

**CITY OF HAM LAKE
CITY COUNCIL AND ECONOMIC DEVELOPMENT AUTHORITY MINUTES
MONDAY, MAY 2, 2022**

The Ham Lake City Council and Economic Development Authority met for its regular meeting on Monday, May 2, 2022 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, Gary Kirkeide, and Jesse Wilken

MEMBERS ABSENT: Councilmember Brian Kirkham

OTHERS PRESENT: City Attorney, Joe Murphy; City Engineer, Tom Collins; City Administrator, Denise Webster; Finance Director, Andrea Murff; and Deputy City Clerk, Dawnette Shimek

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 Michael Kreun – Candidate for State Senate, District 32

Michael Kreun introduced himself and stated that he is running for State Senate, District 32. Mr. Kreun stated that this new district covers the Cities of Blaine, Columbus, Lexington and a portion of Ham Lake. Mr. Kruen gave the City Council his background and is focused on public safety and education.

3.2 Andrew Grice, berganKDV – Presentation of the 2021 Audit

Andrew Grice was before the City Council to present the 2021 Annual Financial Audit and Single Audit Findings. Mr. Grice stated the Independent Auditor’s Report gave the City an unmodified opinion for the audit. Mr. Grice noted there is a deficiency in internal control with lack of segregation of the accounting duties, which is common with a small staff and recommends segregation or independent review be implemented whenever practical and cost effective. Mr. Grice summarized the financial analysis for the General Fund Performance. Revenues increased \$195,353, this being due to the increase in the tax levy for 2021. All other revenues sources remained consistent when compared to the prior year. Expenditures increased by \$361,376. Public Safety saw the biggest increase in salaries and benefits due to filling position vacancies such as Building Inspector and Part-Time Fire Inspector and an overlap of a Fire Chief while transitioning the position to a new Fire Chief. Public works saw the next biggest increase due to annual step increases. Other departments in the City remained consistent to prior years. Overall for 2021, total expenditures exceeded total revenues for the City causing a decrease of \$163,585 to the General Fund balance. Mr. Grice stated the city now has a Fund Balance Ratio of 58.0%, which is within the Fund Balance Policy of 35-50%, however is a decrease from the 2020 Fund Balance ratio of 66.6%. This decrease was due to doing a transfer of \$550,000 from the General Fund to the Revolving Street Fund. Mr. Grice also presented an analysis of the City’s historical total tax capacity amounts, tax levy amounts and tax rate for the years 2017 – 2021. He explained the tax capacity for the City continues to increase faster than relative

flat tax levy amount; which helps explain why the tax rate for the City has decreased year over year. The tax rate for 2021 was 21.07%. The Council thanked Mr. Grice for his 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 April 18, 2022
- 4.2 Approval of claims in the amount of \$125,740.16
- 4.3 Approval of an Off-Site Gambling Permit for the Ham Lake Chamber of Commerce to conduct bingo and pull-tabs on July 2, 2022 at Lion's Park (1220 157th Avenue NE)
- 4.4 Approval of opting-in for the Anoka County 2023-2025 Urban County Requalification for HUD programs
- 4.5 Approval of a Field Party Permit for Maxx Bar & Grill, 17646 Central Avenue NE on May 20-22, 2022

Motion by Wilken, seconded by Doyle, to approve the May 2, 2022 Consent Agenda as written. All present in favor, motion carried.

5.0 PLANNING COMMISSION RECOMMENDATIONS

- 5.1 TJ Maalis requesting a Conditional Use Permit to operate Automotive Illusions, an autobody and restoration shop, at 17638 Highway 65 NE

Motion by Doyle, seconded by Wilken, to concur with the Planning Commission and approve the Conditional Use Permit as requested by TJ Maalis to operate Automotive Illusions, an autobody and restoration shop, at 17638 Highway 65 NE, subject to meeting all mechanical codes for areas used for painting, welding and auto body filler work, storing all vehicles that are damaged, or awaiting repair behind the fence, providing containment for damaged parts removed from vehicles, following Article 4-800 if tires are ever stored, keeping garbage receptacles behind the fence at all times, providing a barrier to protect the septic area to prevent vehicles from being parked in that area, striping the parking lot, providing a handicap parking space with signage, paving the area where vehicles will be stored and meeting all State, City and County requirements. All present in favor, motion carried.

6.0 ECONOMIC DEVELOPMENT AUTHORITY – None

7.0 APPEARANCES - None

8.0 CITY ATTORNEY - None

9.0 CITY ENGINEER – None

10.0 CITY ADMINISTRATOR – None

11.0 COUNCIL BUSINESS

- 11.1 Committee Reports

Councilmember Doyle stated he had an Audit meeting last week.

- 11.2 Discussion of the City road right-of-way located west of Tippecanoe Street NE (Pin #14-32-23-31-0012) – north of 15926 Tippecanoe Street NE

Councilmember Kirkeide gave the background on how the City obtained the 66' road right-of-way north of 15926 Tippecanoe Street NE. Councilmember Kirkeide stated that Rita Billstrom split three lots, the

maximum number of lots allowed to be split without platting the property. Councilmember Kirkeide stated that Rita Billstrom requested a fourth lot split, unaware that this request did not meet City Code. Attorney Dorn drafted Findings-Of-Fact for a variance to allow the fourth lot split. With this variance the City negotiated to acquire a 66' road right-of-way to be located north of the lot to allow future access to the property to the west from Rita Billstrom. Aaron and Tina Billstrom currently own the lot located south of the 66' road right-of-way and with the understanding of a "Gentleman's Agreement" have been using the property for personal use for several years and would like to continue using the property. **It was the consensus of the City Council that the City owned 66' road right-of-way located north of 15926 Tippecanoe Street NE could not be used for personal use by the abutting property owners.** Aaron and Tina Billstrom were in the audience and asked how much time they would have to remove their belongings from the property. Councilmember Kirkeide stated that City Staff will make that determination.

11.3 Announcements and future agenda items

Councilmember Kirkeide stated that there is discussion of having a dunk tank at the Freedom Festival and would there be any Councilmembers willing to participate.

Mayor Van Kirk stated that he attended the Fire Departments annual banquet on April 30, 2022.

Motion by Kirkeide, seconded by Doyle, to adjourn the meeting at 6:26 p.m. All present in favor, motion carried.

Dawnette Shimek, Deputy City Clerk