

CITY OF HAM LAKE

15544 Central Avenue NE
Ham Lake, Minnesota 55304
(763) 434-9555
info@ci.ham-lake.mn.us

CITY OF HAM LAKE CITY COUNCIL BUDGET WORKSHOP MEETING MINUTES MONDAY, JULY 15, 2024

The Ham Lake City Council met for a workshop meeting on Monday, July 15, 2024 directly following the adjournment of the regularly scheduled City 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 Brian Kirkham and Councilmembers Jim Doyle, Al Parranto and Jesse Wilken

MEMBERS ABSENT: Councilmember Gary Kirkeide

OTHERS PRESENT: Finance Director, Andrea Murff; City Administrator, Denise Webster; Fire Chief, Mike Raczkowski; City Engineer, Dave Krugler; Public Works Superintendent, John Witkowski; and Deputy City Clerk, Dawnette Shimek

1.0 Call to Order

Mayor Kirkham called the meeting to order at 6:11 p.m.

2.0 Discussion of the Proposed 2025 Budget and CIP Review

Finance Director Murff started off the conversations with the Draft Preliminary 2025 Budget by stating that Expenditures for the General Fund are projected to be \$299,015 or 5.34 percent higher than 2024. Finance Director Murff stated that the largest driver in the increase is the \$149,349 increase to the Anoka County Sheriff's Contract and the \$100,000 increase in the transfer to the Revolving Street Fund. Finance Director Murff then stated the budget is mainly funded by property tax revenues and indicated there are three different options she proposed: 1.) a 3 percent increase to the 2023 levy of \$188,227 which would increase property taxes by 0.11 percent and would use \$211,062 of reserves; 2.) a 5 percent increase to the 2023 levy of \$313,711 which would increase property taxes by 0.50 percent and would use \$85,577 of reserves; and 3.) a balanced budget which would increase the 2023 levy 6.35 percent or \$399,288 which would increase the tax rate by 0.76 percent and would not take or add to reserves.

Councilmember Wilken inquired about the tax capacity and if that was adjusted when calculating out the tax rate. Finance Director Murff stated that it was increased by only 3.00 percent after speaking to the City Assessor about what she was seeing from her assessments. Finance Director Murff went on to discuss the other General Fund Revenues and stated Licenses and Permits were decreased \$57,600 due to less permitting activities in subsequent years. Finance Director Murff finished the conversation on the General Funds stating the City could use reserves for the budget, but it needed to remain strategic about upcoming years since it is State Statue the City maintain a 35 percent Fund Balance ratio.

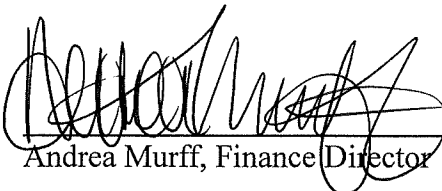
Finance Director Murff then turned to the Capital Improvement Plan stating all transfer besides the Revolving Street Fund remained the same. Finance Director Murff stated the Public Works fund was projecting to go negative in 2025 with the current plan and that there were two large plow trucks from previous years still awaiting delivery and payment. Finance Director Murff continued that the Revolving Street Fund expenditures were based off numbers received from the City Engineer that included other costs then just construction and that the fund was set to go negative in 2027 based on her projections.

The discussions then turned to the Special Revenue Funds. Finance Director Murff stated the Cable fund had a Fund Balance of \$82,116 even after the transfer of \$15,450 to the Ham Laker Fund and for 2025 \$13,000 was budgeted for Anoka County communication upgrades to the City sirens. Finance Director Murff stated the Ham Laker fund is projected to end 2024 with a negative fund balance of \$15,763 and that without a larger transfer from the Cable Fund or more donations, the General Fund would need to fund it. Finance Director Murff continued that the Future Drainage Fund had \$20,000 budgeted for a GIS upgrade and this would be covered by the fund, and the 2010 CIP Bond Debt Service fund will have its last levy of \$206,482.50 in 2025 with the bond being paid in full in 2026. Finance Director Murff then stated the EDA fund currently has a negative fund balance of \$240,309 and that City Staff is working with Anoka County to get reimbursed by HRA funds for the Crosstown Business Park project but wanted to make Council aware that if the reimburse fell through, these funds would need to come from the General Fund.

Finance Director Murff then proposed using \$75,000 of the gambling fund opposed to \$25,000 for the Anoka County Sheriff's contract. Mayor Kirkham asked what the Fund Balance currently is for this fund. Finance Director Murff responded she did not know at this time but would investigate this more and get him more information.

There was consensus by of the City Council to schedule another budget meeting on August 19, 2024, so the City Council is able to look into the budget memo being presented.

Motion by Doyle, seconded by Parranto, to adjourn the meeting at 6:11 p.m. All present in favor, motion carried.


Andrea Murff, Finance Director