

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council Worksession was held on August 18, 2025 at the City Hall, 1301 81st Ave NE, Spring Lake Park, at 5:30 PM.

1. CALL TO ORDER

MEMBERS PRESENT

Councilmember Ken Wendling
Councilmember Barbara Goodboe-Bisschoff
Councilmember Lisa Dircks
Councilmember April Moran

MEMBERS ABSENT

Mayor Bob Nelson

STAFF PRESENT

Police Chief Josh Antoine, Building Official Jeff Baker, Public Works Director George Linngren,
Administrator Daniel Buchholtz

2. DISCUSSION ITEMS

A. 2026 General Fund Budget Presentation and Discussion

Administrator Buchholtz presented the 2026 General Fund budget, noting total proposed revenues and expenditures of \$6,061,232, which reflects a balanced budget. He reported modest tax base growth, a slight increase in Local Government Aid, and continuing economic uncertainty. He said property taxes will fund approximately 72% of the budget, with the remainder from other revenue sources. He reported that major cost drivers include wage and benefit growth from recent union contract settlements, a 16% health insurance premium increase, new Paid Family and Medical Leave contributions, and expanded IT security investments to protect against cyber threats. He highlighted some departmental drivers, including a 6.85% increase in the Fire Department operating budget with additional capital funding following the payoff of the Station 3 bond, higher Code Enforcement costs offset by inspection fee revenue and higher IT costs in the Police Department due to Criminal Justice Information System (CJIS) compliance requirements.

Buchholtz stated that the preliminary levy is proposed at \$5,030,260, a 6.54% increase over the previous year. He acknowledged that while this is higher than preferred, it is lower than initial projections and may be reduced further as savings are identified, such as staffing changes and capital adjustments. He noted that the proposed budget does not currently include the Administrative Captain position requested by the Police Department; however, Buchholtz outlined funding options using one-time Public Safety Aid and phased staffing reductions to fund the position in 2026 and phase the cost of the position over the next two fiscal years.

Councilmember Goodboe-Bisschoff inquired about ways to further lower the levy. Administrator Buchholtz stated that due to a staff resignation in the Parks and Recreation Department, there will be payroll savings that will reduce the levy. He stated that it is appearing the 2026 squad car will come in lower than expected, which could also help reduce the levy. He said staff will continue to review additional cost-saving opportunities in an effort to further reduce the levy. Councilmember Dircks noted that the City is not immune to inflation, which is reflected in the budget. Councilmember Wendling agreed.

Councilmembers expressed support for but discussed concerns about adding the Administrative Captain position. Buchholtz confirmed that a final decision on the position could be deferred to November without affecting the levy, as one-time Public Safety Aid would cover its first-year cost.

CONSENSUS of the Council provided was to proceed with setting preliminary property tax levy \$5,030,260 in accordance with the Administrator's budget, while continuing to review cost-saving opportunities and the addition of the Administrative Captain position.

B. Axon Contract Review

Police Chief Antoine said the department's current five-year Axon contract expires in late 2026. He reported that Axon is projecting annual cost increases of 12–14% and has eliminated the department's current bundle plan. He presented options for a new five-year or ten-year contract, recommending the ten-year contract to lock in pricing and avoid future price spikes. He stated the ten-year contract includes upgraded body cameras, Tasers, in-squad cameras, and unlimited evidence storage for outside digital files, as well as providing four equipment refresh cycles and enhanced features such as real-time video access for supervisory staff and dispatch. Chief Antoine noted that the 10-year contract is anticipated to save the City over \$200,000 over the life of the agreement over annual renewals. He advised that the department budget for 2026 already reflects the first year's contract amount of \$37,000. Chief Antoine recommended approval of the ten-year contract before September 1 to retain discounts. Council asked clarifying questions regarding equipment coverage and system integration, which Chief Antoine answered.

Hearing no objections, Administrator Buchholtz stated that the Council will act on the Axon contract at the next City Council meeting.

C. Cannabis Retail Discussion

Administrator Buchholtz said the City received a request to increase the number of licensed recreational cannabis dispensaries allowed under City Code. HE said current regulations limit the City to one retail license, and the applicant requested an amendment to allow additional licenses. Buchholtz noted that a third party has also expressed interest in opening a cannabis store, utilizing the municipal cannabis model, under which the City would hold a license in partnership with a private operator. He explained that such a model would require careful evaluation of financial, insurance, and legal compliance risks.

Councilmembers expressed mixed views. Councilmember Wendling and Councilmember Goodboe-Bisschoff favored maintaining a single license due to the City's size and uncertainty about enforcement and compliance impacts. Councilmember Moran stated she had no concerns with increasing the number of retail cannabis operators in the City and suggested exploring an increase to two licenses to accommodate interest and promote local partnerships.

The Council directed staff to gather additional information on cannabis licensing in other cities and the municipal model and to bring the topic back for further discussion at a future work session.

3. REPORT

A. Council and Staff Reports - None

4. ADJOURN

The meeting was adjourned at 6:50pm.

Kenneth Wendling, Mayor

Attest:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer