

MINUTES OF THE TRUTH IN TAXATION HEARING
A SPECIAL MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, DECEMBER 7, 2021 – 6:00 P.M.
(City Council Chambers)

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a truth in taxation hearing of the Independence City Council was called to order by Mayor Johnson at 6:00 p.m.

Johnson explained this is a Public Hearing for the City's 2022 Budget.

2. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Spencer, Grotting, and McCoy

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Assistant Horner

VISITORS: Steve McDonald (ABDO), 1 visitor

3. TRUTH IN TAXATION HEARING

Kaltsas shows a slight decrease from the preliminary plans. The tax rate is a little lower than last year. It has essentially been flat lately. Kaltsas would like to fund capital equipment purchases with cash. They would like to fund it though the general capital fund outlay. We continue to budget and put money towards maintenance of roads. A couple hundred thousand dollars towards roads and road maintenance. About \$50k goes towards seal coating and \$50k towards drain tiling/gravel roads. He states that he does continue to look at the debt levy and they don't plan on incurring any additional debts. They have maintained a very stable debt levy despite road projects and city hall remodel. They would like to keep a balance in the checking account of at least 6 months' worth. Worker's Comp insurance did have an increase.

Steve McDonald from ABDO explained there is a 2.96% change (increase) from last year's budget. The tax capacity graphs are just over \$8M which is an increase of about 7%. The average was about 9% in the County. The tax capacity rate is about 38.44%. The levy summary from 2014-2022 projected shows the approximate increase of about 3% on average. Revenue is mainly from property taxes, then licenses and permits. We don't expect many changes from this. Expenditure side is public safety, fire and permits is about 50%. There is a reduction of 6% in fire fund. Workers comp insurance increased by 10%.

Johnson asked if there is any major valuation shift from downtown Hennepin County that has leaked into suburbs yet or not. In 2023 they are projecting some changes coming out to the suburbs. The lakeshore valuations have been pretty significant. Johnson asked if there are any further questions from the Council or audience. This will be on our agenda for tonight's meeting. We have until the 28th of the month.

4. ADJOURNMENT

Motion made by Spencer, seconded by Betts, to adjourn the meeting at 6:28 p.m. Ayes: Betts, Johnson, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully submitted,

Amber Simon, Recording Secretary

DRAFT