

**CITY OF HAM LAKE  
CITY COUNCIL AND ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
TUESDAY, FEBRUARY 21, 2017**

The Ham Lake City Council and Economic Development Authority met for its regular meeting on Tuesday, February 21, 2017 at 6:00 p.m. in the Council Chambers at the Ham Lake City Hall located at 15544 Central Avenue NE in Ham Lake, Minnesota.

MEMBERS PRESENT: Mayor Mike Van Kirk and Councilmembers Jim Doyle, Al Parranto, Tom Johnson and Gary Kirkeide

MEMBERS ABSENT: None

OTHERS PRESENT: City Attorney, Joe Murphy; Fire Chief, Don Krueger; City Engineer, Tom Collins; and City Clerk, Denise Webster

**1.0 CALL TO ORDER - 6:00 P.M. – Pledge of Allegiance**

Mayor Van Kirk called the meeting to order and the Pledge of Allegiance was recited by all in attendance.

**2.0 PUBLIC COMMENT – None**

**3.0 SPECIAL APPEARANCES/PUBLIC HEARINGS**

**3.1 Sheriff James Stuart and Lt. Paul Lenzmeier – Introduction of Deputies assigned to the City of Ham Lake for 2017**

Sheriff James Stuart was present and introduced Chief Deputy Kevin Halweg, who has replaced Tom Wells after his retirement.

Lt. Paul Lenzmeier introduced the deputies who will be servicing Ham Lake in 2017 - Mick Hlavinka, Joe Burk, Jesse Cutler, Tanner Shipman, Shane Quinn and Troy Edmond (who was not present).

Lt. Paul Lenzmeier gave a summary of the sheriff's report for the month of January.

**3.2 Victoria Holthaus and Jean McGann, Abdo, Eick & Meyers - Ham Lake Process Evaluation Review**

Jean McGann and Victoria Holthaus, Abdo, Eick & Meyers, were present. Ms. McGann stated that the City is using the Incode Financial Software, which is a very good financial system. Ms. McGann gave a brief overview of the Ham Lake Process Evaluation Report: Objective of the Project - to find different deficiencies and utilize what the City already has for technology and build off of that; Specific Areas to Review; Overview; Overall Conclusions/Observations; Payroll; Accounts Payable; Real-time expenditure information; Building Department – Workflow Program; Accounts Receivable – eliminate or integrate redundant software; Purchasing Cards – implement a purchasing card system; and System Capabilities – enhance existing software. Councilmember Johnson stated that he has not had time to review the entire evaluation report and therefore did not

have questions at the time, but asked if they would be willing to meet again with the Council to answer any questions. Ms. McGann stated that they could meet again with the Council or if the Council wanted to direct their questions to Fire Chief Krueger they could get the answers to their questions through him. The Council thanked Ms. McGann and Ms. Holthaus for their presentation.

#### **4.0 CONSENT AGENDA**

These items are considered to be routine and will be enacted in one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and considered in normal sequence. (All items listed on the Consent Agenda are recommended for approval.)

- 4.1 Approval of minutes of February 6, 2017
- 4.2 Approval of claims in the amount of \$98,408.91
- 4.3 Approval of the low quote for providing and servicing portable toilets in various parks with a 3 year contract
- 4.4 Approval of Elevator Preventative Maintenance Agreement
- 4.5 Approval of scheduling a Public Hearing for the consideration of vacating a portion of the 172<sup>nd</sup> Lane right-of-way in Ehrnreiter Estates and adoption of Resolution No. 17-04
- 4.6 Approval of the agreement with Hildi, Inc. for actuarial valuation for the Fire Relief Association pension

**Motion by Kirkeide, seconded by Doyle, to approve the Consent Agenda. All in favor, motion carried.**

#### **5.0 PLANNING COMMISSION RECOMMENDATIONS**

- 5.1 The Lecy Group, LLC, requesting sketch plan approval for Gallagher Farms located in Section 16 (24 Residential Single Family Lots)

**Motion by Doyle, seconded by Parranto, to concur with the recommendation of the Planning Commission and approve the sketch plan presented by Roy Lecy, The Lecy Group, LLC, for Gallagher Farms located in Section 16, consisting of 24 residential single family lots subject to: meeting the recommendations of the City Engineer, adding clarification at preliminary plat stage regarding the center island cul-de-sac and its function with demonstration of emergency access vehicles to specifically lot 10 and requiring that the road abutting the center island cul-de-sac will be required to be posted no parking or present a conventional cul-de-sac on the preliminary plat, meeting the requirements of the Anoka County Highway Department regarding access onto Constance Boulevard NE and meeting all City, State and County requirements. All in favor, motion carried.**

- 5.2 Justin Wolf, requesting a Certificate of Occupancy to operate Pack Mentality Fitness dba CrossFit Ham Lake (membership gym) at 14148 Lincoln Street NE

**Motion by Van Kirk, seconded by Doyle, to concur with the recommendation of the Planning Commission and approve the Certificate of Occupancy for Justin Wolf, requesting to operate Pack Mentality Fitness dba CrossFit Ham Lake (membership gym) at 14148 Lincoln Street NE as presented, subject to the following: No outside storage, designating 17 parking spaces with parking in designated parking areas only, all parking conflicts become the sole responsibility of the building owner and to meeting all City, State and County requirements. All in favor, motion carried.**

## **6.0 PARK AND TREE COMMISSION RECOMMENDATIONS**

### **6.1 Scott Lennes, Property Revolutions Nine, LLC, consideration of Parkland Dedication for Sketch Plan of Red Fox Hollow Second Addition (22 Residential Single Family Lots) in Section 36**

There was discussion if the City wanted a park in this location. Superintendent Reiner stated that the City does want a park and when the land to the east develops, they will be able to use the park too. Superintendent Reiner stated that the only park now, is a nature park at Kings Wood Estates and it is located across Lexington Avenue NE. There was discussion of who would construct the trail, the City or the developer. Engineer Collins stated that the developer should construct the trail. Councilmember Kirkeide stated he would like to wait before installing park equipment until there are residents that move into the development and get their input on what kind of playground equipment they would like to have. Engineer Collins questioned what the width of the trail would be. Superintendent Reiner stated that the width of the trail should be 10 feet wide. Engineer Collins stated that the City should obtain a 20 foot easement with the 10 foot trail centered on the easement. **Motion by Van Kirk, seconded by Parranto, to concur with the recommendation of the Park and Tree Commission to accept Lot 1, Block 2, Red Fox Hollow Second Addition from Scott Lennes, Property Revolutions Nine, LLC as parkland and to have the developer construct a 10 foot gravel trail centered on the 20 foot easement from the proposed parkland to the west along 138<sup>th</sup> Avenue NE to Lexington Avenue NE, south along Lexington Avenue NE to 136<sup>th</sup> Avenue NE. All in favor, motion carried.**

### **6.2 The Lecy Group, LLC, consideration of Parkland Dedication for Sketch Plan of Gallagher Farms, located in Section 16 (24 Residential Single Family Lots)**

Engineer Collins stated that the Park and Tree Commission are recommending that the City take money in lieu of land and in the future negotiate the purchasing of Lot 9 for a public beach. Engineer Collins stated that there would be no place to park and it would be located in a cul-de-sac. Councilmember Kirkeide stated that there could be more phases to this development. Mayor Van Kirk stated that he is skeptical of owning a beach. **Motion by Van Kirk, seconded by Doyle, to concur with the recommendation of the Park and Tree Commission to accept monies in lieu of parkland from Lecy Group, LLC for the Sketch Plan of Gallagher Farms located in Section 16, and the Council has no interest in purchasing land for a public beach. All in favor, motion carried.**

## **7.0 ECONOMIC DEVELOPMENT AUTHORITY – None**

## **8.0 APPEARANCES**

### **8.1 Finance Director Sharon Kutzke – 4<sup>th</sup> Quarter Financial Report**

Finance Director Kutzke gave the financial report for the 4<sup>th</sup> Quarter of 2016. Finance Director Kutzke reported on the General Fund actual to original budget and Revenues actual to original budget. Finance Director Kutzke reviewed the Expenditures actual to original budget, actual to original by department and actual to budget by category. Finance Director Kutzke reported on the comparison to the prior year for revenues and expenditures. Finance Director Kutzke stated that property taxes are \$132,817 more than last year. Finance Director Kutzke reviewed the General Fund Balance and the fund balance as of the 2017 budgeted expenditures is at 63.3%. Finance Director Kutzke stated that this is higher than the recommended range of 35% to 50%. Finance Director Kutzke discussed the possibility of transferring some funds to the Revolving Street Fund to

lower the fund balance. Finance Director Kutzke stated that the 2016 Audit Report will be presented to the City Council on May 15, 2017 and the audit fieldwork will be conducted on March 13, 14 and 16, 2017.

Mayor Van Kirk asked Finance Director Kutzke how she felt about the Ham Lake Process Evaluation. Finance Director Kutzke stated that she is in favor of the workflow, but is concerned with employee payroll being self-serve. Finance Director Kutzke stated that looking at how much time that is being spent on certain tasks needs to be done.

## **9.0 CITY ATTORNEY**

### **9.1 Discussion of an Ordinance amending Article 6 regarding Snowmobiles and adoption Ordinance No. 17-03**

Attorney Murphy reviewed the changes to the snowmobile ordinance. Attorney Murphy stated that he removed city permits being required and the section about driving while intoxicated. Attorney Murphy stated that the driving while intoxicated would follow state statute. **Motion by Van Kirk, seconded by Doyle, to approve Ordinance No. 17-03 amending Article 6 regarding snowmobiles. All in favor, motion carried.**

Attorney Murphy wanted to discuss the drafted Ordinance regarding Used Car Sales Lots that was presented to the City Council at their February 6, 2017 meeting, located at Route 65, 14954 Aberdeen Street NE. Attorney Murphy stated that Freedom Auto Sales will be applying for a Conditional Use Permit (CUP), but under the current City Code would not qualify and therefore would be denied. Attorney Murphy stated that they would not qualify under grandfathering rights. Attorney Murphy explained that the Ordinance that was drafted would make limited exceptions “on lots where a businesses that is currently operating a New Vehicle Sales or Used Vehicle Sales operation under a valid Conditional Use Permit, a second, separate Used Vehicle Sales business may be operated by Conditional Use Permit on the same lot.” Fire Chief Krueger stated that there are a few lots that are already conducting this kind of operation. Councilmember Kirkeide stated that there are semi-trailers on the property and the Planning Commission should review that. Councilmember Kirkeide questioned whether the City can even take their CUP application. Fire Chief Krueger stated that the City Council directed staff to take the CUP application at their last meeting. Attorney Murphy stated that he would recommend to the Planning Commission to deny the application or approve it with the condition of an Ordinance change. Councilmember Johnson stated that he has concerns when people are doing bad things in the City and then the Council makes it right after the fact. Councilmember Johnson stated that we do not have a City Code that people are following. Councilmember Johnson stated that the City Code needs to be changed and then stick to it. Councilmember Doyle stated that they have 100 cars on the lot and it isn’t allowed. Councilmember Johnson stated that people are going to do what they want. Councilmember Kirkeide stated that we have an approval process that is not being followed. Councilmember Doyle stated that the City Code needs to be enforced and have a fine for offenders. Councilmember Kirkeide stated that the Council knew they were not compliant and should have made them become compliant. Councilmember Doyle stated that someone needs to be made an example of and at some point the City needs to say “no”. Councilmember Johnson stated that the Council needs to have a backbone and enforce the City Code. Councilmember Johnson stated that he does not blame staff, the City Council allowed this. Councilmember Doyle stated that the business has total disregard for the City Code. Councilmember Johnson stated that other businesses are playing by

the rules. Councilmember Parranto stated that he is fine with the Ordinance, but not for this business. Councilmember Johnson questioned what kind of sanctions can be put on this business. Councilmember Kirkeide suggested that the business be monitored for 5 years because they can't be trusted or possibly a Temporary Conditional Use Permit (TCUP) with an annual fee. Councilmember Kirkeide questioned if Route 65 asked for this kind of a sales lot and maybe the illegal business should cease and desist until they can meet the City Code. Fire Chief Krueger stated that Freedom Auto Sales did come into City Hall to apply for a CUP, but was told that he did not meet the current City Code. Fire Chief Krueger stated that is when he brought the request to the Code Review Committee. Fire Chief Krueger stated that he then told Freedom Auto Sales that the Code Review Committee would like to find a way to make his business fit into the City Code. Councilmember Johnson questioned if we are setting a precedent for the next person who comes it and doesn't fit the code, if we change the code for this business. Attorney Murphy stated that it would not be a strong defense. **It was the consensus of the City Council to direct the Planning Commission to discuss the Conditional Use Permit application from Freedom Auto Sales and consider the City Code change to allow this business.**

#### **10.0 CITY ENGINEER**

Engineer Collins wanted to bring to the attention of the City Council that in the February 13, 2017 Coon Creek Watershed Board minutes, under "Item #16 – Update: Boundary Amendments – A Letter of Concurrence has been received from Sunrise WMO but not from the City of Ham Lake." Engineer Collins stated that he raised concerns with the CCWD regarding a number of lots and is waiting to hear back from them on their answers to his questions before having the City Council approve A Letter of Concurrence.

#### **11.0 FIRE CHIEF – None**

#### **12.0 COUNCIL BUSINESS**

##### 12.1 Committee Reports

Councilmember Kirkeide stated that he read an article regarding the City of Elko New Market and that they have built a sewer district like East Bethel and now is asking for help in paying for it.

Councilmember Kirkeide stated that the legislature is looking at restructuring the Met Council and have elected official from both the counties and cities be on the board, which is exactly what was proposed by the Met Council reform effort.

##### 12.2 Announcements and future agenda items – None

**Motion by Kirkeide, seconded by Parranto, to adjourn the meeting at 7:37 p.m. All in favor, motion carried.**

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Denise Webster, City Clerk