

**CITY OF HAM LAKE  
CITY COUNCIL BUDGET WORKSHOP MINUTES  
MONDAY, AUGUST 2, 2021**

The Ham Lake City Council met on Monday, August 2, 2021 immediately following the regularly scheduled Council Meeting 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, Brian Kirkham, Gary Kirkeide, and Jesse Wilken

MEMBERS ABSENT: None

OTHERS PRESENT: Finance Director, Andrea Worcester; City Administrator, Denise Webster; Fire Chief, Mike Raczkowski; and Public Works Superintendent, John Witkowski

1.0 Call to Order

Mayor Van Kirk called the meeting to order at 6:51 p.m.

2.0 Discussion of the 2022 Anoka County Sheriff's Law Enforcement Contract

Council compared the 2021 contract with the 2022 - 36 Hour Contract that included an investigator and decided to meet again with the Sheriff's office. Council a more detailed breakdown on the how vehicle and administrative costs are being calculated. They also want to ask the Sheriff why there was no option for the 2022 contracts that mirrored the 2021 contract. Council directed Administrator Webster to schedule an appointment with Sheriff Stuart.

3.0 Discussion of the proposed 2022 Budget and CIP Review

Finance Director Worcester presented the draft budget with two options. Option A was to use reserves for the deficit and keep the tax levy flat at 3%. The tax rate would decrease an estimated 1.5%. Option B was to do a balanced budget which would increase the tax levy about 6.28%. With this option the tax rate would decrease by an estimated .77%. Mayor Van Kirk reminded council that once the levy was set it could be lowered, but not increased. Council also thought it be wise to utilize the reserves due to economic outlook being uncertain. They decided to present the preliminary budget with a balanced budget at the September 7, 2021 City Council meeting.

4.0 Discussion of Bonding

Mayor Van Kirk started the discussion about bonding by recapping a meeting with Fire Chief Raczkowski, Councilmember Kirkham, Finance Director Worcester, and Administrator Webster. In the meeting there was discussion of equipment and financing for a new fire station, as well as the current state of the Revolving Street Fund and how the City was going to pay for it all. There was some discussion on what the American Rescue Plan Funds could cover, what the City could cover, and if it would be wise to bond at a time when the rates were low for bonds. Council discussed the street fund and that it is in good standing for the next couple of years, but will need to bond in the future to alleviate a deficit in the fund. Council determined it would be best to watch bond rates and

when they start to tick up to then initiate bonding on a road project. They also want to get more solid numbers on a new fire station and the equipment needed for the fire station. They plan to use some of the funds from the fire equipment fund and will bond for the remainder of the new fire station. Finance Director Worcester did remind Council of the City Charter and total debt cannot be more than 50% of the current year budget before an election on bonding would be warranted, so to limit bonding until absolutely needed.

**Motion by Kirkeide, seconded by Wilken, to adjourn the meeting at 7:51 p.m. All in favor, motion carried.**

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Andrea Worcester, Finance Director