



CITY COUNCIL MEETING MINUTES
TUESDAY SEPTEMBER 16, 2025

CITY COUNCIL MEETING TIME: 6:30 PM

1. CALL TO ORDER

Mayor Brad Spencer called the meeting to order on Tuesday, September 16, 2025, at 6:30 PM

2. PLEDGE OF ALLEGIANCE

Mayor Spencer led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Spencer, McCoy, Betts, Grotting

ABSENT: Fisher

STAFF: City Administrator Kaltsas, Administrative Services Director Simon,

VISITORS: See Sign in Sheet

4. ****CONSENT AGENDA****

Mayor Spencer stated that the consent agenda items would be considered routine and acted on by one motion unless someone would like to remove an item for discussion. The consent agenda

- a. Approval of the City Council Minutes from the August 21, 2025, Joint City Council Meeting with Maple Plain.
- b. Approval of City Council Minutes from the September 2, 2025, Regular City Council Meeting.
- c. Approval of Accounts Payable; (Batch #1 - Checks No. 23906-23949).

Motion by Betts, seconded by McCoy to approve the consent agenda. Ayes: Spencer, Betts, McCoy, Grotting. Nays: None. Absent: Fisher. Abstain: None. Motion Approved. 4-0

5. Reports of Boards and Committees by Council and Staff.

Council member Lynn Betts Attended the following meeting:

- Hwy 12 Coalition

Council member Ray McCoy Attended the following meeting:

- Police Commission

- Fire Commission

Council member Steve Grotting Attended the following meeting:

- Fire Commission

Mayor Brad Spencer Attended the following meeting:

- Hwy 12 Coalition
- Meeting with Delano, Maple Plain and Independence on lobbyist
- Fire Commission Merger Budget
- NW League of Municipalities
- Meeting with Chief Leuer
- McGarry's Golf Charity Event

City Administrator Mark Kaltsas Attended the following meeting:

- Met with City of Medina, Three Rivers Park & Hennepin County Sheriff about the no-wake on Lake Independence – more to come on this.
- We had a volunteer group from a local church that helped clean up the playground area at Ox Yoke Park – Kaltsas will provide pictures of the completed work in the weekly update.

6. Consider Approval of the 2026 Preliminary Budget and Tax Levies:

- a. **RESOLUTION NO. 25-0916-01** – Establishing the 2026 Preliminary Budget.
- b. **RESOLUTION NO. 25-0916-02** – Establishing the General and Debt Service Preliminary Tax Levy and Setting a Date for the 2025 Truth in Taxation Meeting for December 2, 2025, at 6:00 PM.
- c. **RESOLUTION NO. 25-0916-03** – Establishing the Pioneer Sarah Creek Watershed Management Commission Preliminary Tax Levy.

City Administrator Kaltsas presented the 2026 preliminary budget and tax levies. He noted that the preliminary levy showed a general operating levy increase of 6.22% and an overall city operating levy of 7.64%. This represented approximately \$235,000 above the previous year's general operating budget.

Kaltsas reviewed the city's tax capacity, noting that Independence is primarily a residential community with limited commercial/industrial properties and significant agricultural properties, but no multifamily housing. He presented a comparison of tax capacity rates with other cities, highlighting that Independence has maintained a tax rate below 40% since 2016, with the current projection showing an increase from 31.21% to 32.16%.

Kaltsas explained that 86% of the city's revenue comes from property taxes, with the next largest source being licenses and permits (primarily building permits). For expenditures, 42% goes to policing and 10% to fire services, meaning over 50% of the general fund budget is for emergency services. An additional 20% is allocated to streets, public works, and utilities, with 15% for administration.

Kaltsas highlighted that excluding police and fire services, the general government levy would actually decrease by approximately \$70,000 or 4% year over year. Police costs increased by \$237,000 and fire costs by \$65,000. He noted that the Police Commission is working with the department to stabilize the budget moving forward.

Due to staffing changes in the police department, Kaltsas indicated that by the final levy certification in December, there may be potential for reducing the preliminary levy to under 5% for the general levy and just above 6% for the total city operating levy.

Councilmember Grotting asked about election costs, noting that the \$10,000 budgeted didn't seem to reflect the actual staff time involved. Kaltsas explained that while the budget line item is \$10,000, the true cost is likely closer to \$30,000 when accounting for staff time, which is not directly reflected in the election budget but is absorbed in existing staff duties.

Motion by McCoy, seconded by Grotting to approve RESOLUTION 25-0916-01 establishing the 2026 Preliminary Budget, setting the General Fund expenditures at a maximum of \$4,594,841. Ayes: Spencer, Betts, McCoy, Grotting. Nays: None. Absent: Fisher. Abstain: None. Motion Approved. 4-0

Motion by Spencer, seconded by Betts to approve RESOLUTION 25-0916-02 Establishing the general and debt service preliminary tax levy at \$4,412,508 and setting the Truth in Taxation meeting for December 2, 2025 at 6:00pm. Ayes: Spencer, Betts, McCoy, Grotting. Nays: None. Absent: Fisher. Abstain: None. Motion Approved. 4-0

Motion by Betts, seconded by Grotting to approve RESOLUTION 25-0916-03 Establishing the Pioneer Sarah Creek Watershed Management Commission Preliminary Tax Levy at \$81,056. Ayes: Spencer, Betts, McCoy, Grotting. Nays: None. Absent: Fisher. Abstain: None. Motion Approved. 4-0

Councilmember Grotting asked about the 12.28% increase in the watershed levy. City Administrator Kaltsas explained that there has been an uptick in costs associated with administering wetlands in the Pioneer Creek watershed district. Rather than shifting these costs solely to the general fund, additional funding was budgeted for the watershed levy. He noted that the increase was only about \$8,000-\$9,000, and that Pioneer Sarah Creek had kept their budget almost flat without this additional piece.

7. Overview/Discussion of Possible Pioneer Creek Community Park Grant Application

City Administrator Kaltsas presented information about a potential grant application for Pioneer Creek Community Park. He explained that the city had previously applied for a Hennepin County youth activities grant in 2023 for soccer fields, pickleball facilities, and parking improvements but was unsuccessful. Since then, the grant criteria have been modified to better allow western cities to compete with inner-ring cities.

Kaltsas proposed focusing the new grant application solely on multipurpose athletic fields (which could accommodate football, soccer, lacrosse, frisbee, rugby, etc.) rather than including parking and road improvements, as these don't directly accommodate youth activities. He suggested reducing the grant request to approximately \$162,500, well below the \$300,000 threshold, to be more competitive.

Kaltsas noted that the city currently has approximately \$485,000 in its park fund, which could be used for complementary improvements if the grant were awarded.

Councilmember McCoy commented that it was "a start," and Mayor Spencer acknowledged that while it's challenging for the city to meet some of the grant criteria that favor other areas, it was worth continuing to try.

8. Acceptance of Donation for Historic City Hall Refurbishment.

Mayor Spencer reported that a resident, who requested anonymity despite being named on the agenda, had donated \$1,000 toward the refurbishment of the old city hall. The resident was grateful that the city had begun restoring the exterior to make the building weather resistant and wanted to encourage others to join in supporting the effort.

Mayor Spencer mentioned that he had sent a thank you card and token of appreciation to the donor. He suggested the possibility of having an opening event next year during the country's 250th anniversary celebration.

Mayor Spencer noted that the building was looking nice, though he mentioned that a resident named Marvin had commented that the vertical siding looked "a little trendy" for what was originally an old barn.

9. **ADDED: Maple Plain Fire Consolidation – Discussion and Update.**

City Administrator Kaltsas explained that at a recent joint council meeting with Maple Plain regarding fire department consolidation between Maple Plain and West Suburban, there had been discussion about having West Suburban's chief take over interim management of both departments.

This arrangement would allow for efficiencies in training, procedures, and operations to be identified prior to the formal consolidation. It would help address any issues before the January 1st consolidation date, allowing the merged department to be "off and running" on day one.

Kaltsas noted that both fire chiefs were in agreement that this was a good next step. If approved by Maple Plain at their upcoming council meeting, the arrangement would take effect October 1, 2025.

Councilmember Grotting asked about the reporting structure, noting that the memo indicated the chief would report to the city administrator (which appeared to be Mark Kaltsas). Kaltsas clarified that this was an error in the memo - the chief would actually report to Jacob, the Maple Plain city administrator.

Motion by Spencer, seconded by Betts to approve the interim management arrangement to the Maple Plain Council for approval at their next meeting. Ayes: Spencer, Betts, Grotting. Nays: None. Absent: Fisher. Abstain: McCoy. Motion Approved. 3-0

10. Open/Misc.

11. Adjourn

Motion by Betts, seconded by McCoy to adjourn the meeting at 7:05pm. Ayes: Spencer, Betts, McCoy, Grotting. Nays: None. Absent: Fisher. Abstain: None. Motion Approved. 4-0