City can continue to ask for increases in water rates, but it might be more productive to fix the water meters. He said he would like to know what the plan is to get this remedied and what kind of accountability will be put in place.

Ms. Holm explained that the $343,247 budget would deal with the zero-read water meters, which are not registering any water usage for residents who have them. If there is any leftover money, the estimated read water meters that are not giving accurate readings would be fixed. She noted that the estimated water meters are at least giving estimates, but the usage is not accurate, and the zero-read water meters are the primary concern.

Councilmember Jerzak asked how many zero-read water meters the City has. Ms. Holm said the last poll taken showed there were approximately 460 zero-read meters. Councilmember Jerzak asked if those residents were still being charged the basic water fee of $25. Ms. Holm confirmed that the basic water charge those residents were paying was $28.49.

Councilmember Jerzak asked why a supplemental plan was not put in place for these zero-read meters. He acknowledged that the City does not have the correct Staffing to go out and fix all of these water meters, but a plan could have been brought to the Council to potentially hire a third-party to come in and fix them. He said not only is this a major revenue problem, but it also attacks the basic integrity of government for not being fair and honest with the residents. He acknowledged that this meeting may not be the best time to have this conversation, as the Council and Commissioners are there for a different purpose, but he does want this conversation to happen at some point. Ms. Holm responded that the $343,247 reflected in the budget will be for the project activated in 2026 to remedy this situation, and a third-party will be hired to help fix the meters, as it is too large a project for the City to handle internally.

Councilmember Moore asked if Ms. Holm knew the number for estimated read water meters in the City. Ms. Holm said she does not currently know how many meters are estimated, only that the zero-read meters have been the primary focus. Councilmember Moore said she was going to reiterate what Councilmember Jerzak had said, and noted that she has been asking about fixing the water meters for three years. She asked what amount was allotted for water meter replacements. Ms. Holm said it was noted under Water Meter Project in the expenditures section, and it is the $343,247 as discussed earlier.

Councilmember Moore said the loss of these zero-read meters is projected to be anywhere from $160,000 to $200,000 a year, and the chart shown to Councilmembers and Commissioners only goes to 2023, but the City knew prior to that point that there were zero-read meters and estimations happening. She stated that this problem has been ongoing for longer than three years, and the City could be looking at a potential loss of $1,000,000 due to these faulty meters. She stated that as a representative for the residents of Brooklyn Center, she has to ask who is accountable for this one fund. She continued that part of her responsibility as a Councilmember is to come up with a budget that reflects the needs and values of the community, and it is difficult to support a budget that has a five-year run of not being fair, honest, or transparent with City residents.

Chair Garcia asked if there was an expected response to Councilmember Moore's statements. Councilmember Moore said she understood that Ms. Holm said there was not a known number of estimated water meters, so she was not expecting a response, but wanted to make her statement.

Chair Garcia asked if the $28.49 basic fee is charged each month, and if, once the project is completed and meters are all working, there is a plan for recovery on lost funds, or if those residents start at zero with a clean slate. Ms. Holm said the $28.49 is a quarterly charge, and as far as water meters go, there is a plan in place and an agreement with a vendor to get the meters fixed. Ms. Holm said it is important to understand that this project will happen, but it would be impossible to collect data on past water usage.

Mayor Pro Tem Kragness said her understanding was that there were some meters that may have malfunctioned at some point, and the City may be able to go after the vendor or maker of those meters to try to recoup some of that loss. Ms. Holm said she vaguely remembers having that discussion, but there was never a plan to do that.

Commissioner Brandt said she just finished a project with Ferguson, and the manufacturer will replace them within a year after they were installed, but after that, they are out of warranty.

Mayor Pro Tem Kragness said that would probably apply to the water meters as well, and the manufacturer probably does not even know that they are malfunctioning.

Commissioner Brandt said that Ferguson let the City know that there is a five percent failure rate.

Councilmember Jerzak said he appreciates that there is a plan in place, and asked if numbers had been crunched to determine return on investment if the City got a bond to replace all of the meters over a five-year period and do it all at once instead of elongating the process. Ms. Holm said that would not be bond-eligible activity, so it was not calculated. She continued that it had to be built into the budget, and Staff have worked closely with the vendor to take guidance to move forward in the repair of the meters.

Dr. Edwards added that the City is moving into a plan to replace all the meters in the City. The plan is to replace 1,000 meters per year, with a total of 9,000 meters. The zero-read and estimated meters would be addressed first by the first quarter of 2026.

Commissioner Garcia asked what data the City has on the zero-read meters, prior to them becoming zero-read, and if there was anything the City could pull historically to provide an estimate to get some kind of recovery on lost funds for owner accountability. Ms. Holm said some of the zero-read meters go back a few years, and it would be inappropriate for the City to come in and ask for lost funds, especially if the property has changed hands over the years. She said that

there is data that exists, but some of it is very old and would not be relevant.
Commissioner Garcia said she wants to establish an incentive to ensure that the zero-read meters are actually being addressed by the resident.

Councilmember Moore said she has had her hand up for a while to ask a question. Mayor Pro Tem Kragness apologized and said she did not see Councilmember Moore's hand up. Councilmember Moore said that was fine. Mayor Pro Tem Kragness told her to calm down and speak.

Councilmember Moore asked Mayor Pro Tem Kragness not to tell her to calm down. Mayor Pro Tem Kragness said she was acknowledging that she did not see Councilmember Moore's hand, and noted that Councilmember Moore was getting rowdy.

Councilmember Moore asked if the homeowners who have zero-read meters or estimate-only meters know that their meters are not working correctly. Ms. Holm said the resident's quarterly water bill would be their notification. Councilmember Moore asked if the water bill specifically states that the water meters are not working correctly. Ms. Holm responded that on the bill, it would state that the amount was an estimate, and for zero-read meters, it would state that their usage was zero, which would be a good indicator. Councilmember Moore asked if those residents have known the whole time that their water meter is not working correctly. Ms. Holm said she cannot say that for certain. Ms. Holm continued that the information is provided to individuals, but that does not mean they know their water meter is not working.

Councilmember Moore said, according to the chart, the City is increasing the water rates by 25 percent every year until 2029, and asked if it has to be increased by so much. She noted that she understands what the auditor said in previous meetings, but it is shocking to go up by that much. She asked if the rate increase is the plan that Ms. Holm is choosing to stick with. Ms. Holm said this is the plan proposed to clear the negative balance in this fund as quickly as possible.

Councilmember Jerzak asked how a resident would know that their water meter is not working if they did not read their bill. He stated that his bill is on autopay, and he never looks at it, so he would have no idea if his water meter was not working. He continued that other residents who are in foreclosure, going through divorces, or have someone else pay the bills, simply would not know that their meters are not working. Councilmember Jerzak said his water meter is an estimated meter, and he did not know until Dr. Edwards told him. He stated that his water meter is also located in a place that he would not want to hang out in, in his own home. Councilmember Jerzak reiterated that there is an education process for the public to understand if their water meter is working.

Ms. Holm said the City has tried to provide some additional information on utility billing in the City's weekly newsletter, as well as instructions on how to read the bill. It was also noted in the newsletter to contact the City if the resident has a zero-read meter. She noted that if this problem were smaller, it would be communicated to the Staff in the Water Department to communicate with the residents directly to get the water meters handled, but due to the volume of the problem, it cannot be handled internally.

Dr. Edwards noted that there is a correction in the numbers presented that Ms. Heyman would address. Ms. Heyman said Dr. Edwards had previously stated that the zero-read water meter issue would be taken care of within the first quarter of 2026, but the City has not had that conversation with the vendor and does not know their availability. She stated that she would be hesitant to make that claim, that it would be fixed by that date.

Commissioner Garcia said she does not want to beat up on Ms. Holm, and noted that this is a large budget for a large organization, and this water meter problem did not just happen, but it is now coming to the surface. She thanked Ms. Holm for answering their questions, and knows that Ms. Holm is just the messenger.

Commissioner Enger said she thought there was a verbal agreement with the vendor, but Ms. Heyman just said that nothing is in writing with the vendor. She stated that as a result, there is a project in the budget that has not been finalized. Ms. Holm answered that there is no signed contract, but has been in communication with the vendor and indicated an interest, and received data from the vendor on how the project would move forward. Commissioner Enger asked if she had any idea when a contract would happen. Ms. Holm said she did not currently know, but would like to have something in place by January.

Commissioner Enger said this is a large project because there are a lot of zero-read meters, and this is a very reactionary plan, but appreciates that there is a plan in place. She noted that earlier Commissioner Brandt had said there is a five percent failure rate with these meters, and Dr. Edwards had said that all water meters would need to be replaced in the City over the next five years. She asked if the City is accounting for that five percent failure rate as these meters are being replaced, and how this kind of problem could be mitigated in the future. Ms. Holm responded that ideally, as the City moves forward through this process, a failure would be recognized early on in the billing process, and service tickets would be created. If the new meters required warranty work, then the City would deal directly with the vendor. Ms. Holm noted that with a large meter project like this one, the zero-read or faulty meters are the top priority and would be addressed first.

Commissioner Enger asked why all the meters need to be replaced. Ms. Holm said she would defer to Ms. Heyman. Ms. Heyman said the meters that were installed 15 years ago across the City have reached the end of their useful life, and the plan to replace all the meters in the City has been in the CIP for over three years. Ms. Heyman noted that the problem with replacing all the meters at once is that all of them fail at the same time, too, when they reach a certain age. To avoid this, the City would replace them over a 10-year process, to avoid having the same problem they are having now.

Commissioner Lewis asked who the manufacturer was of the meters. Ms. Heyman said Ferguson is the vendor, and Neptune is the manufacturer.

Commissioner Lewis asked if there was a different company the City could use that offers more reliable meters. He noted that he has lived in Brooklyn Center for 40 years and has never heard of so many meter problems. He asked what the shelf life of a Neptune meter is. Ms. Heyman said the shelf life is approximately 15 years. Commissioner Lewis asked how many meter manufacturers there are. Ms. Heyman said there are multiple types of meters that Neptune makes, and to be consistent across the entire City, it would be easier to get all of the same types of meters from the same manufacturer. She noted that the City could go with a different meter vendor, but would be looking at the same lifespan for this technology regardless.

Commissioner Lewis asked if the meter fails, if the vendor or manufacturer will replace it. Ms. Heyman said the City stocks parts and meters, and if there is a singular meter, then it can be repaired by Public Works. Commissioner Lewis asked if the entire meter would be replaced, versus repaired. Ms. Heyman confirmed that in most situations, the entire meter would be replaced, rather than trying to fix it.

Commissioner Lewis asked if Ms. Heyman would maintain that there are other brands of meters, but all have the same longevity. Ms. Heyman said she has seen multiple other cities with multiple other issues with all different vendors, but she thinks those are acutely different issues from what Brooklyn Center is dealing with. She noted that they did look at other vendors for the meters when the City was experiencing so many issues with the meters, and the recommendation at that time was not to change vendors.

Commissioner Lewis asked how many meters total would be replaced across the City over the project. Ms. Heyman said roughly that number is 9,145 meters.

Councilmember Jerzak asked if it would be helpful to get a consensus from the Council to direct Dr. Edwards to work with the Staff to enter into a contract with the vendor by a certain date. He stated that this problem has been ongoing for over three years, and it is unacceptable. He noted that the Council could get this project moving and stated that the decision did not have to be made tonight, but wanted to offer help from the Council. He stated that this project deserves urgency.

Mayor Pro Tem Kragness added that Councilmember Jerzak's request is not unfair. She stated that asking for that commitment when it is already allotted for in the budget means there needs to be a contract behind the number in the budget.

Mayor Pro Tem Kragness asked about the layoff positions that were cut and what the dollar amount was for those positions. She stated that, going through the budget today, she counted $140,000 worth of new positions. She stated she is all for a new youth group crew and grant writing skills, but going through this budget cycle, they need to be consistent across the board. She continued that on one hand, they should not be cutting positions, and then finding surplus in another fund and adding positions. She noted that this needs to be regarded as one budget as a unit, and the Council had been very specific about not adding new positions and going back to the bare minimum. She continued that while adding these new positions would be great, with the current budget, it may not be the right time to add them.

Councilmember Moore asked if the PFAS settlement money came in, and if some of that money could be used to pay for mitigation issues like the Clean up Crew, and paying Maintenance Staff for watering the trees. Ms. Heyman stated that the PFAS money goes directly into the Water Utility fund, and the budget is already accounting for the estimate of the settlement. Ms. Heyman stated that, unfortunately, the more money taken out of that Water Utility fund, the more negative the balance would be. She noted it would be difficult to draw the line on the impact of the settlement and how the City would spend that money if it were spent on those other positions, and there is a much clearer line between water quality and the Stormwater Utility fund, and the PFAS settlement must be used for the intent of water quality.

Councilmember Moore said she understands there is a difference when looking at the General Fund budget versus Utility funds, and Special Revenue funds, and the Council is looking at it as a whole, and it is a tough position to go up or down on the budget, as mentioned by Mayor Pro Tem Kragness.

Commissioner Enger asked about the number of positions hired using the Stormwater Utility fund, while two positions are being cut, and if that is due to the cut positions being paid for out of the General Fund. Dr. Edwards stated that when Staff put together a budget, the entire budget is looked at, and there is a desire to deliver quality service at a rate that residents can afford. He noted that there may be one area in the General Fund that cannot sustain an increase, and other areas like the Water Utility Fund that have to have an increase, and there has to be a balance. He stated that in the end, residents only have so much capacity to pay. Dr. Edwards continued that Utility funds can only be used for specific purposes, and there can be adjustments because funding sources for certain positions are available, and in some other areas of the budget, they are not. Those decisions are still made with a frugal mindset, and the dollars allotted for those positions are delivered in those particular areas.

Commissioner Brandt asked about having a discussion to implement fees or penalties if a household refuses to allow a meter replacement. She noted that in her city, there was a huge issue with people not wanting to schedule meter replacements, and having a penalty or fee schedule set up before the project starts could offset the loss of the zero-read meters. Ms. Holm said she had this same conversation with the Community Development Director a few weeks ago, and discussed implementing a fee for the zero-read meters, and finding ways to encourage people to assist the City in getting compliance, but it has not gained much traction other than being a topic of discussion.

Councilmember Moore asked if implementing a fee schedule would come up to the Council rather than waiting to see if people are going to comply. Ms. Holm said she is not at that point yet, and it is still being contemplated, but if it appears it would be beneficial to the City and the efforts they are trying to make, it could be advanced.

Councilmember Moore asked if a motion could be made now to get a contract going on the water meter replacement and the fee schedule. She stated she was absent from the last Council meeting, but upon review, Mayor Pro Tem Kragness had brought up raising the limit of the assessments from $400 to $1,000 for unpaid water bills.

Mayor Pro Tem Kragness responded that she had not listed a number, but wanted to increase the threshold of unpaid water bills before it went to assessments, and Ms. Holm had said that process is already in the works at the last Council meeting.

Councilmember Moore said she agrees that there should be a fee for meters that are not being replaced, as well as a contract being put in place, brought before the Council so it can be made a priority. She noted that this has been an ongoing issue since 2021.

Councilmember Jerzak said this issue has more of a sense of urgency now than it ever did before, and he appreciates that there is a plan in place.

Commissioner Lewis asked if service can be suspended if residents do not allow their meters to be replaced. Ms. Holm confirmed that service can be suspended. Commissioner Lewis said that would be a pretty good motivator and should be considered.

Ms. Holm continued that the Water Utility cash flow, which currently has a concerning negative cash flow, will rise fairly quickly as rates continue to increase, and by 2032, it should generate a significant positive cash flow. She noted that this is just a projection and does not know exactly what will happen, but those conversations will happen in the future, and appropriations will be managed.

Mayor Pro Tem Kragness asked about a previous slide that showed that Capital Outlays is closed for 2027 at $4,000,000. She asked if any of those could be pushed out further, so that the negative cash balance is not so bad. Ms. Holm said the Redundant Water Main project is a pretty important piece and a lot of times the Capital Outlays part of much bigger street projects, and extensive work has been done by Public Works to move projects around to get Capital funds, and Utility funds in a way that all the work can be done and paid for.

Mayor Pro Tem Kragness confirmed that the 25 percent increase in water rates was done with the knowledge that those projects were coming up anyway. Ms. Heyman asked Ms. Holm to share what is driving the rate increase, because Public Works did their utmost to move those Capital Outlay projects around to accommodate funding. Ms. Holm stated the projects that include the Redundant Water Main, Humboldt Avenue, Orchard Lane improvements, and work on the Wells are significant pieces of that, and are appropriated in the budget, but that money may not all necessarily be spent. It is appropriate for the year 2027 to earmark those funds so that the City is aware that those projects and costs are upcoming.

Ms. Holm continued with the Sanitary Sewer Utility rate and cash flow. She noted this fund has a positive cash flow, and this fund only has bonding over the next five years, and cash flow needs to be managed so that bonding is paid over time, so they are not paying interest on projects. She stated that all of this is subject to change, but the bonding amount should be kept as low as possible. Ms. Holm showed a slide displaying the Sanitary Sewer Utility cash flow with larger Capital Outlay projects accounted for. She noted the cash flow dips down in the fund in 2031 and suggested one way to mitigate that would be to bond one of the other interim Capital Outlay projects that were proposed to pay cash for.

Ms. Holm displayed a slide for the Stormwater Utility rate and cash flow. This fund has a healthy balance and was used to help mitigate some other water project funding rather than bonding, which is a healthier transaction for the City. She noted that the City should not get too reliant on interfund loans, though, as they are required to charge interest on those loans. When giving interfund loans, it is giving up cash that could be earning interest. She stated that the projected fund may dip down in 2031, but right now, she is not too concerned about that.

Ms. Holm noted the Street Light Utility rate and cash flow, and stated that in 2026, there is the allotted street light project at $307,00, and in future years, the 2032 project has an allotted $1,300,000. This fund does not have a lot of operational costs to it, and the Staff is really cognizant about keeping the cash balance at a level to allow work to be paid for overtime.

Ms. Holm showed a slide regarding the Recycling Utility rate and cash flow. She noted that this has been discussed, and Tim Pratt from HRG came and gave a presentation to the Council regarding recycling and the rates. She noted that the actual contract with HRG is the primary expenditure driver in this fund, and if the rate increases as discussed, the rate would not be seen until June 1. She stated that the rate increase is allotted for in the fund, and going forward, the contract increases are shown at a little over four percent. This fund does not require bonding or operational expenses other than the contract, and rate increases need to be matched with contract costs.

Councilmember Moore said recycling rates were discussed earlier, and said they ranged anywhere from $3.25 to $7.50, but she stated she was being charged $14.00 a year, and it has not dropped to $3.25 a quarter. She asked if her rate could be negotiated. Ms. Heyman said the City and HRG have nothing to do with Councilmember Moore's contract, and this rate is specific to both standard recycling and organic recycling.

Mayor Pro Tem Kragness said to Councilmember Moore’s point that she had asked specifically what HRG could charge at the maximum, and she was told that they would never hit that amount. Councilmember Moore stated she heard Tim Pratt say that in the presentation.

Ms. Holm noted the proposed change per quarter summary for the average residential homeowner who uses 18,000 gallons of water would be $35.75.

Councilmember Moore said she wished this slide had had more information, and asked to clarify the percent increase for sewer, stormwater, street lights, and recycling. Ms. Holm said the proposed increase for sewer and stormwater is four percent, street lights is ten percent, and recycling is three percent. Councilmember Moore asked to clarify the usage of 18,000 gallons of water and if that is the average for one person and a few animals. Ms. Holm stated that usage is for the average homeowner, and one person would be a little lower. She stated that when looking at all usage across the City, that is the number that has been used over the years, and is 18,000 gallons per quarter.

Commissioner Garcia said she observed the main water service fee discussed was $28.49, but in the document, it is stated as $28.54. Ms. Holm said that reflects the fee change between 2025 and 2026.

Councilmember Moore said she is single with animals and works two jobs. She noted that there are many individuals on a fixed income, and Brooklyn Center is the most impoverished metro suburb, and it continues to concern her that rates keep increasing, especially the water increase of 25 percent. She noted that usage of 18,000 gallons means a resident is paying $150 a year for water, on top of all the other fees that are sky-high. She stated she is not in support of a 25 percent increase, and other increases may seem negligible, but it all hits the pocketbook, especially those on a fixed income. She stated she understands the various asks, and the City has to have infrastructure. She thanked Ms. Heyman for continuing to carry her load, year after year, because everyone wants and needs water. Councilmember Moore continued that she does not know how residents can continue to afford these increases, including herself. She noted that she continues to see for-sale signs on homes all over the City and people come and go, so it is difficult to get any back pay on water usage for those zero-read meters, but it is hard to stomach these increases for residents that are already having a tough time.

5. ADJOURN

There was a motion by Mayor Pro Tem Kragness and seconded by Councilmember Jerzak to adjourn the meeting. Motion passed unanimously. The Brooklyn Center City Council/Financial Commission adjourned at 7:18 p.m.

Council Regular Meeting

DATE: 7/13/2026
TO: City Council
FROM: Elizabeth Heyman, Director of Public Works
THROUGH: Daren Nyquist, Interim City Manager
BY: Lydia Ener, City Engineer
SUBJECT: Presentation of 2027 – 2036 Capital Improvement Plan

Requested Council Action:
- Motion to accept the presentation

Background:

Each year, City staff prepare a Capital Improvement Plan for the Council's consideration. This plan generally encompasses ten years of activity with a focus on the first two or three years. Projects are often re-aligned each year within the plan to accommodate funding needs or opportunities as well as continued evaluations of infrastructure needs.

The Capital Improvement Plan outlines larger projects that are not considered operational in nature. The projects often involve construction of roads, trails, and park rehabilitation projects, as well as utility infrastructure improvement projects such as water mains, wells, and lift stations. Due to the diverse nature of the projects, activity is accounted for and reported in multiple funds in the City's financial statements.

The Public Works Department manages and administers the overall plan. Collaboration with the Finance Department is needed to ensure there is sufficient oversight of cash flows related to each project as well as manage financing needs.

Budget Issues:
The Capital Improvement Plan is a significant component of the City's overall budget. Action on most projects requires extensive planning work so these projects and related funding needs to be appropriated each year.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:

1. 2026 CIP Presentation
2. 2027-2036 DRAFT CIP_Table_2
3. CIP Map Draft 260615

Brooklyn Center

Capital Improvement Plan
2027 – 2036

What is the CIP?

- Capital Improvement Plan (CIP)
  - **Plan for major capital investments over the next 10 years**
  - Developed by prioritizing a list of capital projects based on need, funding opportunities, and operations capacity
    - Fluidity is expected
  - Focus on the first 2-3 years
    - 2027 projects will be appropriated in the 2027 budget

Everything needs maintenance!

What is the CIP?

- Types of Projects
  - Street Improvements
  - Public Utilities – water, sewer, etc.
  - Park & Trail Improvements
  - Facilities Improvements
  - Flooding mitigation
- Various Funding Sources
  - Utility fees, special assessments, franchise fees, State Aid, a portion of Local Government Aid, grants, cost shares

DRAFT

CIP Themes

- Tackling much needed building maintenance
- Strategic investments in our parks
- Critical investments in our water, storm, and sanitary systems
- Setting up for future grant opportunities
- Continuing our ongoing investments in street and utility infrastructure

CIP Grant Strategy

- Leverage capital funding as grant matching dollars
- Multiple successes with this strategy
  - Humboldt and 65th Ave Area Improvements Project: $2,000,000
- Outside fund requests
  - West Palmer Park Flood Mitigation – Ask$900k (2027)
  - Water Treatment Plant Redundant Watermain Connection (2027) – Ask $1.5M
  - France Ave Multimodal Safety Project (2028) – Ask$840k*
- *Grant necessary for full delivery*

Cost Share Reform

- MnDOT reformed its typical cost share in early 2026
- Staff now expect a total BC cost share of less than $500k for the MN 252 project
  - Prior to reform, staff expected a cost share request of more than $20M
- <u>There are still BC utility costs</u>
- Hennepin County cost share reform is ongoing, and BC staff are part of the committee leading the reform

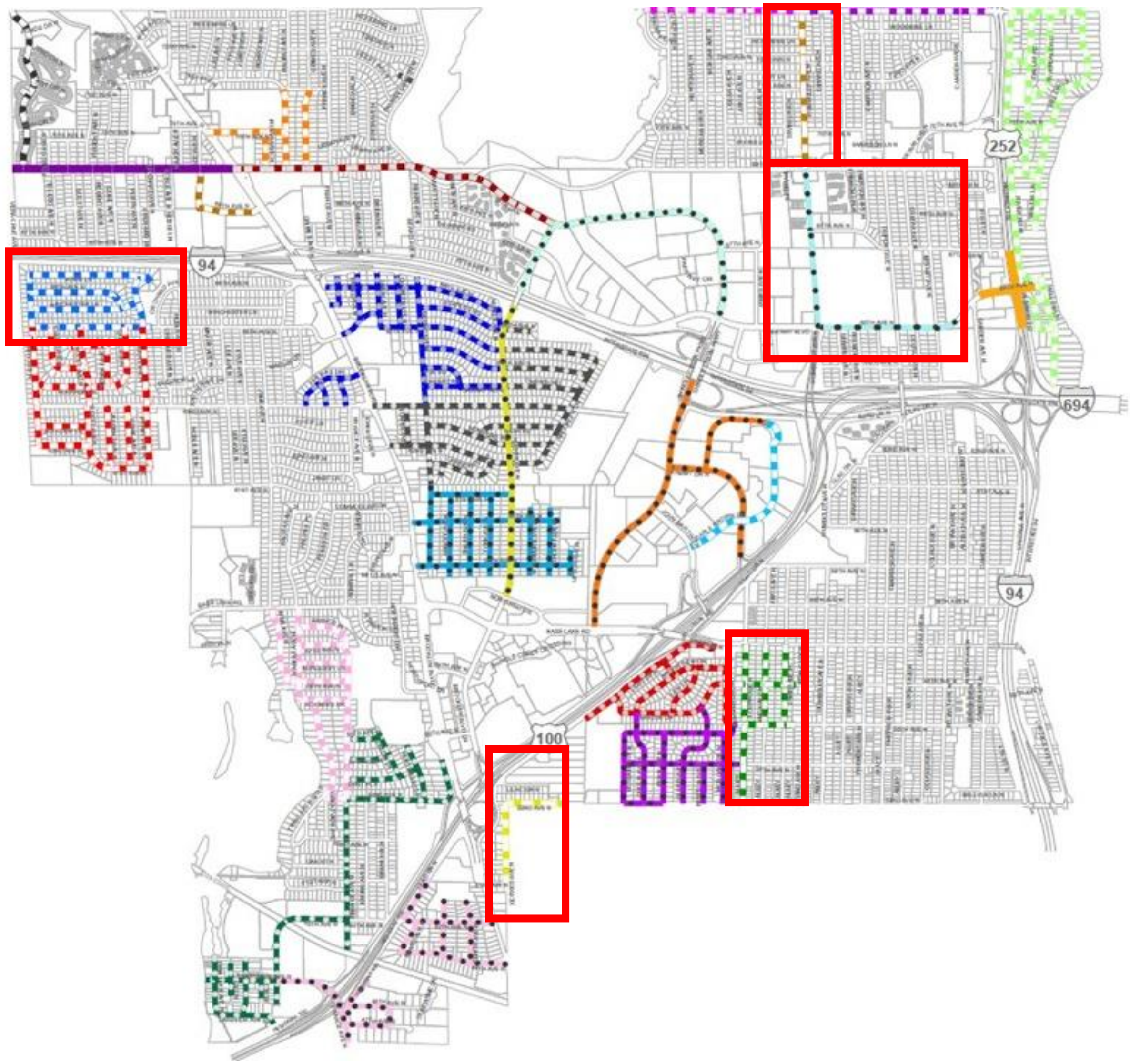
Project Prioritization

- Right fix at the right time
  - Driven by pavement ratings
  - Age of utilities
  - Avoid failures that are more costly than repairs and maintenance
- Traffic Calming Data
  - Identify problems
  - Data driven solutions

Project Type	R1 Per Lot Assessment (2026)
Full Reconstruction	$5,765.00 per lot
Partial Reconstruction (such as FDR project)	$4,322.00 per lot
Pavement Rehabilitation (such as M&O project)	$1,905.00 per lot

Street Projects

- Investments in street and utility infrastructure
- Large street projects
  - 2027: Humboldt & 65th Area
  - 2027: Orchard North
  - 2027: 53rd & Xerxes Area
  - 2028: Humboldt Ave (69th to 73rd)
  - 2028: Meadowlark Gardens Area

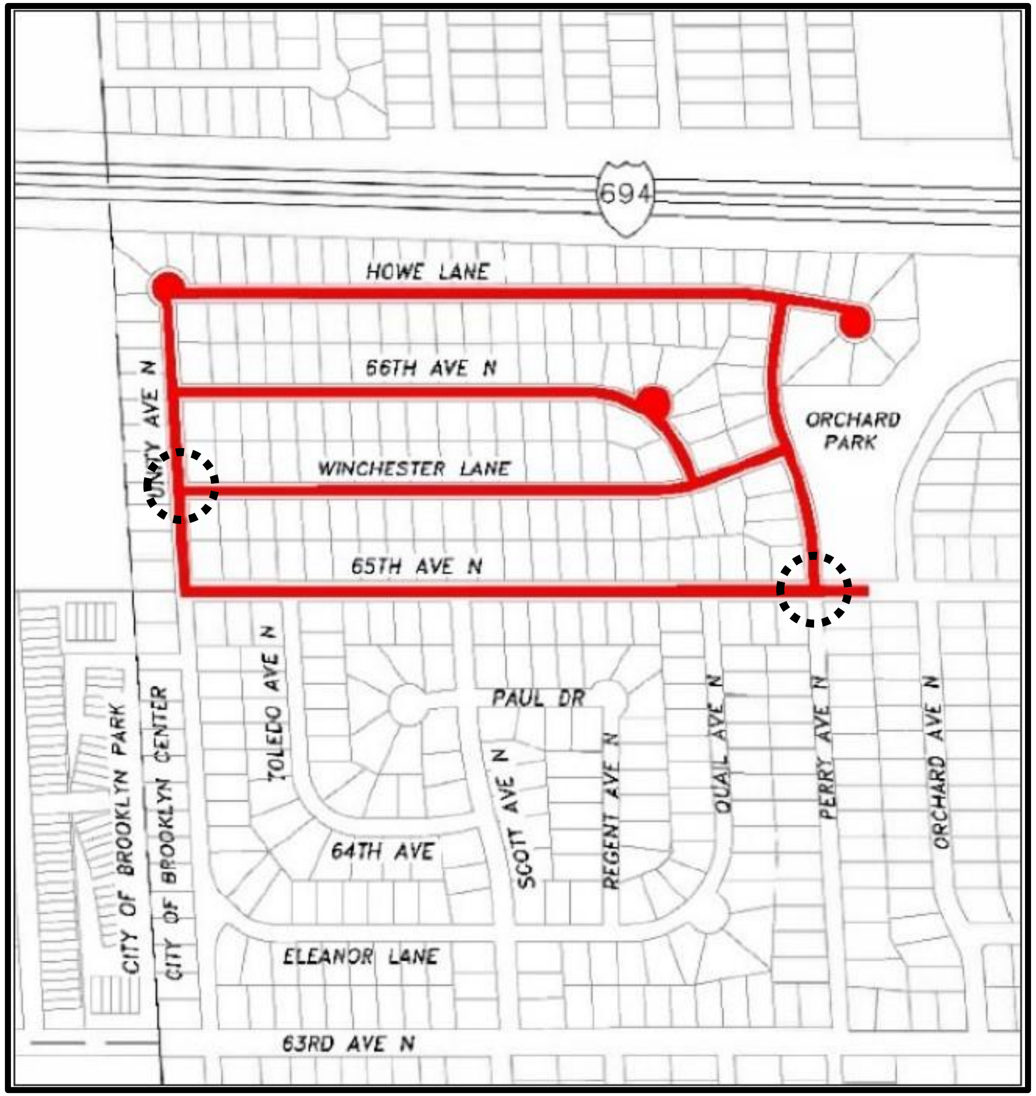


Humboldt and 65th Area

- 2027/2028 Construction
- Last improvements: 1999, 2006, 2007, and 2018
- $2M Met Council Regional Solicitation Grant
- $1.3-850k MnDOT Contrib. and potential future funds of $4.8-4.4M *(due to MN 252 impacts)*
- Plan:
    - Full depth pavement replacement and M&O
    - Water: insulating frozen water service
    - Sanitary: lining existing VCP and castings
    - Storm: castings

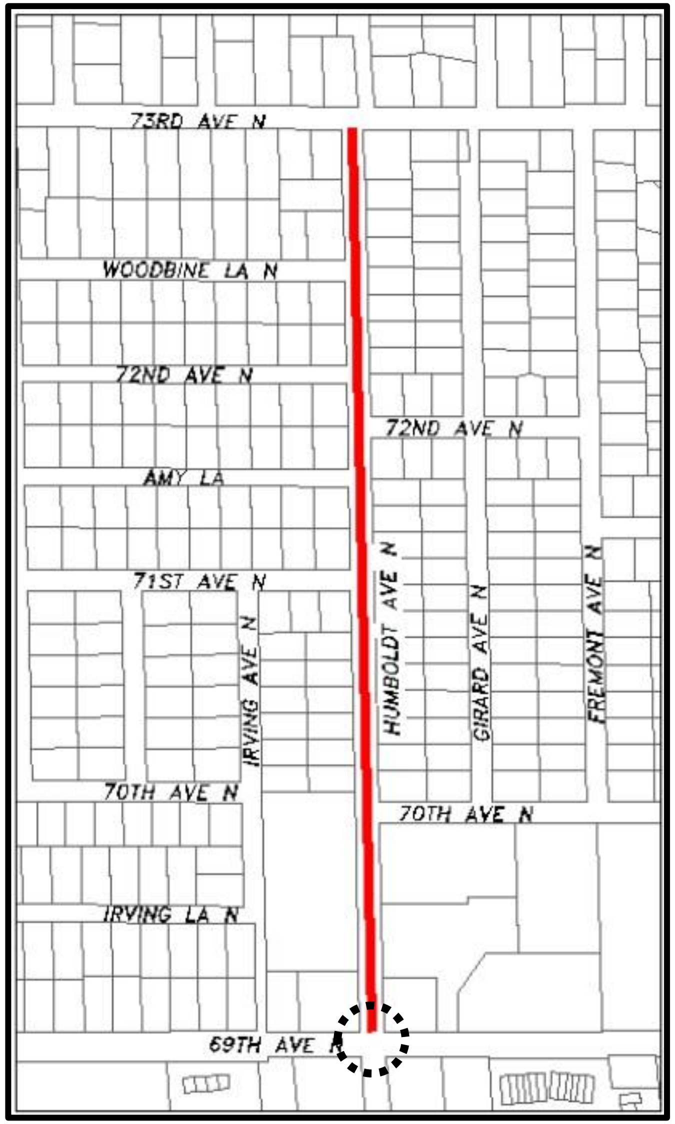
Orchard North

- 2027/2028 Construction
- Last reconstructed in 1997
- Plan:
  - Full depth pavement replacement
  - Water: targeted misc.
  - Sanitary: lining existing VCP and castings
  - Storm: replacement (1958), storm laterals as needed
- Traffic calming and SRTS improvements



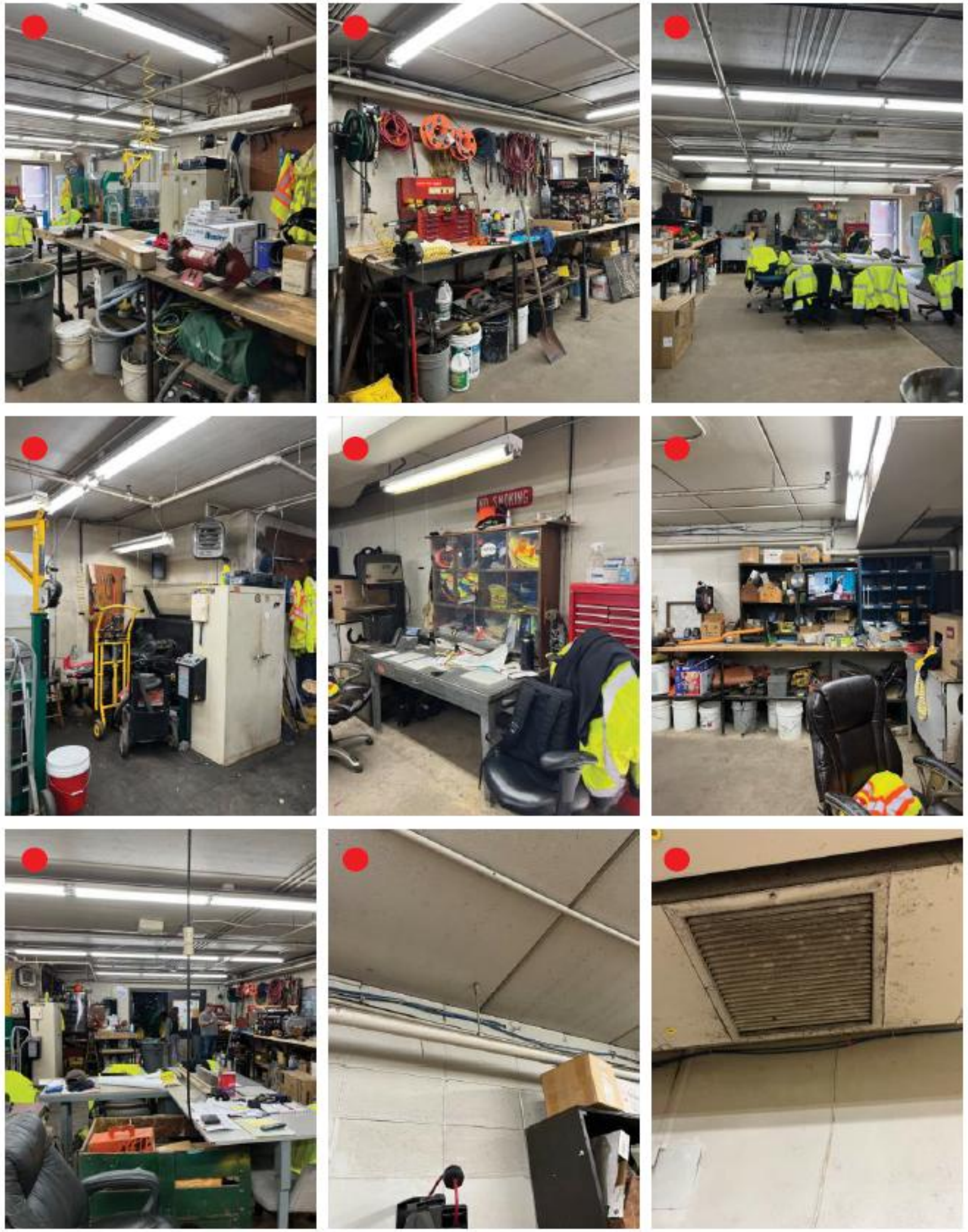
Humboldt Ave (69^{th} to 73^{rd})

- 2028 Construction
- Last reconstruction in 1995
- Plan:
    - Full depth pavement replacement
    - Water: 25% replacement
    - Sanitary: replacement of VCP
    - Storm: castings and isolated pipes
- Safety Improvements



Public Works Garage

- 2030 Placeholder
- $3.5 million in deferred maintenance *(2023 dollars)*
- Beginning 30% design process
- Exploring funding options



Water Treatment Plant Redundant Water Main Connection

- Essential investment in drinking water reliability and resiliency
- Adds redundancy to the water treatment plant connection, reducing service-disruption risk
- Submitted to the Minnesota Drinking Water Revolving Fund and included in the 2027 Project Priority List funding pool
- If selected, the City may receive below-market financing and possible grant/principal-forgiveness funding
- If funding is delayed, construction shifts to 2028/2029; if not awarded, the City will self-fund

Lift Station Rehab

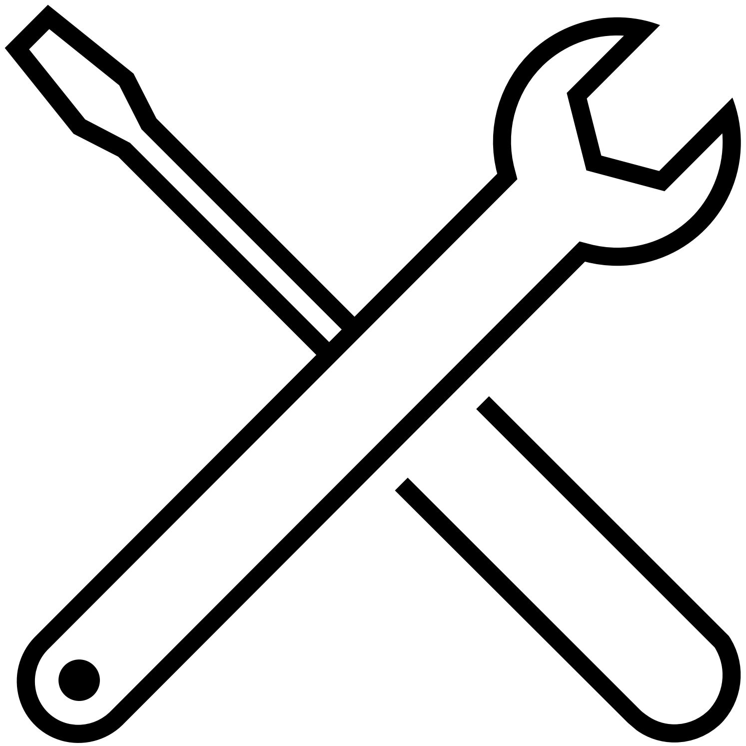
- 10 lift stations in the City
  - 7 have been rehabilitated
  - 3 left in the CIP
- Arterial system for sanitary
- A failure will have ripple effects across the system
  - Sanitary backups
- Rehabilitating or replacing internal mechanical equipment, access pavement, and exteriors as needed

Traffic Calming

- $100,000 every other year starting in 2025 for permanent projects
- Allows the city to make improvements faster
- Consistently positive feedback
- Upcoming Projects:
    - Permanent neighborhood traffic circles in Grandview
    - Speed table on Lilac in Lions

Facility Capital Improvement Program

- 2023 Facilities Assessment
- Recent fixes:
  - City Hall Exterior: Doors and concrete deterioration
  - Police Station: Electrical, elevator, and generator
  - West Fire Station: Roof replacement
- In progress:
  - Police Station: Roof replacement
  - Police Station HVAC: Replace the boilers and humidifiers
- Asset Management Software
  - Brightly rollout
  - Facilities, fleet, and police assets in phase 1
  - Future phases: roadway assets

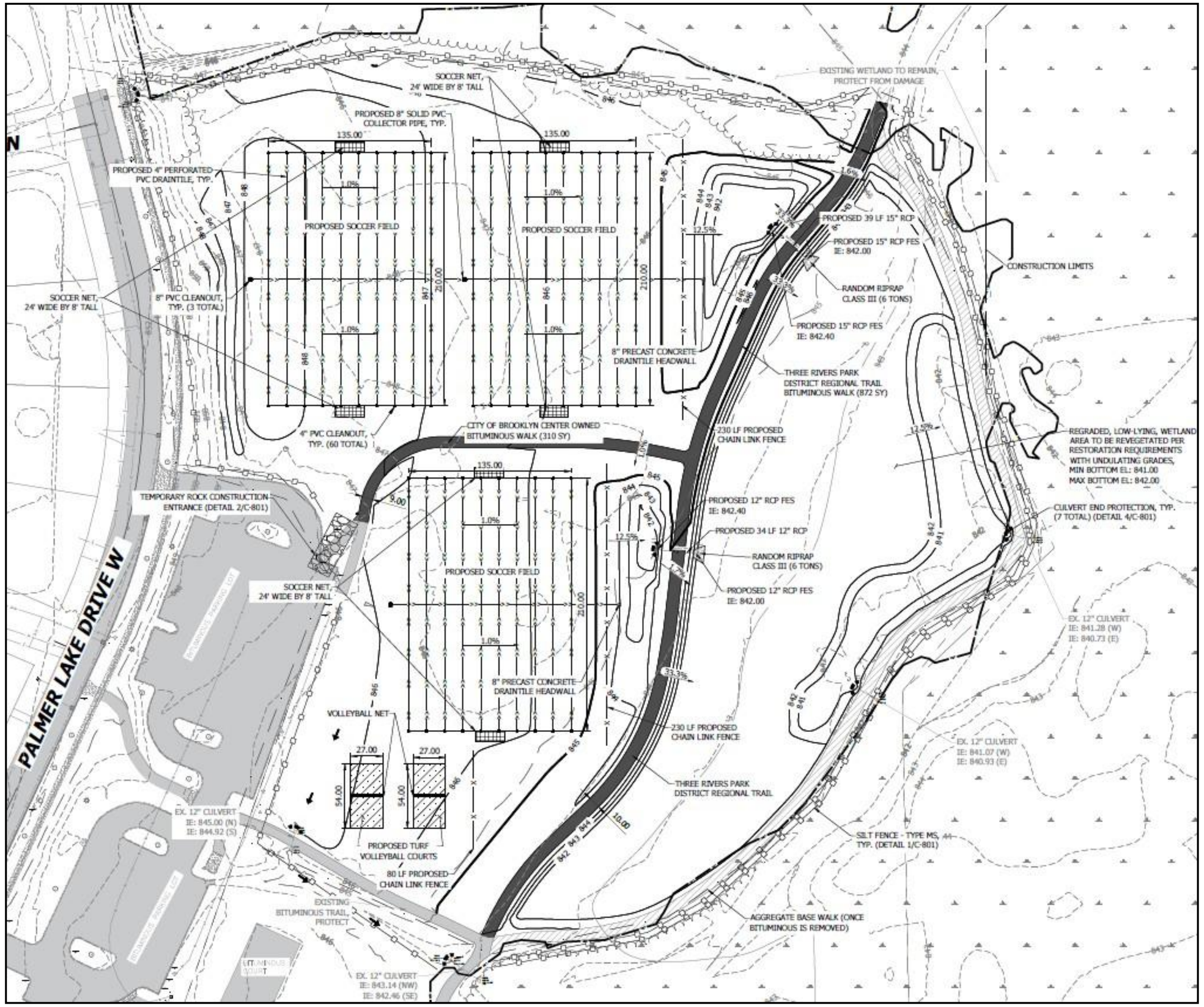


Energy Cost Reduction Program

- Pairs building efficiency improvements and solar energy production to reduce city energy costs
- $130,00 every other year starting in 2029 to implement solar on public buildings
    - Only $40,000 earmarked for 2027 due to support from grant funding
- $50,000 every other year starting in 2028 to implement building efficiency improvements
- Funding to be utilized in conjunction with grant funding and Xcel energy rebates
- Upcoming Projects:
    - West Fire Station Rooftop Solar
    - Police Station Building Efficiency Improvements

Park Capital Plan

- Park Capital Investment Plan Completed Spring 2025
- 2026 Projects (Under 200k)
  - Northport park tennis court restoration
  - West Palmer Tennis and Pickleball restoration and new court
  - Riverdale park basketball court restoration
  - Lakeside park native plants restoration
  - Grandview park baseball netting extension
  - Evergreen park softball backstop nets
  - Evergreen baseball dugouts, equipment shed
- 2026 Lighting Improvements
  - Arboretum and Palmer Lake Park
  - Select solar installation
- Major 2027 and Beyond
  - West Palmer park flood mitigation and soccer fields
  - Centennial Park pond restoration and splash pad



West Palmer

August 2000

Centennial Park Pond

- The Centennial Park Pond was built in the early 1980s
- Over time, the beaches degraded, cinderblocks were added to reenforce the edges but now they are falling into the water
- A frequent maintenance issue and structural decline make maintaining costly, time consuming, and hardly an improvement

Centennial Park Pond

BROOKLYN CENTER AT THE CENTER

Centennial Park Pond

- Replacing in-kind **<u>does not</u>** eliminate ongoing maintenance issues
- The 2025 Park Capital Investment Plan Priorities:
  - (1) Improve existing facilities
  - (2) Access to water
  - (5) A water play feature
- Pond / splash pad integration
- Preliminary estimates:
  - Replace in kind (no splash pad): $450k
  - Splash pad and pond restoration: $650-750k
- Grant opportunities
  - Grants for splash pads can cover 30-50% of the cost in addition to pond restoration
- Tentatively, construction in 2029 pending grants

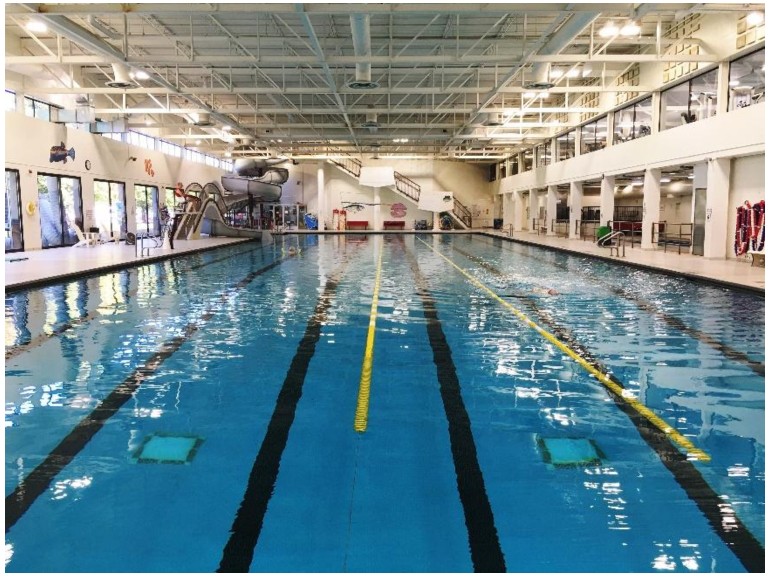
Hazardous Tree Management and Reforestation

- $150k per year in Capital Projects Fund
- BC Tree canopy management since 2022
  - 2022: Hazardous Tree program created; funding begins in 2023
    - Gives staff capacity to apply for matching grants
  - 2024: Partnership with Great River Greening begins
    - Removals, plantings, and watering
    - No City matching funds required
  - 2026
    - 937 ash trees removed
      - 17 City-owned ash trees remain
        - 6 will be removed in Fall 2026
        - 11 receiving treatment
    - 1,337 new trees planted
- Great River Greening partnership *significantly* increases City's ash tree removal and new tree planting rates
  - 15-year removal and replanting plan scheduled to be completed under five years

15% of newly planted trees do not survive the establishment period

Community Center Deferred Maintenance Project

- Includes pool area fixes, roof, chiller, sauna, etc.
- Fall 2026 construction; pool planned to reopen in Spring 2027
- Design/build process; focusing on designing and funding pool repairs first
  - Costs came in high; no additional funding for smaller upgrades to existing amenities
  - Capital Projects Fund balance is higher than previously thought
  - **Staff recommendation:** Increase Capital Project Fund contribution from $200k to $400k
    - Efficient project delivery: Contractor hired and portions of building already closed
    - Cost savings: no part-time pool staff during construction

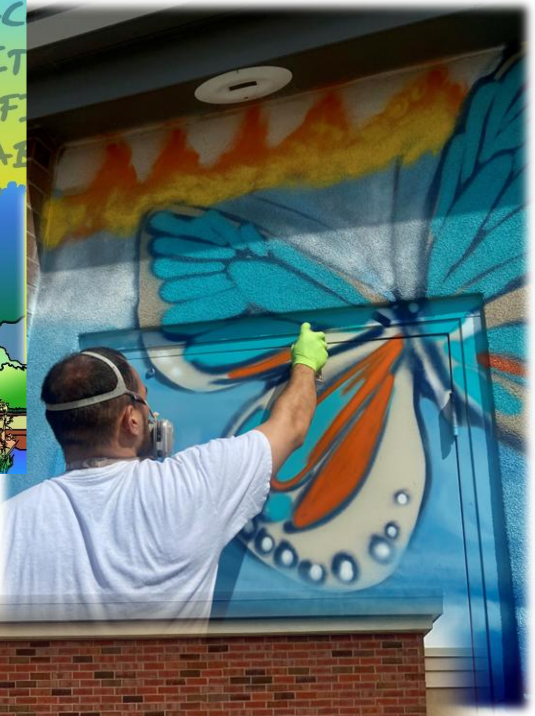


DRAFT Upgrade List

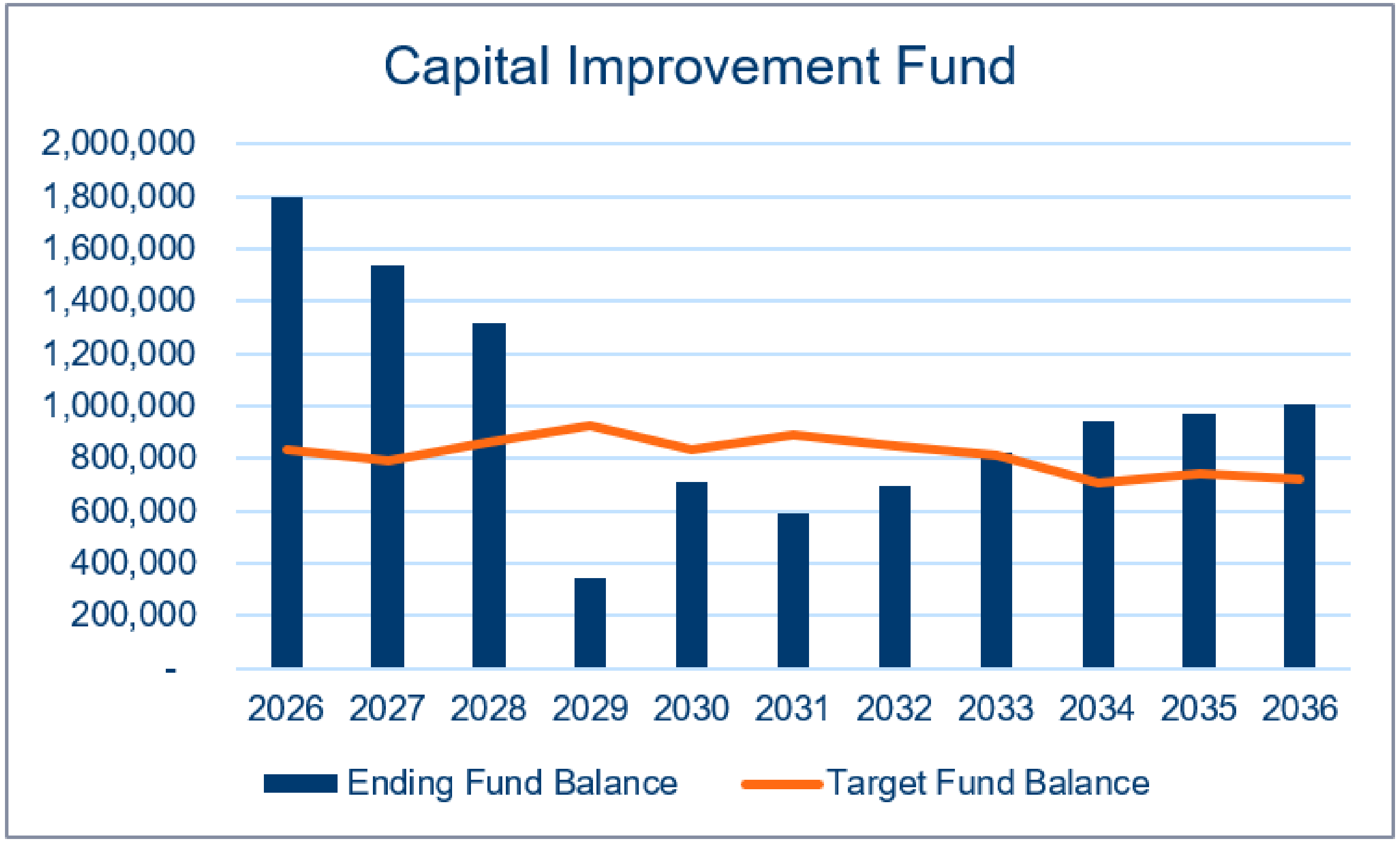
- Fitness equipment
- Furniture replacement
- Interior wall paint

City Public Art

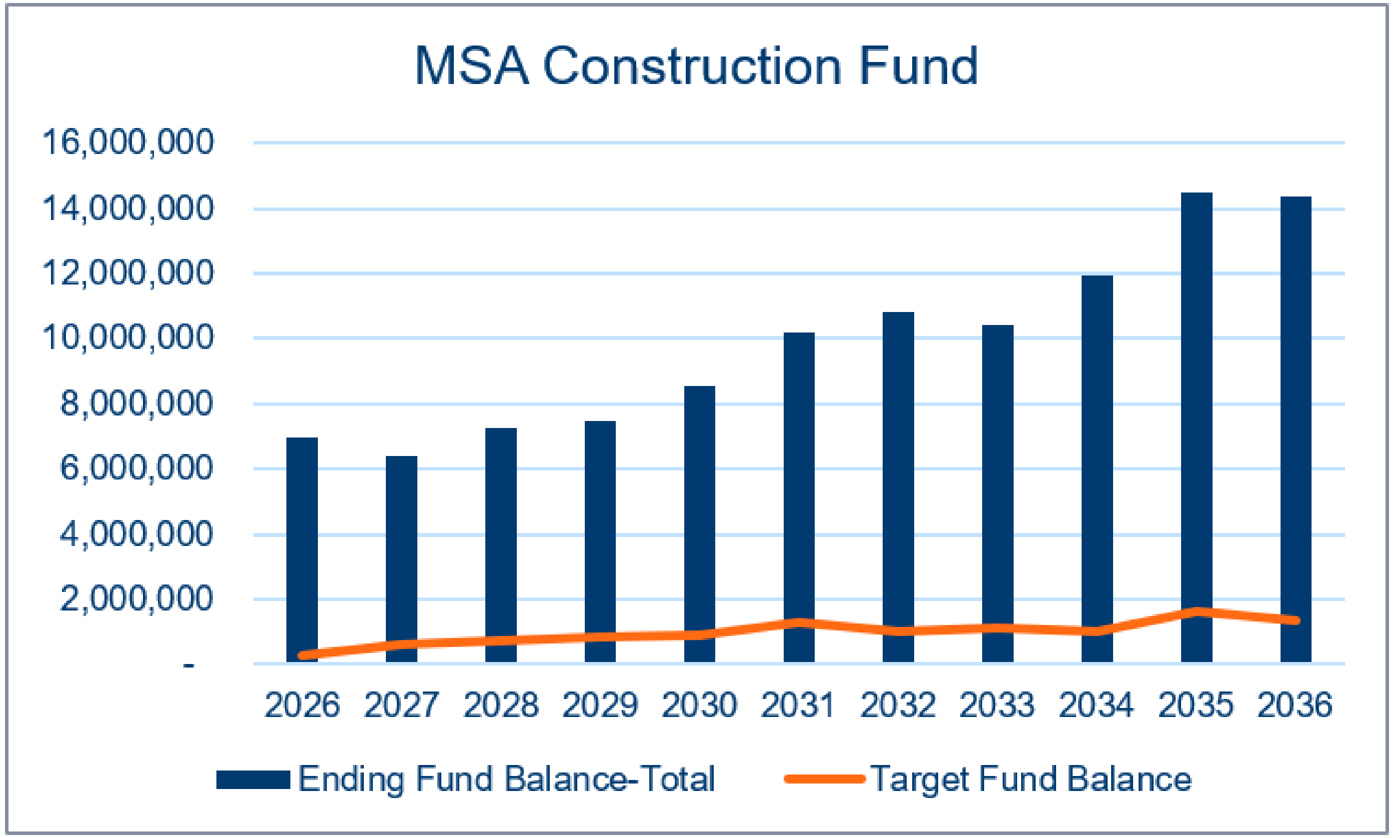
- Moving first year of funding from 2027 to 2028
  - Keeping the original three-year cycle
- Allows for development and adoption of a Public Art Policy
- Cultural and Public Arts Commission is expected to bring a policy forward in 2027



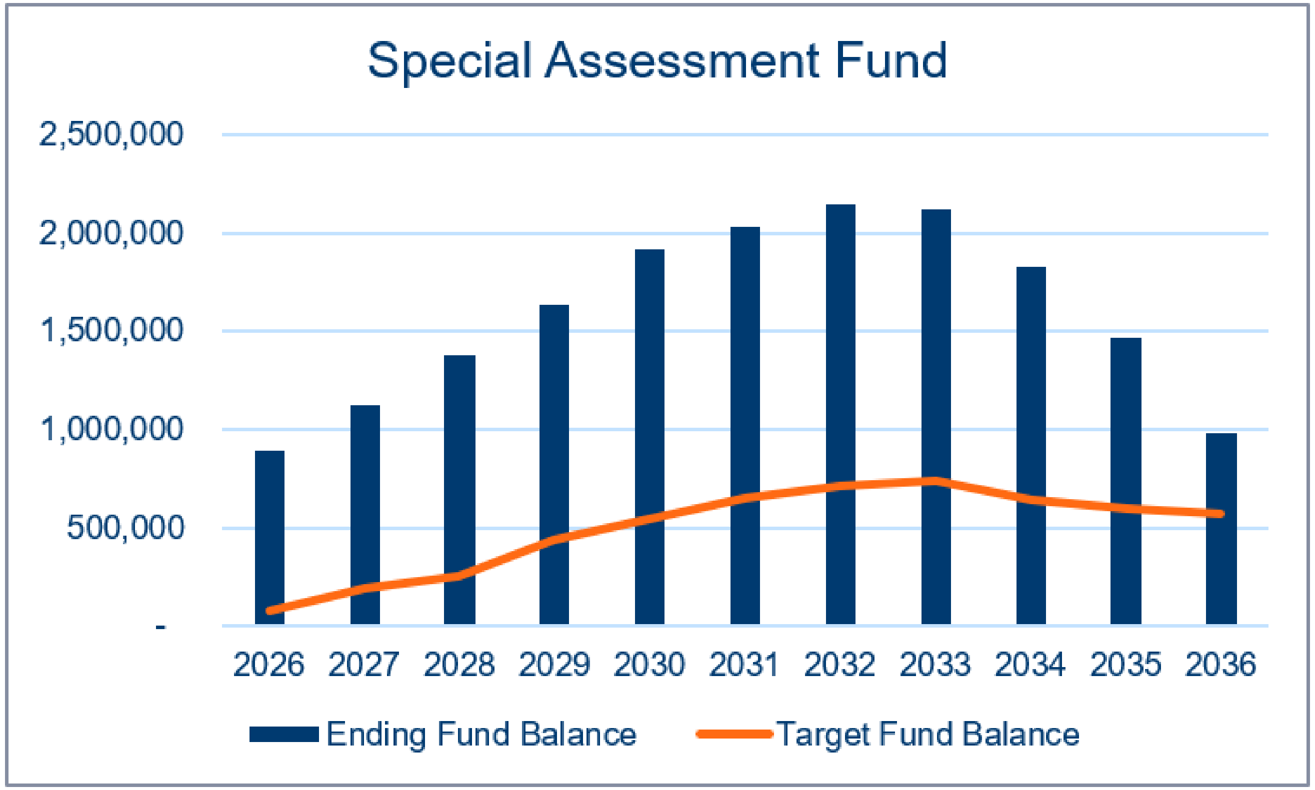
Capital Improvement Fund



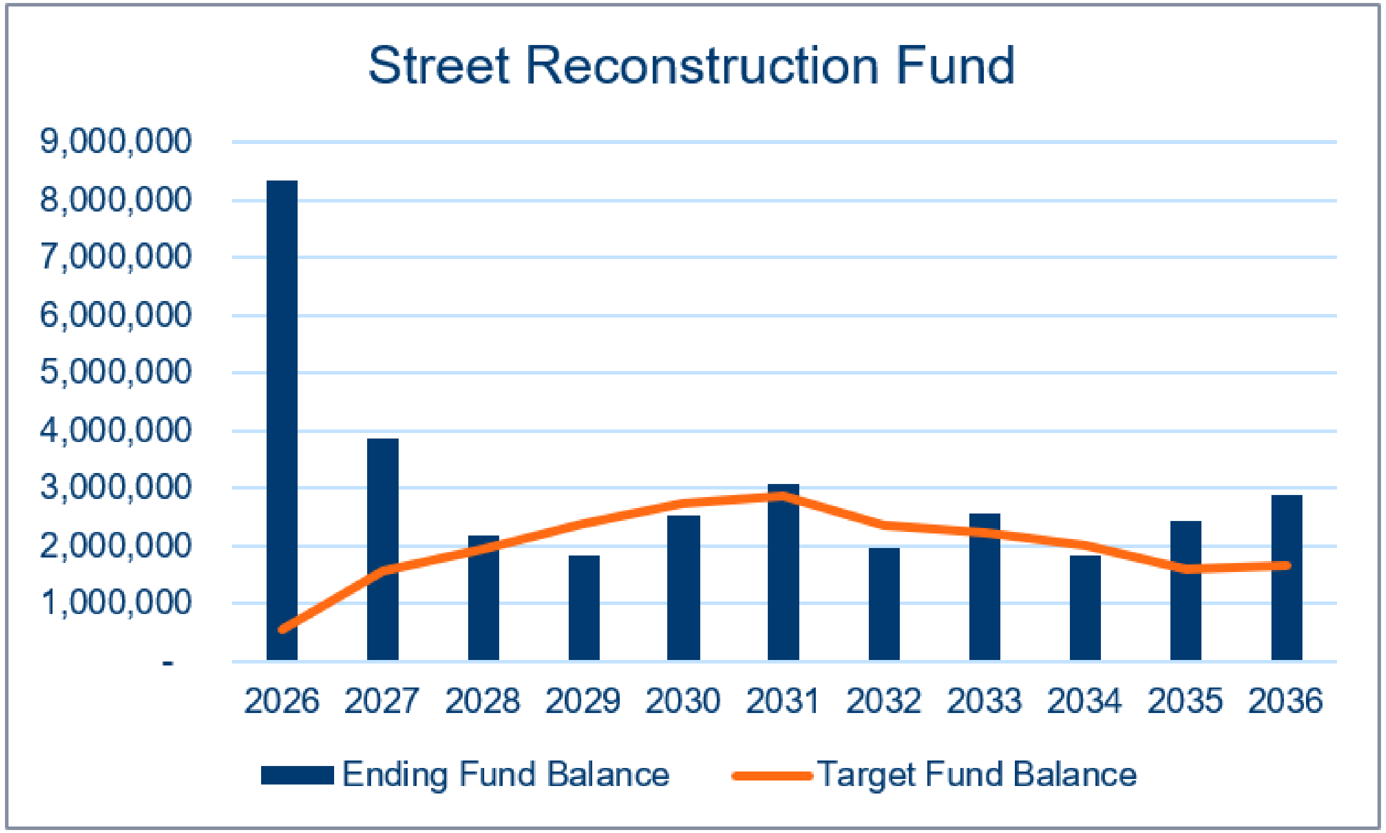
Municipal State Aid Fund



Special Assessment Fund



Street Reconstruction Fund



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Questions?

DRAFT Capital Improvement Program (2027 - 2036)
July 13, 2026

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2027											
Orchard Lane North Area Improvements	$770,000	$1,650,000		$820,000	$120,000	$480,000					$3,840,000
53rd and Xerxes Avenue Improvements	$80,000	$220,000		$90,000	$30,000	$20,000			$390,000	(A)	$830,000
Humboldt Avenue and 65th Avenue Area Improvements	$210,000	$2,878,830	$3,405,634	$200,000	$253,000	$1,518,000	$10,000		$3,184,537	(B)	$11,660,000
2027 Storm Water Ponds Rehab				$400,000						(C)	$400,000
Shingle Creek / John Martin Signal Rehab		$409,644	$608,578				$11,778				$1,030,000
Traffic Calming Program		$100,000									$100,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Lift Station Nos. 7 and 10 Rehabilitation, and Nos. 7 Concrete Pad Replacement					$1,500,000						$1,500,000
Well No. 5 and Water Treatment Plant HSP No. 3 Rehab						$160,000					$160,000
Lift Station and Well Façade Replacement. Wells 6,10,3,4,9,8, and Lift Station 1						$134,000					$134,000
Water Treatment Plant Redundant Water Main Connection						$1,497,000				(D)	$1,497,000
Community Center Deferred Maintenance Project								$400,000	$5,100,000		$5,500,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program				$1,461,725				$200,000	$100,275	(E)	$1,762,000
Energy Cost Reduction Program								$40,000	$70,000	(F)	$110,000
Facility Capital Improvement Program								$1,065,000			$1,065,000
2027 Subtotal	$1,060,000	$5,258,474	$4,014,212	$2,971,725	$1,903,000	$3,809,000	$71,778	$1,855,000	$8,844,812		$29,788,000

NOTES: (A) This project is located on the border of the City of Minneapolis, which will contribute a cost share toward the project.

(B) This project, originally programmed for 2028, was combined with related improvements and advanced to 2027 after the City successfully secured a pedestrian safety grant and MnDOT cost share for the intersection of 65th Avenue and Humboldt Avenue.

(C) This project combines stormwater pond improvements originally planned for 2026 and 2029.

(D) This is an essential project, and the Public Works Department has submitted it for funding through the Minnesota Drinking Water Revolving Fund program. As of June 2026, the City has been notified that the project is included in the state funding pool for the 2027 Project Priority List. If selected, the project may be eligible for below-market financing and potential grant or principal-forgiveness funding for eligible drinking water improvements. If funding is not awarded in time to support 2027 construction, the project would be deferred to 2028 or 2029. If funding is not awarded, the City will self-fund the project because the investment is essential.

(E) Outside funding is provided by the Minnesota Department of Natural Resources Local Trail Connections Grant, awarded to the City of Brooklyn Center in July 2026. The City has applied for a total of $900,000 in grant funding to reduce project costs. As of early July, just over $100,000 has been awarded, and the City is awaiting a decision on the remaining $800,000.

(F) This project is funded through a combination of grants and federal direct pay, which is expected to reimburse approximately 40% to 50% of eligible project costs. An additional 10% bonus may be available for projects located in low-income areas, but that bonus is not guaranteed and is not factored into the estimate.

DRAFT Capital Improvement Program (2027 - 2036)
July 13, 2026

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2028											
Meadowlark Gardens Area Improvements	$550,000	$1,690,000		$670,000	$130,000	$460,000	$30,000				$3,530,000
Humboldt Avenue Improvements (69th to 73rd)	$140,000	$2,000,000		$680,000	$620,000	$1,210,000	$40,000				$4,690,000
Shingle Creek / Summit Signal Rehab		$422,000	$627,000				$15,000				$1,064,000
France Ave N Multimodal Safety Project from 69th Ave N to 73rd Ave N						$90,000			$840,000	(A)	$930,000
Energy Cost Reduction Program								$60,000		(B)	$60,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Water Treatment Plant HSP No. 1 Rehab						$50,000					$50,000
Well 9 Rehab						$178,000					$178,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$400,000			$400,000
Emergency Responder Radio Replacement (Police/Fire)								$500,000		(C)	$500,000
City Public Art								$50,000			$50,000
Facility Capital Improvement Program								$245,000			$245,000
2028 Subtotal	$690,000	$4,112,000	$627,000	$1,350,000	$750,000	$1,988,000	$135,000	$1,405,000	$840,000		$11,897,000

NOTES: (A) This project is dependent on securing a Metropolitan Council Regional Solicitation grant in 2026.
(B) The City will pursue grant funding opportunities to reduce its local contribution to the project.
(C) The City will pursue FEMA and State of Minnesota grant funding opportunities to reduce the local cost burden.

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2029											
66th Ave/Camden Ave Signal Rehab		$377,000	$377,000								$754,000
Orchard Lane South Area Improvements (Including 61st & Perry Avenues Storm Sewer Improvement)	$1,370,000	$3,360,000		$1,550,000	$340,000	$860,000					$7,480,000
68th Avenue and Lee Avenue Improvements	$320,000	$150,000		$130,000	$210,000	$160,000	$10,000				$980,000
Traffic Calming Program		$100,000									$100,000
Retaining Wall Replacement (miscellaneous locations)								$132,000			$132,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Well Nos. 4 (VFD) and Water Treatment Plant HSP No. 4 Rehab-Electrical						$244,000					$244,000
Freeway and Highway Utility Crossing Replacement					$633,000	$602,000					$1,235,000
Shingle Creek / Brookdale Sq Signal Rehab		$435,000	$646,000				$13,000				$1,094,000
Responder Radio Replacement (Public Works)								$100,000			$100,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$367,000	$367,000	(A)	$734,000
Energy Cost Reduction Program								$130,000		(B)	$130,000
Facility Capital Improvement Program								$832,000			$832,000
NW Suburban Fire Training Tower								$450,000		(C)	$450,000
2029 Subtotal	$1,790,000	$4,422,000	$1,236,000	$2,687,000	$1,758,000	$3,125,000	$93,000	$2,161,000	$367,000		$17,639,000

NOTES: (A) The City will pursue grant funding opportunities to reduce its local contribution to the project.
(B) The City will pursue grant funding opportunities to reduce its local contribution to the project.
(C) The project team is pursuing state bonding funds to support construction of the tower. Depending on the timing and availability of funding, this project may be shifted to a later year.

DRAFT Capital Improvement Program (2027 - 2036)
July 13, 2026

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2030											
St. Alphonsus Area Improvements	$280,000	$1,040,000		$370,000	$50,000	$430,000					$2,170,000
Garden City North Area Mill and Overlay	$530,000	$3,040,000		$2,970,000	$880,000	$720,000					$8,140,000
Garden City Central Area Mill and Overlay	$450,000	$2,550,000	$410,000	$1,480,000	$430,000	$110,000					$5,430,000
West Fire Station Parking Lot Mill and Overlay *(With Garden City Project)*		$150,000									$150,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Sanitary Sewer Lining (Miss. River Trunk N. of I-694 to 70th/Willow)					$1,725,000						$1,725,000
Well Nos. 6 and 8 Electrical						$337,000					$337,000
Public Works Grarage Reconstruction Project								$10,000,000	$35,000,000		$45,000,000
Golf Course Bridge Repairs (North, Middle, and South)								$200,000			$200,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
Energy Cost Reduction Program								$51,000		(A)	$51,000
Facility Capital Improvement Program								$210,000			$210,000
2030 Subtotal	$1,260,000	$6,780,000	$410,000	$4,820,000	$3,085,000	$1,597,000	$50,000	$10,811,000	$35,000,000		$63,813,000

NOTES: (A) The City will pursue grant funding opportunities to reduce its local contribution to the project.

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2031											
Garden City South Mill and Overlay	$80,000	$2,470,000		$1,430,000	$510,000	$1,410,000					$5,900,000
73rd Ave N Improvements (Humboldt to TH252)	$120,000	$860,000		$190,000	$190,000	$20,000			$290,000	(A)	$1,670,000
73rd Ave N Improvements (Penn to Humboldt)	$90,000	$690,000		$220,000	$70,000	$410,000				(B)	$1,480,000
69th Ave and Shingle Creek Pkwy Improvements	$1,460,000		$4,540,000	$340,000	$100,000		$10,000				$6,450,000
Stormwater Structure Sediment Managment Project				$200,000							$200,000
69th Avenue Landscape Rehabilitation		$91,000									$91,000
Traffic Calming Program		$100,000									$100,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
2031 Storm Water Pond Rehab				$77,000							$77,000
Lift Station No. 1 Generator Replacement					$236,000						$236,000
Well No. 3 (Including VFD) and Water Treatment Plant HSP 2 Rehab						$270,000					$270,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$225,000			$225,000
City Public Art								$50,000			$50,000
Energy Cost Reduction Program								$130,000		(C)	$130,000
Facility Capital Improvement Program								$751,000			$751,000
2031 Subtotal	$1,750,000	$4,211,000	$4,540,000	$2,457,000	$1,106,000	$2,110,000	$60,000	$1,306,000	$290,000		$17,830,000

NOTES: (A) The City of Brooklyn Park will provide a 50% cost share for street and storm sewer improvements, estimated at $295,000, pursuant to the 1999 agreement.
(B) The City of Brooklyn Park will provide a 50% cost share for street and storm sewer improvements, estimated at $285,000, pursuant to the 2004 agreement.
(C) The City will pursue grant funding opportunities to reduce its local contribution to the project.

DRAFT Capital Improvement Program (2027 - 2036)
July 13, 2026

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2032											
Earle Brown Drive Area Improvements	$790,000	$1,790,000		$210,000	$20,000	$310,000			$1,410,000		$4,530,000
Heritage Center/Opportunity Area Street Light Replacement (Earl Brown Drive)							$200,000				$200,000
Shingle Creek Pkwy and Xerxes Ave Mill and Overlay	$800,000	$1,320,000		$430,000	$40,000	$570,000	$100,000		$1,290,000		$4,550,000
Xerxes Mill and Overlay (Northway to 694)	$80,000	$510,000	$880,000	$130,000	$40,000	$860,000					$2,500,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Brooklyn Blvd Street Light Replacement (65th to BP Border)							$1,019,000				$1,019,000
2032 Storm Water Pond Rehab				$730,000							$730,000
Well No. 5 and 11 and Water Treatment Plant HSP No. BW Rehab						$260,000					$260,000
Energy Cost Reduction Program								$50,000		(A)	$50,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$300,000			$300,000
Facility Capital Improvement Program								$575,000			$575,000
2032 Subtotal	$1,670,000	$3,620,000	$880,000	$1,500,000	$100,000	$2,000,000	$1,369,000	$1,075,000	$2,700,000		$14,914,000

NOTES: (A) The City will pursue grant funding opportunities to reduce its local contribution to the project.

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2033											
Southwest Area Mill and Overlay	$610,000	$1,650,000	$1,510,000	$1,470,000	$580,000	$2,850,000	$10,000				$8,680,000
Happy Hollow Mill and Overlay	$330,000	$1,390,000	$380,000	$1,100,000	$230,000	$450,000					$3,880,000
Traffic Calming Program		$100,000									$100,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Well No. 10 (Including VFD) and Water Treatment Plant HSP No. 3 Rehab						$155,000					$155,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
Self Contained Breathing Apparatus (SCBA) Replacement (Fire)								$500,000			$500,000
Facilty Capital Improvement Program								$200,000			$200,000
2033 Subtotal	$940,000	$3,140,000	$1,890,000	$2,570,000	$810,000	$3,455,000	$60,000	$1,050,000			$13,915,000

NOTES:

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2034											
Unity Ave Improvement Project (69th ST to 73rd ST)	$490,000	$700,000		$130,000	$1,510,000	$2,070,000	$70,000				$4,970,000
Centerbrook Area Mill and Overlay	$300,000	$1,470,000		$800,000	$90,000	$60,000	$70,000				$2,790,000
Water Treatment Plant HSP No. 1						$142,000					$142,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
City Public Art								$50,000			$50,000
Facility Capital Improvement Program								$662,000			$662,000
2034 Subtotal	$790,000	$2,170,000		$930,000	$1,600,000	$2,272,000	$190,000	$1,062,000			$9,014,000

NOTES:

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Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2035											
Northport Area Improvements	$390,000	$2,420,000	$1,390,000	$880,000	$140,000	$70,000					$5,290,000
69th Ave (CSAH 130) Reconstruction (Unity to Brooklyn Blvd)	$50,000		$5,560,000	$520,000	$1,290,000	$1,560,000	$110,000			(A)	$9,090,000
Well No. 4 and 9 and HSP No. 4						$210,000					$210,000
Lions Park South Mill and Overlay	$410,000	$1,890,000		$1,090,000	$120,000	$3,520,000	$70,000				$7,100,000
Traffic Calming Program		$100,000									$100,000
Traffic Sig Sys Rehab.(Freeway Blvd and Shingle Creek Pkwy		$800,000									$800,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
Facility Capital Improvement Program								$600,000			$600,000
Emergency Outdoor Warning Sirens								$160,000			$160,000
2035 Subtotal	$850,000	$5,210,000	$6,950,000	$2,490,000	$1,550,000	$5,360,000	$230,000	$1,110,000			$23,750,000

NOTES: (A) The Hennepin County cost share is being revised in 2026–2027. The outcome of that process has not been incorporated into this estimate.

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2036											
Shingle Creek Pkwy/Summit Dr/Earle Brown Mill and Overlay	$160,000	$290,000	$1,640,000	$660,000	$490,000	$1,410,000					$4,650,000
Riverwood Area Improvements	$1,330,000	$4,700,000		$2,390,000	$3,780,000	$1,890,000	$50,000				$14,140,000
Park Lighting Program							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
Facility Capital Improvement Program								$800,000			$800,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Lift Station 1 Reconstruction					$700,000						$700,000
2036 Subtotal	$1,490,000	$4,990,000	$1,640,000	$3,050,000	$4,970,000	$3,300,000	$100,000	$1,150,000			$20,690,000

NOTES:

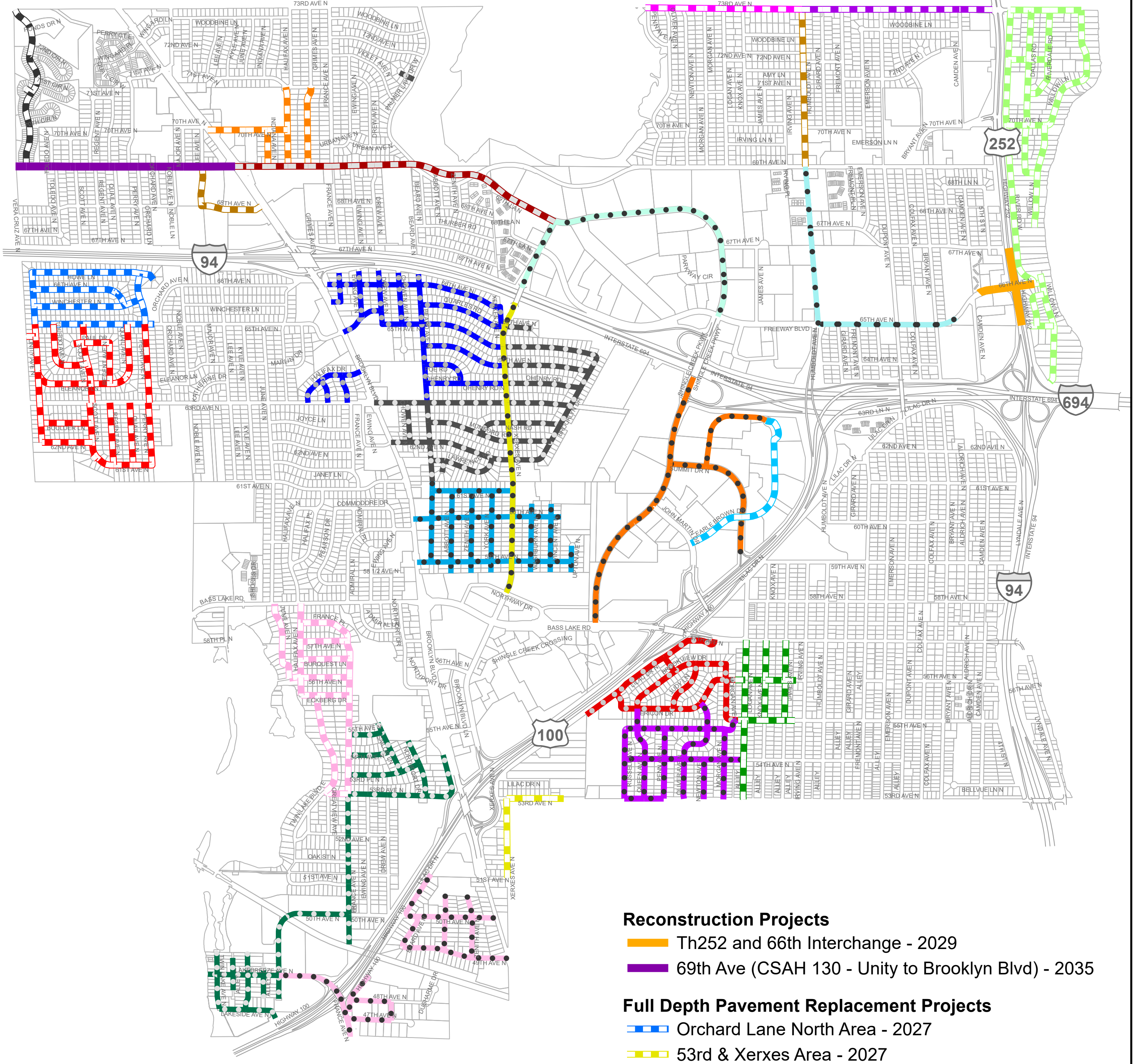
DRAFT Capital Improvement Program (2027 - 2036)
July 13, 2026

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds	Total Project Cost
TOTALS	$12,290,000	$43,913,474	$22,187,212	$24,825,725	$17,632,000	$29,016,000	$2,358,778	$22,985,000	$48,041,812	$223,250,000
TABLE 1 "PERCENT OF TOTAL NEED"	6%	20%	10%	11%	8%	13%	1%	10%	22%	100%
	$1,229,000.00	$4,391,347.40	$2,218,721.15	$2,482,572.50	$1,763,200.00	$2,901,600.00	$235,877.80	$2,298,500.00	$4,804,181.15	$22,325,000.00
TABLE 1 "AVERAGE ANNUAL FUNDING NEED"	$1,229,000	$4,391,347	$2,218,721	$2,482,573	$1,763,200	$2,901,600	$235,878	$2,298,500	$4,804,181	$22,325,000
	5.51%	19.67%	9.94%	11.12%	7.90%	13.00%	1.06%	10.30%	21.52%	78.48%

	Total Funding Need 10-yr	Average Annual Funding Need	Percent of Total Need		
Water Utility	$29,016,000	$2,901,600	13%	13.0%	Water Utility
Sanitary Sewer Utility	$17,632,000	$1,763,200	8%	7.9%	Sanitary Sewer Utility
Storm Drainage Utility	$24,825,725	$2,482,573	11%	11.1%	Storm Drainage Utility
Street Lighting Utility	$2,358,778	$235,878	1%	1.1%	Street Lighting Utility
Municipal State Aid	$22,187,212	$2,218,721	10%	9.9%	Municipal State Aid
Street Reconstruction Fund	$43,913,474	$4,391,347	20%	19.7%	Street Reconstruction Fund
Capital Projects Fund	$22,985,000	$2,298,500	10%	10.3%	Capital Projects Fund
Special Assessment Collections	$12,290,000	$1,229,000	5%	5.5%	Special Assessment Collections
Outside Funds	$48,041,812	$4,804,181	36%	21.5%	
TOTAL	$223,250,000	$22,325,000	114%	100.0%	

CIP PROJECT AREAS

2027 - 2036 DRAFT



Reconstruction Projects

- Th252 and 66th Interchange - 2029
- 69th Ave (CSAH 130 - Unity to Brooklyn Blvd) - 2035

Full Depth Pavement Replacement Projects

- Orchard Lane North Area - 2027
- 53rd & Xerxes Area - 2027
- Meadowlark Gardens Area - 2028
- Humboldt Ave (69th to 73rd) - 2028
- Orchard Lane South Area - 2028
- 68th & Lee - 2029
- St Alphonsus Area - 2030
- 73rd Ave (Humboldt to TH252) - 2031
- 73rd Ave (Penn to Humboldt) - 2031
- 69th & Shingle Creek Pkwy - 2031
- Earle Brown Drive - 2032
- Unity Ave (69th to 73rd) - 2034
- Northport Area - 2035
- Riverwood Area - 2036

Mill and Overlay Projects

- Humboldt & 65th Area - 2027
- Garden City North - 2030
- Garden CIty Central - 2030
- Garden City South - 2031
- Shingle Creek Pkwy & Xerxes Ave - 2032
- Xerxes Ave (Northway to 694) - 2032
- Southwest Area - 2033
- Happy Hollow Area - 2033
- Centerbrook Area - 2034
- Lions Park South - 2035
- Shingle Creek Pkwy, Summit & Earle Brown Dr - 2036

BROOKLYN CENTER AT THE CENTER

November 2025