

AGENDA

Forest Lake Airport Commission Meeting

Wednesday, February 4, 2026, 6:00 PM

**Forest Lake City Center
1408 Lake Street South
Forest Lake, Minnesota**

[City of Forest Lake – Link to Livestream](#)

1. Call to Order
 - a. Roll Call
2. Approval of the Agenda
3. Open Forum - Citizen Petitions, Requests and Concerns: Please sign in at the front table. The Open Forum is available for residents to express personal opinions for any item of business. Please limit your comments to three (3) minutes.
4. Approve Meeting Minutes:
 - a. Airport Commission Meeting - December 3, 2025
5. Regular Agenda (Action Items)
 - a. Financials and Claims List (11/24/25-1/26/26)
 - b. Engineer's Report
 - c. Internet Service at A/D Building
 - d. Set Officers for 2026
 - i. Chair
 - ii. Vice Chair
 - iii. Treasurer
 - iv. Secretary
 - e. Declaring default of Land Leases on Vacant Lots
 - f. Land Lease Rates for 2026 & 2027
6. Discussion
 - a. None



7. Staff Updates
 - a. Airport Manager's Report
8. Adjourn



Airport Commission

Regular Meeting

~ Minutes ~

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

Wednesday, December 3, 2025

6:00 PM

City Center - Council Chambers

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

1. Call to Order/Roll Call

Attendee Name	Title	Status	Arrived
Don Stehler	Chair	Present	
Joe Gallmeier	Secretary	Present	
Curtis Monson	Vice Chair	Absent	
Mark Lynch	Commissioner	Present	
Mara Bain	Commissioner	Absent	

2. Approve the Agenda (Action)

Chair Stehler requested a motion to approve the agenda.

Motion: Commissioner Lynch made a Motion to Approve the Agenda as presented. Motion seconded by Commissioner Gallmeier. Motion carried 3-0.

3. Open Forum

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

Comments:

Doug Shipp – 9753 Howard Lake Drive, Forest Lake MN

Mr. Shipp acknowledged that there is inadequate funding in the airport fund to pay for the runway extension project as presented on tonight’s agenda. He asked the commission to be prepared to defend the airport hangar owners against being obligated to pay for the runway extension.

Mr. Shipp cautioned against using salt for deicing pavement on airport property due to the impact salt can have on the aluminum frame of an aircraft.

Mr. Shipp asked if anyone could explain whether a “snow brush” was purchased through MNDOT aeronautics for the airport.

Mr. Shipp asked the Commission to help end the discriminatory practices at the airport, including unresolved payments for the runway paving, clear definitions around commercial vs. non-commercial uses and tax evasion by those living in hangars.

With no other people wishing to speak, Chair Stehler closed the public input section of the meeting.

Wednesday, December 3, 2025

6:00 PM

City Center - Council Chambers

4. Approve Meeting Minutes

a. Airport Commission Meeting – August 6, 2025

Motion: Commissioner Lynch made a Motion to Approve the August 6, 2025 Meeting Minutes as presented.

Motion seconded by Commissioner Gallmeier. Motion carried 3-0.

5. Regular Agenda (Action Items)

a. Financial and Claims List (7/15-11/24)

City Administrator Statz reviewed the financials for the Airport Commission through Quarter 3. He said that the purpose of this item was to be informational. He stated that there were Airport claims that would be paid out of the Airport Fund. He wanted the Airport Commission to review this expense and provide feedback.

Commissioner Lynch stated that he would not feel comfortable completing a motion since he did not know much about the financial background.

Chair Stehler asked why they were paying such a high price for the telephone. City Administrator Statz answered that he would investigate the telephone cost.

Commissioner Lynch asked about the costs for mowing and whether they could be reduced by mowing a little less frequently.

The commission declined to take action on the item and simply took it as informational.

b. Airport Lighting Maintenance Agreement

City Administrator Statz provided an overview of the lighting maintenance, which was completed by Aerotech Companies. Forest Lake Public Works completes some activities as able, while Aerotech Companies completes more intricate tasks and recordkeeping since they are well-versed in the airfield lighting world.

Chair Stehler stated that they had some issues with some of the lighting systems.

The City's Engineering Consultant said he was familiar with the contractor, who previously worked with Neo Electric.

Motion: Commissioner Lynch made a Motion to Recommend City Council approve this proposal from Aerotech Companies for Airport Lighting Maintenance in 2026.

Motion seconded by Chair Stehler. Motion carried 3-0.



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c. Maintenance and Operations Grant – MNDOT

City Administrator Statz reviewed the biannual grant received from the State to cover a portion of the operation and maintenance costs at the airport. The grant allowed for reimbursement of up to 75 percent with a cap of \$18,609.14 annually. He said that it was important for the Airport Commission to approve the grant. The grant agreement requires that the city must maintain an airport with only aeronautical purposes.

Motion: Commissioner Lynch made a Motion to Recommend City Council to support the execution of the attached grant agreement for ongoing Maintenance and Operations costs at the airport, in State fiscal years 2026 and 2027, through MNDOT's Aviation Division.

Motion seconded by Commissioner Gallmeier. Motion carried 3-0.

d. MNDOT Grant Offers

i. Runway/Taxiway Extension Project

ii. Apron Expansion Project

City Administrator Statz stated that three of the applications received second-round funding with MNDOT. The grant funding level was settled at 90 percent, rather than 95 percent. He said that the Airport would not have the capital reserves to complete the projects. However, the City Council has expressed general support of the projects and could assist with fronting the money, but the general philosophy is that the airport would be self-sustaining, so they would have to pay the projects back over time. While there is no direct charge being proposed to hangar owners for the projects, it should be noted that capital projects are considered part of the airport fund budget. One of the ways the airport fund budget is supported is through hangar rents. Therefore, it is possible that hangar rents will need to be increased in order to meet the budget.

Commissioner Lynch asked about property taxes from hangars going to the airport. City Administrator Statz said that taxes collected from Hangars are not required to be used at the airport. However, it can be helpful to look at the amount collected to understand the net cost of the airport to the city, since without the airport, those taxes would not exist.

Commissioner Lynch asked if the taxes would cover the cost of the capital improvements. City Administrator Statz explained that the budget adopted for this year was unbalanced. The Airport Fund budget did not include property taxes as a revenue, but even if they were included, it would still be deficient. He reminded the commission of the generalized budget information he had presented earlier in the year where they were shown that the operational budget at the airport is currently operating at a slight deficit, if property taxes are included as a revenue source. He further explained that with the addition of capital costs, this deficit would be more pronounced without additional revenue from one of the few sources relied upon by the airport,



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reminding them that hangar leases may need to increase to cover those additional capital expenses.

To ease the burden on the Airport Fund for the proposed capital expenditures, Statz explained the proposed zero-interest loan over twenty years that the airport would pay back over time. He said that the city has a capital fund for different items, from which funds could be loaned. He stated he was looking for a motion to recommend that the City Council make an interfund loan to the Airport Fund, and the Airport Fund would pay back the funds over time.

Commissioner Lynch asked if it would be half of the \$17,764 that was not budgeted. City Administrator Statz responded that the budget was not balanced to start with, so they were not asking for a budget decision, but would like some acknowledgement that the capital expense in the airport fund.

Chair Stehler said that the capital expenses could also be supported by general property taxes. He did not think the Airport Commission should tell the City Council how to spend property tax money.

Commissioner Lynch stated he appreciated the decrease in fuel expenses, so he thought the revenue should be going up. He was also hopeful that undeveloped lots could be developed and bring forth revenue to the City and the Airport Fund.

City Administrator Statz asked if they had 80 hangars on site, and the maintenance costs remained the same, would hangar owners expect their ground leases to go down. Chair Stehler responded that it would not be expected.

City Administrator Statz reiterated that the expectation should be for land lease rates to help support an intra-city loan repayment if the capital projects were to go forward. Chair Stehler stated that the city should expect legal challenges if that were the case. Administrator Statz explained that without acknowledgement from the Commission that they intend to pay for the capital improvements through land leases, the City Council will have a difficult decision to make regarding whether the general fund (taxes) should support capital improvements at the airport. Chair Stehler said he understood that and likened this decision to similar decisions when funding parks projects, where there is no offsetting revenue to support them. Chair Stehler wished to have a motion which simply recommended accepting the grants, leaving the question of how to fund the projects, to the City Council.

Further discussion ensued.

Motion: Chair Stehler made a Motion to Recommend City Council accept all three grants from MNDOT.



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Motion seconded by Commissioner Lynch. Motion carried 3-0.

e. Request to Exceed \$1M cap on SAF Funds for FY 2026

Silas Parmar, Aviation Project Manager, explained that the State rules limit the amount of grant funding from MNDOT's Aeronautics division to any one airport in a single fiscal year to \$1 million. Forest Lake's Municipal Airport has been awarded three grants totaling more than this threshold. He stated that exceptions to this rule are allowed by request.

Motion: Chair Stehler made a Motion to Authorize the submission of a request to exceed \$1 million in grant funding for State FY 2026.

Motion seconded by Commissioner Lynch. Motion carried 3-0.

6. Discussion

a. None

7. Staff Updates

a. Engineer's Report

Silas Parmar, Aviation Project Manager, stated that the updated draft of Airport Rules and Regulations was still being finalized. They would bring the final draft back to the Airport Commission. They had received public comment and additional feedback from City staff. They were still waiting for additional feedback from the City attorney.

Chair Stehler asked about the Through the Fence Language. City Administrator Statz responded that there was a request at one time. He said that there were still opportunities for Through the Fence, as there was undeveloped land adjacent to the airport.

Mr. Parmar said that MNDOT would recommend that Forest Lake address Through the Fence in the rules and regulations.

Commissioner Lynch asked if they would see the rules and regulations before they went out. City Administrator Statz confirmed this information.

Mr. Parmar said he wanted to review the north hangar lot layout. He said that the North Taxi Lane extension was ready for four hangars to be built upon.

City Administrator Statz said that they had an interest in the commercial lots. He had the opportunity to ask MNDOT about the designation. MNDOT did not think there was a need, for their part to designate them commercial.

Chair Stehler asked about access to the public road from the hangars for the commercial lots and felt that was important.



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Commissioner Lynch said that there were three commercial buildings being leased by a private person.

Commissioner Lynch asked if they had advertised the lots to lease. City Administrator Statz responded that they had not done anything drastic to market them, but it would be beneficial to get the information out to the public.

Council Liaison Roberts expressed concerns about no backup road. He asked how they would fund it, such as an infrastructure fee.

Mr. Parmar said they could add it to the CIP and request funds.

Chair Stehler said that they could put it on there since it was associated with commercial hangars, so the State might score it higher.

Mr. Parmar answered that it was on the CIP, but the date was pushed back in favor of the other three projects in the works.

b. Airport Manager's Report

City Administrator Statz said that there was an adjacent development that would be Garage Condos. He said there would be a light commercial site and mini-storage at this location. He stated they were working through the zoning code, but there was flexibility because they were using the Planned Unit Development process. The Planning Commission and the City Council found the option somewhat appropriate since it would not be visible to the public. He stated that they were working to determine the fencing and the plantings for screening. He asked them to let him know if they have issues with the credit card system for fueling, but they had no personal issues, so it was difficult to troubleshoot. He said that they had a more affordable vendor for fuel. He said they did a grant fund audit. The operation and maintenance grant reimbursement was moving swimmingly. He stated that they had a number of inquiries for vacant hangar space, so they would address the waiting list at the next meeting. He said he had communicated with the three lots that intend to build, and they would need to discuss with the owners, as the lease says two years.

Council Liaison Roberts said he understood the concern about the extension and the idea of increasing lease lots to make up for the funds; the other three commercial lots and fuel sales could help decrease any increases. He said it would not be a special assessment. He stated that the City Council would have a hard time deciding on the grant money if the dialogue states that they might have legal issues.

Council Liaison Roberts said that the land lease rates would be market rate.



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8. Adjourn

Motion: Commissioner Lynch made a Motion to Adjourn the Regularly Scheduled Airport Commission Meeting at 6:55 p.m.

Motion seconded by Chair Stehler. Motion carried 3-0.

STAFF REPORT



MEETING DATE: February 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Manager
AGENDA ITEM: Year-End Financials and Claims

INTRODUCTION: Staff has begun separating out “Airport” claims (invoices) to be paid out of the Airport Fund, on the City Council agenda. While the City Council must approve these claims, it seems prudent to have the Airport Commission review these expenses as well, so the committee can be aware of its costs, in greater detail.

Staff has also begun producing quarterly financials. Similarly, these are being shared with you as an informational item for you to acknowledge. Hopefully, they help you better understand our operations and spur questions about the expenses and revenue sources we have.

ANALYSIS:

Attached are the claims lists approved at various City Council meetings since the last Airport Commission Meeting. Staff is happy to answer any questions the commission may have about any of the listed expenses.

Also attached are the Year End (4th Quarter) Financials; a status report on where we are at with our budgeted expenses and revenues. Our accounting staff has attempted to pull capital revenues and expenses out, so we can get a better feel for the financial picture related to operations. Please note that these are unaudited. Our audit takes place over the course of February, March and April.

A number of important points of note on the financials:

- Interest has not yet been applied as a revenue and will not be until the audit is complete. We anticipate this number to be around \$4,000.
- The MNDOT reimbursement grant (\$18,526) for O&M costs has not yet been received. We anticipate that coming in around 2/15/26.
- Both of the above revenues will be “journalized” to show up as 2025 transactions as well as any other minor revenues or expenditures that correspond to actions in 2025. On the attached financials, I have shown those projected incomes in red.
- The net of these corrections appears to show an operating income for the airport in 2025 of around \$2,000 (not including property taxes collected). However, the budget was positively impacted from the lack of an airport manager for several months. This will not be the case in 2026.

STAFF REPORT



- Net revenues for fuel sales were around \$3,500. This is lower than usual due to difficulties we had with our historic supplier. With those issues now addressed, we anticipate this number will grow in 2026. Our net income from fuel sales in 2024 was around \$18,000.

At the bottom right of the financials, you'll see that the fund balance was reduced during 2025 by around \$46,000 due significant costs associated with the city's share of designing capital projects (scheduled to be constructed in 2026).

Conclusion

The combination of abnormally low fuel sales revenue and abnormally low staffing costs, make 2025 a difficult year to use as a measure of whether the airport's operational budget is cost neutral. Staff believes the adjustments made this year to our fuel supplier and allocation of staff costs are appropriate and will lead to a sustainable airport operation, when paired with reasonable increases in hangar land lease rates, in 2026.

RECOMMENDATION: Motion to acknowledge the unaudited year-end financials and concur with the City Council's approval of the claims against the Airport Fund as presented.

ATTACHMENTS: Year-end Financials (unaudited); Claims lists

2025 Q4 AIRPORT OPERATING FINANCIALS

REVENUES	2025 Budget	Year to Date Revenues	Projected Remaining Budget	% of Budget Used (YTD/Budget)
AIRPORT STATE GRANT OPERATING****	18,526.00	0.00	\$18,526	0%
AIRPORT LAND LEASES	33,883.00	29,583.00	4,300.00	87%
AIRPORT AGRICULTURE RENT	14,016.00	15,186.00	(1,170.00)	108%
AIRPORT AV GAS SALES	50,000.00	28,954.00	21,046.00	58%
INTEREST EARNINGS**	10,000.00	0.00	\$4,000	0%
TOTAL REVENUES	126,425.00	73,723.00	\$92,249	58%

EXPENSES	2025 Budget	Year to Date Expenses	Remaining Budget	% of Budget Used (YTD/Budget)
FULL TIME WAGES***	50,825.00	39,672.22	11,152.78	78%
BOARD MEMBERS WAGES***	600.00	400.00	200.00	67%
PERA CONTRIBUTIONS***	3,812.00	1,863.00	1,949.00	49%
FICA CONTRIBUTIONS***	3,188.00	1,911.50	1,276.50	60%
MEDICARE***	746.00	328.00	418.00	44%
HEALTH INSURANCE***	9,873.00	6,214.00	3,659.00	63%
DENTAL INSURANCE***	879.00	566.00	313.00	64%
HCSP BENEFIT***	165.00	90.00	75.00	55%
LIFE INSURANCE***	56.00	27.00	29.00	48%
DISABILITY INSURANCE***	121.00	75.00	46.00	62%
MOTOR FUEL	40,000.00	25,339.00	14,661.00	63%
REPAIR & MAINT SUPPLIES*	4,100.00	300.00	3,800.00	7%
AUDIT SERVICES	4,800.00	5,413.00	(613.00)	113%
LEGAL SERVICES*	5,000.00	3,038.00	1,962.00	61%
TELEPHONE	3,300.00	433.00	2,867.00	13%
INSURANCE	3,150.00	0.00	3,150.00	0%
ELECTRIC UTILITIES*	3,364.00	2,785.00	579.00	83%
REPAIR & MAINT-BUILDINGS*	3,000.00	122.00	2,878.00	4%
REPAIR & MAINT EQUIPMENT*	2,000.00	0.00	2,000.00	0%
LICENSES & PERMITS*	1,500.00	701.00	799.00	47%
MISCELLANEOUS	3,500.00	801.00	2,699.00	23%
TOTAL EXPENSES	143,979.00	90,078.72	53,900.28	63%

*Expenses being funded via operating grant and will be reimbursed

**Interest on investments gets trued up at the end of the year

***See staff report below, note that the variance is due to position delay in being hired

Staff Support	
Positions	2026 Budget Allocations
City Administrator	10% of Salary and Benefits
Airport Commission (5)	Full Salary Cost
Public Works Support	30% of Salary and Benefits

Grant Funding	
Grant Name	Amount to be Reimbursed
AIRPORT STATE GRANT OPERATING	\$ 18,526.00

Fund Balance	
2025 Beginning Fund Balance	\$ 129,702.00
2025 Revenues	\$ 653,675.00
2025 Expenses	\$ 704,979.00
2025 Ending Fund Balance	\$ 78,398.00

*Fund balance includes Capital expense

\$129,702
 \$676,201
\$722,588
 Projected \$83,315

12/03/2025

INVOICE GL DISTRIBUTION REPORT FOR FOREST LAKE
EXP CHECK RUN DATES 12/08/2025 - 12/08/2025
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Check 2512					
250-43-9810-53210-047457-023	TELEPHONE	MIDCONTINENT COMMUNICATIONS	AIRPORT PHONE NOVEMBER 2025	<u>175.39</u>	2512
		Total For Check 2512		<u>175.39</u>	
Check 2523					
250-43-9810-53810	ELECTRIC UTILITIES	XCEL ENERGY	51-5193679-1 ~ AIRPORT	<u>25.80</u>	2523
		Total For Check 2523		<u>25.80</u>	
		Fund Totals:			
			Fund 250 AIRPORT FUND	201.19	
				<u><u>201.19</u></u>	

01/08/2026

INVOICE GL DISTRIBUTION REPORT FOR FOREST LAKE
 EXP CHECK RUN DATES 12/22/2025 - 01/12/2026
 BOTH JOURNALIZED AND UNJOURNALIZED
 PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Check 118628 250-43-9810-53050-047457-023	ENGINEERING CHARGES	BOLTON & MENK INC	RUNWAY 13/31 AND TAXIWAY A	<u>2,500.00</u>	118628
		Total For Check 118628		<u>2,500.00</u>	
Check 118642 250-43-9810-53040	LEGAL SERVICES	ECKBERG LAMMERS P.C.	AIRPORT	<u>57.00</u>	118642
		Total For Check 118642		<u>57.00</u>	
Check 118793 250-43-9810-53070	PROFESSIONAL SERVICES	TIMESAVER OFF SITE SECRETARIAL INC	12/03/2025 - AIRPORT COMMISSION MEETING 1 HOURS	<u>172.00</u>	118793
		Total For Check 118793		<u>172.00</u>	
Check 2539 250-43-9810-53810	ELECTRIC UTILITIES	XCEL ENERGY	51-9849041-6 ~ 20500 FOREST RD N U#1-AIRPORT	<u>32.10</u>	2539
		Total For Check 2539		<u>32.10</u>	
Check 2552 250-43-9810-53810	ELECTRIC UTILITIES	XCEL ENERGY	51-5193679-1 ~ AIRPORT	<u>23.91</u>	2552
		Total For Check 2552		<u>23.91</u>	
Check 2557 250-43-9810-53210-047457-023	TELEPHONE	MIDCONTINENT COMMUNICATIONS	AIRPORT PHONE DECEMBER 2025	<u>175.39</u>	2557
		Total For Check 2557		<u>175.39</u>	
		Fund Totals:	Fund 250 AIRPORT FUND	<u>2,960.40</u>	
				<u>2,960.40</u>	

01/22/2026

INVOICE GL DISTRIBUTION REPORT FOR FOREST LAKE
EXP CHECK RUN DATES 01/26/2026 - 01/26/2026
BOTH JOURNALIZED AND UNJOURNALIZED
PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Check 118849					
250-43-9810-53050-047457-023	ENGINEERING CHARGES	BOLTON & MENK INC	RUNWAY 13/31 AND TAXIWAY A	<u>2,500.00</u>	118849
		Total For Check 118849		<u>2,500.00</u>	
Check 118860					
250-43-9810-53040	LEGAL SERVICES	ECKBERG LAMMERS P.C.	AIRPORT	<u>133.00</u>	118860
		Total For Check 118860		<u>133.00</u>	
Check 2576					
250-43-9810-53810	ELECTRIC UTILITIES	XCEL ENERGY	51-9849041-6 ~ 20500 FOREST RD N U#1-AIRPORT	<u>55.94</u>	2576
		Total For Check 2576		<u>55.94</u>	
		Fund Totals:			
			Fund 250 AIRPORT FUND	2,688.94	
				<u><u>2,688.94</u></u>	



FOREST LAKE AIRPORT (25D) AIRPORT COMMISSION MEETING

February 4, 2026
6:00 P.M.



1. 2025 Runway and Taxiway 300-foot Extension

- a. 300-foot extension to the Runway 31 end to provide a runway length of 3,000-feet.
- b. Associated extension of parallel Taxiway A.
- c. City Council approved proceeding with project at January 12th meeting.
- d. State Grant Application for construction submitted to MnDOT on January 15th.
- e. State has a funding cap for \$1 million for airport project.
 - i. City submitted an exemption request which was approved by MnDOT on January 23rd.
- f. Anticipate State grant offer being issued in early February.
- g. Total Project Cost: \$1,476,401.00
 - i. State 90%: \$1,328,760.90
 - ii. City 10%: \$ 147,640.00
- h. Anticipate construction beginning in May/June 2026 and being completed in two months.
- i. Once Contractor submits official schedule, will coordinate with City.

2. 2026 Apron Expansion

- a. 200' long by 80' wide expansion to complete Apron.
- b. MnDOT awarded funding for the project on October 20th.
- c. Total Cost Estimate: \$300,000.00
 - i. State 90%: \$270,000.00
 - ii. City 10%: \$ 30,000.00
- d. City Council approved proceeding with project at January 12th meeting.
- e. State Grant Application for construction submitted to MnDOT on January 15th.
- f. Anticipate State grant offer being issued in early February.
- g. Proposed Project Schedule:
 - i. Design: February – March 2026
 - ii. Bid Letting: April 2026
 - iii. Construction: June 2026

3. Airport Rules and Regulations

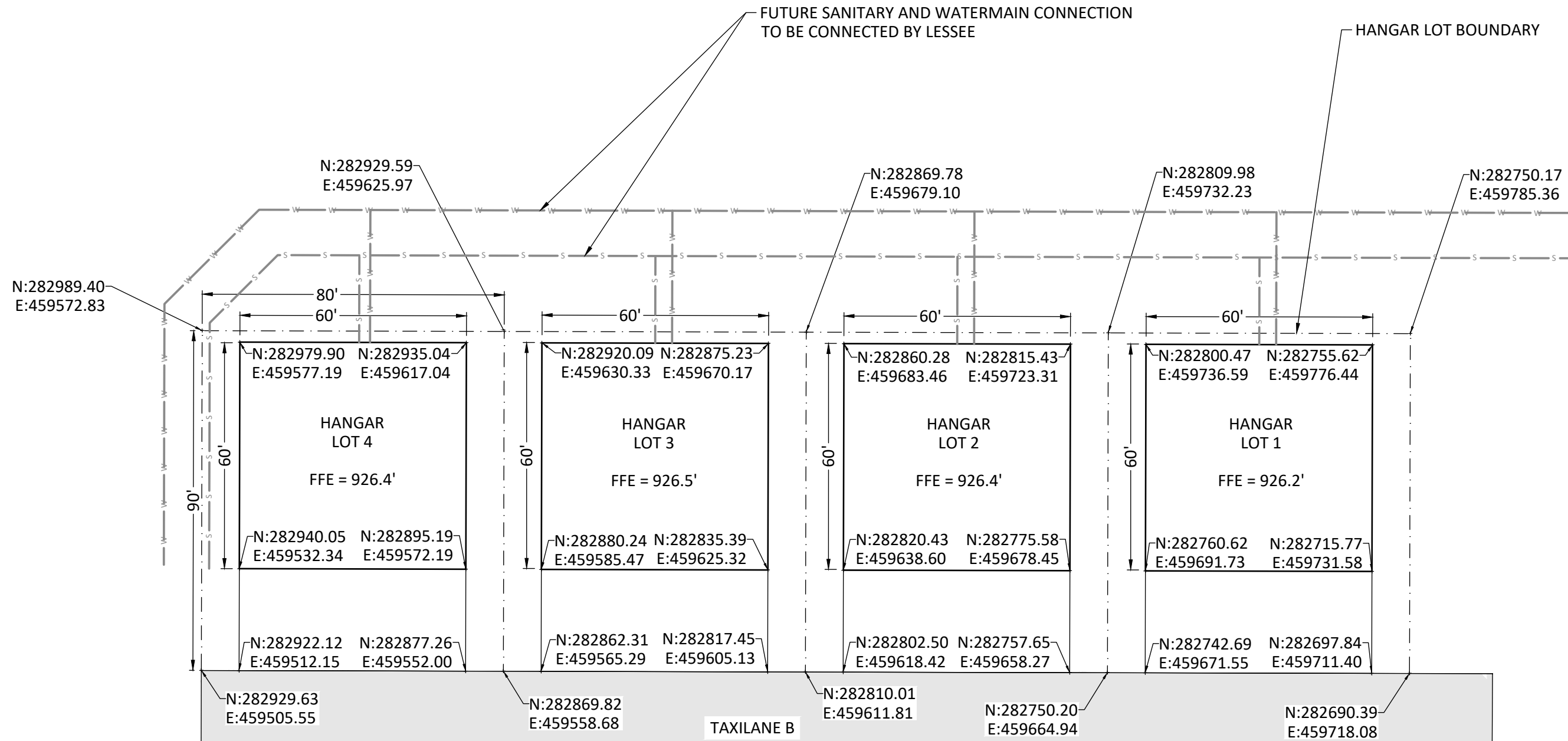
- a. Final revisions are being completed to ensure document aligns with city airport overlay district.
- b. City Attorney and City Planner are working together to address.
- c. Revisions to definitions for airport operator, airport user, and commercial operator.



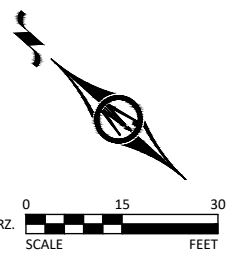
Forest Lake Airport
Airport Commission Meeting
February 4, 2026

- d. Additional revisions completed to ensure no conflicting language and adherence to existing land leases.
- 4. North Hangar Lots Layout**
- a. See attached proposed lot layout for review and approval.
 - b. Designate these lots for commercial use only?
- 5. Capital Improvement Program**
- a. Any proposed projects for State FY 2027 funding?

Contact: Silas Parmar, P.E.
email: silas.parmar@bolton-menk.com
phone: (612) 987-0138



H:\FRK\075132691\CAD\C3D\MISC_FUTURE_HANGAR_ELEVATIONS.dwg 1/17/2025 8:25:54 AM



STAFF REPORT



MEETING DATE: February 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Manager
AGENDA ITEM: Internet Service

INTRODUCTION: Commissioners noted an invoice from Midco that seemed a bit high for phone or internet service at the A/D building. Staff has researched the issue and offers the following:

ANALYSIS:

Existing Service

The invoice in question was for monthly internet service, through Midco. The service provides wi-fi internet service to the A/D building and supports our point-of-sale system (credit card) for the fuel pump. The total cost of the invoice was around \$175. The breakdown can be seen below, with \$10 for rental of the modem, \$135 for the 200 MB internet service (month to month) and \$30 for “Static IP” (up to 5). The static IP addresses are used for our credit card system. Staff is researching whether there is a need for all 5 of those addresses.

MIDCO BUSINESS
PO Box 5010
Sioux Falls, SD 57117-1

Payment Detail

Account
[REDACTED]
20500 FOREST RD N, FOREST LAKE MN 55025-9003

TOTAL

Current Charges Detail

Service(s)	Date	Amount
Data:		
Modem Monthly Lease	11/01-11/30	10.00
Midco Business Internet 200	11/01-11/30	135.00
Network Access Charge		0.39
Other Services:		
Static IP - 5 Usable (/29)	11/01-11/30	30.00
Total For Account: [REDACTED]		\$175.39

STAFF REPORT



Forest Lake
AS GOOD AS IT SOUNDS

After contacting Midco, the following options are available to us:

Internet Speed	12 Months	24 Months	36 Months
100MB	\$105	\$95	\$85
200MB	\$135	\$125	\$115
500MB	\$165	\$155	\$145
1GIG	\$200	\$190	\$180
1.25GIG	\$225	\$215	\$205

Our current arrangement is highlighted in yellow. Staff recommend moving to the option highlighted in blue; a savings of \$50/month. The option would move our service to 100 MB and would lock us in to a 3 year contract. Additional savings could be realized by purchasing our own modem and potentially moving from 5 static IP addresses to 1. Those monthly savings would be \$10 and \$15 respectively. So, there is the potential for the bill to be as low as \$100/mo.

Century Link also offers service to this address. After a set-up fee, our options would be for 80 MB at \$55/mo. However, they do not offer a "Static IP" address which is required for our point-of-sale system used for our fuel pump.

RECOMMENDATION: Motion to recommend that the city downgrade the internet service at the A/D building to 100 MB, engage in a 3-year contract, purchase their own modem and move to 1 static IP address, if feasible, for a savings of roughly \$75/mo.

ATTACHMENTS: None

STAFF REPORT



MEETING DATE: February 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Administrator
AGENDA ITEM: Election of Officers

INTRODUCTION: Annually, the Airport Commission shall elect officers.

ANALYSIS: City Code outlines the officers of the Airport Commission as:

§ 31.57 MEMBERSHIP.

“... The Commission shall designate 1 of its members as Chairperson, 1 as Vice Chair and 1 as Secretary. ...”

RECOMMENDATION: Nominate and elect members of the commission to fill each of the 3 positions listed above.

ATTACHMENTS: None

STAFF REPORT

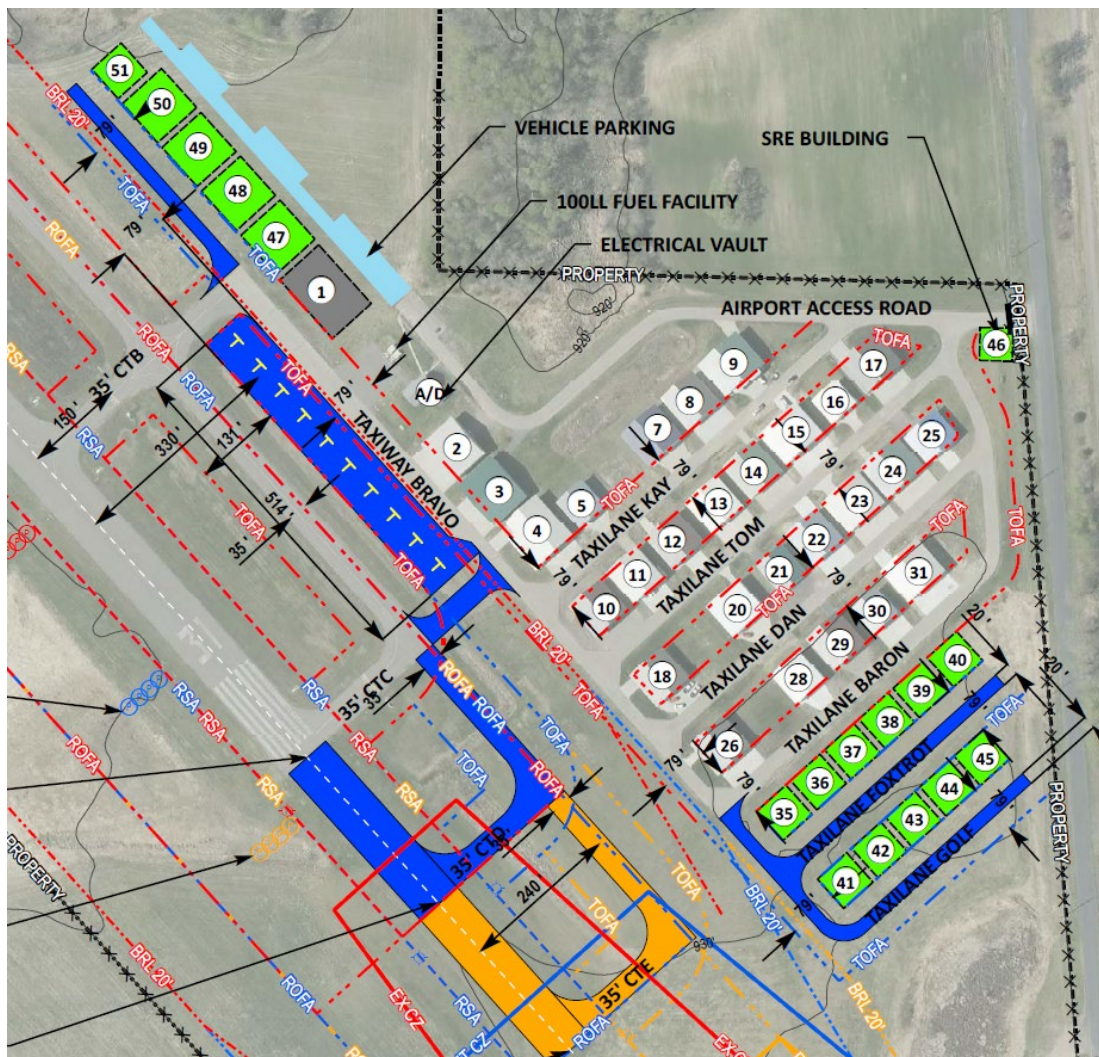


MEETING DATE: January 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Manager
AGENDA ITEM: Vacant Lots

INTRODUCTION: The airport has 3 vacant lots, under lease agreements. There is also a substantial waiting list of interested parties looking to build hangars. At its August 6, 2025 meeting, the Airport Commission discussed strategies to compel lease holders to either build a hangar of their own, or convey the land back to the control of the city so that they may be leased to parties interested in building a hangar. Staff is now asking for the commission to consider recommending action that would free up lots for those wishing to build.

ANALYSIS:

The map below shows the vacant lots (6, 19 & 27) with full taxiway and utility access.



STAFF REPORT



The city is maintaining a list of parties interested in leasing a lot and constructing a hangar. Staff has been reaching out to folks on the list and asking them to reconfirm interest. Based on initial contacts, we anticipate the renewed list to contain at least 25 people.

Language from the 3 leases of the various lots state:

Lessee agrees that any structure constructed by Lessee upon the Leased Premises shall be at no cost to Lessor, that construction of the building shall be completed and the building useable for its intended purpose(s) within two years of the commencement of the initial term of this Lease.

Each of the 3 leases has the same language. One lease was signed in 2015, the other two were signed in 2017.

Land lease holders for the vacant lots have been billed, annually, for their lease the same as those who have hangars, and have paid those lease payments.

The vacant lots represent an opportunity to add to the vibrancy of the airport, driving fuel sales, generating taxes and increasing the appeal to aviation related businesses. Further, MNDOT is more likely to assist with the funding of taxiway and utility extensions to serve new lots if our existing inventory of vacant lots is exhausted.

RECOMMENDATION: Motion to recommend that the city notify lot lease holders who have not constructed a hangar, that they are in default of their lease as further described in the attached sample letter.

ATTACHMENTS: Sample letter to Lot Lease Holders

**Writer's Direct Dial:
651-288-9080**

**Writer's Email:
ajohnson@eckbergammers.com**

VIA U.S. MAIL

Reply to Stillwater

February __, 2025

[address]

Re: Notice of Default re Ground/Hangar Construction Lease

Dear _____,

According to the City of Forest Lake's ("City") records, you are the Lessee of the City of Forest Lake Ground/Hangar Construction Lease dated _____, between _____ [name of Lessee] and the City ("Lessor"), for the property identified as _____ [Lot #] ("Property").

Pursuant to Lease Section 2 **Hangar Construction**, you were required to construct a hangar building on the Property within two years of the commencement of the Lease:

"Lessee agrees that any structure constructed by Lessee upon the Leased Premises shall be at no cost to Lessor; that construction of the building shall be completed and the building useable for its intended purpose(s) within two years of the commencement of the initial term of this Lease."

Emphasis added.

It has been ___ [years] since the commencement of your Lease. You are in violation of the above Lease term. Section 15 of the Lease defines defaults. Section 15(iii) states that the following shall constitute a default by the Lessee:

"Lessee fails to observe or perform any of the non-monetary terms, covenants or conditions of this Lease, and such default shall continue for thirty (30) days after notice of default is given by the Lessor or Lessee shall have failed to commence the cure of such default within thirty (30) days after such notice;"

Stillwater Office
1809 Northwestern Avenue
Stillwater, MN 55082

Hudson Office
430 Second Street
Hudson, WI 54016

Bloomington Office
7760 France Avenue S, #830
Bloomington, MN 55435

**Phone (MN) 651-439-2878
Phone (WI) 715-386-3733
Fax 651-439-2923**

Pursuant to Section 15 and 34 of the Lease, this letter serves as the City's thirty (30) day notice that you are in default of the Lease and must commence curing your default within thirty (30) days.

Please reach out to Mark Statz, the Forest Lake Airport Manager and City Administrator, at **mark.statz@ci.forest-lake.mn.us** to discuss the required construction timeline for the Property to cure the default. A failure to reach out to Mr. Statz and enter into a construction timeline agreement with the City within thirty days will result in the City availing itself of any remedies available at law or equity, including but not limited to the termination of this Lease, retention of all rent payments, recovery of all expenses incurred by the City in terminating the Lease, repossessing and reletting the Property, and any reasonable attorney's fees incurred by the City to enforce the Lease.

Sincerely,

Amanda J. Johnson
Forest Lake City Attorney

STAFF REPORT



MEETING DATE: February 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Manager
AGENDA ITEM: Land Lease Rates

INTRODUCTION: In July of 2025, the Airport Commission examined past practices and language from various leases regarding Land Lease Rates. The commission concluded that rates should be examined in March of even-numbered years, setting the rates for lease payments due in July of that same year and the following July.

ANALYSIS:
 Since there is no scheduled Airport Commission meeting in March, staff is suggesting that rates be examined at the February meeting.

Many of the leases refer to the Consumer Price Index as one way to establish a reasonableness for the lease rates.

Below is the CPI chart for the time period from the initiation of the lease rates until now.

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009													207.889	206.167	209.611
2010													211.728	210.965	212.492
2011													219.339	217.374	221.304
2012													224.459	223.880	225.038
2013													228.811	228.473	229.149
2014													232.013	231.764	232.261
2015													230.567	229.374	231.760
2016													234.145	232.777	235.514
2017												241.142	239.239	238.152	240.325
2018	241.798		243.112		245.593		246.346		247.165		244.235		244.969	243.770	246.168
2019	245.200		248.706		251.171		251.802		251.416		250.997		250.106	248.616	251.596
2020	252.447		251.570		251.243		250.986		256.280		255.362		252.997	251.842	254.152
2021	256.379		259.187		262.898		267.241		270.240		272.859		265.244	260.106	270.383
2022	274.725		280.388		285.784		289.265		290.325		287.396		285.008	281.236	288.779
2023	288.761		289.968		291.001		292.223		296.730		295.511		292.720	290.236	295.204
2024	296.135		297.769		298.528		302.458		302.414		300.531		299.852	297.860	301.844
2025	305.019		304.173		305.618		307.881		310.400		308.116		306.806	305.375	308.525

STAFF REPORT



Forest Lake
AS GOOD AS IT SOUNDS

Therefore, the proposed lease rate for 2026 would be:

The 2009 CPI was 207.889. The 2009 Land Lease rate was \$0.090/sf. From the chart above, the 2025 CPI was 306.806. Therefore, the non-commercial land lease rate for 2026 should be set at $306.806/207.889 = 1.476$ $\$0.090/\text{sf} \times 1.476 = \$0.133/\text{sf}$

Given the lease language which only allows for bi-annual lease rate adjustments, rates should also be set for the July 2027 billing cycle. Staff is suggesting a 2.5% increase over 2026 rates.

The current non-commercial lease rate is \$0.117/sf-yr. For an average lease holder with a 7,200 sf lot the rent difference will be:

Non-Commercial Rates

Current Rates	$\$0.117 \times 7,200 = \842.40
Proposed July 1, 2026 Rates	$\\$0.133 \times 7,200 = \\957.60
Proposed July 1, 2027 Rates	$\\$0.136 \times 7,200 = \\979.20

Comparable increases to Commercial Lease Rates would be:

Commercial Rates

Current Rates	$\$0.176/\text{sf-yr}$
Proposed July 1, 2026 Rates	$\\$0.200/\text{sf-yr}$
Proposed July 1, 2027 Rates	$\\$0.205/\text{sf-yr}$

RECOMMENDATION:

Motion to set July 2026 and July 2027 land lease rates as presented.

ATTACHMENTS:

- Excerpts from Leases

Lease Example 1 Excerpt

5. **Rent:** Lessee agrees to pay to Lessor for the use of the premises, rights, and easements herein described, a yearly rental for the land leased as set forth in the City's current yearly fee schedule, which is payable in advance on or before July 1 annually. It is understood and agreed that the rental rate herein specified shall be subject to reexamination and possible readjustment by the Lessor during the term this Lease, provided that any rent adjustment shall be reasonable. The Lessor's Airport Commission is an advisory commission that will customarily examine market rents and make rent adjustment recommendations to the Lessor, once annually.

STAFF REPORT



Lease Example 2 Excerpt

4. Rent: The Lessee agrees to pay to Lessor for the use of the premises, rights, and easements herein described, a yearly rental of \$.09 cents per square foot for the land leased, for an initial total annual charge of \$648.00 payable in advance on or before July 1 annually. It is understood and agreed that the rental rate herein specified shall be subject to reexamination and possible readjustment by majority vote of the Airport Commission during the March regular public meeting in any even-numbered year after year 2011 during the period of this Lease, provided that any readjustment shall be reasonable. An increase in rates based on the percentage increase in the Consumer Price Index-All Urban Consumers-Minneapolis St. Paul-shall be considered reasonable.

STAFF REPORT



MEETING DATE: February 4, 2026
STAFF ORIGINATOR: Mark Statz – City Administrator/Airport Manager
AGENDA ITEM: Airport Manager’s Report

INTRODUCTION: Information below is simply to keep the Airport Commission aware of various issues with the airport operations that are being addressed.

ANALYSIS:

- **Fuel Dispensing Issues** – City staff has confirmed that our credit card payment system puts a “hold” on credit card transactions. That hold is reduced to the actual amount charged within a few business days. A laminated placard has been placed on the fuel pump alerting users to this issue, so it is not a surprise.
- **Website Update** – Information on the airport, for the city’s website has been updated with help from our engineers. The updates include promotion of the vacant commercial lots available for development. You can check it out [here](#).
- **Midco Bill** – At the last Airport Commission meeting, a question was asked about a bill from Midco for phone or internet service. Staff looked that this invoice and determined that the cost was for internet service at the A/D Building. Staff has prepared information for review as part of this agenda.
- **O&M Grant Reimbursement** - Accounting staff completed our maintenance and operational grant reimbursement paperwork and we anticipate receiving our funds from MNDOT in mid February.
- **Waiting List & Vacant Hangar Lots** – Staff has reached out to people on the waiting list for Hangar Lots who did not have an email address on file. As a next step, we will be sending out a mass email to ask those on the list to reconfirm their interest. The list, including 6 recent additions, includes 32 people. Based on conversations with those we have spoken with while obtaining email addresses, we anticipate the list will be reconfirmed with at least 25 interested parties remaining.
- **Commercial Hangar Interest** – The city is in receipt of a building permit application for the remodeling of Hangar 1. It appears that the prospective tenant will be conducting business operations which include a large component of aeronautical activities, as required. They also wish to discuss the potential of entering into lease agreements to reserve the two or 3 adjacent lots, north of Hangar 1 for future expansion of their business. Staff met with the hangar owner and the prospective tenant to address a number of issues, including parking, fuel storage (the prospective tenant will have a

STAFF REPORT



need for Jet A fuel), and access to tie-down spaces. When we have a formal request for leases or lease modifications, we will bring those to the board.

- **Airport Rules and Regulations** – Staff continues to work on revisions to the draft Rules and Regulations document. Our planning and zoning staff and legal counsel are making progress towards integration of the rules and city zoning and building codes. We anticipate being able to present a final version of the Rules and Regulations for consideration at the April 2026 Airport Commission Meeting.
- **Hangar Lot Lease Rates** – Hangar leases allow for an examination of lease rates at the March meeting of the Airport Commission on even-numbered years. With the committee’s bi-monthly meeting schedule, there will not be a March meeting in 2026. Staff is proposing the examination of Hangar Lot Lease rates at this meeting. An agenda item will be provided for this discussion.

RECOMMENDATION: Information is for update purposes only.

ATTACHMENTS: None