

**CITY OF HAM LAKE
CITY COUNCIL AND ECONOMIC DEVELOPMENT AUTHORITY MINUTES
MONDAY, DECEMBER 4, 2017**

The Ham Lake City Council and Economic Development Authority met for its regular meeting on Monday, December 4, 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 6:01 P.M. - PUBLIC HEARING – To consider the adoption of Resolution No. 17-50 and Resolution 17-51 for the 2018 Budget, Levy and Five Year Capital Improvement Plan

Mayor Van Kirk called the public hearing to order at 6:01 p.m.

Finance Director Kutzke explained the budgeting process. Finance Director Kutzke stated that the preliminary budget was approved by the City Council on September 5, 2017, and stated that the levy amount can be lowered, but not increased.

Finance Director Kutzke presented the Proposed 2018 Budget to the City Council. Finance Director Kutzke reviewed the proposed property tax levy, presented a 10-year history of certified tax levies, and explained the tax capacity rate (which decreased 0.6% from the previous year).

Finance Director Kutzke reviewed changes in the City's portion of property taxes for several residential and commercial properties from 2016 to 2018. Finance Director Kutzke stated that property taxes also include the county, the school district, the Metropolitan Council, the county HRA, and the watershed districts. Finance Director Kutzke displayed the distribution of a 2018 tax dollar (\$.24 for the City, \$.35 for Anoka County, \$.37 for Anoka Hennepin School District and \$.04 for other taxing districts). Finance Director Kutzke stated that the Anoka Hennepin School District taxes will be changing due to the voter-approved referendum in November.

Finance Director Kutzke reviewed the General Fund revenues and expenditures, and transfers to other funds. Finance Director Kutzke stated that the fund balance policy is: “The City will strive to maintain an unassigned fund balance in the range of 35-50% of the next year’s budgeted expenditures, including transfers.” Finance Director Kutzke stated that the budgeted fund balance at the end of 2017 is 54.5% of the proposed 2018 expenditures. Finance Director Kutzke stated that the proposed 2018 budget includes a spend-down of \$52,702 with an ending fund balance of \$2,918,197.

Finance Director Kutzke reviewed the Ham Laker Fund, the Lawful Gambling Fund, and the Revolving Street Fund. Finance Director Kutzke reviewed the Capital Improvement and Equipment Replacement Plan for 2018-2022

Finance Director Kutzke stated that in prior years, at the last meeting of the year, a revised budget has been adopted. Finance Director Kutzke stated that this is not required by State Statutes or by Generally Accepted Accounting Principles, and the City Attorney has given the opinion that it is not required by the City Charter. Finance Director Kutzke stated that revising the budget is very time-consuming and is not very meaningful because it is difficult to accurately predict what expenses will be in the last few weeks of the year. **It was the consensus of the City Council to not require adopting a revised budget at the end of the year.**

Mayor Van Kirk opened the public hearing at 6:22 p.m. for public comment.

Alan Folie, 441 148th Avenue NE, was present. Mr. Folie questioned how the tax capacity rate for Ham Lake compares to other cities in Anoka County. Finance Director Kutzke stated that Ham Lake has the 2nd lowest tax capacity rate in Anoka County. Mr. Folie questioned the tax dollars for commercial vs. residential. Finance Director Kutzke stated that the percentage is hard to determine, but the total tax capacity is \$18,143,407 and of that amount the commercial tax capacity is \$2,360,970. Mr. Folie questioned what percentage of the budget is for wages and benefits of employees. Finance Director Kutzke stated that she does not have that information available at this time and offered to get the information to Mr. Folie. Mr. Folie asked if it is in the budget, and Finance Director Kutzke said it is.

Mayor Van Kirk closed the public hearing at 6:29 p.m.

Motion by Van Kirk, seconded by Doyle, to approve Resolution No. 17-50, adopting the 2018 levy. All in favor, motion carried.

Motion by Van Kirk, seconded by Parranto, to approve Resolution No. 17-51, adopting the 2018 budget. All in favor, motion carried.

Motion by Van Kirk, seconded by Johnson, to approve the Five Year Capital Improvement Plan. All in favor, motion carried.

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 November 20, 2017
- 4.2 Approval of claims in the amount of \$104,540.09
- 4.3 Approval of an oversized accessory (pole) building located at 4465 Constance Boulevard NE
- 4.4 Approval of interfund transfers
- 4.5 Approval of accepting the improvement project of Kenyon Street NE, between Crosstown Boulevard NE and 171st Avenue NE and 171st Avenue NE, between Goodhue Street NE and Nassau Street NE (plat of Rose Crest)
- 4.6 Approval of hiring part-time warming house attendants Albert Viall, Michael Torgeson, Dave Cullen and Lucas Aubin at a rate of \$9.50/per hour

Motion by Kirkeide, seconded by Johnson, to approve the Consent Agenda as written. All in favor, motion carried.

5.0 PLANNING COMMISSION RECOMMENDATIONS

- 5.1 Eric Hagen, H&H Contractors, requesting a Certificate of Occupancy to operate at 1327 153rd Lane NE

Motion by Johnson, seconded by Parranto, to concur with the recommendation of the Planning Commission and approve the Certificate of Occupancy as presented by Eric Hagen to operate H & H Contractors at 1327 153rd Lane NE subject to meeting all City, State and County Codes. All in favor, motion carried.

6.0 PARK AND TREE COMMISSION RECOMMENDATIONS – None

7.0 ECONOMIC DEVELOPMENT AUTHORITY – None

8.0 APPEARANCES

- 8.1 William Richards – Requesting an amendment to Article 9-220.6 (Industrial Park Zoning) of the City Code to allow motor vehicles sales lots

William Richards was present. Mayor Van Kirk stated that Mr. Richards would like the city to amend the City Code to allow motor vehicle sales lots in Industrial Park Zoning (I-P). Mayor Van Kirk stated that he does not have an issue with the request. Councilmember Johnson questioned whether this should be discussed with the Sheriff's Office because of other issues with car sales lots having thefts of vehicles from their lots. Mr. Richards stated that he is required by state law to have a \$50,000 bond. Mr. Richard stated that years ago there was no internet to search for vehicles and now the internet is how most people look for vehicles. Mr. Richards stated that he receives calls from clients and he then searches for the particular vehicle they want to purchase. Mr. Richards stated that he is a one man show. Councilmember Kirkeide stated that Industrial Park Zoning is the most intense zoning in the city and feels that this would be a good location for a motor vehicles sales lot. Mayor Van Kirk questioned if there should be lighting, security, fencing, etc. **Motion by Van Kirk, seconded by Doyle, to direct the Planning Commission to schedule a Public Hearing to amend Article 9-220.6 (Industrial Park Zoning) of the City Code to allow motor vehicle sales lots. All in favor, motion carried.**

Planning Commissioner Scott Heaton requested that direction should be provided to the Planning Commission on what the City Council is looking for in the changes to the City Code.

9.0 CITY ATTORNEY – None

10.0 CITY ENGINEER – None

11.0 FIRE CHIEF – None

12.0 COUNCIL BUSINESS

12.1 Committee Reports – None

12.2 Discussion of Article 11-411.2 (B) regarding minimum roofage (pitch of the main roof)

Mayor Van Kirk stated that the current City Code requires a 4/12 pitch roof and there is a resident who is requesting to have a 2/12 pitch roof. Councilmember Kirkeide stated that the Building Department does a good job in following the International Building Code and that particular verbiage should be removed from the City Code and the International Building Code should be followed. **Motion by Van Kirk, seconded by Kirkeide, to direct Attorney Murphy to amend Article 11-400 of the City Code to follow the International Building Code. All in favor, motion carried.**

12.3 Announcements and future agenda items

Mayor Van Kirk stated that he would like the Council be look at future goals of the City and items that have been missed throughout the year.

Motion by Kirkeide, seconded Parranto, to adjourn the meeting at 6:48 p.m. All in favor, motion carried.

Denise Webster, City Clerk