

**CITY OF HAM LAKE
CITY COUNCIL BUDGET WORKSHOP MINUTES
TUESDAY, SEPTEMBER 6, 2022**

The Ham Lake City Council met on Tuesday, September 6, 2022 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 Brian Kirkham and Councilmembers Jim Doyle, Gary Kirkeide, and Jesse Wilken

MEMBERS ABSENT: Councilmember Al Parranto

OTHERS PRESENT: Finance Director, Andrea Murff; City Administrator, Denise Webster; Fire Chief, Mike Raczkowski; Public Works Superintendent, John Witkowski; and City Engineers, Tom Collins and Dave Krugler

1.0 Call to Order

Mayor Kirkham called the meeting to order at 6:16 p.m.

2.0 Discussion of the Proposed 2023 Budget and CIP Review

The discussion started with a recap of the Revolving Street Fund and it being in a deficit of approximately \$3.6 million by 2023 and the deficit growing year over year thereafter. Ideas of how to proceed with the projects and funding proceeded with the caveat the City did not want to go back to assessing for road reconstruction and overlay projects. The first idea was to push Tippecanoe Street NE and Polk Street NE out until absolutely needed, which would save the fund approximately \$1.9M, as well as take a tour of slated projects to see if anything else could be pushed out. The next idea was to bond for some of the project to get them out of the deficit. Council asked if they would be able to bond for roads and potentially Fire Station #3 at the same time. Finance Director Murff stated they would be separate bonds, but from her understanding there was no reason why not since they would be under the legal debit limit. Finance Director Murff continued to state she would speak to the City's Municipal Advisor and get some scenarios. Councilmember Kirkeide also reminded staff and the Council of the bond cap per the City Charter.

Finance Director Murff then suggested doing a budget using the 2022 tax capacity of 21.45%, which would increase the levy 24% or \$1,296,727; however, it would add an additional \$700,000 to the road fund, making the transfer for 2023 a total of \$1,650,000, and fully fund the Fire Equipment Fund and Public Works Equipment Fund. Finance Director Murff continued the tax rate would remain flat for the City portion of the property taxes, meaning any increases in property taxes seen by property owners on the property tax statements would be driven by the increase in the market value of the property. Mayor Kirkham asked about the Building Inspector Equipment Fund and if three trucks were still needed. Finance Director Murff replied the CIP is reviewed annually and can be changed at any time if there was too much funding in a certain fund and if it was determined the funds were not going to be used the City could transfer to another fund. **It was consensus of the City Council to have the**

24% levy increase for the 2023 Preliminary Budget since it would not affect the tax capacity rate and would still keep Ham Lake as having one of the lowest tax capacity rates in Anoka County.

Motion by Doyle, seconded by Kirkeide, to adjourn the meeting at 7:00 p.m. All present in favor, motion carried.

Andrea Murff, Finance Director