

MINUTES OF A REGULAR MEETING OF
THE INDEPENDENCE CITY COUNCIL
TUESDAY, JUNE 3, 2025 – 6:30 P.M.
City Hall Chambers

1. CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Spencer at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Spencer led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Spencer, McCoy, Betts, Fisher, Grotting
ABSENT: None
STAFF: City Administrator Kaltsas, Administrative Services Director Simon,
Public Works Supervisor Ben Lehman, WHPS Chief DuRose
VISITORS: Katie Johnson.

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

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the April 30, 2025, City Council Workshop.
- b. Approval of City Council Minutes from the May 20, 2025, Regular City Council Meeting.
- c. Approval of Accounts Payable; (Batch #1 - Checks No. 23679-23689, Batch #2 - Checks No. 23690-23702).
- d. Approval of the following Assembly Permits:
 - i. 3350 County Road 90 – Wedding on Saturday, June 7, 2025.
 - ii. 6625 Fogelman Road – Wedding on Saturday, June 7, 2025.
- e. Approval of a Solicitor Application for Curbside Waste.

Motion by McCoy, seconded by Betts to approve the Consent Agenda. Ayes: Spencer, McCoy, Betts, Grotting and Fisher. Nays: None. Absent: None. Abstain. None.
MOTION DECLARED CARRIED. 5-0

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

Fisher – none

Betts attended the following meetings:

- Fire Awards

McCoy attended the following meetings:

- Fire Awards
- Memorial Day – Lewis Cemetery
- Memorial Day – Christ Lutheran

Grotting attended the following meetings:

- Planning Commission

Spencer attended the following meetings:

- Planning Commission
- ABRC
- Memorial Day – Lewis Cemetery
- Meeting with Kevin Anderson & Kaltsas about park grants
- Amber Simon's Real Estate Welcome Celebration
- Meeting with MP Fire Chief, Denneson
- Meeting with a Scout working on his citizenship merit badge

Kaltsas – meeting with the city's 4M account representative to update the cash flow analysis. He mentioned they would be looking at potentially putting funds into longer-term investments, with current yields around 4%. Kaltsas stated he would be providing more information to the council for discussion at a future meeting.

6. Tyler and Kaitlin Johnson (Applicant/Owner) are requesting the following actions for the property located at 4610 Lake Sarah Dr. S. (PID No. 02-118-24-21-0001) in the City of Independence, MN.
 - a. **RESOLUTION No. 25-0603-01** – Considering a variance to allow the subdivision of property in the RR-Rural Residential and S-Shoreland Overlay zoning districts that does not meet the minimum lot size and a minor subdivision to allow the subdivision of the subject parcel into two (2) lots.

City Administrator Mark Kaltsas presented the application from Tyler and Kaitlin Johnson for a variance to allow the subdivision of their property at 4610 Lake Sarah Drive South. He explained that this was a revised application from a previous request, now proposing to split the property into two parcels: a 1-acre lot meeting all applicable standards and a 0.62-acre lot that would be a lawful nonconforming parcel.

Kaltsas noted that the Planning Commission had reviewed the application and held a public hearing. He mentioned that there were comments from neighbors both in favor and opposed to the request. The Planning Commission discussed several aspects of the proposal, including:

1. The existing home is a lawful nonconforming structure, which would not change with the subdivision.
2. The usable part of the lakefront lot would not change visibly after the subdivision.
3. The unique situation of having two separate road connections to the property.

4. The proposed shoreland lot would meet all applicable criteria without exceptions.
5. The characteristics of the surrounding properties and lots.

Kaltsas stated that the Planning Commission found the criteria for granting the variance had been satisfied and recommended approval to the City Council.

Spencer mentioned that he appreciated the 5 letters of support from surrounding properties and the applicant's willingness to resubmit the application with no setback variances.

Mayor Spencer asked if there were any questions from the council.

Motion by Grotting, seconded by McCoy to approve RESOLUTION 25-0603-01 approving a variance to allow a subdivision. Ayes: Spencer, McCoy, Betts, Grotting and Fisher. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

7. A proposed text amendment to the City of Independence Ordinance as follows:
 - a. **ORDINANCE No. 2025-03** – Considering a text amendment to Chapter VII, Section 705 of the city's ordinance relating to regulations governing On-Site Sewage Treatment. The amendment will consider minor changes that will bring the ordinance into alignment with recent changes to state statute and also establish provisions relating to the "type" of systems allowed as alternate systems in the city. Council will also consider establishment of language requiring more specific language pertaining to the transfer of properties in the city.
 - b. **RESOLUTION No. 25-0603-02** – Approving publication of a summary of Ordinance No. 2025-03.

City Administrator Mark Kaltsas presented the proposed text amendment to Chapter VII, Section 705 of the city's ordinance relating to regulations governing On-Site Sewage Treatment. He explained that the amendment would bring the ordinance into alignment with recent changes to state statute and establish provisions for alternative systems in the city.

Kaltsas outlined the main changes proposed in the amendment:

1. Updating definitions to match state statute, including removing the "failing septic system" definition and revising the "notice of compliance" definition.
2. Clarifying the status of holding tanks under Minnesota statute.
3. Including Type 3 systems as a permitted alternative system within the city.
4. Adding a new section on transfer of property requirements.

The council engaged in a detailed discussion about the proposed changes, particularly focusing on the transfer of property requirements. Several concerns and questions were raised:

1. Councilmember Fisher asked about ensuring the city's access to escrow funds in case of non-compliance.

2. The council discussed the appropriate amount for escrow, suggesting it should be 1.5 times the average cost of a septic system.
3. Questions were raised about various scenarios involving trusts and joint tenancy transfers.
4. The council debated the current 3-year timeframe for bringing non-compliant systems into compliance, suggesting it might be too long.

After discussion, it was decided that Kaltsas would:

1. Consult with the city attorney, Bob Vose, to clarify language regarding escrow agreements and the city's authority.
2. Review the 3-year compliance timeframe with Bruce Satek, the city's inspector.
3. Look into various scenarios involving trusts and joint tenancy transfers.
4. Bring back a revised version of the ordinance at the next meeting.

The council agreed to table the item until these revisions could be made.

8. Recommendation to establish a new Capital Fund for Public Safety and the transfer of funds from the General Fund to the newly created Public Safety Capital Fund.
 - a. **RESOLUTION No. 25-0603-03** – Considering establishment of a Public Safety Capital Fund.
 - b. **RESOLUTION No. 25-0603-04** – Considering a transfer of \$69,227 from Fund 100 – *General Fund* to Fund 407 *Public Safety*.

City Administrator Mark Kaltsas explained the recommendation to establish a new Capital Fund for Public Safety and transfer funds from the General Fund. He stated that the city had received funds from the fire partnership that were not used in the previous year's budget. Kaltsas recommended creating a dedicated fund for these monies to be used for public safety purposes, rather than absorbing them into the general fund.

Mayor Spencer noted that this action was a result of Ray's efforts to recover these funds, which had been overlooked in previous years.

Motion by McCoy, seconded by Betts to approve RESOLUTION 25-0603-03 to establish a Public Safety Capital Fund. Ayes: Spencer, McCoy, Betts, and Fisher. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

Motion by Betts, seconded by Fisher to approve RESOLUTION 25-0603-04 to transfer \$69,227 from Fund 100 – General Fund to Fund 407 Public Safety. Ayes: Spencer, McCoy,

Betts, and Fisher. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

9. Consider amendment to the Employee Handbook relating to the recent statutory changes requiring cities to provide Earned Sick and Safe Time (ESST). The proposed would stipulate provisions relating to part-time employees.

- a. **RESOLUTION No. 25-0603-05** – Considering an amendment to the Employee Handbook.

City Administrator Mark Kaltsas presented the proposed amendment to the Employee Handbook regarding Earned Sick and Safe Time (ESST). He explained that recent statutory changes require cities to offer ESST to all employees, including seasonal and part-time workers. The amendment aims to clarify what happens to accumulated ESST when an employee leaves or is terminated.

Kaltsas outlined the proposed changes:

1. Regular full-time and regular part-time employees would continue to receive a cash payment for half of their accumulated sick leave upon leaving employment.
2. Temporary and seasonal workers would not be eligible for a cash payment of accumulated sick leave under the ESST law.

He emphasized that the amendment was not intended to take anything away from employees but to clarify the policy for different types of workers.

Motion by Spencer, seconded by McCoy to approve RESOLUTION 25-0603-05 amending the Employee Handbook. Ayes: Spencer, McCoy, Betts, Grotting and Fisher. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

10. Open/Misc.

Mayor Spencer acknowledged the birthday of the new Public Works Supervisor, jokingly mentioning that he had neckties older than the Supervisor.

11. Adjourn.

Motion by Grotting, seconded by McCoy to adjourn the meeting at 7:17pm. Ayes: Spencer, McCoy, Betts, and Fisher. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5-0

Meeting adjourned at 7:17 pm.

Respectfully Submitted,
Amber Simon/ Recording Secretary

DRAFT