

**CITY OF HAM LAKE
CITY COUNCIL BUDGET WORKSHOP MINUTES
MONDAY, AUGUST 17, 2020**

The Ham Lake City Council met on Monday, August 17, 2020 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 Tom Johnson, Brian Kirkham, and Gary Kirkeide

MEMBERS ABSENT: Councilmember Jim Doyle

OTHERS PRESENT: Finance Director, Andrea Worcester; Administrator, Denise Webster; and Public Works Superintendent, John Witkowski

1.0 Call to Order

Mayor Van Kirk called the meeting to order at 7:51 p.m.

2.0 Discussion of the Proposed 2021 Budget

Finance Director, Andrea Worcester, stated as advised by Council the tax levy was set at 3% and expenditures were adjusted to fulfill the requests of the City Administrator and Department Heads, however, there might be a few changes since some additional requests and 2021 contract numbers have been received. As of the budget draft, the overall 2021 budget will add \$154,383 to the reserves. Council proposed doing a 1% cost of living increase eventually settling on a 2% increase.

Council inquired about setting the preliminary levy at the 3% and if it could be lowered if economic factors continued to deteriorate. Finance Director Worcester advised that was a possibility since the levy can decrease, but not increase after the preliminary levy is set. Finance Director Worcester requested to have another Budget Workshop following the November 16th City Council meeting to ensure the Final Budget reflected the real time economy.

Mayor Van Kirk inquired about creating a separate budget for the police contract since there is a possibility of a large increase in the next couple of years and he does not want the City caught off guard. Finance Director Worcester advised the General Fund actually holds the police contract and reserves from the General Fund could help offset the costs. Mayor Van Kirk also inquired about creating a line item for Community Emergency Response Teams (CERT) training and would get more information on the amount.

There was discussion on how new housing effects tax capacity and what it was providing the levy vs. more older homes within the City. Finance Director Worcester stated she would need to get more information from Anoka County and would need to look into it further.

Public Works Superintendent, John Witkowski, stated he would like to add a gravel line item to the budget of about \$9,000 per year in order to maintain gravel roads. He would also like to make it part of the Capital Improvement Plan (CIP) in order to put the streets on a revolving re-gravel schedule. Finance Director Worcester advised that this could come out of the Revolving Street Fund since MSA maintenance funding in the fund would help offset the costs.

Public Works Superintendent Witkowski requested Council approval to go forward with the planning of implementing a GIS System with the help from RFC Engineering. Initial costs for the GIS System would be approximately \$10,000 to \$15,000 get the locator and software with additional costs spread out over the next couple of years. Superintendent Witkowski stated that a temporary employee would need to be hired to help locate items that the GIS system would be tracking. Once everything was implemented, the annual maintenance fee would be \$500.00 a year. Finance Director Worcester stated the initial costs could be covered by the Building Equipment Fund, the Parks Equipment Fund and the Public Works Fund. She will be looking into if the Drainage Fund and to see if it would be able to provide funding.

Upon adjourning, it was decided the Preliminary Budget would be presented for approval during the September 8th City Council meeting and the Final Budget during the December 7th City Council meeting.

Motion by Kirkeide, seconded Kirkham, to adjourn the meeting at 8:37 p.m. All present in favor, motion carried.

Andrea Worcester, Finance Director