

**CITY OF HAM LAKE
CITY COUNCIL AND ECONOMIC DEVELOPMENT AUTHORITY MINUTES
MONDAY, DECEMBER 5, 2022**

The Ham Lake City Council and Economic Development Authority met for its regular meeting on Monday, December 5, 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 Brian Kirkham and Councilmembers Jim Doyle, Gary Kirkeide, Al Parranto and Jesse Wilken

MEMBERS ABSENT: None

OTHERS PRESENT: City Attorney, Mark Berglund; City Engineer, Dave Krugler; City Engineer, Tom Collins; City Administrator, Denise Webster; Deputy City Clerk, Dawnette Shimek; and Finance Director, Andrea Murff

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

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

2.0 PUBLIC COMMENT

Kit Poser, 1561 140th Avenue NE, stated that there is a hazardous curb on 140th Avenue NE that is not getting paved and they are not receiving mail because of it. Ms. Poser presented the City Council with photos and asked that the curb be repaired.

Cindy Kallestad, 16620 Bataan Street NE, stated that she received her 2023 proposed taxes and is concerned with the \$90.00 increase. Ms. Kallestad asked why the increase is so high and what will she be getting for it. Mayor Kirkham stated it would be discussed during the public hearing of the budget.

Brian Elfert, 4830 170th Lane NE, stated that his taxes are going up more then \$90 and asked what new services are they getting. Mr. Elfert stated that his road is not plowed in a timely manner. Mr. Elfert stated that he previously lived in Shoreview and they would have his road plowed twice in the same manner of time that Ham Lake plows it once. Mr. Elfert asked how the street fund is going to bankrupt the City. Mayor Kirkham stated that the street improvement projects have been reevaluated for budget purposes and improved the outlook of the budget. Mr. Elfert stated that his taxes pay for everyone else to have beautifully paved streets and is upset that he is paying for this.

David Nigon, 1607 140th Avenue NE, stated he moved to Ham Lake 15 years ago and lives north of the Larson Systems project located at 13847 Aberdeen Street NE. Mr. Nigon stated that there was a grove of pine trees on the property that screened the industrial area. Mr. Nigon stated that one day all the trees were removed and he now views the industrial park. Engineer Collins stated that the City Code does require screening on commercial properties adjacent to residential property. Engineer Collins stated that the plan was approved by the Planning Commission and City Council with the requirement of screening. Mr. Nigon stated that they were not notified of the proposed construction. It was determined that Larson's Systems is

an allowed use in the Commercial Development Tier 2 zoning and notification of neighboring properties is not required.

Tim Larson of Larson Systems was present and stated that they are taking advantage of the growth of their business and are developing the property in first rate. Mr. Larson stated that evergreens will be planted to screen the property and the property will be maintained. Mr. Larson stated that they left what trees they could and that there was one that was totally hollow inside. Mr. Larson stated that the property will look nice when finished. Mr. Larson stated that the anticipated finish date is Spring/Summer of 2023. Mr. Larson stated that he would be happy to talk to the concerned neighbors after the meeting.

3.0 SPECIAL APPEARANCES/PUBLIC HEARINGS

3.2 6:02 P.M. – Public Hearing – to consider the vacation of a portion of the drainage and utility easement for Larson Systems located at 13847 Aberdeen Street NE in Section 32 and adoption of Resolution No. 22-42

Mayor Kirkham opened the public hearing at 6:24 p.m. for comment and with there being none, closed the public hearing at 6:25 p.m.

Motion by Kirkeide, seconded by Parranto, to adopt Resolution No. 22-42 approving the vacation of a portion of the drainage and utility easement for Larson Systems located at 13847 Aberdeen Street NE in Section 32. All in favor, motion carried.

3.1 6:01 P.M. – Public Hearing – to consider the adoption of Resolution No. 22-41 for the 2023 Budget, Levy and Five-Year Capital Improvement Plan

Mayor Kirkham stated that while working on the budget the Council started with a 15% levy increase and worked to bring it down to a 11.49% levy increase from 2022. Mayor Kirkham stated that there are increases in contracts with the Sheriff's Department and Metro-Inet. Mayor Kirkham stated that fuel costs have increased 40% and also impacted the budget. Mayor Kirkham stated that the City Council toured the roads in the City to further evaluate their condition; the 5-year revolving street fund was then re-evaluated and the revolving street fund no longer shows a deficit. Mayor Kirkham stated that there is also an increase in staff benefits and wages. Funds that are scheduled for increases are 1) Revolving Street Fund transfer increased \$200,000 to \$1,100,000; 2) Fire Equipment Fund transfer increased \$55,000 to \$285,000; 3) Public Works Equipment Fund transfer increased \$50,000 to \$200,000; 4) Building Inspection Equipment Fund transfer increased \$3,000 to \$10,000; and 5) EOC transfer increased \$2,000 since the transfer was not done in 2022. Mayor Kirkham stated that the City is planning to construct Fire Station 3 in 2023 and will borrow from reserves and pay those reserves back in 10 years. Mayor Kirkham stated that the tax capacity rate is down 2%. Mayor Kirkham added that if property values had not increased, the taxes would have gone down.

Mayor Kirkham opened the public hearing at 6:31 p.m. for comment.

Cindy Kallestad, 16620 Bataan Street NE, stated that all of the costs are justifiable and seem reasonable. The City Council thanked Ms. Kallestad.

Annette Jewell-Ceder, 4950 170th Lane NE, stated that a lot of what she was thinking about has already been addressed.

Mayor Kirkham stated there are options that could be looked into. City Assessor has explained that values did go up and values cannot be changed at this time. Finance Director, Andrea Murff, stated there is property tax relief if taxes are raised 12% , property owners may be eligible for a property tax refund.

Annette Jewell-Ceder, 4950 170th Lane NE, asked if 170th Avenue NE is being evaluated as she would like an overlay. Engineer Krugler stated that an overlay would not hold; the road would fall apart. Ms. Jewell-Ceder stated that she was not aware this was an issue and asked if there would be room to off-set the improvement. Mayor Kirkham said the City assesses for the first street improvement and future improvements would paid for by the City. Mayor Kirkham agreed that 170th Avenue NE is not holding up. Ms. Jewell-Cedar feels they should receive a reduction in the cost of the improvement because they have been paying taxes. Councilmember Kirkeide stated that the City still pays 60% of the improvement costs as the assessments would not cover the cost to improve the road. Councilmember Kirkeide stated that the cost of road improvements has also risen because of fuel prices. Councilmember Kirkeide stated there are cities that charge an assessment to residents for improving existing streets. Mayor Kirkham stated that there is a scheduled date and time when residents can go to the County to dispute their property values.

Brian Elfert, 4830 170th Lane NE, added that when they purchased their properties they assumed that the road was constructed with blacktop and not millings.

Mayor Kirkham asked for further public comment and with there being none, closed the public hearing at 6:47 p.m.

Motion by Kirkham, seconded by Doyle, to adopt Resolution No. 22-41 approving the 2023 Budget, Levy and Fire-Year Capital Improvement Plan. All in favor, motion carried.

3.3 6:03 P.M. – Public Hearing – to consider the vacation of roadway and drainage and utility easements within and/or adjacent to the plats of Crosstown Rolling Acres Second Addition and Crosstown Rolling Acres Third Addition and adoption of Resolution No. 21-43

Mayor Kirkham opened the public hearing at 6:49 p.m. for comment and with there being none, closed the public hearing at 6:50 p.m.

Motion by Kirkham, seconded by Parranto, to adopt Resolution No. 21-43 approving the vacation of roadway and drainage and utility easements within and/or adjacent to the plats of Crosstown Rolling Acres Second Addition and Crosstown Rolling Acres Third Addition. 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 21, 2022
- 4.2 Approval of claims in the amount of \$181,186.92
- 4.3 Approval of Resolution No. 22-44 designating polling sites for the 2023 Elections
- 4.4 Approval of Resolution No. 22-45 accepting a \$15,000 donation from the Ham Lake Chamber of Commerce
- 4.5 Approval of accepting the Whitetail Crossing 2nd Addition Development project and commencing

- the one-year warranty period
- 4.6 Approval of accepting the Hidden Forest East Third Addition Development project and Commencing the one-year warranty period
- 4.7 Approval of releasing the Maintenance Security for Hidden Forest East Second Addition
- 4.8 Approval of the resignation of William Vossberg and Michael Kopp from the Charter Commission and advertising in the *Ham Laker* for the open positions
- 4.9 Approval of extending conditional offers of employment to paid-on-call firefighters
- 4.10 Approval of extending the contract with Wruck Sewer and Portable Rentals for 3 more years (2023-2025) to provide and service various parks within the City
- 4.11 Approval of the following 2023 Business Licenses:
Tobacco – Bidhipur Beverage, Inc. dba Ham Lake Liquors; Holiday Stationstores LLC dba Holiday Stationstores #2746223; Grape Expectations, Inc. dba Tournament Liquor; Northern Tier Retail, LLC dba Speedway #4537; Eagl Beverage Holdings, LLC dba Majestic Oaks Golf Club; Rama Corporation dba Network Liquor and Wine Corp.; Celine Stop Ham Lake Inc. dba Little Wonder; E-City Clubhouse LLC dba E-Cig Clubhouse; Zen Inc. dba Ham Lake BP; Casey’s Retail Store #3753; Broadview Operations, LLC, dba 1 Stop Liquor; Broadview Operations, LLC dba 1 Stop Market; A & H, LLC dba Ham Lake Tobacco; Central Tobacco Inc. dba SmoKing Shop; and DG Retail, LLC dba Dollar General #21464
Cabaret – Maxx Bar & Grill Inc. dba Maxx Bar & Grill; Eagl Beverage Holdings, LLC dba Majestic Oaks Golf Club; and Dan Dahlin Inc., dba Ham Lake Lanes
Vending Machine – Mendota Valley Amusement, Inc. (for Maxx Bar & Grill), Midwest Coin Concepts (Ham Lake Lanes)
Recycling/Refuse – Ham Lake Haulers
Hotel/Motel – Kevin Eggerth (Ham Lake Apartments), Oasis Life, LLC (AmericInn Ham Lake)

Motion by Wilken, seconded by Parranto, to approve the December 5, 2022 consent agenda as written. All in favor, motion carried. The City Council thanked the members of the Fire Department for their service, the Chamber of Commerce for their donation and the Charter members for their years of service.

- 5.0 PLANNING COMMISSION RECOMMENDATIONS** – None
- 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 - None

11.2 Update of the Sunrise Watershed Management Organization (SRWMO) budget funding formulas
Engineer Collins stated that he and Administrator Webster met with member communities of East Bethel, Columbus and Linwood Township to discuss the funding formula in the Joint Powers Agreement (JPA) and the 2024 budget for the SRWMO (Sunrise River Water Management Organization). Engineer Collins stated that the current funding formula is having member communities pay 25% each for operating expenses and a 50/50 ratio of land area and market value for non-operating expenses. Engineer Collins stated that the 50/50 ratio is 4.12% and that Ham Lake had requested that the operating expenses be revised to that percentage. Engineer Collins states that member communities are proposing a revision to the 50/50 ratio, based on private land area and public water area. Engineer Collins stated that the revision would result in the non-operating expenses increasing from 4.13% to 6.97%, which is a 69% increase. Engineer Collins stated that the member communities have discussed different non-operating funding formulas, with the member communities paying 25% each for revised operating expenses based on the revised 50/50 ratio, with the operating expenses being the same percentage as non-operating expenses, as requested by Ham Lake, or two funding alternatives that include a minimum contribution to the non-operating expenses. Engineer Collins stated that Ham Lake's expense based on the current funding formula is \$4,400.92, and the requested expense based on the 4.13% ratio would be \$1,801.77. Engineer Collins stated that Ham Lake's expenses based on the different proposed funding formulas would be \$5,290.91, \$3,045.91, \$3,983.72 and \$4,656.70 respectively. Engineer Collins stated that he told the member communities that his sense was that the Ham Lake City Council would not approve a funding formula that included a minimum contribution for non-operating expenses. **It was the consensus of the City Council to direct Engineer Collins to pursue withdrawal from the Sunrise Watershed Management Organization (SRWMO) and to explore alternatives for management of those portions of the City within the SRWMO and the Upper Rum River Watershed Management Organization (URRWMO).**

11.3 Announcements and future agenda items

Councilmember Wilken stated that the Fire Department did an awesome job and collected 8,186 pounds of food and \$7,074.24 in cash donations during the Santa ride on December 1st, 2nd and 3rd while riding through the neighborhoods with Santa on the truck. The City Council thanked the Fire Department, volunteers and generous people who donated or participated in the Santa ride.

Mayor Kirkham called a recess at 7:02 p.m. in order to conduct a closed meeting.

CLOSED MEETING - Pursuant to Minn. Stat. §13D.05, Subd. 3(c)(3) to discuss the purchase of real property identified as PIN #08-32-23-12-0021 (during a recess of the regularly scheduled City Council meeting)

Mayor Kirkham called the closed meeting to order at 7:05 p.m. The closed meeting was adjourned at 7:17 p.m.

Mayor Kirkham reconvened the regular meeting at 7:19 p.m. Motion by Kirkeide, seconded by Wilken, to adjourn the meeting at 7:19 p.m. All in favor, motion carried.

Dawnette Shimek
Deputy City Clerk