

MINUTES OF THE TRUTH IN TAXATION HEARING
A SPECIAL MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, DECEMBER 8, 2015 – 6:45 P.M.

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 6:45 p.m.

Johnson explained this is a Public Hearing for the City's 2016 Budget.

2. ROLL CALL

PRESENT: Mayor Johnson, Councilmembers Betts, Spencer, Wenck, and Fisher

ABSENT: None

STAFF: Interim City Administrator Kaltsas, Administrative Assistant Horner

VISITORS: Steve McDonald (ABDO), Director Gary Kroells, Lynda Franklin, Steve Grotting

3. TRUTH IN TAXATION HEARING

Mayor Johnson introduced Steve McDonald, Abdo, Eick, & Meyers to review the final budget figures. McDonald stated that the goal of the meeting is to approve the final levy and submit it to Hennepin County by the due date of December 28, 2015. McDonald noted PERA contributions are remaining the same and that there is a minimum wage increase but that does not have much effect on the City.

McDonald noted the City operating levy increase is 5.52% due to the 2016 abatement bonds. This is a reduction from the initial proposed levy of 7.39%. McDonald stated the 2005 and 2007 bonds were paid. The tax capacity of the City reflects approximately a 1% change over the prior year. Residential represents the largest portion at 5.2 million. McDonald said residential values increased 2% over the prior year. He said this impacts tax rates which are a key indicator of city performance. McDonald stated the tax levy is divided by the tax capacity. He said Independence falls right in the middle in comparison of tax capacity compared to surrounding cities that are similar in makeup. McDonald said $\frac{3}{4}$ of the City showed an increase of 0-10% on their preliminary statements. Johnson noted the assessor had said that homes basically remained the same in value so any increase we see is due to new construction.

McDonald stated the general fund category increased 74k over last year. He said that between the preliminary and the final they poured over line items to see what money could be saved. He noted that in fines and forfeitures 30k was above the projected budget. McDonald said administration and finance categories reflect a decrease from last year due to the contracted Administrator position. He said Police shows an increase of 45k and makes up the biggest part of

the budget. Overall expenditures increased 1.38%. McDonald said it was a good process and feels it is ready to present to Council.

Johnson noted that the preliminary levy came out before the two Delano bond referendums passed and wondered if there were any reports on how that would affect homeowners in the district. McDonald stated he would have to look into getting an overall combined report with those numbers. Johnson asked Kaltsas about having Jim Atkinson possibly doing another worksheet pertaining to this as he anticipated questions coming in relating to the numbers. Kaltsas said the ballpark figures reflected that a 250k valuation would see an increase of approximately \$500/year in their property taxes.

Johnson asked if there were any major changes in the fire department assessments. McDonald stated there was not as far as he was aware. Kaltsas said the 24k number for the fire departments reflects 15k in retirement payments. He said the Loretto Fire Department had increase of about 2% and Delano did not have an increase at all.

4. ADJOURNMENT

Motion made by Wenck, seconded by Betts, to adjourn the meeting at 7:15 p.m. Ayes: Betts, Johnson, Spencer, Wenck and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully submitted,

Trish Bemmels, Recording Secretary