

**CITY OF HAM LAKE
CITY COUNCIL BUDGET WORKSHOP MINUTES
MONDAY, AUGUST 7, 2017**

The Ham Lake City Council met on Monday, August 7, 2017 at 6:48 p.m. in the Conference Room 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, Tom Johnson, Al Parranto, and Gary Kirkeide

MEMBERS ABSENT: None

OTHERS PRESENT: Fire Chief, Don Krueger; Finance Director Sharon Kutzke; Public Works Superintendent Tom Reiner; and City Clerk, Denise Webster

CALL TO ORDER

Mayor Van Kirk called the meeting to order at 6:48 p.m..

1.1 Discussion of the Proposed 2018 Budget

Finance Director Kutzke explained the changes between the first and second drafts of the 2018 budget. The second draft includes an increase of \$78,700 in the general levy, a \$12,000 transfer to the building inspection equipment fund, and reductions in several line items which were identified by staff. Finance Director Kutzke stated that with the newest estimate of the tax capacity, the tax capacity rate with the \$78,700 increase is 24.857% (same as the first draft). Finance Director Kutzke explained the other possible changes identified by staff which are not included in the second draft.

Discussion took place regarding public works personnel. **It was the consensus of the City Council to add the cost of an additional streets/parks maintenance worker to the 2018 budget. Finance Director Kutzke stated that this will result in an approximately \$53,000 spend-down of reserves.**

Discussion took place regarding the cost of living adjustment for employees and it was decided to leave it at three percent.

1.2 Discussion of replacing the City phone system

It was the consensus of the City Council to replace the City phone system through Metro I-Net in the amount of \$11,789.70 with the funds coming from the General Government Equipment Fund.

1.3 Discussion of the Assessor Contract

Councilmember Kirkeide stated that he would like to have both Anoka County and Erik Skogquist/Mary Wells give presentations to the City Council regarding the Assessor Contract at an upcoming Council meeting in September.

1.4 Discussion of the City Health Insurance Contribution, Provider and Participants

Fire Chief Krueger stated that the current Employee Handbook states, “For Benefits Eligible employees hired after September 3, 2013, the City will cover single health and dental insurance premiums or 75% of family coverage for health and dental up to a maximum cost of the highest non-tobacco premium for single health insurance.” Fire Chief Krueger stated that for years the City has had Health Partners as their provider, but has decided to switch to PEIP (Public Employees Insurance Program). Fire Chief Krueger stated that PEIP offers blended rates and Health Partners is age rated. Fire Chief Krueger stated that in some instances an employee’s insurance would go down and some would go up, but employees were polled and the majority of employees wanted to switch to PEIP. Discussion took place regarding the City contribution and it was decided to set it at \$955 with the option of the City Council to review and make changes in the future. **It was the consensus of the City Council to amend the Employee Handbook to read “For Benefits Eligible employees hired after September 3, 2013, the City will cover single health and dental insurance premiums or 75% of family coverage for health and dental up to a maximum cost of ~~the highest non-tobacco premium for single health insurance~~ \$955 per month.”**

There was discussion of whether or not Councilmembers could join PEIP. It was determined by the League of Minnesota Cities that they could, but they would have to pay for the health insurance with no contribution from the City. Finance Director Kutzke stated that she will send information to each Councilmember regarding PEIP.

1.5 Discussion of I.D. Shield/Legal Shield

Fire Chief Krueger stated that he met with a representative of LegalShield and the plans that could be offered would protect employees from legal and identity theft issues. Fire Chief Krueger stated that if the City Council wants to offer the plans to employees, they could contribute towards all of the cost, up to a certain dollar amount, or have employees pay for it themselves. **It was the consensus of the City Council to asked City employees if they would be interested in any of the plans that are offered by LegalShield.**

1.6 Discussion of replacing AV Equipment

Fire Chief Krueger stated that the AV Equipment is in need of being replaced and there are funds in the Cable TV Fund to purchase the equipment. **It was the consensus of the City Council to move forward with receiving bids for purchasing new AV Equipment.**

Motion by Doyle, seconded Johnson, to adjourn the meeting at 7:59 p.m. All in favor, motion carried.

Denise Webster, City Clerk

Sharon Kutzke, Finance Director