



CITY COUNCIL MEETING AGENDA
REGULAR MEETING
TUESDAY, DECEMBER 4, 2018

******SPECIAL MEETING - TRUTH IN TAXATION 6:00 PM******

1. Call to Order
2. Truth in Taxation Hearing.
3. Adjourn.

CITY COUNCIL MEETING TIME: 6:30 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
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 October 31, 2018 Special City Council Meeting.
- b. Approval of City Council minutes From the November 5, 2018 Regular City Council Meeting.
- c. Approval of Accounts Payable; Checks Numbered 18393-18473.
- d. Approval of Personnel Committee Recommendation to Extend City Administrator/Planning Contract.
- e. **RESOLUTION 18-1204-01** – Certifying City Hall as the 2019 Polling Place.
- f. Approval to not waive the monetary limits on Tort Liability established by MN Statutes, to the extent of the limits of liability coverage obtained from the LMCIT.
- g. **RESOLUTION 18-1204-02** – Adopting the City of Independence Manure Management Policy.
- h. Third Quarter Financial Report (for information).

5. Set Agenda – Anyone Not on the Agenda can be Placed Under Open/Misc.
6. Reports of Boards and Committees by Council and Staff.
7. Consider Adoption of the Final 2019 Tax Levy and General Fund Budget and Associated Actions.
 - a. **RESOLUTION 18-1204-03** – Adopting the 2019 General Fund Budget.
 - b. **RESOLUTION 18-1204-04** – Adopting the 2019 General Tax Levy.
 - c. **RESOLUTION 18-1204-05** – Adopting the 2019 Pioneer Sarah Creek Watershed Management Commission Tax Levy.
 - d. **RESOLUTION 18-1204-06** – Adopting an Amendment to the 2018 Budget to Accurately Reflect Revenues and Expenditures Based on the Receipt of Additional Revenue in 2018.
8. City Ordinance Amendments Pertaining to Regulation of Small Wireless Facilities:
 - a. **ORDINANCE 2018-05** – Adopting an Ordinance Amendment to Chapter VIII, Section 810, Right of Way Regulations: Consider proposed amendment to the right of way ordinance relating to small cellular antennas.
 - b. **SUMMARY ORDINANCE 2018-05** – Adopting a Summary Ordinance Relating to the Amendment to Chapter VIII, Section 810, Right of Way Regulations.
 - c. **ORDINANCE 2018-06** Adopting an Ordinance Amendment to Chapter V, Section 510.05, Definitions and Chapter 5, Section 530.05, Subd. 4, Conditional Uses: Consider amendment pertaining to small cellular wireless technology in City right of ways.
9. Consider Funding a Portion of the Engineering Study for Railroad Quiet Zone at Townline Road.
10. Open/Misc.
11. Adjourn.

MINUTES OF A SPECIAL MEETING AND WORK SESSION OF THE
INDEPENDENCE CITY COUNCIL
WEDNESDAY, OCTOBER 31, 2018 –7:15 A.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a work session of the Independence City Council was called to order by Mayor Johnson at 7:00 a.m.

2. ROLL CALL

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

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Assistant Beth Horner, Public Works Director Ende, City Attorney Vose, WHPS Chief Kroells, ABDO Steve McDonald and Liz Lindrud

VISITORS: Four students from Mound School District

3. General Administration

a. 2019 Budget

- o Final Budget Review/Discussion
- o 2018 Budget Amendment

Kaltsas said staff has reviewed the budget in more detail following adoption of the preliminary tax levy and budget in September. Currently, there are no proposed changes to the budget. The budget reflects an approximately 1.98 percent increase from the 2018 budget. The total increase in the overall tax levy is proposed to be 3.63 percent. The City's tax rate resulting from the proposed budget and tax levy would remain flat (no increase) at 40.00 percent. The City has been working to fully fund public works capital expenditures through the general fund budget. For 2019, the proposed budget allocates approximately \$60,000 towards the public works capital improvement plan.

Staff is seeking further discussion and direction from Council relating to the proposed budget. Staff anticipates that it will be bringing a proposed budget amendment resolution to the December City Council Meeting. The intent of the budget amendment would be to shore up the budget pertaining to the state issued small cities street funds and the Hennepin County road funds that were received in 2018. These funds are purposefully not budgeted because they are not guaranteed funds.

McDonald said permits were up 10k over last year and there were no red flags in the budget review. He said the 3.63 increase still makes sense. Kaltsas noted the most current valuations from the County are figured in the report. He said additional funds are budgeted for Ende's retirement and hiring a new employee.

Johnson asked if everyone was comfortable with the report to forward to December meeting. All agreed they were comfortable with it.

b. Public Works:

o Review and Discuss Tandem Axel Truck Purchase

Kaltsas said the City has scheduled the replacement of the existing 2007 tandem axel truck for 2020 (see attached PW capital improvement plan). In order for the City to place a new truck in service early in 2020, the truck will need to be ordered and constructed approximately one (1) year prior to the anticipated delivery. The City has determined that it can lock in pricing by placing the order for the entire truck cab, chassis and box build out in 2018, take delivery of the truck cab and chassis in 2019 and then send the truck to have the full build out and box completed by early 2020. The City has spent considerable time talking to other public works departments, sales representatives, and driving test trucks to determine the best replacement option for Independence.

Public Works would like to order a 2020 Mack truck and chassis. The box and full truck build out would be completed by Towmaster, Inc. (Litchfield, MN) who has built out the City's existing fleet. The truck is part of the state bid and does not require any further bid process. The new truck costs are as follows:

- ☐ 2020 Mack GR64F Tandem Axel Truck: \$122,661.00
 - ☐ Trade In Allowance for 2007 Freightliner: -\$20,000.00
 - ☐ Taxes/Fees: \$6,747.97
 - ☐ Box and Remaining Build Out: \$127,900.00
- TOTAL COST: \$237,408.97**

The City would pay for the Truck upon delivery in the 3rd Qtr. of 2019 using the existing capital improvement funds (\$109,408.07). The City would pay for the remaining box and build out upon delivery in the 1st Qtr. Of 2020 using a combination of existing capital funds (\$68,266.03) and additional funds that would be budgeted in the 2019/2020 budgets (\$44,733.97). Staff is seeking feedback and direction from Council relating to the truck purchase. Staff believes that the timing is good to lock in pricing for the truck, box and build out. No expenditures would be made in 2018. The City can further research the sale of the existing truck as no decision on the trade in would need to be made now. Staff believes that with the price offered, plus tax break on the trade value, it is a strong option to consider. Based on the discussion and direction given by Council, this item would be brought back for formal approval at an upcoming City Council Meeting.

Ende noted this truck will spread sand depending on the speed of the truck which is a cost saving feature. Ende said once the contract is signed the pricing will be locked in. He said the truck will be red to match the other City vehicles. Kaltsas said the two big trucks are orange but everything else is red. Grotting noted there can be some confusion with County vehicles. Ende said the color does not need to be determined right now.

c. General Administration:

o Shoreland Ordinance Minimum Lot Size Intent Discussion

Kaltsas said the City's shoreland ordinance states that sewered lots within 1,000 feet of the OHWL shall have a minimum lot size of one (1) acre. This includes riparian and no riparian properties within 1,000 feet. The City's underlying rural residential ordinance states that the minimum lot size is 2.5 acres and that one needs a minimum of 7.6 acres to subdivide a property. After the 7.6-acre qualification, additional lots can be subdivided based on a sliding scale that is roughly based off 1 lot per 5 acres.

Staff is seeking discussion relating to this issue and the intent of the shoreland overlay district. There are essentially two ways to interpret the ordinance:

1. Lots in the shoreland overlay have a minimum lot size of one (1) acre. The minimum lot standards (dimensions) and one (1) acre size are the only limitations to overall density.
2. Lots in the shoreland overlay have a minimum lot size of one (1) acre. The minimum lot size to subdivide is 7.6 acres and the maximum density is based on the table in the rural residential zoning ordinance.

Staff would like to discuss the intent of the shoreland overlay district with Council. The City has historically considered the subdivision of properties that are less than 7.6 acres and allowed the minimum lot size for sewer properties to be one (1) acre in size. The City has not recently had a larger parcel in the shoreland district seek subdivision into multiple one (1) acre parcels. Based on the discussion, staff may recommend amending the ordinance to clearly articulate the intent.

Betts said the surrounding neighborhood is usually considered. Spencer noted Lake Sarah has some lots that are a half acre or less. He said historically one acre lots were allowed if it was a sewer lot and not a sub-standard lot of record. If there was not sewer available then the rule was two and half acres. The idea was to maximize future development. He noted the Shoreline Ordinance was a convenient way of doing that. Spencer said he prefers the one-acre lot minimum. Kaltsas noted sewer will limit it. Vose said two and half acres is more restrictive than one acre. McCoy said half of the Otten property is in the shoreland district and there is sewer on both sides, so he feels all of those lots should have to hook up. Kaltsas said that would mean half of the property would be one acre lots if we allow that by right. Spencer said this could apply to the property off Sunset Lane and Townline Road on Lake Sarah. He said there are three acres and that owner may want to divide into three lots. Grotting asked if this could be a bargaining chip with Met Council on different density requirements. Kaltsas said it would help off-set the density a little bit possibly. He said the shoreland ordinance does follow the state statute and he feels one acre is the right number. Kaltsas noted this will go through the Planning Commission with a Public Hearing.

- Pioneer Park Weather Antenna for Hennepin County

Kaltsas said Hennepin County has approached the City about the possibility of locating a permanent weather station and antenna in the City's Pioneer Park. The City has been discussing locations with the County for over a year and has not come up with a mutually agreeable site in Independence. The purpose of the station is to collect weather data on the western edge of the County that can be used to identify incoming inclement weather (see attached information and diagrams). Chief Kroells has noted that emergency responders have access to this data and it provides valuable information to the City and surrounding communities. Hennepin County looked at the City hall site as well as private sites in Independence.

Staff has reviewed the requested location and believes there may be a location in the park that would have minimum or no impact on surrounding properties or the existing or future build out of the park. The site that is needed is approximately 40 feet x 40 feet. The antenna is approximately 30 feet tall. Solar panels on the tower provide all the power that is needed to operate the equipment. Based on Council discussion and direction, the City would want to notify the approximately five property owners that could possibly see the antenna.

Spencer asked about placing it in the City parking lot in front of the building. Kaltsas said that may be something to consider. Kaltsas noted that in the park it could be pushed all the way back to the marsh area. The weather warning is the benefit to the City. Kroells said surrounding communities already have them and

the reason is that most storms that come through come from the west. McCoy stated he is really in favor of having this for the City.

- Highway 12/CSAH 90 and CSAH 92 Comments to MNDOT
 - Review proposed concept plans and follow-up with discussion and comments following public open house.

Following the MNDOT open house to review the concept plans for Highway 12/CSAH 90 and CSAH 92, staff met with MNDOT to further discuss the process and next steps. MNDOT would like the City to approve the concepts presented and provide direction on a preferred design for the CSAH 92/Highway 12 intersection. MNDOT will issue an RFP for the full design of the intersection following adoption of the report. It is anticipated that a consultant will begin the full design process in January 2019.

Staff has prepared more detailed comments pertaining to CSAH 90/Highway 12 which are attached to this report. Staff has reviewed the comments that were made at the open house (see attached summary of comments) as well as the concepts that were presented for the CSAH 92/Highway 12 intersection and would like to Council to provide direction/comments. There are 11 potential design solutions presented in the draft report prepared by MNDOT for the intersection. A summary of each concept is provided below along with staff's recommendation of the concept. The full report is attached for further reference.

- ☐ Concept 8.1: No build – no improvements to intersection.
- ☐ Concept 8.2: Roundabout at CSAH 92 south leg, realignment of CSAH 92 north leg to a perpendicular intersection. Only right turn (west) movement from CSAH 92 north leg.
 - Staff does not support this option.
- ☐ Concept 8.3: Roundabout at CSAH 92 south leg, roundabout at CSAH 92 north leg. The railroad will likely not accept this concept.
 - Staff does not support this option.
- ☐ Concept 8.4: Signals at both legs of the intersection with restricted turning movements.
 - Staff does not support this option due to signals at both intersections and no improvement in serious injury accidents.
- ☐ Concept 8.5: Roundabout at north leg, right in/out only at south leg.
 - Staff does not support this concept as it presents complicated movements to go east or west bound. Railroad will not likely support this concept.
- ☐ Concept 8.6: Restricted turn movements at both legs with a centrally located turn around between the intersections. This is a complicated solution for drivers and does not appear to increase safety.
 - Staff does not support this concept.
- ☐ Concept 8.7: Realignment intersection with a “frontage” road solution along south side of existing Highway 12. This does accomplish a realignment and provides a solution to the properties on the south side of Highway 12 by removing direct access from their driveways. Signalized intersection does not reduce serious injury crash potential.
 - Staff supports the realignment and general concept but is not supportive of a signalized intersection.

- Concept 8.8: Aligned to one intersection. Large environmental impacts and unlikely to be approved.
 - o Staff does not support the environmental impacts of this solution.
- Concept 8.9: Full realignment with at grade crossing of railroad. Signalized intersection does not prevent serious injury crash potential.
 - o Staff supports the total realignment for long term solution but does not agree with at grade railroad crossing and signalized intersection control.
- Concept 8.10: Full realignment with roundabout at Highway 12/CSAH 92 north leg. Provides realignment; however, railroad will not support proximity of roundabout to railroad at grade crossing.
 - o Staff does not support due to unlikely railroad approval.
- Concept 8.11: Full realignment with grade separated crossing at railroad. This option provides the best long-term solution for the City. There are several minor alignment tweaks that could be made to this option to reduce the impact on the surrounding properties. This option provides the highest level of safety and reduction of potentially serious injury crashes.
 - o Staff fully supports this option.

Johnson said with all the building in Delano something must be done. Kaltsas noted the perpendicular alignment is not necessary but is the cheaper option. Johnson noted Valley Road would most likely be closed off with that type of scenario. Spencer said an option like Buffalo has at Highway 25 would work and takes up a lot less room. He said that would mean very little impact on the railroad by eliminating the round-about. Grotting said the problem with light eastbound would bunch up the intersections. Grotting said he likes the traffic circle best. Betts noted that now is the time to do it with the funds being available. Kroells said most of morning traffic is southbound on 92. Johnson said every property owner knows there needs to be a change. McCoy said he favors roundabouts. Grotting asked if there was any chance to add a westbound ramp from 92 to 12. Kaltsas said there is time to tweak the plans.

o Personnel Committee Recommendations Overview

Kaltsas stated the Public Works Director, Larry Ende, would be retiring July 1, 2019. He noted there will be a replacement of the Director position. Kaltsas said it could be filled by a working Director as Ende has provided or it could become more of a manager-type executive role which would mean probably hiring two people, so the City would have third worker. Kaltsas said the City is not currently able to support separate positions and the current staffing model works well.

Kaltsas noted Horner was hired as an Administrative Assistant and has since completed clerk training and is performing higher level duties consistent with being an Assistant City Administrator. Spencer said because Kaltsas is a part-time contracted employee as the City Administrator it is important to have this a full-time assistant.

Kaltsas noted his contract will be coming up for renewal and would like to continue the role making it a five-year contract. He would like to keep projects rolling that he has implemented and has the full support of staff. Betts likes the continuity. Grotting asked if Kaltsas would be able to pull-back from some of his other cities and Kaltsas said he would. McCoy asked Kaltsas would be open to more hours. Kaltsas said he likes the flexibility but would be open to more hours.

4. Letter of Support for the Orono Schools Activity Center Project Grant Application

- a. Consider Approval of the Letter of Support for Orono Schools application for a grant to Hennepin County Youth Sports.

Kaltsas said Orono School District is seeking the support of the City of Independence relating to its application to Hennepin County Youth Sports for a grant to aid in quipping the new Activity Center. The school district has asked the City to prepare a letter of support of this grant initiative. Staff has prepared a draft letter for Council consideration.

Motion by Spencer, second by McCoy to approve the Letter of Support for Orono Schools application for a grant to Hennepin County Youth Sports. Ayes: Johnson, McCoy, Betts, Grotting and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. ADJOURN

Motion by McCoy, second by Betts to adjourn at 8:55 a.m.

Respectfully submitted,

Trish Bemmels, Recording Secretary

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, NOVEMBER 5, 2018 –6:30 P.M.

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 Johnson at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Spencer, Grotting, Betts and McCoy
ABSENT: City Attorney Vose
STAFF: City Administrator Kaltsas, City Administrative Assistant Horner
VISITORS: Richard and Kari Strom, Lynda Franklin

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 October 16, 2018 Regular City Council Meeting.
- b. Approval of Accounts Payable; Checks Numbered 18354-18392.
- c. Approval of Personnel Committee Recommendations:
 - i. Promote Administrative Assistant to Assistant City Administrator and Amend Compensation to Reflect Change.
 - ii. Amend City Administrator/Planning Contract to Extend Through 2023.
- d. **RESOLUTION NO. 18-1105-03-** Resolution Certifying Delinquent Sewer Service
 - i. Charges as Special Assessments.

Johnson said item c.(ii.) would be pulled as a revision needed to be made per the City Attorney Vose and it would be considered at a different meeting and there is an addition of sewer special assessments item d. (i.).

Motion by Betts, second by Grotting to approve the Consent Agenda items except for c. (ii) which is pulled for further review and the addition of item d. (i.) Resolution No. 18-1105-03. Ayes: Johnson, McCoy, Grotting, Betts and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- Met with Kaltsas and Joe Baker on Storm Water and Manure Management Plans
- 2040 Comprehensive Plan Joint Meeting with Planning Commission
- Lake Sarah Improvement Association Fall Meeting
- City Council Workshop
- Highway 12 Safety Coalition Meeting

Grotting attended the following meetings:

- Sensible Land Use Coalition Luncheon
- Planning Commission Meeting
- 2040 Comprehensive Plan Joint Meeting with Planning Commission
- City Council Workshop

McCoy attended the following meetings:

- Haven Homes Meeting
- 2040 Comprehensive Plan Joint Meeting with Planning Commission
- City Council Workshop

Betts attended the following meetings:

- Police Commission Meeting
- Sensible Land Use Coalition Luncheon
- City Council Workshop
- Highway 12 Safety Coalition Meeting

Johnson attended the following meetings:

- Senior Community Services Conference
- Community Action Partnership Finance Committee Meeting
- Farewell for Haven Homes Administrator
- 2040 Comprehensive Plan Joint Meeting with Planning Commission
- Orono School Board Meeting
- Police Commission Meeting
- Highway 12 Safety Coalition Meeting
- Wright-Hennepin Electric Coop Appreciation Dinner
- Meeting with Engineers regarding Highway 12 Improvements
- Sensible Land Use Coalition Meeting
- LOVE Inc. Strategic Planning Meeting
- Community Action Partnership Hennepin County Board Meeting
- Baker Park Open House
- City Council Workshop
- Met with Staff and County Assessor Jim Atkinson
- Highway 12 Safety Coalition Meeting
- Senior Community Services Finance Committee Meeting
- 2040 Comprehensive Plan Joint Meeting with Planning Commission

Horner attended the following meetings:

2

- 2040 Comprehensive Plan Joint Meeting with Planning Commission
- City Council Workshop

Kaltsas attended the following meetings:

- Met with Metro Cities on policy updates
7. Richard and Kari Stromer (Applicant/Owner) requests that the City consider the following action for the properties located at 2828 County Line Road (PID No.18-118-24-24-0003) in Independence, MN:
- a. **RESOLUTION 18-1105-01:** Considering approval of a minor subdivision to allow a lot line rearrangement between the two existing parcels.

Kaltsas said the subject properties are located south of Hwy. 12, west of Nelson Road and East of County Line Road. There is an existing home and accessory buildings located on the west property. The home is accessed via Maria Rd. There is a creek that bisects the property from north to south. The property has upland pasture as well as a stand of mature trees. The applicants approached the City about the possibility of subdividing their property into two lots in 2017. At that time the applicant and the City believed that there was one property with a total of 19 acres. The City considered and denied a variance to allow the subdivision of a property in the AG-Agriculture zoning district that was less than 40 acres.

Since the City denied the application for a variance and minor subdivision in 2017, the applicant has further reviewed the title for the property. The applicant has discovered that the property is comprised of two underlying and individual properties that were never formally combined by the City. The previous owner of the property combined the property identification numbers for tax purposes at the County, but never formally combined the properties with the City. The City's attorney has reviewed the title evaluation prepared by the Applicants attorney and agrees with the findings. As a result, the City recognizes the two individual properties. Within the AG-Agriculture zoning district, the subdivision of property is prohibited with the exception of lot line rearrangements and rural view lot subdivision. The applicant is proposing to rearrange the lot line by moving the north-south property line to the east to align with the centerline of the existing creek. The west property has an existing home and accessory structures that are accessed via Maria Rd. to the west. The proposed new property would have the following detail:

Min. Lot Size: 2.5 Acres (Buildable Upland)
 Proposed Lot Size: 4.32 Acres
 Min. Lot Frontage Required: 250 Lineal Feet
 Lot Frontage Proposed: 440 Lineal Feet
 Min. Upland Acreage Required: 2.5 Acres
 Upland Acreage Proposed: 2.76 Acres

The remainder property with the existing home and accessory structures would not be negatively impacted because of the proposed subdivision. The proposed new parcel would not create any nonconformities or reduced setbacks relating to the remainder property, the existing home or accessory buildings. There are several additional considerations that should be noted by the City when considering this request:

- a. The east property will be accessed via Nelson Road.
- b. The Applicant had previously completed the requisite report verifying that both properties can accommodate a primary and secondary on-site septic system. The locations of the sites are shown on the attached survey.

c. The proposed lot line rearrangement would create two properties that meet all other applicable criteria of the City's zoning ordinance.

d. The Applicant has prepared the requisite 10-foot drainage and utility easements around the perimeter of both properties.

Due to their historically being two separate (2) parcels, no park dedication will be required. Planning Commissioners reviewed the request and asked questions of staff and the petitioner. Commissioners asked if the property had historically paid tax on two parcels or if the County had combined the properties in their system. It was noted that the property has been historically taxed as two parcels. Commissioners asked if this condition could exist on other parcels in the City. It was noted that it could exist on other parcels.

Commissioners found that the standards for permitting a lot line rearrangement had been met by the applicant and recommended approval to the City Council with the following findings and conditions: The Planning Commission recommended approval of the requested variance and minor subdivision with the following findings and conditions:

- The proposed minor subdivision request meets all applicable conditions and restrictions stated in Chapter V, Section 500, Subdivisions, in the City of Independence Zoning Ordinance.
- The Applicant shall provide, execute and record the requisite drainage and utility easement with the county within six (6) months of approval.
- The Applicant shall pay for all costs associated with the City's review of the requested subdivision.
- The Applicant shall record the subdivision and City Council Resolution with the county within six (6) months of approval.

Motion by McCoy, second by Spencer to approve RESOLUTION 18-1105-01 approving a minor subdivision to allow a lot line rearrangement between the two existing parcels for the properties located at 2828 County Line Road (PID No.18-118-24-24-0003) in Independence, MN. Ayes: Johnson, McCoy, Grotting, Betts and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

8. John Sega (Applicant) and MN Horsepower LLC (Owner) request that the City consider the following actions for the property Located at 9255 County Road 6 (PID No. 31-118-24-34-0001) in Independence, MN:

- a. **RESOLUTION 18-1105-02:** Considering approval of a minor subdivision to allow a rural view lot subdivision to divide the property; the northerly parcel consisting of ~10 acres, and the southerly parcel consisting of ~72 acres.
- b. A conditional use permit allowing the following:
 - i. A commercial riding stable.

- ii. An accessory building which is greater than 5,000 square feet.

Kaltsas said the property is located on the south side of CSAH 6 near the intersection of CSAH 6 and CSAH 157. The property is comprised of an existing home, barn and several additional detached accessory structures. The property has pasture areas, paddocks and is heavily wooded.

The Applicant approached the City about purchasing the subject property and converting the private horse facilities into a commercial riding stable. In addition, the Applicant would like to subdivide the portion of the property that is separated by and lies north of CSAH 6 using the rural view lot subdivision provisions. The existing property has a home, existing barn/indoor riding arena and several additional detached accessory structures. The property has a conditional use permit which allows a non-rental guest apartment.

The Applicant currently operates a commercial horse facility on a property in Minnetrista and has been looking for a permanent home in this area. The Applicant will be living on the property. The Applicant is asking the City to consider granting a conditional use permit for a commercial riding stable that would allow the boarding of up to 50 horses on the property along with the construction of a new indoor riding arena that would be larger than 5,000 sf. Both requests require a conditional use permit from the City.

The proposed commercial boarding stable would have the additional following characteristics:

NOTE: Applicants narrative attached to this report may have several discrepancies from the report. The information in this report is the most current information and should be considered.

1. The existing horse barn is two stories and has eight stalls, storage space and a tack room.
2. The proposed indoor riding arena would be 24,750 sf and would have 30 additional stalls.
3. There is an existing 2-bedroom non-rental guest quarters attached to the existing home. The Applicant is proposing to continue using the conditional use permit for the guest quarters and would likely have 1-2 full time employees housed on the property.
4. The applicant is proposing to have a maximum of 50 horses boarded on the property at any time.
5. Access to the property for the boarders would be permitted only between the hours of 7:00 am and 10:00 pm daily.
6. The Applicant would have regular deliveries of shavings which typically come via a single-axel truck weekly or less.
7. The Applicant would have a Ferrier come to the site to shoe the horses on a regular basis. This would likely result in weekly visits. The horses are shod every 5 weeks.
8. There would be regular weekly garbage service to the property.
9. Manure is proposed to be composted on-site using a three-bin system (additional information provided by the applicant and attached to this report). The applicant would like to use the compost on the property. The applicant has shown the location of the compost bin area on the site plan. The City would require soil testing prior to land application of any manure/compost on site.

10. Hay would be delivered to the property. This is usually done 5-10 times during the summer and a few times during other parts of the year as needed. Generally, there would be approximately 12 days a year that hay is delivered to the property.
11. The Applicant would typically have between 5 and 15 guests coming to the property during the week with up to 20-25 guests coming on weekends. During the summer months there would be more activity during the daytime hours. During the school year there would be more activity occurring after school or in the evenings.
12. The Applicant is proposing to have between 4 and 8 clinics per year with no greater than 50 attendees. The clinics would be held during the regular hours of operation.
13. The Applicant has prepared a site plan that shows the location of the existing and proposed buildings. The Applicant is proposing to initially construct the indoor riding arena. The plans indicate the future location of an automated walker building and hay barn.

The City is being asked to consider approval of the complete site plan and build out. Commercial riding stables are a conditional use in the Agriculture zoning district. The subject property is zoned Agriculture. The City generally allows 1 animal unit on the first two acres and then 1 additional animal unit for each additional acre of property. The subject property is comprised of approximately 82 acres in the before condition. Should the City approve the rural view lot subdivision, the remainder property will have approximately 72 acres. Most, if not all of the 72 acres is useable upland. There are a few small possible wetlands located on the property. Applying the City's typical standard, the site would accommodate 71 animals using the gross acreage. The City has historically required that the applicants maintain a manure management plan, maintain all applicable permits relating to the management of manure on the property and maintain 1/3 acre of open pasture per animal unit. This property is heavily wooded and has approximately 18 acres of open pasture without the removal of existing woodlands. The open pasture areas on this property in the existing condition (minor tree removal would need to occur on the western portion of the property) would accommodate 50 horses using the City's standard of 1/3 acre per horse (50 horses/1/3 acre per horse = 16.7 acres of open pasture).

The criteria for granting a conditional use permit are clearly delineated in the City's Zoning Ordinance (Section 520.11 subd. 1, a-i) as follows:

1. The conditional use will not adversely affect the health, safety, morals and general welfare of occupants of surrounding lands.
2. The proposed use will not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity for the proposes already permitted or on the normal and orderly

The criteria for granting a conditional use permit are clearly delineated in the City's Zoning Ordinance (Section 520.11 subd. 1, a-i) as follows:

1. The conditional use will not adversely affect the health, safety, morals and general welfare of occupants of surrounding lands.
2. The proposed use will not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity for the proposes already permitted or on the normal and orderly

3. Existing roads and proposed access roads will be adequate to accommodate anticipated traffic.
4. Sufficient off-street parking and loading space will be provided to serve the proposed use.
5. The proposed conditional use can be adequately serviced by public utilities or on-site sewage treatment, and sufficient area of suitable soils for on-site sewage treatment is available to protect the city from pollution hazards.
6. The proposal includes adequate provision for protection of natural drainage systems, natural topography, tree growth, water courses, wetlands, historic sites and similar ecological and environmental features.
7. The proposal includes adequate measures to prevent or control offensive odor, fumes, dust, noise, or vibration so that none of these will constitute a nuisance.
8. The proposed conditional use is consistent with the comprehensive plan of the City of Independence.
9. The proposed use will not stimulate growth incompatible with prevailing density standards.

The City has visited the site and discussed the operation of the proposed commercial riding stable with the applicant. The following considerations should be noted by the City:

- ☐ This property has a geographic and topographical advantage that not all properties have as it relates to a commercial riding stable. The existing home, existing barn and proposed new indoor riding arena would be predominantly screened from CSAH 6 as well as the surrounding properties. The location on CSAH 6 aids the proposed use in that it would not negatively increase traffic on CSAH 6 due to the high traffic volume.
- ☐ The proposed use as a commercial riding stable generally fits into the character of the surrounding area and is in keeping with the City's Comprehensive Land Use Plan.
- ☐ The applicant has prepared a grading, drainage and storm water plan for the proposed site improvements. The existing home and accessory buildings generally sit at the highest point on the site and the topography slopes away in all directions. The City is in the process of reviewing the grading, drainage and storm water plan. Any comments resulting from the plan review will need to be addressed by the applicant and will be subject to the approval of the City Council. The City's approval of this project will also be subject to the Pioneer Sarah Creek Watershed Management Commissions approval of the proposed site improvements.
- ☐ The City discussed lighting with the applicant. The applicant is aware that all proposed lighting will be full cut-off type lighting. The City will work with the applicant to obtain the cut sheets and detailed plan for the proposed lighting. All building lighting will need to comply with the City's lighting standards. The outdoor riding arena could be artificially illuminated but would need to comply with applicable site lighting requirements. The City typically reviews building and site lighting during the building permit review process. Delano Fire Department has reviewed the proposed site plan. The Fire Department has asked for a minor modification to the driveway access. Any changes and or modifications resulting from the Fire Department review will need to be fully addressed by the Applicant.

- It was brought to the City's attention that there may be a discrepancy with the legal description of the property. The City has been working with the applicant to determine if the legal description and depiction of the property on the north side of CSAH 6 is accurate. The area in question is highlighted below. If the area in question is in fact a part of the adjacent property to the east, the applicant would not have access to the property from Nelson Road. This would not impact the subdivision, but would then require any access to the property to be from CSAH 6. The Applicant has provided the City with additional information relating to the replacement and upgrade of the on-site septic system. The City is working with the Applicant on the septic upgrade/replacement.
- The City has prepared a draft of a manure management policy that provides general guidelines and standards that can be used for this project and all future commercial riding stables. The draft policy is attached and is not being presented for formal approval. Should the Council recommend that the City adopt a policy, then the condition for approval of this project would reference the adopted policy. Should the Council not recommend the policy, then the City would want to include the historically used conditions pertaining to manure management.

Given the location of the property off of CSAH 6, the orientation of the buildings and their relationship to the surrounding properties and the existing use of the property as a private horse facility, it appears that the proposed application can be found to meet the requirements for granting a conditional use permit to allow a commercial riding stable. Minor Subdivision to Allow a Rural View Lot In addition to the conditional use permit, the applicant is requesting a minor subdivision to permit a rural view lot. The property is currently bisected by CSAH 6. The portion of the property located north of CSAH 6 is approximately 10.21 acres. The acreage is measured to the Center of the road and includes the road right of way for CSAH 6.

The City's zoning ordinance allows Agriculture property to realize one rural view lot for every 40 acres of property. The 82-acre parcel could realize two rural view lot subdivisions. The proposed subdivision would create a new 10-acre lot that would allow for a new home to be constructed on the property and meet all applicable building setbacks. The Applicant is working with the City relating to the location of the primary and secondary septic sites for the north property. The newly created lot does not have any non-buildable property. The City has criteria relating to rural view lot subdivisions. The proposed lot meets the criteria as follows:

Proposed/Required Lot Conditions for Parcel B

Required Minimum Lot Size (maximum size is 10 acres): 2.5 acres (buildable upland)
 Proposed Lot Size: 10.21 acres (~20,000 of right of way)
 Required Lot Frontage: 300 lineal feet
 Proposed Lot Frontage: 1,233 lineal feet (779 lf CSAH 6, 454 lf Nelson Road)
 Ratio of lot frontage to lot depth required - no more than 1:4
 Ratio of lot frontage to lot depth proposed – Parcel B - ~1:1.15 (778:900)

The applicant will be required to provide the requisite drainage and utility easements for Parcel 2 (Section 500.15, Subd.'s 1 and 2). Parcel 1 will likely be further subdivided in the future and at that time the City will capture the necessary drainage and utility easements.

The remaining Parcel 1 could potentially realize one (1) additional rural view lot. The City has submitted

the proposed subdivision to Hennepin County for review. Access to the property will be from Nelson Road. There does not appear to be any adverse effects on the surrounding or subject properties in the after condition as a result of this minor subdivision to permit a rural view lot. The proposed lot fits into the character of the surrounding area and is in keeping with the general characteristics of the properties on Nelson Road.

The newly created Parcel 2 will be required to pay the City's requisite Park Dedication fee. For this property the requirement is \$7,250 (\$3,500 + \$3,750). This fee will need to be paid prior to recording the subdivision.

*Park dedication fee of \$3,500 per lot up to 4.99 acres,
plus \$750 per acre for each acre over 5 acres*

The City received comments from the adjacent property owner on the northeast corner of Nelson Road and CSAH 6. The owner of the property believes that there is a triangular shaped portion of the property that is connected to their property. The City is working on resolution to this issue and to understand if the County had any concerns relating to the access to the existing farm. It was noted that no new access points were being requested.

Commissioners asked about the grazeable pasture acreage and how the City would administer this requirement. It was noted that the City does complete a bi-annual review of all CUP's and would look at the conditions of the pasture at that time. Commissioners clarified whether or not there was a requirement for the property to be owner occupied. It was noted that this is not a requirement for a commercial riding stable CUP.

Ultimately, Commissioners' found the requested actions to meet the criteria for granting approval and recommended approval to the City Council with the findings and conditions stated in the resolution. The Planning Commission recommended approval of the request for a conditional use permit and minor subdivision with the following findings and conditions:

1. The proposed conditional use permit and minor subdivision requests meet all applicable conditions and restrictions stated in Chapter V, Section 500, Subdivisions and Chapter V, Section 510, Zoning, in the City of Independence Ordinances.
2. The conditional use permit will include the following conditions:
 - a. The conditional use permit will be reviewed annually by the City to ensure conformance with the conditions set forth in the resolution.
 - b. Any new signage shall comply with all applicable standards of the City's ordinance and require a sign permit.
 - c. No more than 50 horses shall be boarded on the property.
 - d. The applicant and facility must operate in compliance with manure management permit from MPCA. A copy of the valid MPCA permit is to be attached to and become a part of the conditional use permit.
 - e. A minimum of 1/3 acre or green covered open space, excluding wetland, is required within the horse facility, for each horse allowed by this permit. Grass shall be maintained and be the primary groundcover in all pasture areas.

- f. The applicant shall be required to test the soil in the existing pasture areas prior to land application of the manure. If the soil has a high in-situ phosphorous concentration which exceeds the phosphorous uptake from the vegetation, the applicant would not be permitted to land apply the manure until such time as the phosphorus levels decrease. The number and location of the soil samples will be determined by the City.
 - g. The applicant shall manage the pasture areas by rotating their use during the growing months. A minimum of 70 percent vegetative cover shall be maintained on the pasture areas during the growing season.
 - h. The hours of operation are: summer 7:00 am – 10:00 pm.
 - i. Eight (8), one day, horse training clinics will be permitted per year and shall comply with the following provisions:
 - ☐ The horse clinics shall occur during the permitted hours of operation.
 - ☐ No more than 50 participants shall be permitted at each clinic.
 - i. No renting of hack horses shall be permitted.
 - j. No riding on adjacent private land unless authorized by owners.
 - k. No parking or standing of vehicles on County Road 6 shall be permitted at any time.
 - l. Utilize appropriate management practices to control flies and odor.
 - m. No future expansion of the barn and riding arena shall be permitted on the property without the further review and approval by the City through the conditional use permit amendment process.
3. The applicant shall pay for all costs associated with the review and recording of the resolution for a minor subdivision and conditional use permit.
4. City Council approval of the conditional use permit and rural view lot subdivision is subject to the following:
- a. The applicant shall verify the survey information and make a determination relating to the ownership of the portion of the north parcel in questions. Based on the findings, the survey and legal descriptions will need to be updated and submitted to the City.
 - b. The applicant shall obtain all requisite approvals from the Pioneer Sarah Watershed Management Commission for the proposed site work and disturbance. The applicant shall provide all requisite information and or revisions to the proposed grading and drainage plans in accordance with the review by the City's water resource consultant.
 - d. The applicant shall provide all requisite information and or revisions to the proposed plans based on the Fire Department review.

e. The applicant shall provide all requisite information and or revisions to the proposed plans based on Hennepin County review of the proposed subdivision.

f. The applicant shall provide the City with information and details pertaining to any and all building and site lighting. All lighting will be required to comply with the City's applicable lighting standards.

g. The Applicant shall pay the park dedication fees in the amount of \$7,250 for the newly created Parcel 2, prior to the City recording the subdivision.

h. The Applicant shall execute and record the requisite drainage and utility easements with the county within six (6) months of approval.

5. The remaining Parcel 1 will have one (1) remaining rural view lot eligibility.

6. The Applicant shall record the subdivision and City Council Resolution with the county within six (6) months of approval.

Johnson asked if the property drained to the North or the West. Kaltsas said it drains to the South and East and the South and West. Grotting asked about any change to the existing driveway and Kaltsas said that would remain the same.

Kaltsas said the County may consider the right-of-way for a future connecting area to Luce Line Road. Johnson noted originally they took 17 feet along County Road 6 before it was widened. Kaltsas said this new plan would connect the Luce Line to the Dakota Trail to Lake Rebecca. The connection would be North of County Road 6 to 17. The County brought up the idea as they consider the long-term regional picture.

Kaltsas asked for direction on manure management. Betts asked if it was consistent with commercial riding stables. Spencer said the commercial riding policy is not an ordinance. He said he would like to see a policy for management. Spencer asked Sega if he planned on composting. Sega stated that currently they haul the manure away and they would follow any recommendations. McCoy asked about soil testing. Kaltsas said the soil is tested for phosphorous to make sure it is not too high and then plants are not able to grow.

Motion by Spencer, second by Betts to approve RESOLUTION 18-1105-02 per option 1 (with conditions on compliance with policy) allowing a minor subdivision to allow a rural view lot subdivision to divide the property; the northerly parcel consisting of ~10 acres, and the southerly parcel consisting of ~72 acres and a conditional use permit allowing the following: A commercial riding stable and an accessory building which is greater than 5,000 square feet for the property Located at 9255 County Road 6 (PID No. 31-118-24-34-0001) in Independence, MN. Ayes: Johnson, McCoy, Grotting, Betts and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. Consider Authorization to Purchase a New 2020 Tandem Axel Truck to Replace the 2007 Tandem Axel Truck.

Kaltsas said this is a formal proposal to purchase a new tandem axle truck. It would be beneficial to purchase this now, so it is ready for use in early 2020. Kaltsas said if we purchase now we would be able to lock in the pricing and build-out timeline. Johnson said Staff did a wonderful job of researching options. Kaltsas noted state colors are orange for trucks but most of the city trucks are currently red. He asked what Council preferred for a color. Grotting said he would prefer red. Spencer noted this purchase was budgeted for years

ago. McCoy said he had no preference for color. Betts said she would prefer red. Johnson said he was fine with red as well.

Motion by Spencer, second by Grotting to purchase a new 2020 Tandem Axel Truck to replace the 2007 Tandem Axel Truck. Ayes: Johnson, McCoy, Grotting, Betts and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. Open/Misc.

11. Adjourn.

Motion by McCoy, second by Grotting to adjourn at 7:38 p.m. Ayes: Johnson, McCoy, Grotting, Betts and Spencer. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully Submitted,
Trish Gronstal/ Recording Secretary



RESOLUTION NO. 18-1204-01

RESOLUTION DESIGNATING THE 2019 POLLING PLACE

WHEREAS, Minnesota Statutes 204B.16, subd.1 requires the governing body of each municipality to designate polling places within their city by December 31 each year.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, hereby designates the following polling place for elections conducted in the City in 2019:

Independence City Hall
1920 County Road 90
Independence, MN 55359

Passed and Adopted by the Council on this 4th day of December, 2018.

This resolution was adopted by the City Council of the City of Independence on this 4th day of December, 2018, by a vote of _____ ayes and _____ nays.

Marvin D. Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

League of Minnesota Cities Insurance Trust Tort Liability Waiver

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 4, 2018

Discussion:

Each year the City is required to decide whether to waive the monetary limits on Tort Liability established by MN Statutes, to the extent of the limits of liability coverage obtained from the LMCIT. The City has historically made the determination to not waive the monetary limits based on discussion with the Counsel.

Requested Action:

It is recommended that the City Council not waive the monetary limits on Tort Liability established by MN Statutes, to the extent of the limits of liability coverage obtained from the LMCIT.

ATTACHMENTS: LMCIT Waiver Form



CONNECTING & INNOVATING
SINCE 1913

LIABILITY COVERAGE – WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before the member's effective date of coverage. Return completed form to your underwriter or email to pstech@lmc.org.

The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name: _____

Check one:

- ☐ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).
- ☐ The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: _____

Signature: _____ Position: _____

City of Independence

Manure Management Policy

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 4, 2018

Discussion:

Council discussed the draft manure management policy at the last meeting and directed staff to prepare the policy and associated resolution. The manure management policy provides general guidelines and standards that can be consistently applied to all commercial riding stables in the City. The standards are the same/similar to those which the City has applied to recent conditional use permits for new or amended commercial riding stables. The standards will also be incorporated into the City's Surface Water Management Plan to comply with new standards relating to manure management. It should be noted that the City is adopting the standards in the form of a policy rather than an ordinance. The policy can be amended as needed and determined necessary at any time by the City. The City will continue to review the application of the standards and will seek amendment to the policy should it be determined that one or more of the standards is not working as intended or is causing undue hardship on property owners.

Council Recommendation:

The Council is being asked to consider approval of **RESOLUTION 18-1204-02** establishing the Manure Management Policy.

Attachments: RESOLUTION 18-1204-02
Manure Management Policy



City of Independence Manure Management Policy

1. Determination of Need and Introduction

The City has determined that it is in the best interest of the residents of Independence to protect the valuable water resources of our region. Management of surface water runoff relating to the storage and land application of manure generated by commercial riding stables has been identified as an important measure to protect water quality. The City has found that the consistent application of standards relating to manure management is important and warrants the establishment of this manure management policy.

In order to ensure that best management practices are being followed, Independence has identified a need for all commercial riding stables to prepare and maintain a manure management plan and adhere to established manure management standards. The required plan will provide detailed information pertaining to the management of manure generated from commercial riding stables.

2. Manure Management Best Practices

The City has developed the following best management practices that shall be used in the preparation of the manure management plan:

- a. Animal unit density should be based on the buildable, upland acres of a property. Existing and proposed building areas, parking areas as well as wetlands, steep slopes and other natural impediments should be subtracted from the total acreage.
- b. Each animal unit shall have 1/3 of an acre of grazable pasture. If the grazable pasture area restricts the number of animal units, the lesser number should be used to determine the maximum number of animal units permitted.
 - i. The applicant shall manage the pasture areas by rotating their use during the growing months. A minimum of 70 percent vegetative cover shall be maintained on the pasture areas during the growing season. The City shall determine the 70% coverage by using a dimensional transect method.
- c. Manure management shall be addressed using one of the following methods:
 - i. Contain manure on-site and remove manure from the property by taking off-site.

- ii. Contain manure on-site and compost by using an approved compost system.
 - iii. Contain manure on-site and land apply manure.
- d. Land application of manure shall consider the following best practices:
- i. Time of year – manure shall not be land applied to frozen ground.
 - ii. Setbacks from wetlands, steep slopes, drainage ditches/creeks/other water resources – a minimum of a twenty-five (25) foot setback (buffer) shall be maintained for all land applications.
 - iii. Shoreland Overlay – no land application of manure shall be permitted in the shoreland overlay zoning district.
 - iv. Manure Containment - detailed plans for the manure containment area, including the type of surface and or structure to be used for manure storage. Manure containment areas shall be impervious and located in an area which avoids direct run-off into wetlands, drainage swales and other similar water resource areas.
 - v. Soil Testing – the City will review the plan and may require that prior to land application of manure, the soil will be tested to determine the existing level of nutrients. The City will review the site and determine the best locations for testing. Test samples should be taken at a rate of three samples for each twenty acres. The soil test samples taken shall be analyzed using the University of Minnesota recommended maximum nutrient levels for in-situ phosphorous concentration (the phosphorous uptake from the vegetation). Based on the findings of the analysis and at the discretion of the City, the applicant may not be permitted to land apply the manure until such time as the phosphorus levels decrease.

3. Plan Requirements

The manure management plan shall address and provide information relating to the following:

- a. Site Plan – Provide a scaled site plan indicating the location of the manure containment area, existing natural resources (wetlands, drainage swales, wooded areas, etc.), two-foot contours, pasture areas, and existing and proposed structures.
- b. Manure Containment - Detailed plans for the manure containment area, including the type of surface and or structure to be used for manure storage.
- c. Buffer Areas – Indicate on the plan the twenty-five-foot buffer setback from wetlands and drainage swales.



RESOLUTION NO. 18-1204-02

**RESOLUTION ESTABLISHING THE CITY OF INDEPENDENCE
MANURE MANAGEMENT POLICY**

WHEREAS, the City would like to protect the valuable water resources of the City; and

WHEREAS, the management of surface water runoff relating to storage and land application of manure generated by commercial riding stables has been identified as an important measure to protect water quality; and

WHEREAS, the City has found that the consistent application of standards relating to manure management is important and warrants the establishment of the manure management standards contained within the policy.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Independence, Minnesota to adopt the Manure Management Policy prepared and attached hereto.

This resolution was adopted by the City Council of the City of Independence on this 4th day of December 2018, by a vote of ___ ayes and ___ nays.

Marvin D. Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

3rd Quarter Report

City of Independence
Independence, Minnesota

As of September 30, 2018



ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Independence
Independence, Minnesota

Management is responsible for accompanying financial statements of the City of Independence, which comprise the budget to actual statement of revenues and expenditures for the General and enterprise funds as of September 30, 2018 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC

Honorable Mayor and City Council
City of Independence
Independence, Minnesota

Dear Honorable Mayor and City Council:

We have reconciled all bank accounts through September 30, 2018 and reviewed activity in all funds. The following is a summary of our observations. All information presented is unaudited.

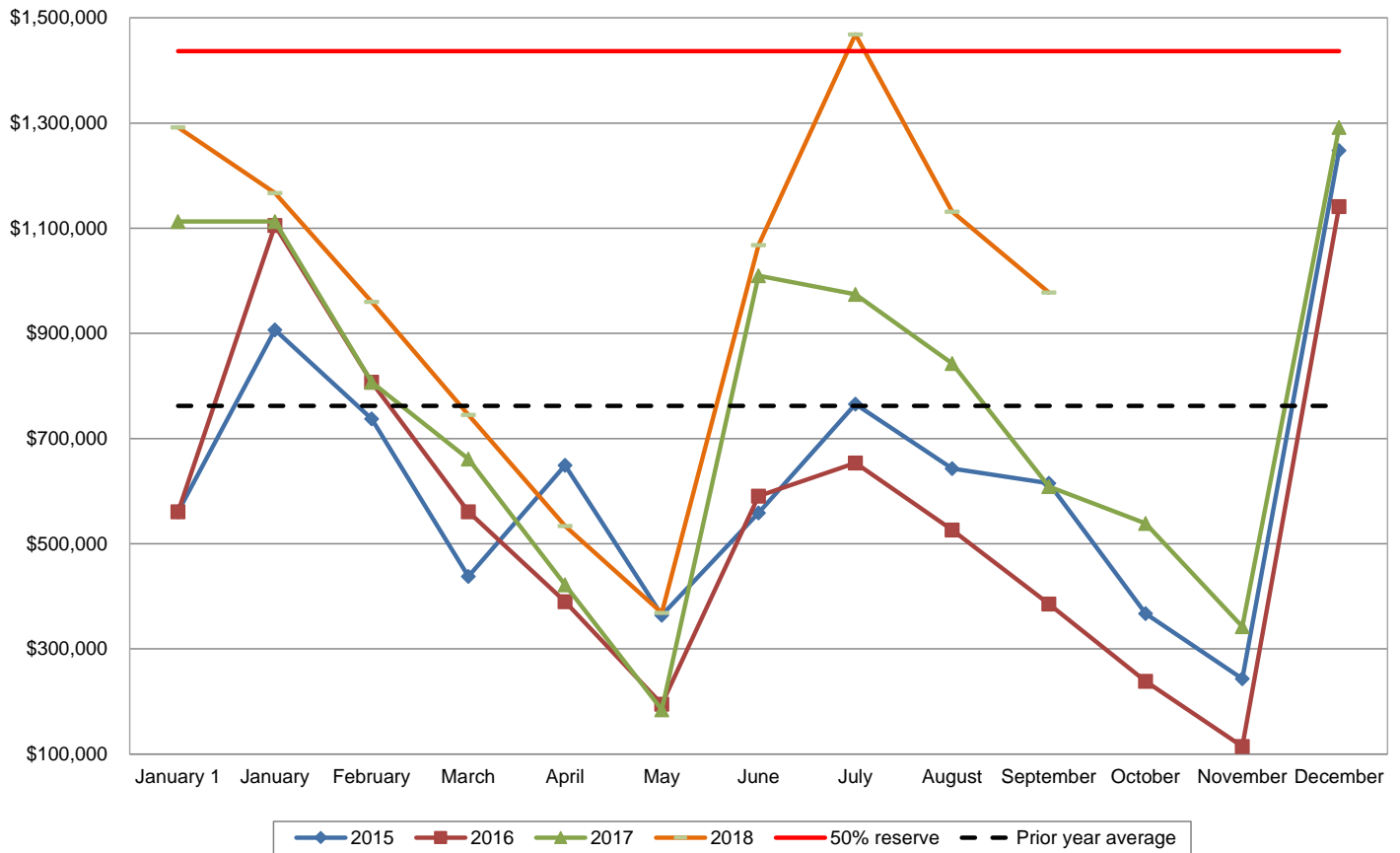
Cash and Investments

The City's cash and investment balances are as follows:

	09/30/2018	12/31/2017	Increase/ (Decrease)
Checking	\$ 1,591,413	\$ 1,691,737	\$ (100,324)
Investments (At Market Value)	192,250	192,250	-
Total Cash and Investments	<u>\$ 1,783,663</u>	<u>\$ 1,883,987</u>	<u>\$ (100,324)</u>

Investment Type	09/30/2018	12/31/2017	Increase/ (Decrease)
Checking	\$ 1,591,413	\$ 1,691,737	\$ (100,324)
Negotiable CDs	192,250	192,250	-
Total Investments	<u>\$ 1,783,663</u>	<u>\$ 1,883,987</u>	<u>\$ (100,324)</u>

General Fund Cash Balances 2015 - 2018



General Fund

Receipts	YTD Budget	YTD Actual	Percent of YTD Budget	Disbursements	YTD Budget	YTD Actual	Percent of YTD Budget
Taxes	\$ 1,919,182	\$ 1,508,155	79 %	Legislative	\$ 18,602	\$ 23,888	128.4 %
Licenses and permits	120,608	160,338	132.9	Election	2,498	1,360	54
Intergovernmental	40,662	44,562	110	City Clerk/finance	302,256	233,487	77.2
Charges for services	29,948	31,490	105.1	Legal services	31,793	25,499	80.2
Fines and forfeitures	35,805	30,545	85.3	Planning and zoning	29,078	24,244	83.4
Miscellaneous revenue	8,970	11,401	127.1	General government building	42,305	28,698	67.8
	<u>\$ 2,155,175</u>	<u>\$ 1,786,491</u>	<u>82.9 %</u>	Public safety	1,110,262	1,188,245	107.0
				Building inspector	78,398	83,050	105.9
				Public works	448,619	455,753	101.6
				Solid waste	38,625	32,504	84.2
				Recreation/community service	3,645	3,240	89
				Park maintenance	10,575	10,786	102
				Insurance	1,807	2,000	110.7
					<u>\$2,118,463</u>	<u>\$2,112,754</u>	<u>99.7 %</u>

Key
↑ Varies more than 15% than budget positively
↓ Varies more than 15% than budget negatively
→ Within 15% of budget

Current short-term rates being offered by financial institutions are very low as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return.

Date	Treasury Yields								
	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
12/31/2010	0.07	0.12	0.19	0.29	0.61	1.02	2.01	2.71	3.30
12/30/2011	0.01	0.02	0.06	0.12	0.25	0.36	0.83	1.35	1.89
12/31/2012	0.02	0.05	0.11	0.16	0.25	0.36	0.72	1.18	1.78
12/31/2013	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04
12/31/2014	0.03	0.04	0.12	0.25	0.67	1.10	1.65	1.97	2.17
03/31/2015	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.71	1.94
06/30/2015	0.02	0.01	0.11	0.28	0.64	1.01	1.63	2.07	2.35
09/30/2015	-	-	0.08	0.31	0.64	0.92	1.37	1.75	2.05
12/31/2015	0.14	0.16	0.49	0.65	1.06	1.31	1.76	2.09	2.27
03/31/2016	0.18	0.21	0.39	0.59	0.73	0.87	1.21	1.54	1.78
06/30/2016	0.20	0.26	0.36	0.45	0.58	0.71	1.01	1.29	1.49
09/30/2016	0.20	0.29	0.45	0.59	0.77	0.88	1.14	1.42	1.60
12/31/2016	0.44	0.51	0.62	0.85	1.20	1.47	1.93	2.25	2.45
03/31/2017	0.74	0.76	0.91	1.03	1.27	1.50	1.93	2.22	2.40
06/30/2017	0.84	1.03	1.14	1.24	1.38	1.55	1.89	2.14	2.31
09/30/2017	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33
12/31/2017	1.28	1.39	1.53	1.76	1.89	1.98	2.20	2.33	2.40
03/31/2018	1.63	1.73	1.93	2.09	2.27	2.39	2.56	2.68	2.74
06/30/2018	1.77	1.93	2.11	2.33	2.52	2.63	2.73	2.81	2.85
09/30/2018	2.12	2.19	2.36	2.59	2.81	2.88	2.94	3.01	3.05

Budget Summary

A more detailed analysis of funds is included as Attachment A.

Cash Balance Summary

A detailed view of department totals compared with budget is included as Attachment B.

Investment Summary

A detailed summary of current investments is included as Attachment C.

Enterprise Fund Summary

A detailed summary of enterprise fund financial results is included as Attachment D.

Revenue and Expenditures

A detail of revenues and expenditures is included

* * * * *

This information is unaudited and is intended solely for the information and use of management and City Council and is not intended and should not be used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC

City of Independence, Minnesota
Statement of Revenue and Expenditures -
Budget and Actual - General Fund (Unaudited)
For the Nine Months Ended September 30, 2018

	Annual Budget	Budget Thru 9/30/2018	Actual Thru 9/30/2018	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 9/30/2018
Revenues					
Taxes *	\$ 2,558,909	\$ 1,919,182	\$ 1,508,155	\$ (411,027) *	78.58 %
Licenses and permits	160,810	120,608	160,338	39,730 (1)	132.94
Intergovernmental	54,216	40,662	44,562	3,900 **	110
Charges for services	39,930	29,948	31,490	1,542	105.15
Fines and forfeitures	47,740	35,805	30,545	(5,260)	85.31
Miscellaneous revenue	11,960	8,970	11,401	2,431	127.10
Total Revenues	2,873,565	2,155,175	1,786,491	(368,684)	82.89
Expenditures					
Legislative	24,802	18,602	23,888	(5,286)	128.42
Election	3,330	2,498	1,360	1,138	54
City Clerk/finance	403,008	302,256	233,487	68,769 (2)	77.25
Legal services	42,390	31,793	25,499	6,294	80.20
Planning and zoning	38,771	29,078	24,244	4,834	83.38
General government building	56,407	42,305	28,698	13,607	67.84
Public safety	1,480,349	1,110,262	1,188,245	(77,983) (3)	107.02
Building inspector	104,530	78,398	83,050	(4,652)	105.93
Public works	598,158	448,619	455,753	(7,134)	101.59
Solid waste	51,500	38,625	32,504	6,121	84.15
Recreation/community service	4,860	3,645	3,240	405	88.89
Park maintenance	14,100	10,575	10,786	(211)	102.00
Insurance	2,410	1,807	2,000	(193)	110.68
Total Expenditures	2,824,615	2,118,463	2,112,754	5,709	99.73
Transfers in	-	-	-	-	N/A
Transfers out	48,950	36,713	-	(36,713) (4)	N/A
Excess Revenues (Expenditures)	\$ -	\$ (1)	\$ (326,263)	\$ (326,262)	

* Taxes are paid 40% in June, 30% in July and the remainder are paid in December.

** Grants are paid 50% in July and the remainder are paid in December.

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

- (1) Liquor Licenses are paid in the first quarter.
- (2) July, August or September Terramark invoices paid in November and the Assessor's Contract was invoiced in October.
- (3) Began paying WHPS contract one month ahead of service in August.
- (4) Budget Transfers are recorded at year end.

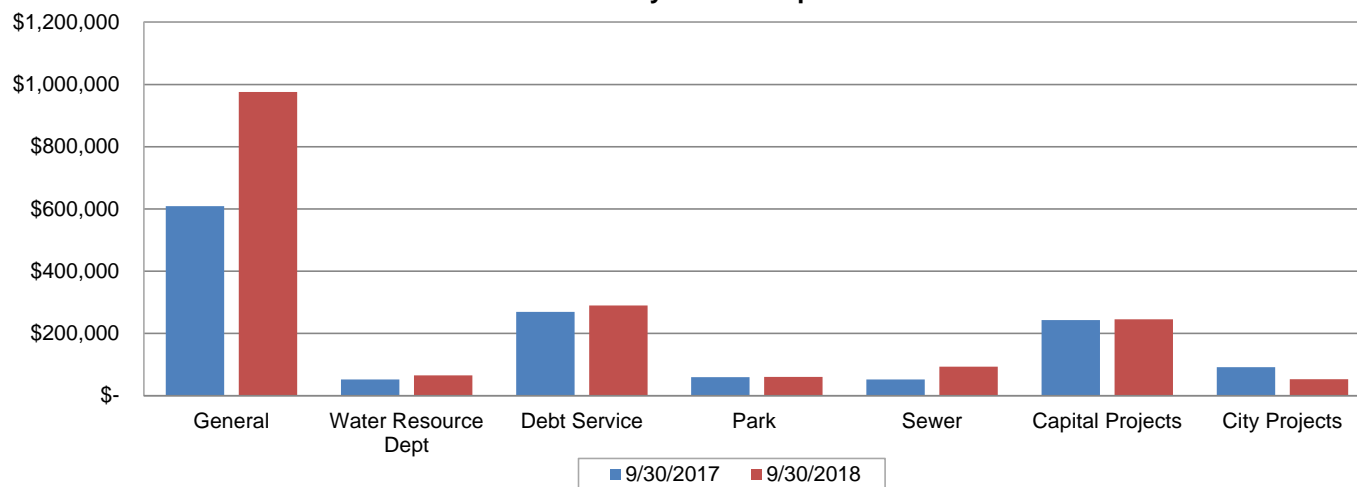
City of Independence, Minnesota
Unaudited Cash Balances by Fund
September 30, 2017, December 31, 2017 and September 30, 2018

Fund		Balance 9/30/2017	Balance 12/31/2017	Balance 9/30/2018	YTD Change From 12/31/2017
100	General	\$ 608,998	\$ 1,291,621	\$ 976,158	(1) \$ (315,463)
200	Water resource department	51,928	80,691	65,284	(15,407)
309	2001 lease revenue bonds	103,020	58,647	111,553	(2) 52,906
311	Drake Drive road improvement	11,390	11,458	11,511	53
312	2007 equipment certificate	36,682	36,939	37,111	172
314	2015A G.O. Bond	82,026	16,484	93,057	(3) 76,573
401	Building capital	102,909	103,522	104,005	483
402	Road capital improvement	12,717	12,792	12,852	60
403	Equipment capital improvement	88,057	88,595	89,008	413
404	Administrative capital	39,523	39,758	39,943	185
405	Park	59,971	568	60,341	(4) 59,773
414	2015 street improvement	35,933	36,146	36,315	169
602	Sewer	52,623	34,358	93,449	(5) 59,091
806	City Projects	91,921	72,408	53,076	(19,332)
Total		\$ 1,377,698	\$ 1,883,987	\$ 1,783,663	\$ (100,324)

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$25,000.

- (1) The increase is an expected result from the excess of expenditures over revenues which is the typical cash flow pattern of the City. Additional detail can be obtained on the statement of Revenues & Expenditures.
- (2) Bond Payment will be made in 4th Quarter.
- (3) The positive cash balance difference is due to the 2018 Bond Payment being paid in 2017. The total increase is offset by the 2nd tax settlement levy amount due in December 2018.
- (4) Hamilton Brother's paid \$58,775 in Park Dedication Fees.
- (5) The increase in cash is a combination of the increase in sewer rates and decrease in repair & maintenance and capital outlay expenditures.

Cash Balance by Fund Compared to Prior Year



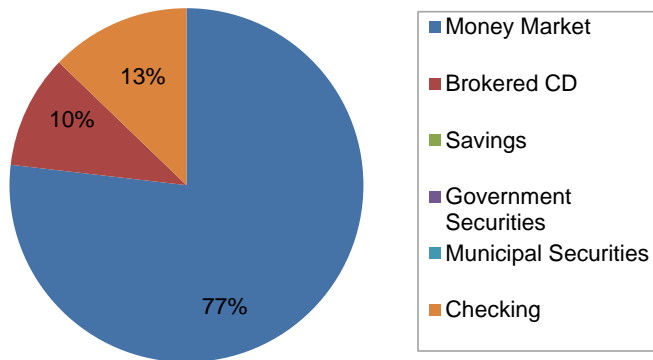
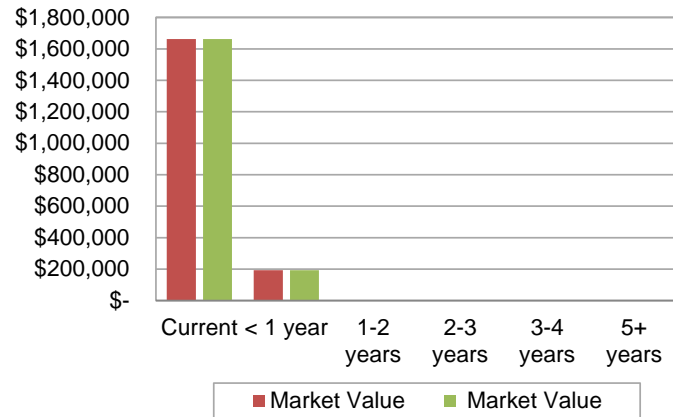
Fund	
↑ General	→ Park
↑ Water resource dept	↑ Sewer
→ Debt service	→ Capital projects
	↓ City Projects

Key

- ↑ Balance increased more than 10% over prior year
- ↓ Balance decreased more than 10% over prior year
- Balance within 10% of prior year

Institution	Description	Type	Market Value	Deposits -	Expenditures -	Transfers	Interest	Unadjusted	Market Value	Unrealized
			1/1/2018	Purchases	Sales			Market Value		
								9/30/2018	9/30/2018	gain / loss
Bank of Maple Plain	Checking	Checking	\$ 542,786.96	\$ 2,215,060.37	\$ (2,521,352.24)	\$ -	\$ 943.80	\$ 237,438.89	\$ 237,438.89	\$ 0.00
Bank of Maple Plain	Money Market	Money Market	1,204,444.36	1,814,428.87	(1,600,000.00)	-	6,604.60	1,425,477.83	1,425,477.83	-
Bank of Maple Plain	Brokered CD	Brokered CD	192,249.62	-	-	-	-	192,249.62	192,249.62	-
			1,939,480.94	4,029,489.24	(4,121,352.24)	-	7,548.40	1,855,166.34	1,855,166.34	0.00
	Total Cash and Investments		<u>\$ 1,939,480.94</u>	<u>\$ 4,029,489.24</u>	<u>\$ (4,121,352.24)</u>	<u>\$ -</u>	<u>\$ 7,548.40</u>	<u>\$ 1,855,166.34</u>	<u>\$ 1,855,166.34</u>	<u>\$ 0.00</u>

Maturities



Maturity	Unadjusted Market Value 9/30/2018	Market Value 9/30/2018	Variance 9/30/2018
Current	\$ 1,662,916.72	\$ 1,662,916.72	\$ -
< 1 year	192,249.62	192,249.62	-
1-2 years	-	-	-
2-3 years	-	-	-
3-4 years	-	-	-
5+ years	-	-	-
	<u>\$ 1,855,166.34</u>	<u>\$ 1,855,166.34</u>	<u>\$ -</u>

Weighted average Rate of return	0.59%	9/30/2018
Average Maturity (years)	0.00	9/30/2018

Investment Type	Market Value 9/30/2018
Money Market	\$ 1,425,477.83
Brokered CD	192,249.62
Savings	-
Government Securities	-
Municipal Securities	-
Checking	<u>237,438.89</u>
	<u>\$ 1,855,166.34</u>

Operating Account

O/S Deposits	\$ -
O/S Checks	<u>(94,199.88)</u>
Reconciled Balance	<u>\$ 1,760,966.46</u>

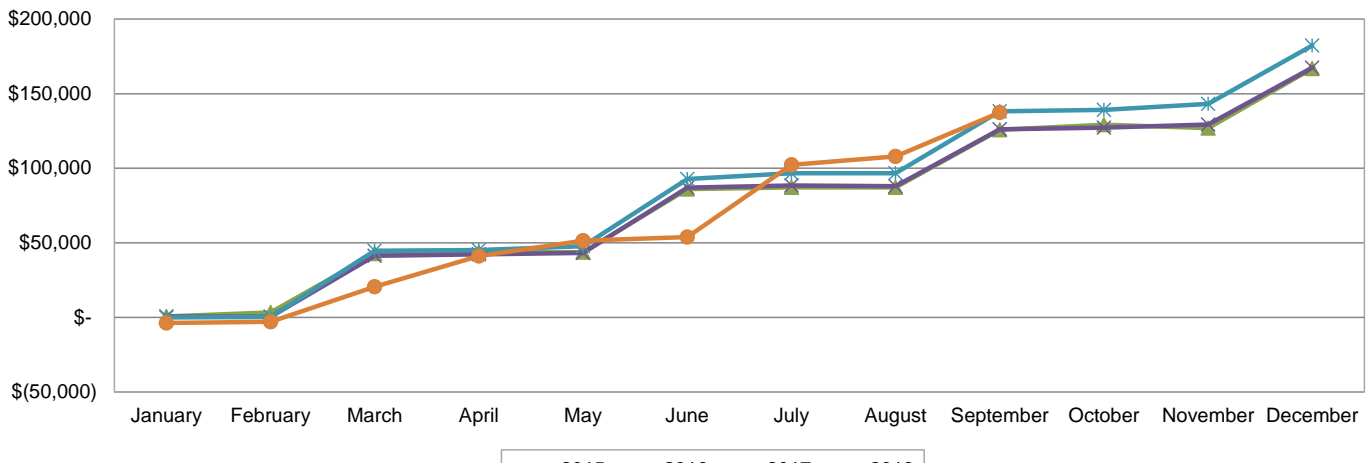
City of Independence, Minnesota
Statement of Revenue and Expenses
Sewer Fund (Unaudited)
For the Nine Months Ended September 30, 2018

	Annual Budget 12/31/2018	Actual Thru 9/30/2017	Actual Thru 9/30/2018	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Actual Thru 9/30/2018
Revenues					
Charges for services	\$ 216,602	\$ 138,432	\$ 137,535	\$ (897)	99.35 %
Property taxes	12,296	6,826	6,148	(678)	90.07
Special assessments	-	69,905	46,480	(23,425) (1)	66.49
Connection fees	-	2,485	-	(2,485)	N/A
Interest income	-	-	314	314	N/A
Total Revenues	228,898	217,648	190,477	(27,171)	87.52
Expenses					
Personal services	94,630	47,672	68,197	(20,525) (2)	143.05
Supplies	1,090	-	1,465	(1,465)	N/A
Repairs and maintenance	21,860	32,108	15,048	17,060 (3)	46.87
Other services and charges	104,898	34,245	35,878	(1,633)	104.77
Insurance	4,143	2,597	2,828	(231)	108.89
Capital outlay	58,470	37,644	11,769	25,875 (4)	31.26
Debt service	77,250	75,000	80,000	(5,000)	106.67
Utilities	21,860	13,525	14,147	(622)	104.60
Depreciation	131,130	95,483	98,348	(2,865)	103.00
Interest expense	21,110	20,491	18,201	2,290	88.82
Total Expenses	536,441	358,765	345,881	(12,884)	96.41
Transfers in	-	-	-	-	N/A
Transfers out	-	-	-	-	N/A
Excess Revenues (Expenses)	(307,543)	(141,117)	(155,404)	(14,287)	110.12
Convert to Cash					
Depreciation	131,130	95,483	98,348	2,865	103.00
Bond principal	-	-	-	-	-
Net Estimated Cash Effect	\$ (176,413)	\$ (45,634)	\$ (57,056)	\$ (11,422)	125.03 %

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

- (1) Received two special assessment payoffs in 2nd Quarter
- (2) Public Works Supervisor compensation allocation to sewer increased for 2018 and Administrative Staff qualified for benefits in 2018.
- (3) Repair and Maintenance costs decreased from 2017, main repair that was not repeated in 2018 was the Lift Patch Repair and driveway repair totaling \$8,400.
- (4) Capital Outlay purchased are down in 2018, GMC Sierra was purchased in 2017

Sewer Sales Comparison 2015 - 2018



CITY OF INDEPENDENCE

10/03/18 11:56 AM

*Budget YTD Rev-Exp©

Page 1

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
GENERAL FUND						
Revenues		\$2,873,565.05	\$1,786,489.75	\$42,723.67	\$1,087,075.30	62.17%
Expenditures		\$2,873,565.05	\$2,112,753.92	\$195,931.77	\$760,811.13	73.52%
Gain/(Loss)		\$0.00	(\$326,264.17)	(\$153,208.10)	\$326,264.17	0.00%
Revenue						
Active	R 100-31010 AD VALOREM TAXES	\$2,466,755.05	\$1,456,742.16	\$0.00	\$1,010,012.89	59.06%
Active	R 100-31020 DELINQUENT TAXES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-31040 FISCAL DISPARITIES	\$92,154.00	\$45,038.57	\$0.00	\$47,115.43	48.87%
Active	R 100-32100 BUSINESS LICENSE	\$13,240.00	\$17,491.57	\$0.00	(\$4,251.57)	132.11%
Active	R 100-32210 BUILDING PERMIT	\$142,000.00	\$139,081.77	\$19,721.91	\$2,918.23	97.94%
Active	R 100-32240 ANIMAL LICENSES	\$570.00	\$420.00	\$40.00	\$150.00	73.68%
Active	R 100-32250 MISC. LICENSES & P	\$5,000.00	\$3,345.00	\$100.00	\$1,655.00	66.90%
Active	R 100-33400 STATE GRANT	\$39,716.00	\$19,858.00	\$0.00	\$19,858.00	50.00%
Active	R 100-33401 LOCAL GOVERNMEN	\$0.00	\$534.50	\$0.00	(\$534.50)	0.00%
Active	R 100-33610 CTY. GRANTS & AID (\$14,500.00	\$14,524.00	\$0.00	(\$24.00)	100.17%
Active	R 100-33620 COUNTY GRANTS &	\$0.00	\$9,645.00	\$9,645.00	(\$9,645.00)	0.00%
Active	R 100-33630 C.D.B.G./MISC. CRED	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-34103 ZONING/SUBDIVISIO	\$18,540.00	\$14,250.00	\$1,500.00	\$4,290.00	76.86%
Active	R 100-34104 WATER/RESOURCE	\$0.00	\$1,500.00	\$1,000.00	(\$1,500.00)	0.00%
Active	R 100-34105 SALE-MAPS,PUBLIC	\$100.00	\$0.00	\$0.00	\$100.00	0.00%
Active	R 100-34107 ASSESSMENT SEAR	\$150.00	\$150.00	\$50.00	\$0.00	100.00%
Active	R 100-34108 ADMINISTRATIVE CH	\$5,520.00	\$13,296.00	\$5,990.00	(\$7,776.00)	240.87%
Active	R 100-34305 PUBLIC WORKS REI	\$570.00	\$731.50	\$0.00	(\$161.50)	128.33%
Active	R 100-34306 BUILDING INSPECTI	\$1,100.00	\$62.20	\$0.00	\$1,037.80	5.65%
Active	R 100-34307 PLANNING/ZONING	\$10,610.00	\$1,500.00	\$0.00	\$9,110.00	14.14%
Active	R 100-34308 LEGAL FEE/REIMB. D	\$570.00	\$0.00	\$0.00	\$570.00	0.00%
Active	R 100-34309 ENG. FEE/REIMB. DE	\$2,770.00	\$0.00	\$0.00	\$2,770.00	0.00%
Active	R 100-34310 MINNEHAHA WATER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-35000 COURT FINES/DOG I	\$47,740.00	\$30,545.01	\$4,252.52	\$17,194.99	63.98%
Active	R 100-36100 SPECIAL ASSESS/IN	\$0.00	\$6,373.80	\$0.00	(\$6,373.80)	0.00%
Active	R 100-36210 INTEREST EARNING	\$5,520.00	\$4,646.58	(\$391.76)	\$873.42	84.18%
Active	R 100-36220 INSURANCE PREMIU	\$3,870.00	\$397.04	\$316.00	\$3,472.96	10.26%
Active	R 100-36230 MISC REVENUE/REF	\$570.00	\$102.05	\$0.00	\$467.95	17.90%
Active	R 100-36231 DONATIONS	\$0.00	\$4,550.00	\$0.00	(\$4,550.00)	0.00%
Active	R 100-36240 COMMUNITY CENTE	\$2,000.00	\$1,250.00	\$0.00	\$750.00	62.50%
Active	R 100-36242 PARK RENTAL FEE	\$0.00	\$500.00	\$500.00	(\$500.00)	0.00%
Active	R 100-36250 SALES TAX (COLLE	\$0.00	(\$45.00)	\$0.00	\$45.00	0.00%
In-Active	R 100-36261 EVENT REVENUES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-39100 SALE OF EQUIPMEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-39101 SALE OF LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-39102 COMPENSATION FO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-39200 TRANSFERS IN (GEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 100-39900 PROCEEDS FROM L	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Revenue		\$2,873,565.05	\$1,786,489.75	\$42,723.67	\$1,087,075.30	62.17%
Expenditure						
Active	E 100-41000-100 MAYOR'S SALAR	\$3,000.00	\$2,250.00	\$750.00	\$750.00	75.00%
Active	E 100-41000-103 COUNCIL SALAR	\$7,200.00	\$4,984.43	\$1,800.00	\$2,215.57	69.23%
Active	E 100-41000-122 FICA(6.2) MEDIC	\$780.00	\$585.23	\$195.08	\$194.77	75.03%
Active	E 100-41000-331 CONFERENCE &	\$11,020.00	\$14,900.31	\$9,613.32	(\$3,880.31)	135.21%
Active	E 100-41000-360 WORKERS COM	\$922.20	\$0.00	\$0.00	\$922.20	0.00%
Active	E 100-41000-361 INSURANCE	\$0.00	\$1,127.70	\$0.00	(\$1,127.70)	0.00%

CITY OF INDEPENDENCE

10/03/18 11:56 AM

*Budget YTD Rev-Exp©

Page 2

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Active	E 100-41000-405 MISCELLANEOU	\$230.00	\$0.00	(\$1,330.81)	\$230.00	0.00%
Active	E 100-41000-433 DUES & SUBSCR	\$1,650.00	\$39.90	\$9.90	\$1,610.10	2.42%
Active	E 100-41410-102 WAGES (PART-TI	\$1,550.00	\$960.00	\$960.00	\$590.00	61.94%
Active	E 100-41410-210 OPERATING SUP	\$720.00	\$216.96	\$216.96	\$503.04	30.13%
Active	E 100-41410-350 PRINTING & PUB	\$0.00	\$174.13	\$0.00	(\$174.13)	0.00%
Active	E 100-41410-351 BALLOT PRINTIN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-41410-405 MISCELLANEOU	\$1,060.00	\$8.99	\$0.00	\$1,051.01	0.85%
Active	E 100-41500-101 WAGES (FULL-TI	\$40,000.00	\$27,091.82	\$3,283.44	\$12,908.18	67.73%
Active	E 100-41500-102 WAGES (PART-TI	\$34,130.00	\$26,478.92	\$2,985.13	\$7,651.08	77.58%
Active	E 100-41500-121 PERA	\$5,560.00	\$4,442.47	\$490.88	\$1,117.53	79.90%
Active	E 100-41500-122 FICA(6.2) MEDIC	\$5,670.00	\$4,531.26	\$500.71	\$1,138.74	79.92%
Active	E 100-41500-131 CITY PAID BENE	\$23,920.00	\$21,127.75	\$3,024.37	\$2,792.25	88.33%
Active	E 100-41500-200 OFFICE SUPPLIE	\$4,370.00	\$3,367.99	\$288.07	\$1,002.01	77.07%
Active	E 100-41500-301 AUDITING FEES	\$12,000.00	\$10,270.00	\$0.00	\$1,730.00	85.58%
Active	E 100-41500-302 ADMINISTRATIO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-41500-305 CPA FEES	\$64,000.00	\$52,475.60	\$5,333.00	\$11,524.40	81.99%
Active	E 100-41500-310 OTHER CONSUL	\$101,960.00	\$49,983.71	\$11,369.18	\$51,976.29	49.02%
Active	E 100-41500-315 ASSESSOR'S FE	\$61,800.00	\$0.00	\$0.00	\$61,800.00	0.00%
Active	E 100-41500-321 COMMUNICATIO	\$3,830.00	\$3,230.24	\$253.68	\$599.76	84.34%
Active	E 100-41500-322 POSTAGE	\$1,650.00	\$1,110.07	\$9.67	\$539.93	67.28%
Active	E 100-41500-331 CONFERENCE &	\$1,600.00	\$1,323.06	\$0.00	\$276.94	82.69%
Active	E 100-41500-350 PRINTING & PUB	\$13,000.00	\$10,581.54	\$536.46	\$2,418.46	81.40%
Active	E 100-41500-360 WORKERS COM	\$8,098.40	\$7,940.80	\$0.00	\$157.60	98.05%
Active	E 100-41500-361 INSURANCE	\$0.00	\$1,324.70	\$197.00	(\$1,324.70)	0.00%
Active	E 100-41500-404 MAINT.&REPAIR	\$4,240.00	\$175.47	\$0.00	\$4,064.53	4.14%
Active	E 100-41500-405 MISCELLANEOU	\$1,090.00	\$1,232.54	\$8.95	(\$142.54)	113.08%
Active	E 100-41500-433 DUES & SUBSCR	\$6,230.00	\$4,049.28	\$2,132.28	\$2,180.72	65.00%
Active	E 100-41500-560 CAPITAL OUTLA	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-41500-570 CAPITAL OUTLA	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-41500-602 LEASE/PURCHA	\$8,740.00	\$2,749.50	\$451.50	\$5,990.50	31.46%
Active	E 100-41600-304 CIVIL, LEGAL (K&	\$16,390.00	\$13,895.89	\$1,715.52	\$2,494.11	84.78%
Active	E 100-41600-306 PROSECUTION (\$24,500.00	\$9,713.18	\$0.00	\$14,786.82	39.65%
Active	E 100-41600-312 CODIFICATION O	\$1,500.00	\$1,889.82	\$1,889.82	(\$389.82)	125.99%
Active	E 100-41600-405 MISCELLANEOU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-41900-307 PLANNER CONT	\$23,880.00	\$19,029.38	(\$3,976.50)	\$4,850.62	79.69%
Active	E 100-41900-311 WATER RESOUR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-41900-360 WORKERS COM	\$6,370.60	\$0.00	\$0.00	\$6,370.60	0.00%
Active	E 100-41900-361 INSURANCE	\$0.00	\$4,949.39	\$0.00	(\$4,949.39)	0.00%
Active	E 100-41900-405 MISCELLANEOU	\$0.00	\$84.10	\$0.00	(\$84.10)	0.00%
Active	E 100-41920-311 WATER RESOUR	\$1,090.00	\$0.00	\$0.00	\$1,090.00	0.00%
Active	E 100-41920-320 WATER RESOUR	\$7,430.00	\$181.27	\$0.00	\$7,248.73	2.44%
Active	E 100-41940-321 COMMUNICATIO	\$8,300.00	\$6,607.95	\$297.00	\$1,692.05	79.61%
Active	E 100-41940-360 WORKERS COM	\$2,427.40	\$0.00	\$0.00	\$2,427.40	0.00%
Active	E 100-41940-361 INSURANCE	\$0.00	\$2,316.73	\$0.00	(\$2,316.73)	0.00%
Active	E 100-41940-380 ELECTRIC & GAS	\$12,000.00	\$5,930.93	\$678.72	\$6,069.07	49.42%
Active	E 100-41940-384 GARBAGE PICK-	\$1,190.00	\$844.32	\$105.54	\$345.68	70.95%
Active	E 100-41940-401 MAINT.&REPAIR	\$11,800.00	\$8,813.73	\$109.76	\$2,986.27	74.69%
Active	E 100-41940-402 MUSEUM	\$150.00	\$0.00	\$0.00	\$150.00	0.00%
Active	E 100-41940-403 GROUND MAINT	\$540.00	\$0.00	\$0.00	\$540.00	0.00%
Active	E 100-41940-405 MISCELLANEOU	\$0.00	\$2,821.41	\$395.12	(\$2,821.41)	0.00%
Active	E 100-41940-510 C.O.(LAND & BLD	\$20,000.00	\$1,363.00	\$0.00	\$18,637.00	6.82%
Active	E 100-42000-405 MISCELLANEOU	\$1,190.00	\$0.00	\$0.00	\$1,190.00	0.00%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM

Page 3

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Active	E 100-42000-440 POLICE CONTRA	\$1,118,860.00	\$936,622.86	\$88,882.57	\$182,237.14	83.71%
Active	E 100-42000-442 PRISONER BOO	\$1,650.00	\$770.00	\$0.00	\$880.00	46.67%
Active	E 100-42000-450 FIRE PROTECTI	\$358,648.85	\$250,852.19	\$17,984.25	\$107,796.66	69.94%
Active	E 100-42000-461 BUILDING CODE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-42400-101 WAGES (FULL-TI	\$70,580.00	\$53,393.99	\$6,599.65	\$17,186.01	75.65%
Active	E 100-42400-104 WAGES - TEMP	\$430.00	\$0.00	\$0.00	\$430.00	0.00%
Active	E 100-42400-121 PERA	\$5,290.00	\$4,406.27	\$503.52	\$883.73	83.29%
Active	E 100-42400-122 FICA(6.2) MEDIC	\$5,400.00	\$4,494.37	\$513.59	\$905.63	83.23%
Active	E 100-42400-131 CITY PAID BENE	\$14,800.00	\$11,903.60	\$1,732.80	\$2,896.40	80.43%
Active	E 100-42400-200 OFFICE SUPPLIE	\$280.00	\$280.00	\$107.51	\$0.00	100.00%
Active	E 100-42400-212 VEHICLE OPER.	\$480.00	\$440.60	\$86.55	\$39.40	91.79%
Active	E 100-42400-310 OTHER CONSUL	\$150.00	\$1,333.51	\$0.00	(\$1,183.51)	889.01%
Active	E 100-42400-321 COMMUNICATIO	\$1,650.00	\$1,216.31	\$146.85	\$433.69	73.72%
Active	E 100-42400-331 CONFERENCE &	\$1,030.00	\$818.85	\$0.00	\$211.15	79.50%
Active	E 100-42400-360 WORKERS COM	\$3,710.00	\$3,176.32	\$0.00	\$533.68	85.62%
Active	E 100-42400-361 INSURANCE	\$0.00	\$1,251.39	\$0.00	(\$1,251.39)	0.00%
Active	E 100-42400-433 DUES & SUBSCR	\$300.00	\$335.00	\$0.00	(\$35.00)	111.67%
Active	E 100-42400-570 CAPITAL OUTLA	\$430.00	\$0.00	\$0.00	\$430.00	0.00%
Active	E 100-43100-101 WAGES (FULL-TI	\$154,390.00	\$117,356.13	\$13,360.72	\$37,033.87	76.01%
Active	E 100-43100-102 WAGES (PART-TI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-43100-121 PERA	\$9,390.00	\$10,624.28	\$1,125.89	(\$1,234.28)	113.14%
Active	E 100-43100-122 FICA(6.2) MEDIC	\$9,570.00	\$9,967.74	\$1,142.70	(\$397.74)	104.16%
Active	E 100-43100-131 CITY PAID BENE	\$33,490.00	\$28,425.56	\$4,017.03	\$5,064.44	84.88%
Active	E 100-43100-210 OPERATING SUP	\$660.00	\$0.00	\$0.00	\$660.00	0.00%
Active	E 100-43100-212 VEHICLE OPER.	\$23,180.00	\$16,376.82	\$2,732.24	\$6,803.18	70.65%
Active	E 100-43100-217 SIGNS	\$6,000.00	\$5,049.65	\$0.00	\$950.35	84.16%
Active	E 100-43100-218 UNIFORMS	\$1,700.00	\$1,891.64	\$203.95	(\$191.64)	111.27%
Active	E 100-43100-219 CULVERTS	\$5,000.00	\$2,498.99	\$0.00	\$2,501.01	49.98%
Active	E 100-43100-220 MAINT.&REPAIR	\$23,000.00	\$16,481.65	\$2,820.94	\$6,518.35	71.66%
Active	E 100-43100-223 MAINT.& REPAIR	\$4,780.00	\$2,712.97	\$140.84	\$2,067.03	56.76%
Active	E 100-43100-224 ROAD MAINT.MA	\$67,980.00	\$118,640.52	\$0.00	(\$50,660.52)	174.52%
Active	E 100-43100-226 BLACKTOP MAIN	\$42,440.00	\$21,641.54	\$0.00	\$20,798.46	50.99%
Active	E 100-43100-227 EQUIPMENT RE	\$1,030.00	\$0.00	\$0.00	\$1,030.00	0.00%
Active	E 100-43100-240 SMALL TOOLS &	\$330.00	\$0.00	\$0.00	\$330.00	0.00%
Active	E 100-43100-303 ENGINEERING	\$4,370.00	\$1,316.60	\$143.75	\$3,053.40	30.13%
Active	E 100-43100-321 COMMUNICATIO	\$4,240.00	\$3,949.68	\$488.18	\$290.32	93.15%
Active	E 100-43100-331 CONFERENCE &	\$1,060.00	\$90.00	\$0.00	\$970.00	8.49%
Active	E 100-43100-350 PRINTING & PUB	\$330.00	\$0.00	\$0.00	\$330.00	0.00%
Active	E 100-43100-360 WORKERS COM	\$14,797.60	\$7,940.80	\$0.00	\$6,856.80	53.66%
Active	E 100-43100-361 INSURANCE	\$0.00	\$6,855.97	\$0.00	(\$6,855.97)	0.00%
Active	E 100-43100-380 ELECTRIC & GAS	\$9,840.00	\$6,495.91	\$301.54	\$3,344.09	66.02%
Active	E 100-43100-381 STREET LIGHTIN	\$2,830.00	\$2,502.97	\$93.07	\$327.03	88.44%
Active	E 100-43100-384 GARBAGE PICK-	\$480.00	\$0.00	\$0.00	\$480.00	0.00%
Active	E 100-43100-405 MISCELLANEOU	\$260.00	\$35.99	\$0.00	\$224.01	13.84%
Active	E 100-43100-407 SNOW REMOVAL	\$27,320.00	\$1,835.00	\$0.00	\$25,485.00	6.72%
Active	E 100-43100-408 DUST CONTROL	\$68,960.00	\$60,093.75	\$0.00	\$8,866.25	87.14%
Active	E 100-43100-412 BRUSH & TREE	\$8,000.00	\$5,165.00	\$0.00	\$2,835.00	64.56%
Active	E 100-43100-413 SALES/FUEL TAX	\$520.00	\$96.00	\$0.00	\$424.00	18.46%
Active	E 100-43100-415 SAC CHARGES	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-43100-418 WEED CONTROL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-43100-420 GOPHER STATE	\$1,910.00	\$901.95	\$225.25	\$1,008.05	47.22%
Active	E 100-43100-430 SAFETY PROGR	\$1,910.00	\$2,195.00	\$0.00	(\$285.00)	114.92%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM

Page 4

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Active	E 100-43100-433 DUES & SUBSCR	\$620.00	\$0.00	\$0.00	\$620.00	0.00%
Active	E 100-43100-570 CAPITAL OUTLA	\$7,210.00	\$4,611.34	\$0.00	\$2,598.66	63.96%
Active	E 100-43100-720 TRANSFERS OU	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Active	E 100-43200-383 RECYCLING EXP	\$51,500.00	\$32,637.33	\$4,095.63	\$18,862.67	63.37%
Active	E 100-43200-405 MISCELLANEOU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-43200-410 EQUIPMENT RE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 100-43200-411 CLEAN-UP DAY	\$0.00	(\$133.32)	\$0.00	\$133.32	0.00%
Active	E 100-45100-120 COMMUNITY EV	\$4,200.00	\$3,240.00	\$1,740.00	\$960.00	77.14%
Active	E 100-45200-409 YOUTH GROUPS	\$660.00	\$0.00	\$0.00	\$660.00	0.00%
Active	E 100-45300-210 OPERATING SUP	\$1,090.00	\$1,367.50	\$0.00	(\$277.50)	125.46%
Active	E 100-45300-220 MAINT.&REPAIR	\$6,020.00	\$6,379.00	\$2,449.00	(\$359.00)	105.96%
Active	E 100-45300-230 EQUIPMENT PU	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-45300-310 OTHER CONSUL	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-45300-361 INSURANCE	\$4,980.00	\$3,039.23	\$0.00	\$1,940.77	61.03%
Active	E 100-45300-380 ELECTRIC & GAS	\$660.00	\$0.00	\$0.00	\$660.00	0.00%
Active	E 100-45300-405 MISCELLANEOU	\$230.00	\$0.00	\$0.00	\$230.00	0.00%
Active	E 100-49240-375 CLAIM DEDUCTI	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 100-49240-620 AGENCY FEES	\$1,850.00	\$2,000.00	\$0.00	(\$150.00)	108.11%
Active	E 100-49300-720 TRANSFERS OU	\$48,950.00	\$0.00	\$0.00	\$48,950.00	0.00%
Total Expenditure		\$2,873,565.05	\$2,112,753.92	\$195,931.77	\$760,811.13	73.52%
Total GENERAL FUND		\$0.00	(\$326,264.17)	(\$153,208.10)	\$326,264.17	0.00%
WATER RESOURCE DEVELOPMENT						
Revenues		\$64,010.00	\$37,506.15	\$152.04	\$26,503.85	58.59%
Expenditures		\$64,010.00	\$53,580.04	\$2,680.52	\$10,429.96	83.71%
Gain/(Loss)		\$0.00	(\$16,073.89)	(\$2,528.48)	\$16,073.89	0.00%
Revenue						
Active	R 200-31010 AD VALOREM TAXES	\$60,850.00	\$36,101.65	\$0.00	\$24,748.35	59.33%
Active	R 200-31020 DELINQUENT TAXES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 200-31040 FISCAL DISPARITIES	\$3,160.00	\$1,091.48	\$0.00	\$2,068.52	34.54%
Active	R 200-34103 ZONING/SUBDIVISIO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 200-34108 ADMINISTRATIVE CH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 200-36210 INTEREST EARNING	\$0.00	\$313.02	\$152.04	(\$313.02)	0.00%
Active	R 200-36230 MISC REVENUE/REF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 200-36261 EVENT REVENUES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 200-39200 TRANSFERS IN (GEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Revenue		\$64,010.00	\$37,506.15	\$152.04	\$26,503.85	58.59%
Expenditure						
Active	E 200-41920-303 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 200-41920-309 PIONEER-SARAH	\$49,000.00	\$48,037.98	\$0.00	\$962.02	98.04%
Active	E 200-41920-310 OTHER CONSUL	\$1,090.00	\$97.44	\$0.00	\$992.56	8.94%
Active	E 200-41920-320 WATER RESOUR	\$2,180.00	\$4,414.62	\$2,680.52	(\$2,234.62)	202.51%
Active	E 200-41920-350 PRINTING & PUB	\$810.00	\$0.00	\$0.00	\$810.00	0.00%
Active	E 200-41920-433 DUES & SUBSCR	\$0.00	\$1,030.00	\$0.00	(\$1,030.00)	0.00%
Active	E 200-41920-570 CAPITAL OUTLA	\$10,930.00	\$0.00	\$0.00	\$10,930.00	0.00%
Total Expenditure		\$64,010.00	\$53,580.04	\$2,680.52	\$10,429.96	83.71%
Total WATER RESOURCE DEVELOPMENT		\$0.00	(\$16,073.89)	(\$2,528.48)	\$16,073.89	0.00%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM
Page 5

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
DEBT SERV PUB SAF BLD 01						
Revenues		\$118,500.00	\$59,656.35	\$250.00	\$58,843.65	50.34%
Expenditures		\$112,600.00	\$6,750.00	\$0.00	\$105,850.00	5.99%
Gain/(Loss)		\$5,900.00	\$52,906.35	\$250.00	(\$47,006.35)	896.72%
Revenue						
Active	R 309-31010 AD VALOREM TAXES	\$118,500.00	\$59,250.00	\$0.00	\$59,250.00	50.00%
Active	R 309-36210 INTEREST EARNING	\$0.00	\$406.35	\$250.00	(\$406.35)	0.00%
Total Revenue		\$118,500.00	\$59,656.35	\$250.00	\$58,843.65	50.34%
Expenditure						
Active	E 309-47000-601 BOND PRINCIPA	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Active	E 309-47000-611 INTEREST EXPE	\$12,600.00	\$6,300.00	\$0.00	\$6,300.00	50.00%
Active	E 309-47000-620 AGENCY FEES	\$0.00	\$450.00	\$0.00	(\$450.00)	0.00%
Total Expenditure		\$112,600.00	\$6,750.00	\$0.00	\$105,850.00	5.99%
Total DEBT SERV PUB SAF BLD 01		\$5,900.00	\$52,906.35	\$250.00	(\$47,006.35)	896.72%
DRAKE DR. ROAD IMPROVEMENT						
Revenues		\$0.00	\$53.46	\$25.80	-\$53.46	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$53.46	\$25.80	(\$53.46)	0.00%
Revenue						
Active	R 311-36210 INTEREST EARNING	\$0.00	\$53.46	\$25.80	(\$53.46)	0.00%
Total Revenue		\$0.00	\$53.46	\$25.80	(\$53.46)	0.00%
Total DRAKE DR. ROAD IMPROVEMENT		\$0.00	\$53.46	\$25.80	(\$53.46)	0.00%
GEO CERT. 2007 A.						
Revenues		\$0.00	\$172.37	\$83.16	-\$172.37	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$172.37	\$83.16	(\$172.37)	0.00%
Revenue						
Active	R 312-36210 INTEREST EARNING	\$0.00	\$172.37	\$83.16	(\$172.37)	0.00%
Total Revenue		\$0.00	\$172.37	\$83.16	(\$172.37)	0.00%
Total GEO CERT. 2007 A.		\$0.00	\$172.37	\$83.16	(\$172.37)	0.00%
2015A- GO BOND						
Revenues		\$0.00	\$89,954.02	\$208.55	-\$89,954.02	0.00%
Expenditures		\$154,306.25	\$167,687.50	\$0.00	-\$13,381.25	108.67%
Gain/(Loss)		(\$154,306.25)	(\$77,733.48)	\$208.55	(\$76,572.77)	50.38%
Revenue						
Active	R 314-31010 AD VALOREM TAXES	\$0.00	\$89,676.50	\$0.00	(\$89,676.50)	0.00%
Active	R 314-36210 INTEREST EARNING	\$0.00	\$277.52	\$208.55	(\$277.52)	0.00%
Total Revenue		\$0.00	\$89,954.02	\$208.55	(\$89,954.02)	0.00%
Expenditure						
Active	E 314-43121-620 AGENCY FEES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 314-47000-601 BOND PRINCIPA	\$140,000.00	\$140,000.00	\$0.00	\$0.00	100.00%
Active	E 314-47000-611 INTEREST EXPE	\$14,306.25	\$27,212.50	\$0.00	(\$12,906.25)	190.21%
Active	E 314-47000-620 AGENCY FEES	\$0.00	\$475.00	\$0.00	(\$475.00)	0.00%
Total Expenditure		\$154,306.25	\$167,687.50	\$0.00	(\$13,381.25)	108.67%
Total 2015A- GO BOND		(\$154,306.25)	(\$77,733.48)	\$208.55	(\$76,572.77)	50.38%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM
Page 6

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
BUILDINGS CAPITAL IMPRMT FUND						
Revenues		\$0.00	\$483.09	\$233.09	-\$483.09	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$483.09	\$233.09	(\$483.09)	0.00%
Revenue						
Active	R 401-36210 INTEREST EARNING	\$0.00	\$483.09	\$233.09	(\$483.09)	0.00%
Total Revenue		\$0.00	\$483.09	\$233.09	(\$483.09)	0.00%
Expenditure						
Active	E 401-41940-103 COUNCIL SALAR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 401-41940-530 CAPITAL OUTLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 401-41940-580 CAPITAL OUTLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total BUILDINGS CAPITAL IMPRMT FUND		\$0.00	\$483.09	\$233.09	(\$483.09)	0.00%
ROAD CAPITAL IMPROVEMENTS FUND						
Revenues		\$0.00	\$59.70	\$28.80	-\$59.70	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$59.70	\$28.80	(\$59.70)	0.00%
Revenue						
Active	R 402-36210 INTEREST EARNING	\$0.00	\$59.70	\$28.80	(\$59.70)	0.00%
Active	R 402-39203 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Revenue		\$0.00	\$59.70	\$28.80	(\$59.70)	0.00%
Expenditure						
Active	E 402-49450-303 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 402-49450-304 CIVIL, LEGAL (K&	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 402-49450-350 PRINTING & PUB	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 402-49450-530 CAPITAL OUTLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 402-49450-620 AGENCY FEES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total ROAD CAPITAL IMPROVEMENTS FUND		\$0.00	\$59.70	\$28.80	(\$59.70)	0.00%
EQUIPMENT CAPITAL IMPROVEMENTS						
Revenues		\$0.00	\$413.43	\$199.47	-\$413.43	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$413.43	\$199.47	(\$413.43)	0.00%
Revenue						
Active	R 403-36210 INTEREST EARNING	\$0.00	\$413.43	\$199.47	(\$413.43)	0.00%
Total Revenue		\$0.00	\$413.43	\$199.47	(\$413.43)	0.00%
Expenditure						
Active	E 403-43100-590 CAPITAL OUTLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total EQUIPMENT CAPITAL IMPROVEMENTS		\$0.00	\$413.43	\$199.47	(\$413.43)	0.00%
ADMIN. CAPITAL FUND						
Revenues		\$0.00	\$185.52	\$89.51	-\$185.52	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$185.52	\$89.51	(\$185.52)	0.00%
Revenue						
Active	R 404-36210 INTEREST EARNING	\$0.00	\$185.52	\$89.51	(\$185.52)	0.00%
Active	R 404-39200 TRANSFERS IN (GEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM

Page 7

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Total Revenue		\$0.00	\$185.52	\$89.51	(\$185.52)	0.00%
Expenditure						
Active	E 404-43121-303 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 404-43121-304 CIVIL, LEGAL (K&	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 404-43121-310 OTHER CONSUL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 404-43121-530 CAPITAL OUTLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 404-43121-720 TRANSFERS OU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total ADMIN. CAPITAL FUND		\$0.00	\$185.52	\$89.51	(\$185.52)	0.00%
PARK FUND						
Revenues		\$0.00	\$59,723.13	\$59,161.97	-\$59,723.13	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$59,723.13	\$59,161.97	(\$59,723.13)	0.00%
Revenue						
Active	R 405-34780 PARK DEDICATION F	\$0.00	\$58,775.00	\$58,775.00	(\$58,775.00)	0.00%
Active	R 405-36210 INTEREST EARNING	\$0.00	\$54.67	\$43.61	(\$54.67)	0.00%
Active	R 405-36230 MISC REVENUE/REF	\$0.00	\$893.46	\$343.36	(\$893.46)	0.00%
Total Revenue		\$0.00	\$59,723.13	\$59,161.97	(\$59,723.13)	0.00%
Expenditure						
Active	E 405-45100-720 TRANSFERS OU	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total PARK FUND		\$0.00	\$59,723.13	\$59,161.97	(\$59,723.13)	0.00%
2015 STREET IMPROVEMENT						
Revenues		\$0.00	\$168.66	\$81.38	-\$168.66	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$168.66	\$81.38	(\$168.66)	0.00%
Revenue						
Active	R 414-36210 INTEREST EARNING	\$0.00	\$168.66	\$81.38	(\$168.66)	0.00%
Total Revenue		\$0.00	\$168.66	\$81.38	(\$168.66)	0.00%
Total 2015 STREET IMPROVEMENT		\$0.00	\$168.66	\$81.38	(\$168.66)	0.00%
SEWER FUND						
Revenues		\$228,898.00	\$190,477.00	\$29,715.77	\$38,421.00	83.21%
Expenditures		\$536,441.00	\$345,880.22	\$45,729.17	\$190,560.78	64.48%
Gain/(Loss)		(\$307,543.00)	(\$155,403.22)	(\$16,013.40)	(\$152,139.78)	50.53%
Revenue						
Active	R 602-31010 AD VALOREM TAXES	\$12,296.00	\$6,148.00	\$0.00	\$6,148.00	50.00%
Active	R 602-31040 FISCAL DISPARITIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-34108 ADMINISTRATIVE CH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-34401 SEWER CONNECTIO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-34408 USER AVAIL. CHG.	\$11,970.00	\$9,033.19	\$1,163.91	\$2,936.81	75.47%
Active	R 602-34410 SEWER COMPLIANC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-36100 SPECIAL ASSESS/IN	\$0.00	\$46,479.85	\$0.00	(\$46,479.85)	0.00%
Active	R 602-36101 PRINCIPLE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-36210 INTEREST EARNING	\$0.00	\$314.03	\$195.70	(\$314.03)	0.00%
Active	R 602-36260 FESTIVAL REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37200 TRANSFERS IN (GEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37210 COLLECTION & GRA	\$187,632.00	\$112,012.55	\$28,356.16	\$75,619.45	59.70%
Active	R 602-37220 RESIDENTIAL CLUST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF INDEPENDENCE

10/03/18 11:56 AM

*Budget YTD Rev-Exp©

Page 8

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Active	R 602-37230 ON-SITE SYSTEMS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37240 CLUSTER MOUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37250 COMMERCIAL	\$17,000.00	\$16,361.49	\$0.00	\$638.51	96.24%
Active	R 602-37260 SALE OF FIXED ASS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37270 DEL UTILITIES - CITY	\$0.00	\$127.89	\$0.00	(\$127.89)	0.00%
Active	R 602-37300 ON SITE SEPTIC SYS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37400 SAC REIMBURSEME	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37500 CITY CONNECT CHA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37600 STREET TO HOUSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-37900 TRANSFER IN (86 AS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-39203 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 602-39999 Prior Period Adjustme	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Revenue		\$228,898.00	\$190,477.00	\$29,715.77	\$38,421.00	83.21%
Expenditure						
Active	E 602-49450-101 WAGES (FULL-TI	\$60,140.00	\$50,246.63	\$5,640.03	\$9,893.37	83.55%
Active	E 602-49450-121 PERA	\$4,960.00	\$4,290.26	\$423.02	\$669.74	86.50%
Active	E 602-49450-122 FICA(6.2) MEDIC	\$5,060.00	\$4,074.46	\$431.46	\$985.54	80.52%
Active	E 602-49450-131 CITY PAID BENE	\$24,470.00	\$9,585.38	\$1,352.70	\$14,884.62	39.17%
Active	E 602-49450-210 OPERATING SUP	\$1,090.00	\$670.00	\$0.00	\$420.00	61.47%
Active	E 602-49450-301 AUDITING FEES	\$540.00	\$0.00	\$0.00	\$540.00	0.00%
Active	E 602-49450-303 ENGINEERING	\$0.00	\$57.50	\$0.00	(\$57.50)	0.00%
Active	E 602-49450-304 CIVIL, LEGAL (K&	\$14,420.00	\$0.00	\$0.00	\$14,420.00	0.00%
Active	E 602-49450-310 OTHER CONSUL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 602-49450-331 CONFERENCE &	\$810.00	\$865.00	\$0.00	(\$55.00)	106.79%
Active	E 602-49450-360 WORKERS COM	\$3,583.00	\$794.08	\$0.00	\$2,788.92	22.16%
Active	E 602-49450-361 INSURANCE	\$0.00	\$2,033.89	\$0.00	(\$2,033.89)	0.00%
Active	E 602-49450-375 CLAIM DEDUCTI	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 602-49450-380 ELECTRIC & GAS	\$21,860.00	\$14,146.76	\$201.41	\$7,713.24	64.72%
Active	E 602-49450-401 MAINT.&REPAIR	\$21,860.00	\$15,048.17	\$0.00	\$6,811.83	68.84%
Active	E 602-49450-404 MAINT.&REPAIR	\$760.00	\$723.17	\$0.00	\$36.83	95.15%
Active	E 602-49450-405 MISCELLANEOU	\$1,650.00	\$1,388.22	\$0.00	\$261.78	84.13%
Active	E 602-49450-414 METRO COUNCI	\$41,878.00	\$31,419.45	\$3,491.05	\$10,458.55	75.03%
Active	E 602-49450-415 SAC CHARGES	\$43,710.00	\$0.00	\$0.00	\$43,710.00	0.00%
Active	E 602-49450-416 DEPRECIATION	\$131,130.00	\$98,347.50	\$32,782.50	\$32,782.50	75.00%
Active	E 602-49450-417 LICENSES & PER	\$100.00	\$400.00	\$0.00	(\$300.00)	400.00%
Active	E 602-49450-433 DUES & SUBSCR	\$0.00	\$795.00	\$795.00	(\$795.00)	0.00%
Active	E 602-49450-560 CAPITAL OUTLA	\$560.00	\$0.00	\$0.00	\$560.00	0.00%
Active	E 602-49450-570 CAPITAL OUTLA	\$57,910.00	\$11,768.50	\$612.00	\$46,141.50	20.32%
Active	E 602-49450-601 BOND PRINCIPA	\$77,250.00	\$80,000.00	\$0.00	(\$2,750.00)	103.56%
Active	E 602-49450-611 INTEREST EXPE	\$21,110.00	\$18,201.25	\$0.00	\$2,908.75	86.22%
Active	E 602-49450-620 AGENCY FEES	\$1,030.00	\$1,025.00	\$0.00	\$5.00	99.51%
Active	E 602-49450-999 PRIOR PERIOD A	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditure		\$536,441.00	\$345,880.22	\$45,729.17	\$190,560.78	64.48%
Total SEWER FUND		(\$307,543.00)	(\$155,403.22)	(\$16,013.40)	(\$152,139.78)	50.53%
CITY PROJECTS FUND						
Revenues		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Expenditures		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Gain/(Loss)		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Revenue						
Active	R 806-36230 MISC REVENUE/REF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

CITY OF INDEPENDENCE
***Budget YTD Rev-Exp©**

10/03/18 11:56 AM
Page 9

Current Period: September 2018

		2018 YTD Budget	2018 YTD Amt	September MTD Amt	2018 YTD Balance	% of Budget
Active	R 806-39200 TRANSFERS IN (GEN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 806-39203 TRANSFER IN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total Revenue	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total CITY PROJECTS FUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Report Total	(\$455,949.25)	(\$461,309.05)	(\$111,388.25)	\$5,359.80	101.18%

City of Independence

2019 Final Budget and Levy Discussion

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 4, 2018

Discussion:

Staff and Council have had a series of meetings to discuss and revise the budget and corresponding tax levy for 2019. Based on the discussions, the preliminary budget now reflects an approximately 2.22 percent increase from the 2018 budget. The total increase in the overall tax levy is proposed to be 3.63 percent. The City's tax rate resulting from the proposed budget and tax levy would remain flat (no increase) at 40.00 percent. The City has been working to fully fund public works capital expenditures through the general fund budget. For 2019, the proposed budget allocates approximately \$68,000 towards the public works capital improvement plan. In addition, the City has prepared a cash flow analysis of the public works capital improvement plan. This analysis provides further detail of how the capital funds can fully pay for the capital needs projected over 10 years. The City will need to continue funding public works capital and work next year to also contribute additional funds to the cash reserve balance.

The City is also proposing to adopt a budget amendment that will clean up several items in the 2018 budget. AEM prepared a memorandum detailing the proposed amendment. A resolution adopting the amendment is attached to this report.

Recommendation:

Council can consider approval of the following resolutions:

- a. **RESOLUTION 18-1204-03** – Adopting the 2019 General Fund Budget.
- b. **RESOLUTION 18-1204-04** – Adopting the 2019 General Tax Levy.
- c. **RESOLUTION 18-1204-05** – Adopting the 2019 Pioneer Sarah Creek Watershed Management Commission Tax Levy.
- d. **RESOLUTION 18-1204-06** – Adopting an Amendment to the 2018 Budget to Accurately Reflect Revenues and Expenditures Based on the Receipt of Additional Revenue in 2018.

Attachments: Memorandum for Final Budget
Memorandum for Budget Amendment

BUDGET MEMO

TO: CITY ADMINISTRATOR
FROM: AEM FINANCIAL SOLUTIONS, LLC
SUBJECT: 2019 BUDGET POINTS MEMO
DATE: 11/28/2018

Introduction

Upon your request, we have summarized the estimated 2019 tax capacity and market value information.

Budget Format

The 2019 Budget included the Council approved priorities for each department. These will continue to be reviewed and updated as needed.

Key Items in this Year's Budget

- \$39,716 Small City State Aid and the \$14,500 Hennepin County Grant are not guaranteed for 2019 and have not been budgeted.
- Combined the Zoning/Subdivision Fee and Planning/Zoning Reimbursement Development Revenues.
- Included Vinland Police/Fire Contract to the Administrative Charges/Reimbursement Revenues to accurately reflect revenues.
- Created a new expenditure line item to break out the LMCIT Worker's Comp Insurance from the LMCIT General Liability Insurance costs.
- Copier Lease budget decreased by \$4,692 due to new lease contract.
- Budgeted \$68,623 in Public Works Equipment Capital Transfers, \$53,623 towards the 2020 purchase of a Tandam Truck and \$15,000 for the 2019 purchase of five 800 MHz Radios.
- Increased Dues and Subscriptions to more accurately reflect actuals.
- Increased Communications to more accurately reflect actuals.
- Split out Administrator's Contract from Other Consulting Fees. Other Consulting Fees reflect the \$15,000 budgeted for the Comprehensive Plan.

Competitive Bidding

The Competitive bidding threshold has been raised from \$100,000 to \$175,000. As a result, cities must solicit competitive bids for any agreement covered by the law if the agreement is estimated to exceed \$175,000. This change applies to an agreement entered into on or after August 1, 2018.

PERA Changes

Beginning January 1, 2018, there will be a two-year phase in of a 1% increase in member contributions and a 1.5% increase in employer contributions. This results in the Police & Fire PERA employer contribution increasing from 16.2% in 2018 to 16.95% in 2019. There will be an additional increase in 2020 resulting in the employer contribution moving to 17.7%.

Coordinated members of the general employees' retirement plan of PERA employer contributions will remain at 7.5% with the employee base contribution remaining at 6.5%.

Taxation Notification Summary Chart for Taxes Payable 2019

Due Date	EDA and City Levy Process
9/30/2018	The EDA must pass a resolution authorizing the proposed 2019 EDA levy
9/30/2018	The City must pass a resolution and file with the County the exact amount of the proposed 2019 EDA levy. The due date of the City property tax levy is September 30, 2018.
9/30/2018	At one meeting, the City Council adopts the proposed property tax levy and announces the time and place of a future City Council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination. This public input meeting must occur after November 24, 2018 and must start at or after 6:00 PM. The time and place of the public input meeting must be included in the minutes but newspaper publication of the minutes is not required. This information must be filed with the County Auditor.
11/25/18 - 12/28/18	EDA must pass a resolution approving the 2018 EDA levy
11/25/18 - 12/28/18	City must pass a resolution approving the 2018 EDA levy
11/25/18 - 12/28/18	City Council must hold a meeting to discuss the budget and property tax levy and, before a final determination, all public input.
12/28/18	City must file the certificate of compliance (form TNT - 2018) with the Department of Revenue by December 28, 2018.

Tax Levy Summary

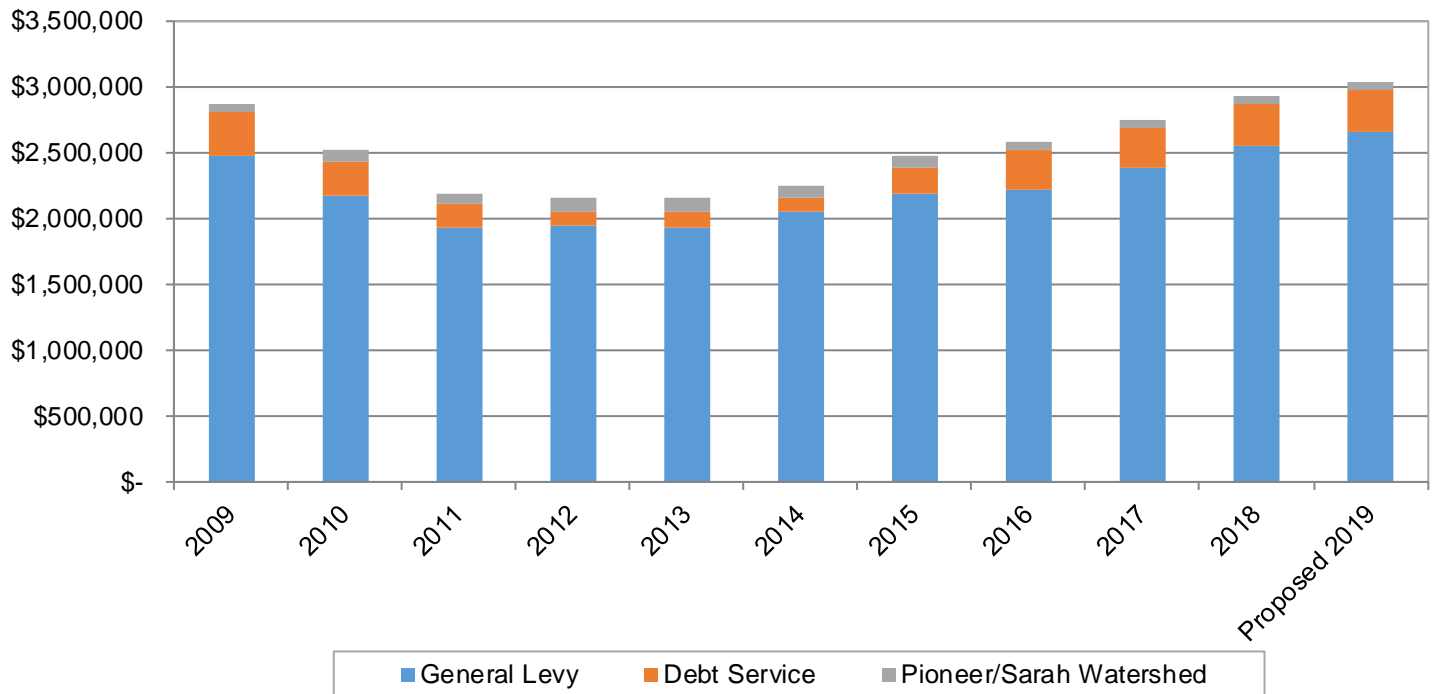
Overall, the tax lev includes levies for general operations, city infrastructure and debt services. The levy included an overall 3.63 percent increase from 2018. The 2018 budgeted and 2019 tax levies are listed below.

	2018 Budget	Proposed Budget	Increase (Decrease)	% Change
General	\$ 2,558,909	\$ 2,656,535	\$ 97,626	3.82%
Debt Service				
2006 GO Improvement Bonds	118,500	124,530	6,030	5.09%
2005 GO Improvement Bonds	-	-	-	0.00%
2007 GO Equipment Certificates	-	-	-	0.00%
2010 GO Improvement Bonds	12,296	15,957	3,661	29.78%
2015 GO Tax Abatement Bonds	179,353	176,308	(3,045)	-1.70%
Total City Operating Levy	\$ 2,869,058	\$ 2,973,331	\$ 104,273	3.63%
Pioneer/Sarah Watershed Taxing District	\$ 64,010	\$ 64,510	\$ 500	0.78%

Levy Summary 2009 to 2019 Projected

Summary of the City's Tax Capacity

The estimated tax capacity increased 3.37% for 2019.



The past two years with comparison to the average percentage change for Hennepin County is listed below:

	2015 Pay 2016	2016 Pay 2017	2017 Pay 2018	2018 Pay 2019	% Change	% Change (County-wide)
Commercial	\$ 138,323	\$ 144,863	\$ 148,233	\$ 132,398	-10.68%	6.10%
Industrial	208,491	161,155	232,138	242,874	4.62%	16.00%
Apartment	-	-	-	-	0.00%	13.58%
Residential	5,203,294	5,581,662	5,877,038	6,108,826	3.94%	11.73%
Farm	799,193	798,388	815,250	820,745	0.67%	0.87%
Other	-	-	-	-	0.00%	-4.52%
Total	\$ 6,349,301	\$ 6,686,068	\$ 7,072,659	\$ 7,304,843	3.28%	9.57%

The current tax capacity and historical tax capacity rates are summarized below for Independence and three relatively comparable Hennepin County Cities. The major difference between Independence and the three comparable cities is the large commercial tax base.

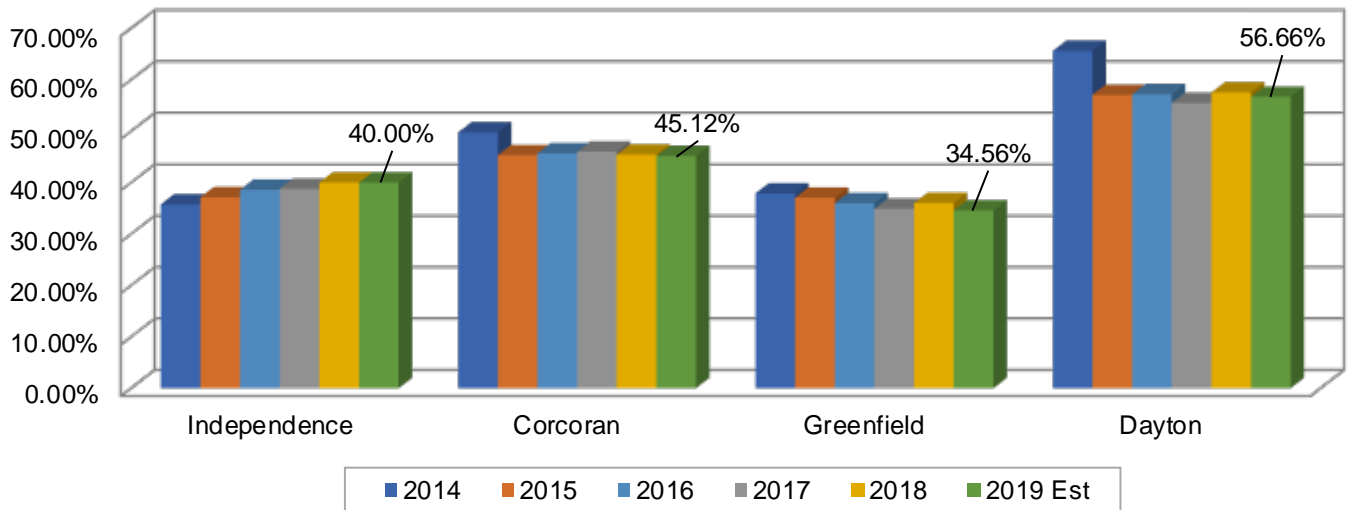
Tax Capacity by Property Type - Estimated 2018 Pay 2019

City of Independence Tax Rate History Compared to other similar sized Hennepin County Cities:

	Independence	Corcoran	Greenfield	Dayton
Commercial	\$ 132,398	\$ 426,306	\$ 203,625	\$ 409,333
Industrial	242,874	359,369	344,269	1,124,193
Apartment	-	-	-	47,276
Residential	6,108,826	7,133,620	3,955,823	6,006,284
Farm	820,745	905,933	393,171	532,549
Other	-	63,080	-	92,500
Total	\$ 7,304,843	\$ 8,888,308	\$ 4,896,888	\$ 8,212,135

Tax Capacity Rates

	Independence	Corcoran	Greenfield	Dayton
2014	35.75%	49.74%	37.86%	65.60%
2015	37.13%	45.31%	37.06%	57.03%
2016	38.59%	45.69%	35.99%	57.15%
2017	38.79%	45.99%	34.88%	55.47%
2018	40.00%	45.41%	36.00%	57.49%
2019 Est	40.00%	45.12%	34.56%	56.66%



Staffing

Data related to the number of full time equivalent positions is noted below:

Summary of FTES by Department	2016	2017	2018	2019
City Council	5.00	5.00	5.00	5.00
Adminstration	1.30	1.45	1.45	1.45
Streets	2.20	2.25	2.20	2.20
Building Inspection	0.86	0.86	0.86	0.86
Subtotal General Fund	9.36	9.55	9.50	9.50
Sewer	1.07	1.05	1.10	1.05
Total	10.43	10.60	10.60	10.55

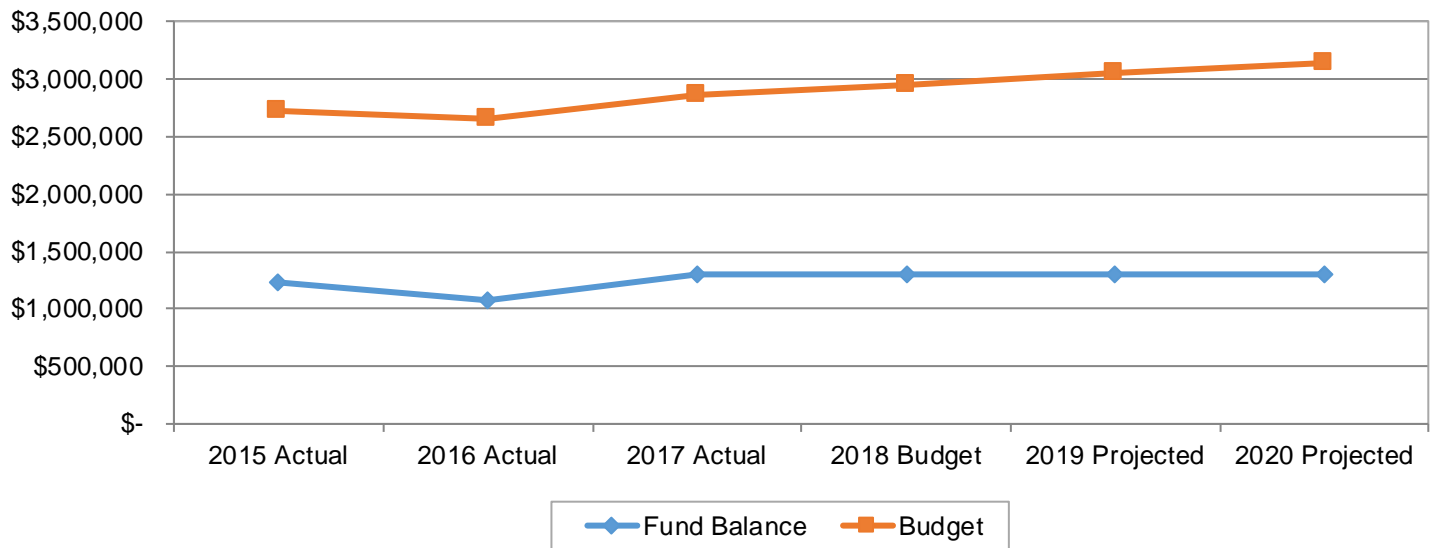
General Fund Summary

2018 General Fund Summary Budget					
	2017	Budget 2018	2019	Increase/ (Decrease)	Percent Change
Revenues					
Taxes	\$ 2,381,936	\$ 2,558,909	\$ 2,656,535	\$ 97,626	3.82%
Licenses and permits	152,880	160,810	165,070	4,260	2.65%
Intergovernmental	14,500	54,216	16,000	(38,216)	-70.49%
Charges for services	38,770	39,930	41,150	1,220	3.06%
Fines and forfeitures	46,350	47,740	47,740	-	0.00%
Special assessments	-	-	-	-	0.00%
Interest on investments	5,360	5,520	5,000	(520)	-9.42%
Miscellaneous	15,570	6,440	6,000	(440)	-6.83%
Transfers in	-	-	-	-	0.00%
Total Revenues	\$ 2,655,366	\$ 2,873,565	\$ 2,937,495	\$ 63,930	2.22%
	2017	Budget 2018	2019	Increase/ (Decrease)	Percent Change
Expenditures					
Mayor and City Council	\$ 19,510	\$ 24,802	\$ 23,056	\$ (1,747)	-7.04%
Financial administration	368,660	404,298	426,685	22,387	5.54%
Election	3,230	3,330	4,250	920	27.63%
Planning and zoning	29,194	30,251	30,320	70	0.23%
Water resource	8,270	8,520	8,520	-	0.00%
General government buildings	29,370	36,407	42,104	5,697	15.65%
Legal services	35,550	42,390	40,382	(2,008)	-4.74%
Police	1,092,063	1,121,700	1,122,371	671	0.06%
Fire	333,035	358,649	392,731	34,082	9.50%
Building inspection	101,770	104,100	111,878	7,778	7.47%
Animal control	-	-	-	-	0.00%
Streets	506,970	528,118	571,649	43,531	8.24%
Street lighting	2,750	2,830	2,915	85	3.00%
Recycling	50,000	51,500	51,500	-	0.00%
Parks	20,630	18,960	20,082	1,122	5.92%
Capital outlay - General government	46,944	21,120	20,000	(1,120)	-5.30%
Capital outlay - public safety	420	430	430	-	0.00%
Capital outlay - public works	7,000	7,210	-	(7,210)	-100.00%
Transfer out	-	108,950	68,623	(40,327)	-37.01%
Total Expenditures	2,655,366	2,873,565	2,937,495	63,930	2.22%
Excess (Deficient) Revenue	-	-	-	-	
Other Financing Sources					
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	
Net Change	\$ -	\$ -	\$ -	\$ -	

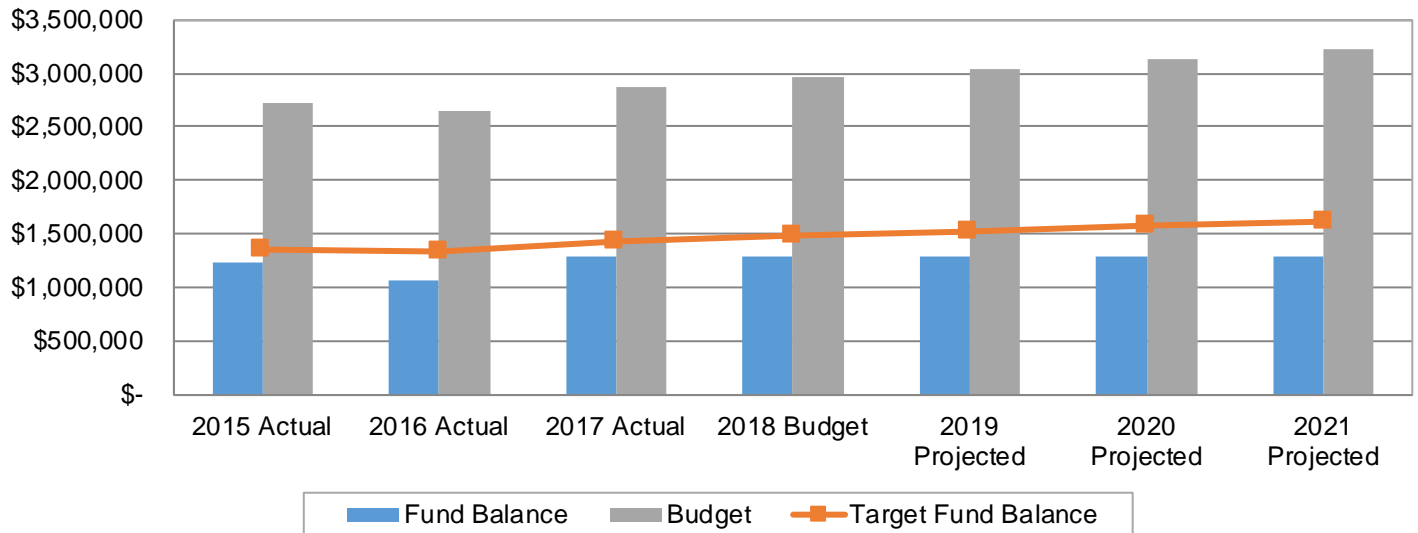
General Fund Balance

The City has built a healthy fund balance which can contribute to a positive bond rating and mitigates the potential for needing short term borrowing. It will be important to continue to maintain reserve levels at 40 to 50 percent. A summary of the general fund balance history and 2019 budget is as follows. It should be noted that the future projections assume a 3% increase in expenses and a breakeven budget which results in the City eroding reserves levels when viewed as a present of expenditures.

Year	Fund Balance December 31	General Fund Budget	Percent of Fund Balance to Budget
2015 Actual	\$ 1,240,733	\$ 2,725,126	45.5%
2016 Actual	1,068,422	2,655,366	40.2%
2017 Actual	1,294,566	2,873,565	45.1%
2018 Budget	1,294,566	2,959,772	43.7%
2019 Projected	1,294,566	3,048,565	42.5%
2020 Projected	1,294,566	3,140,022	41.2%
2021 Projected	1,294,566	3,234,223	40.0%



General Fund Balance as a Percentage of Expenditures



Pioneer/Sarah Watershed Summary

Account	Description	Actual			11/27/2018		Budget	
		2015	2016	2017	2018	2017	2018	2019
200-31010	Ad Valorem Taxes	\$ 83,990	\$ 60,641	\$ 63,068	\$ 36,102	\$ 63,130	\$ 60,850	\$ 61,350
200-31020	Delinquent Taxes	-	-	-	-	-	-	-
200-31040	Fiscal Disparities	2,882	-	2,085	1,091	3,070	3,160	3,160
200-34103	Zoning/Subdivision Fee	-	-	-	-	-	-	-
200-34108	Administrative Charges/Reimbursements	672	166	500	-	-	-	-
200-36210	Interest Earnings	96	211	302	313	-	-	-
200-36230	Misc. Revenue/Refunds	-	-	-	-	-	-	-
200-36261	Event Revenues	-	-	-	-	-	-	-
	Total Revenues	87,641	61,017	65,955	37,506	66,200	64,010	64,510
200-41920-303	Engineering	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ -	\$ -
200-41920-309	Pioneer-Sarah Watershed Comm.	48,671	50,445	50,440	48,038	51,620	49,000	49,500
200-41920-310	Other Consulting Fees	275	3,196	-	97	1,060	1,090	1,090
200-41920-320	Water Resource Staff	5,782	552	4,105	5,778	2,120	2,180	2,180
200-41920-350	Printing&Publications-(Legals)	-	-	-	-	790	810	810
200-41920-433	Misc. Dues/Fees	515	515	515	1,030	-	-	-
200-41920-540	Capital Outlay (Mtg Grant Fnd)	-	-	-	-	-	-	-
200-41920-570	Capital Outlay (Project Cost)	-	5,154	280	-	10,610	10,930	10,930
	Total Expenses	55,243	59,863	55,459	54,943	66,200	64,010	64,510
	Change in Fund Balance	\$ 32,398	\$ 1,155	\$ 10,496	\$ (17,437)	\$ -	\$ -	\$ -

Capital Planning

Public Works Equipment Fund

City Staff has reviewed the existing capital needs of the department and determined the following represent anticipated expenditures over the next ten years.

City of Independence, Minnesota
Capital Improvement Plan - Public Works Equipment Fund 403
Schedule of Planned Capital Outlay 2018 to 2027

				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Department	Year to Replace	Item	Cost	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts
Public works	2028	Hot Mix Patching Roll-off	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public works	2019	(5) 800 MHz Radios	15,000	-	15,000	-	-	-	-	-	-	-	-
Public works	2024	Road Side Mower (Replacement)	11,000	-	-	-	-	-	-	11,000	-	-	-
Public works	NA	Road Packer	-	-	-	-	-	-	-	-	-	-	-
Public works	2024	Tractor & Loader	100,000	-	-	-	-	-	-	100,000	-	-	-
Public works	2020	Tandem	250,000	-	-	250,000	-	-	-	-	-	-	-
Public works	NA	Tanks for Tandem	4,422	-	-	-	-	-	-	-	-	-	-
Public works	2018	Shop Sweeper	5,000	5,000	-	-	-	-	-	-	-	-	-
Public works	NA	Trailer	-	-	-	-	-	-	-	-	-	-	-
Public works	2021	S-10 Pickup (Replace with 3/4 Ton	35,000	-	-	-	35,000	-	-	-	-	-	-
Public works	2027	Lawn Mower	30,000	-	-	-	-	-	-	-	-	-	30,000
Public works	2032	Grader	150,000	-	-	-	-	-	-	-	-	-	-
Public works	2030	Generator	50,000	-	-	-	-	-	-	-	-	-	-
Public works	2032	Pay Loader	150,000	-	-	-	-	-	-	-	-	-	-
Public works	2025	New Truck Single Axel	200,000	-	-	-	-	-	-	-	200,000	-	-
Public works	2029	Single Axel	200,000	-	-	-	-	-	-	-	-	-	-
				\$ 5,000	\$ 15,000	\$ 250,000	\$ 35,000	\$ -	\$ -	\$ 111,000	\$ 200,000	\$ -	\$ 30,000

City Staff created a cash flow analysis for the Public Works Equipment Fund for the next ten years.

	2018	2019	2020*	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 88,595	\$ 148,595	\$ 202,218	\$ 27,218	\$ 52,218	\$ 112,218	\$ 172,218	\$ 121,218	\$ (18,782)	\$ 41,218
Revenues	60,000	68,623	75,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Expenditures	-	15,000	250,000	35,000	-	-	111,000	200,000	-	30,000
Ending Balance	\$ 148,595	\$ 202,218	\$ 27,218	\$ 52,218	\$ 112,218	\$ 172,218	\$ 121,218	\$ (18,782)	\$ 41,218	\$ 71,218

* Estimated \$15,000 from sale of Tandem

Administrative Fund

City Staff has reviewed the existing capital needs for improvements to City Hall and determined the following represent the anticipated expenditures over the next four years.

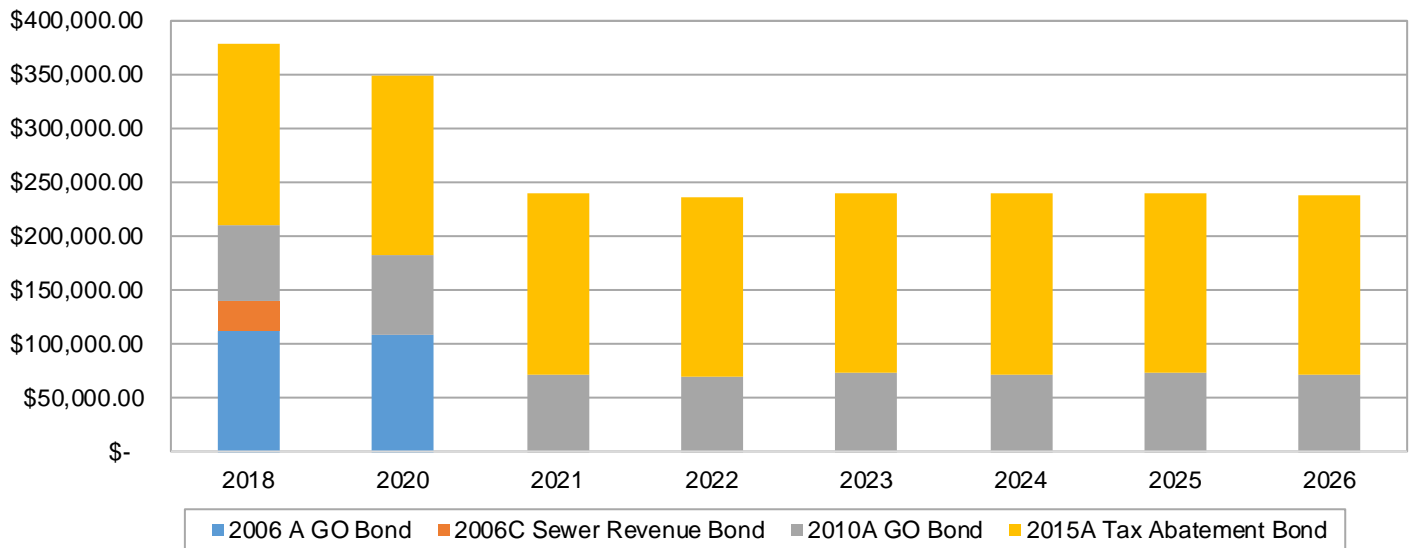
City of Independence, Minnesota
Capital Improvement Plan - Administrative Fund 404
Schedule of Planned Capital Outlay 2018 to 2020

Department	Year	Item	Cost	2018	2019	2020
				Estimated Amounts	Estimated Amounts	Estimated Amounts
General government	2014	City Hall Addition - Council Chambers	\$ -	\$ -	\$ -	\$ -
General government	2020	Office Equipment - Furnishing	5,000	-	-	5,000 *
General government	2020	Paint Exterior	27,500	-	-	27,500 *
General government	2025	Refurbish Sole House	10,000	-	-	-
General government	2016	City Hall Parking Lot (paid by 2015 bond)	67,000	-	-	-
General government	2020	City Hall Carpet	20,000	-	-	20,000 *
General government	2020	Air Conditioner	10,000	-	-	32,500 *
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,000</u>

* Anticipated to be included in the City Hall Improvement Bond in 2020 to replace the 2006A Bond

Debt Schedule

Fund	Maturity Date		Total Remaining	2018	2019	2020	2021	2022	2023	2024	2025	2026
309 2006A GO Capital Improvement Bonds	12/1/2020	Principal	315,000	100,000	110,000	105,000						
309 2006A GO Capital Improvement Bonds	12/1/2020	Interest	25,400	12,600	8,600	4,200						
		Total	451,800	112,600	118,600	109,200	-	-	-	-	-	-
602 2006C GO Sewer Revenue Bond	2/1/2019	Principal	50,000	25,000	25,000							
602 2006C GO Sewer Revenue Bond	2/1/2019	Interest	2,250	1,688	563							
		Total	74,935	26,688	25,563	-	-	-	-	-	-	-
602 2010A GO Improvement	2/1/2026	Principal	560,000	55,000	55,000	60,000	60,000	60,000	65,000	65,000	70,000	70,000
602 2010A GO Improvement	2/1/2026	Interest	85,350	16,514	15,111	13,530	11,775	9,915	7,929	5,816	3,570	1,190
		Total	718,156	71,514	70,111	73,530	71,775	69,915	72,929	70,816	73,570	71,190
314 2015A GO Tax Abatement Bond	2/1/2026	Principal	1,370,000	140,000	145,000	145,000	150,000	150,000	155,000	160,000	160,000	165,000
314 2015A GO Tax Abatement Bond	2/1/2026	Interest	136,006	27,213	24,363	21,463	18,513	15,513	12,463	9,113	5,513	1,856
		Total	1,690,426	167,213	169,363	166,463	168,513	165,513	167,463	169,113	165,513	166,856



City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget				
		2015	2016	2017	2018	2017	2018	2019		
Taxes										
100-31010	AD VALOREM TAXES	\$ 2,105,357	\$ 2,131,543	\$ 2,277,890	\$ 1,456,742	\$ 2,301,996	\$ 2,466,755	\$ 2,548,448	3.31%	
100-31030	BONDS & INTEREST	2,717	2,296	-	-	-	-	-	0.00%	
100-31040	FISCAL DISPARITIES	75,126	77,821	83,067	45,039	79,940	92,154	108,087	17.29%	
Total Taxes		2,183,200	2,211,660	2,360,957	1,501,781	2,381,936	2,558,909	2,656,535	3.82%	
Licenses and permits										
100-32100	BUSINESS LICENSES	12,650	17,400	17,200	17,592	12,850	13,240	13,240	0.00%	
100-32210	BUILDING PERMIT	104,554	155,824	224,483	161,235	137,860	142,000	146,260	3.00%	
100-32240	ANIMAL LICENSES	570	500	775	460	550	570	570	0.00%	
100-32250	MISC. LICENSES & PERMITS	5,633	7,415	3,560	3,986	1,620	5,000	5,000	0.00%	
Total Licenses and Permits		123,407	181,139	246,018	183,273	152,880	160,810	165,070	2.65%	
Intergovernmental										
100-33400	STATE GRANT	61,183	962	39,716	19,858	14,500	39,716	-	-100.00%	
100-33401	LOCAL GOVERNMENT AID	23,683	24,130	18,118	8,897	-	-	8,000	0.00%	
100-33402	PROPERTY TAX CREDITS (HACA)	-	-	-	-	-	-	-	0.00%	
100-33403	MISC. TAX CREDITS	-	139	-	-	-	-	-	0.00%	
100-33610	CTY. GRANTS & AID (STREETS)	-	-	14,712	14,524	-	14,500	-	-100.00%	
100-33620	COUNTY GRANTS & AID (OTHER)	-	21,081	11,678	9,966	-	-	8,000	0.00%	
100-33630	C.D.B.G./MISC. CREDIT	-	-	-	-	-	-	-	0.00%	
Total Intergovernmental		84,866	46,311	84,224	53,245	14,500	54,216	16,000	-70.49%	
Charges for Services										
100-34103	ZONING/SUBDIVISION FEE	17,906	(14,119)	6,550	9,500	18,000	18,540	12,000	-35.28%	
100-34104	WATER RESOURCE FEES	1,220	-	100	2,000	-	-	-	0.00%	
100-34105	SALE-MAPS,PUBLICATION,COPIES	117	20	241	-	100	100	-	-100.00%	
100-34107	ASSESSMENT SEARCH FEES	903	25	-	275	150	150	150	0.00%	
100-34108	ADMINISTRATIVE CHARGES/REIMBUR	30,252	42,941	24,308	21,279	5,360	5,520	28,000	407.25%	
100-34305	PUBLIC WORKS REIMBURSEMENTS	14,995	1,170	630	732	550	570	600	5.26%	
100-34306	BUILDING INSPECTIONS REIMBURSE	139	-	395	62	1,070	1,100	400	-63.64%	
100-34307	PLANNING/ZONING REIMB. DEVL.	15,048	6,338	2,130	1,500	10,300	10,610	-	-100.00%	
100-34308	LEGAL FEE/ REIMB. DEV.	194	-	-	-	550	570	-	-100.00%	
100-34309	ENG. FEE/ REIMB. DEV.	-	-	-	-	2,690	2,770	-	-100.00%	
100-36242	PARK RENTAL FEE	1,200	900	-	500	-	-	-	0.00%	
100-34310	MINNEHAHA WATERSHED REIMBURSEMENT	-	-	-	-	-	-	-	0.00%	
Total Charges for Services		81,974	37,275	34,355	35,847	38,770	39,930	41,150	3.06%	
Fines and Forfeitures										
100-35000	COURT FINES/DOG IMPOUNDING	49,517	54,637	48,421	36,213	46,350	47,740	47,740	0.00%	
Total Fines and Forfeitures		49,517	54,637	48,421	36,213	46,350	47,740	47,740	0.00%	
Special Assessments										
100-36100	SPECIAL ASSESS/INT (CTY. PYMT)	-	2,748	-	6,374	-	-	-	0.00%	
Total Special Assessments		-	2,748	-	6,374	-	-	-	0.00%	

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget			
		2015	2016	2017	2018	2017	2018		
Interest on Investments									
100-36210	INTEREST EARNINGS	\$ 2,884	\$ 5,429	\$ 4,347	\$ 7,371	\$ 5,360	\$ 5,520	\$ 5,000	-9.42%
	Total Interest on Investments	2,884	5,429	4,347	7,371	5,360	5,520	5,000	-9.42%
Miscellaneous									
100-36220	INSURANCE PREMIUM REFUND	5,733	6,618	2,321	397	3,760	3,870	3,500	-9.56%
100-36230	MISC. CONTRIB./REFUND	109	677	27,439	113	550	570	500	-12.28%
100-36231	DONATIONS	-	-	-	4,550	-	-	-	0.00%
100-36240	COMMUNITY CENTER REVENUES	6,435	2,055	1,350	1,250	3,210	2,000	2,000	0.00%
100-36242	PARK RENTAL FEE	-	-	500	500	-	-	-	0.00%
100-36250	SALES TAX (COLLECTED)	0	(47)	-	(45)	-	-	-	0.00%
100-36260	FESTIVAL REVENUES	150	-	-	-	5,360	-	-	0.00%
100-36261	EVENT REVENUES	7,097	4,314	-	-	2,690	-	-	0.00%
100-39102	COMPENSATION FOR LOSS OF GEN	-	-	-	-	-	-	-	0.00%
100-39900	PROCEEDS FROM LEASE	-	-	15,508	-	-	-	-	0.00%
	Total Miscellaneous	19,525	13,616	47,118	6,765	15,570	6,440	6,000	-6.83%
Transfers									
100-39200	Transfer in	-	-	-	-	-	-	-	0.00%
	Total Transfers	-	-	-	-	-	-	-	0.00%
	Total	2,545,373	2,552,815	2,825,440	1,830,869	2,655,366	2,873,565	2,937,495	2.22%
Mayor and Council									
100-41000-100	MAYOR'S SALARY	3,000	3,000	3,000	2,250	3,000	3,000	3,000	0.00%
100-41000-103	COUNCIL SALARIES	7,200	7,650	7,200	4,984	7,200	7,200	7,200	0.00%
100-41000-122	FICA(6.2) MEDICARE (1.45)	780	780	780	585	780	780	780	0.04%
100-41000-321	COMMUNICATIONS	-	3,000	-	-	-	-	-	0.00%
100-41000-331	CONFERENCE & TRAVEL	9,622	7,034	7,649	17,460	5,840	11,020	9,000	-18.33%
100-41000-360	WORKERS COMP INSURANCE	919	939	1,080	-	-	922	-	-100.00%
100-41000-361	INSURANCE	-	-	-	1,128	870	-	1,195	0.00%
100-41000-405	MISCELLANEOUS	-	134	60	-	220	230	230	0.00%
100-41000-433	DUES & SUBSCRIPTIONS	550	1,059	1,309	109	1,600	1,650	1,650	0.00%
	Total Mayor and Council	22,071	23,596	21,078	26,517	19,510	24,802	23,056	-7.04%
Election									
100-41410-102	ELECTION OFFICIAL'S WAGES (PT)	1,410	3,475	885	2,551	1,500	1,550	1,500	-3.23%
100-41410-210	OPERATING SUPPLIES/MTN EQUIP.	694	1,199	983	288	700	720	1,000	38.89%
100-41410-350	PRINTING & PUBLICATIONS	390	69	730	174	-	-	750	0.00%
100-41410-351	BALLOT PRINTING	-	-	-	-	-	-	-	0.00%
100-41410-405	MISCELLANEOUS	1,066	1,415	918	360	1,030	1,060	1,000	-5.66%
	Total Election	3,561	6,158	3,515	3,373	3,230	3,330	4,250	27.63%

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget										
		2015	2016	2017	2018	2017	2018	2019								
Financial Administration																
100-41500-101	WAGES (FULL-TIME)	\$	109,728	\$	40,973	\$	42,402	\$	35,439	\$	38,060	\$	40,000	\$	49,824	24.56%
100-41500-102	WAGES (PART-TIME)		-		25,052		26,409		30,865		25,370		34,130		35,855	5.05%
100-41500-103	WAGES (TEMPORARY HELP)		-		-		-		-		-		-		-	0.00%
100-41500-121	PERA		7,374		5,526		5,164		5,429		4,760		5,560		6,426	15.57%
100-41500-122	FICA/MEDICARE		7,957		6,372		4,469		5,537		4,850		5,670		6,554	15.60%
100-41500-131	CITY PAID BENEFIT ALLOWANCE-LI		24,391		6,313		10,433		24,022		13,290		23,920		24,398	2.00%
100-41500-133	COBRA EMPLOYEE INSURANCE		(690)		-		-		-		-		-		-	0.00%
100-41500-200	OFFICE SUPPLIES		6,146		3,950		4,396		4,479		4,240		4,370		4,500	2.97%
100-41500-301	AUDITING FEES		12,500		28,430		10,090		10,270		12,880		12,000		10,578	-11.85%
100-41500-305	CPA FEES		56,652		58,356		74,244		68,289		60,100		64,000		68,180	6.53%
100-41500-302	ADMINSTRATION CONSULTING		-		-		-		-		-		-		93,536	0.00%
100-41500-310	OTHER CONSULTING EXPENSE		52,658		55,390		84,032		73,208		98,990		101,960		15,000	-85.29%
100-41500-315	ASSESSOR'S FEE		52,000		57,654		60,000		62,000		60,000		61,800		60,000	-2.91%
100-41500-321	COMMUNICATIONS		3,961		4,675		3,755		4,077		3,720		3,830		3,976	3.81%
100-41500-322	POSTAGE		40		286		824		1,319		1,600		1,650		1,650	0.00%
100-41500-330	TRANSPORTATION		-		-		-		-		-		-		-	0.00%
100-41500-331	TRAVEL & CONFERENCE EXPENSE		1,695		666		1,428		1,323		1,550		1,600		1,600	0.00%
100-41500-350	PRINTING&PUBLICATIONS-(LEGALS)		11,744		12,613		8,544		13,909		9,550		13,000		13,000	0.00%
100-41500-360	WORKERS COMP INSURANCE		7,709		9,418		7,302		7,941		7,640		8,098		8,576	5.90%
100-41500-361	INSURANCE		-		-		-		1,325		-		-		1,404	0.00%
100-41500-404	MAINT.&REPAIR EQUIP.(CONTRACT)		5,666		1,273		2,705		175		4,120		4,240		4,240	0.00%
100-41500-405	MISCELLANEOUS		839		1,340		1,522		1,438		1,060		1,090		1,500	37.61%
100-41500-433	DUES & SUBSCRIPTIONS		6,051		10,128		8,210		4,192		6,050		6,230		9,279	48.94%
100-41500-602	LEASE/PURCHASE (COPIER)		7,936		9,041		6,454		3,587		8,490		8,740		4,048	-53.68%
100-49000-720	TRANSFERS OUT		-		-		-		-		-		-		-	0.00%
100-49000-800	CONTINGENCY		-		-		-		-		-		-		-	0.00%
100-49240-375	CLAIM DEDUCTIBLE		2,500		-		-		-		540		560		560	0.00%
100-49240-620	AGENCY FEES		1,700		1,700		1,700		2,000		1,800		1,850		2,000	8.11%
100-49300-720	TRANSFER OUT		-		-		-		-		-		48,950		-	-100.00%
Total Financial Administration			378,556		339,155		364,084		360,822		368,660		453,248		426,685	-5.86%
Capital Outlay - General Government																
100-41500-560	CAPITAL OUTLAY (OFFICE EQUIP)		1,939		-		-		1,841		540		560		20,000	3471.43%
100-41500-570	CAPITAL OUTLAY (COMPUTER EQUIP		500		950		15,508		-		540		560		-	-100.00%
100-41940-510	C.O. (LAND AND BUILDING)		7,404		1,662		28,819		4,610		45,864		20,000		-	-100.00%
Total Capital Outlay - General Government			9,843		2,612		44,327		6,451		46,944		21,120		20,000	-5.30%

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget				
		2015	2016	2017	2018	2017	2018	2019		
Legal Services										
100-41600-304	CIVIL, LEGAL (K&G)	\$ 36,966	\$ 41,781	\$ 48,689	\$ 15,386	\$ 15,910	\$ 16,390	\$ 16,882	3.00%	
100-41600-306	PROSECUTION (C&C)	22,433	23,795	16,812	13,708	19,100	24,500	22,000	-10.20%	
100-41600-312	CODIFICATION OF ORDINANCES	-	-	-	2,330	540	1,500	1,500	0.00%	
100-41600-405	MISC.	1,870	-	-	-	-	-	-	0.00%	
Total Legal Services		61,269	65,576	65,501	31,424	35,550	42,390	40,382	-4.74%	
Planning and Zoning										
100-41900-307	PLANNER CONSULTING	22,288	25,590	24,064	22,589	23,184	23,880	25,074	5.00%	
100-41900-311	WATER RESOURCE STAFF FEE	-	-	551	-	-	-	-	0.00%	
100-41900-360	WORKERS COMP INSURANCE	5,753	5,538	5,498	-	6,010	6,371	-	-100.00%	
100-41900-361	INSURANCE	-	-	-	4,949	-	-	5,246	0.00%	
100-41900-405	MISC.	-	-	-	84	-	-	-	0.00%	
Total Planning and Zoning		28,041	31,128	30,113	27,622	29,194	30,251	30,320	0.23%	
Water Resource										
100-41920-311	WATER RESOURCE STAFF FEE	654	-	-	-	1,060	1,090	1,090	0.00%	
100-41920-330	TRANSPORTATION	-	-	-	-	-	-	-	0.00%	
100-41920-320	WATER RESOURCE STAFF	9,261	6,802	1,628	(1,005)	7,210	7,430	7,430	0.00%	
100-41920-331	OTHER CONSULTING FEES (PS)	-	114	-	-	-	-	-	0.00%	
Total Water Resource		9,915	6,916	1,628	(1,005)	8,270	8,520	8,520	0.00%	
General Government Buildings										
100-41940-321	COMMUNCIATIONS	1,334	7,167	12,225	9,439	1,060	8,300	13,534	63.06%	
100-41940-350	ADVERTISING (COMM. CENTER)	1,705	25	-	-	-	-	-	0.00%	
100-41940-360	WORKERS COMP INSURANCE	2,366	2,111	2,253	-	2,290	2,427	-	-100.00%	
100-41940-361	INSURANCE	-	-	-	2,317	-	-	2,456	0.00%	
100-41940-380	UTILITIES (NSP,GAS,LINEN)	18,134	8,435	2,814	7,332	12,730	12,000	12,000	0.00%	
100-41940-384	GARBAGE PICK-UP	1,060	1,026	1,240	1,161	1,160	1,190	1,270	6.72%	
100-41940-401	MAINT.&REPAIR BLD	12,886	13,644	10,301	10,854	11,460	11,800	12,154	3.00%	
100-41940-402	MUSEUM	137	-	-	-	150	150	150	0.00%	
100-41940-403	GROUND MAINTENANCE	-	149	-	-	520	540	540	0.00%	
100-41940-404	SNOW REMOVAL	-	-	-	-	-	-	-	0.00%	
100-41940-405	MISCELLANEOUS	1,388	3,435	4,845	3,732	-	-	-	0.00%	
Total General Government Buildings		39,010	35,991	33,677	34,835	29,370	36,407	42,104	15.65%	

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget			
		2015	2016	2017	2018	2017	2018	2019	
Police									
100-42400-301	AUDITING FEES	\$ (175)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
100-42000-405	MISCELLANEOUS	1,967	-	1,121	-	1,160	1,190	1,190	0.00%
100-42000-440	CONTRACT	965,033	1,132,960	1,089,403	1,114,388	1,089,303	1,118,860	1,119,531	0.06%
100-42000-441	ROOM & BOARD	-	-	-	-	-	-	-	0.00%
100-42000-442	PRISONER BOOKING	1,529	2,916	1,030	920	1,600	1,650	1,650	0.00%
100-42000-461	BUILDING CODE SURCHARGE	2,365	-	-	-	-	-	-	0.00%
Total Police		970,719	1,135,875	1,091,554	1,115,308	1,092,063	1,121,700	1,122,371	0.06%
Fire									
100-42000-450	FIRE PROTECTION	313,968	331,359	332,979	356,229	333,035	358,649	392,731	9.50%
Total Fire		313,968	331,359	332,979	356,229	333,035	358,649	392,731	9.50%
Animal Control									
100-42000-470	ANIMAL CONTROL	-	-	-	-	-	-	-	0.00%
Total Animal Control		-	-	-	-	-	-	-	0.00%
Building Inspection									
100-42400-101	WAGES (FULL-TIME)	69,210	74,283	75,417	63,602	69,220	70,580	75,008	6.27%
100-42400-104	WAGES- (TEMP HELP)	335	151	443	-	420	430	-	-100.00%
100-42400-121	PERA	5,120	4,656	5,604	5,185	5,190	5,290	5,626	6.34%
100-42400-122	FICA/MEDICARE	5,222	6,370	4,677	5,288	5,290	5,400	5,738	6.26%
100-42400-131	CITY PAID BENEFIT ALLOWANCE-LI	13,541	8,416	14,936	13,935	14,370	14,800	15,092	1.97%
100-42400-200	OFFICE SUPPLIES	635	258	941	280	270	280	700	150.00%
100-42400-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	600	631	710	672	470	480	800	66.67%
100-42400-310	OTHER CONSULTING EXPENSE	701	-	284	1,334	150	150	500	233.33%
100-42400-321	COMMUNICATIONS	1,847	2,084	1,650	1,491	1,600	1,650	1,957	18.61%
100-42400-331	CONFERENCE & TRAVEL	1,757	955	265	1,084	1,000	1,030	1,400	35.92%
100-42400-360	WORKERS COMP INSURANCE	3,711	3,369	3,136	3,176	3,500	3,710	3,430	-7.54%
100-42400-361	INSURANCE	-	-	-	1,251	-	-	1,326	0.00%
100-42400-405	MISCELLANEOUS	61	-	-	-	-	-	-	0.00%
100-42400-433	DUES & SUBSCRIPTIONS	95	95	644	335	290	300	300	0.00%
Total Building Inspection		102,836	101,268	108,707	97,633	101,770	104,100	111,878	7.47%
Capital Outlay - Public Safety									
100-42400-570	CAPITAL OUTLAY (EQUIP PURCHA	400	-	1,297	-	420	430	430	0.00%
100-42000-570	C. O.	-	-	-	-	-	-	-	0.00%
Total Capital Outlay - Public Safety		400	-	1,297	-	420	430	430	0.00%

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget				
		2015	2016	2017	2018	2017	2018	2019		
Streets										
100-43100-101	WAGES (FULL-TIME)	\$ 148,622	\$ 160,279	\$ 160,143	\$ 137,132	\$ 145,790	\$ 154,390	\$ 168,576	9.19%	
100-43100-102	WAGES (PART-TIME)	-	204	204	-	-	-	-	0.00%	
100-43100-121	PERA	11,100	11,896	12,931	12,258	10,930	9,390	12,643	34.65%	
100-43100-122	FICA/MEDICARE	11,194	13,690	10,517	11,626	11,150	9,570	12,896	34.76%	
100-43100-131	CITY PAID BENEFIT ALLOWANCE	23,615	24,951	26,378	32,933	33,270	33,490	34,950	4.36%	
100-43100-210	OPERATING SUPPLIES	397	95	240	-	640	660	660	0.00%	
100-43100-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	15,734	14,102	12,190	17,449	22,500	23,180	23,180	0.00%	
100-43100-217	SIGNS	3,720	6,082	4,341	5,268	4,000	6,000	4,000	-33.33%	
100-43100-218	UNIFORMS	1,623	2,648	2,441	2,501	1,650	1,700	2,800	64.71%	
100-43100-219	CULVERTS	3,051	-	4,402	2,499	3,500	5,000	5,000	0.00%	
100-43100-220	MAINT.&REPAIR SUPPLIES (EQUIP)	22,124	23,414	18,681	19,193	21,630	23,000	23,000	0.00%	
100-43100-223	MAINT.& REPAIR SUPPLIES(BLDG.)	4,506	4,746	4,090	3,384	4,640	4,780	4,780	0.00%	
100-43100-224	ROAD MANT>MATERIALS (ON-GOING)	32,322	66,680	105,257	118,641	66,000	67,980	70,019	3.00%	
100-43100-225	RD.UPGRADING MAT.(CAP.IMPROVE)	-	-	-	-	-	-	-	0.00%	
100-43100-226	BLACKTOP MATERIAL	31,093	12,937	51,797	30,527	41,200	42,440	43,713	3.00%	
100-43100-227	EQUIPMENT CONTRACT HIRE	433	359	560	-	1,000	1,030	1,030	0.00%	
100-43100-240	SMALL TOOLS & MINOR EQUIPMENT	-	203	-	-	320	330	330	0.00%	
100-43100-301	AUDITING FEES	(700)	-	-	-	-	-	-	0.00%	
100-43100-303	ENGINEERING	2,068	1,570	4,541	1,403	4,240	4,370	4,500	2.97%	
100-43100-310	OTHER CONSULTING EXPENSE	798	-	-	-	-	-	-	0.00%	
100-43100-321	COMMUNICATIONS (PHONE,E-MAIL)	2,833	5,558	5,333	5,148	4,120	4,240	5,603	32.15%	
100-43100-331	TRAVEL,CONF.,EDUC.EXPENSE	500	1,785	485	600	1,030	1,060	1,060	0.00%	
100-43100-350	PRINTING & PUBLICATIONS	184	687	981	-	320	330	3,500	960.61%	
100-43100-360	WORKERS COMP INSURANCE	15,349	14,342	11,512	7,941	16,960	14,798	8,576	-42.04%	
100-43100-361	INSURANCE	-	-	-	6,856	-	-	7,267	0.00%	
100-43100-380	UTILITIES	6,614	11,539	7,888	7,223	9,550	9,840	10,135	3.00%	
100-43100-381	STREET LIGHTING	2,509	3,926	6,701	3,464	2,750	2,830	2,915	3.00%	
100-43100-384	GARBAGE PICK-UP	482	280	26	-	470	480	480	0.00%	
100-43100-402	WEED CONTROL	-	-	-	-	-	-	3,000	0.00%	
100-43100-405	MISCELLANEOUS	-	1,206	-	36	250	260	260	0.00%	
100-43100-407	SNOW REMOVAL-MATERIALS	19,873	20,795	27,259	22,095	26,520	27,320	28,140	3.00%	
100-43100-408	DUST CONTROL	59,348	64,036	61,200	60,094	66,950	68,960	71,029	3.00%	
100-43100-412	BRUSH & TREE REMOVAL	-	3,500	2,160	5,165	3,000	8,000	15,000	87.50%	
100-43100-413	SALES/FUEL TAX & LICENSE	372	284	10	96	500	520	520	0.00%	
100-43100-415	SAC CHARGES	-	-	-	-	540	560	560	0.00%	
100-43100-420	GOPHER STATE ONE-CALL	1,651	1,915	1,375	1,277	1,850	1,910	1,910	0.00%	
100-43100-430	SAFETY PROGRAM (AWAIR, ETC.	3,600	1,207	1,800	2,195	1,850	1,910	1,910	0.00%	
100-43100-433	MEMBERSHIP DUES	696	687	102	-	600	620	620	0.00%	
100-43100-720	TRANSFER OUT	-	100,000	-	-	-	60,000	68,623	14.37%	
Total Streets		423,202	571,676	545,545	517,004	509,720	590,948	643,187	8.84%	

City of Independence
2019 Budget

Account	Description	Final		11/27/2018		Budget			
		2015	2016	2017	2018	2017	2018	2019	
Capital Outlay - Public Works									
100-43100-550	C.O. (ROAD IMPROV. - 802)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%
100-43100-560	CAPITAL OUTLAY (OFFICE EQUIP.)	638	-	-	-	-	-	-	0.00%
100-43100-570	C.O. (EQUIP. PURCH. -803)	-	-	7,000	4,611	7,000	7,210	-	-100.00%
100-43100-580	C.O. (PUBLIC WORKS BLD. -801)	-	-	-	-	-	-	-	0.00%
Total Capital Outlay - Public Works		638	-	7,000	4,611	7,000	7,210	-	-100.00%
Recycling									
100-43200-383	RECYCLING EXPENSES	51,411	52,983	48,874	44,933	50,000	51,500	51,500	0.00%
100-43200-405	MISCELLANEOUS	-	-	230	-	-	-	-	0.00%
100-43200-411	CLEAN-UP DAY	-	-	905	(133)	-	-	-	0.00%
Total Recycling		51,411	52,983	50,009	44,800	50,000	51,500	51,500	0.00%
Park									
100-45100-120	COMMUNITY EVENT CONTRIBUTIONS	3,921	4,011	6,158	4,644	6,900	4,200	6,900	64.29%
100-45100-405	MISCELLANEOUS	-	-	-	-	-	-	-	0.00%
100-45200-409	YOUTH GROUPS	600	600	-	-	640	660	660	0.00%
100-45300-210	SUPPLIES & MATERIALS	-	64	-	1,368	1,060	1,090	1,090	0.00%
100-45300-220	REPAIRS & MAINTENANCE (MOWING)	4,767	6,383	6,902	6,379	5,840	6,020	6,201	3.00%
100-45300-230	EQUIPMENT PURCHASES	-	1,114	-	-	540	560	560	0.00%
100-45300-310	OTHER CONSULTING EXPENSE	-	-	-	-	540	560	560	0.00%
100-45300-331	CONFERENCE & TRAVEL	-	-	-	-	-	-	-	0.00%
100-45300-350	PRINTING&PUBLICATIONS-(LEGALS)	-	83	-	-	-	-	-	0.00%
100-45300-361	INSURANCE	3,440	2,740	2,955	3,039	1,750	4,980	3,222	-35.31%
100-45300-380	UTILITIES/WASTE REMOVAL	326	1,911	-	-	640	660	660	0.00%
100-45300-405	MISCELLANEOUS	152	-	-	-	220	230	230	0.00%
100-45300-451	FESTIVAL EXPENDITURES	10,249	-	-	-	2,500	-	-	0.00%
Total Park		23,456	16,906	16,015	15,430	20,630	18,960	20,082	5.92%
Total		2,441,403	2,725,126	2,717,030	2,641,054	2,655,366	2,873,565	2,937,495	2.22%
Revenues Over (Under) Expenditures		103,969	(172,311)	108,410	(810,185)	-	-	-	
Other Financing Sources									
100-39101	SALE OF LAND	-	-	-	-	-	-	-	
Total Other Financing Sources		-	-	-	-	-	-	-	
Net Change in General Fund Fund Balance		\$ 103,969	\$ (172,311)	\$ 108,410	\$ (810,185)	\$ -	\$ -	\$ -	

City of Independence
Sewer Detail

Account	Description	Actual		11/27/2018		Budget		
		2015	2016	2017	2018	2017	2018	2019
Revenues								
602-31010	AD VALOREM TAXES	\$ 10,705	\$ 15,010	\$ 13,652	\$ 6,148	\$ -	\$ 12,296	\$ 15,957
602-34108	ADMINISTRATIVE CHARGES	-	-	175	-	-	-	-
602-34401	SEWER CONNECTION	17,656	2,485	2,485	2,485	-	-	-
602-34408	USER AVAIL. CHG.	3,919	2,647	3,041	9,694	-	11,970	13,200
602-36100	SPECIAL ASSESSMENTS	78,477	40,685	34,024	58,297	-	-	-
602-36210	INTEREST EARNINGS	465	270	183	314	-	-	-
602-37200	TRANSFERS IN	-	-	60,000	-	-	-	-
602-37210	COLLECTION & GRAVITY	143,553	149,198	160,429	128,221	-	187,632	208,000
602-37220	RESIDENTIAL CLUSTER	918	918	991	-	-	-	-
602-37250	COMMERCIAL	17,698	9,528	16,948	19,841	-	17,000	17,000
602-37270	DELINQUENT UTILITIES	1,374	1,651	1,434	470	-	-	-
Total Revenues		274,765	222,393	293,363	225,471	-	228,898	254,157
Personal Services								
602-49450-101	WAGES (FULL-TIME)	51,700	-	60,362	59,378	57,710	60,140	80,022
602-49450-121	PERA	4,036	4,829	2,895	4,975	4,660	4,960	6,476
602-49450-122	FICA/MEDICARE	4,095	4,909	3,914	4,773	4,760	5,060	6,606
602-49450-131	CITY PAID BENEFIT ALLOWANCE	10,813	7,370	8,523	10,967	15,200	24,470	17,809
Total Personal Services		70,644	17,108	75,695	80,093	82,330	94,630	110,913
Supplies								
602-49450-200	OFFICE SUPPLIES	-	357	-	-	-	-	-
602-49450-210	GENERAL OPERATING SUPPLIES	11,274	216	-	670	1,060	1,060	1,060
Total Supplies		11,274	573	-	670	1,060	1,060	1,060
Other Services and Charges								
602-49450-301	AUDITING FEES	375	-	-	-	520	540	-
602-49450-302	PROFESSIONAL SERVICES	3,000	1,128	-	-	-	-	-
602-49450-303	ENGINEERING	9,357	7,213	263	58	-	-	-
602-49450-304	LEGAL	3,365	-	-	-	14,000	14,420	-
602-49450-310	OTHER CONSULTING EXPENSE	1,291	-	500	-	-	-	-
602-49450-331	CONFER.TRAVEL EXP./DUES/SUBSCR	173	45	125	865	790	810	900
602-49450-375	CLAIM DEDUCTIBLE	-	-	-	-	540	560	560
602-49450-404	CIVIC MAINT. CONTRACT	1,335	667	-	2,137	740	760	-
602-49450-405	MISCELLANEOUS	81	7,500	-	1,388	1,600	1,650	1,650
602-49450-414	METRO COUNCIL-ENVIRON.(SER.CH)	35,782	31,265	45,084	38,402	36,000	41,878	42,000
602-49450-415	SAC CHARGES	2,460	-	2,460	-	42,440	43,710	4,000
602-49450-417	LICENSES & PERMITS	-	-	-	400	100	100	100
602-49450-433	DUES & SUBSCRIPTIONS							795
602-49450-620	AGENCY FEES	1,000	450	1,100	1,025	1,000	1,030	1,030
Total Other Services and Charges		58,220	48,269	49,531	44,274	97,730	105,458	51,035

City of Independence
Sewer Detail

Account	Description	Actual		11/27/2018		Budget		
		2015	2016	2017	2018	2017	2018	2019
Insurance								
602-49450-360	WORKERS COMP INSURANCE	\$ 3,116	\$ 2,871	\$ 2,597	\$ 794	\$ 3,380	\$ 3,583	\$ 858
602-49450-361	INSURANCE	-	-	-	2,034	-	-	2,156
Total Insurance		3,116	2,871	2,597	2,828	3,380	3,583	3,014
Utilities								
602-49450-380	UTILITIES	24,168	24,893	22,381	20,112	21,220	21,860	22,000
Total Utilities		24,168	24,893	22,381	20,112	21,220	21,860	22,000
Repairs and Maintenance								
602-49450-401	MAINT.& REPAIR (BLDGS./SYSTEM)	48,201	48,045	49,513	23,760	21,220	21,860	21,860
602-49450-560	CAPITAL OUTLAY (COMP.)	-	-	9,200	9,200	540	560	560
Total Repairs and Maintenance		48,201	48,045	58,713	32,960	21,760	22,420	22,420
Depreciation								
602-49450-416	DEPRECIATION	121,158	123,725	127,310	98,348	127,310	131,130	135,064
Total Depreciation		121,158	123,725	127,310	98,348	127,310	131,130	135,064
Capital Outlay								
602-49450-570	CAPITAL OUTLAY (PROJECT COST)	-	-	37,644	22,769	56,220	57,910	57,910
Total Capital Outlay		-	-	37,644	22,769	56,220	57,910	57,910
Debt Service								
602-49450-601	BOND PRINCIPAL	-	-	75,000	80,000	75,000	77,250	80,000
Total Debt Service		-	-	75,000	80,000	75,000	77,250	80,000
Interest Expense								
602-49450-611	BOND INTEREST	23,489	21,720	20,491	18,201	20,491	21,110	15,674
Total Interest Expense		23,489	21,720	20,491	18,201	20,491	21,110	15,674
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BUDGET MEMO

TO: CITY ADMINISTRATOR
FROM: AEM FINANCIAL SOLUTIONS, LLC
SUBJECT: 2018 BUDGET AMENDMENT MEMO
DATE: 11/30/2018

Background

After a review of the 2018 Budget to Actuals, staff would like to propose an amendment to the 2018 Budgeted revenues and expenditures to bring them in line with the actuals. These items have all been addressed and properly stated for the proposed 2019 budget.

The following revenues were not included in the 2018 Budgeted revenues:

MV Agricultural Credit of \$9,000 and the Hennepin County Recycling Grant of \$9,000. These items have not historically been budgeted for but have remained a consistent revenue source over the past few years.
 Vinland Police and Fire Protection of \$24,000 has also historically not been budgeted for but are also a consistent source of revenue.
 Donations received by the City for hosting the Small Cities Conference of \$4,500, this was a one-time revenue, but we recommend amending this revenue because it offsets the increased expenditure listed in the following section.

Total additional revenues: \$46,500

The following changes in unanticipated changes in operations increased the following expenditures:

The City hosted the Small Cities Conference, which increased the expenditures by \$4,500. This increase is directly offset by the amended amount in donations that were received by the City for the Small Cities Conference.
 The City Clerk's promotion and retro pay increased a total compensation of \$5,190.
 The City received \$54,000 in road maintenance grants, but the expenditures were not budgeted.

Total additional expenditures: \$63,690

The variance of \$17,190 between the additional expenditures will be made up with excess revenues over expenditures.

		2018	Proposed	
Revenues		Budget	Amendment	Change
100-33401	LOCAL GOVERNMENT AID	-	9,000	9,000
100-33620	COUNTY GRANTS & AID (OTHER)	-	9,000	9,000
100-34108	ADMINISTRATIVE CHARGES/REIMBUR	5,520	29,520	24,000
100-36231	DONATIONS	-	4,500	4,500
Total Revenues		5,520	52,020	46,500
		2018	Proposed	
Expenditures		Budget	Amendment	Change
100-41000-331	CONFERENCE & TRAVEL	11,020	15,520	4,500
100-41500-101	WAGES (FULL-TIME)	40,000	44,500	4,500
100-41500-121	PERA	5,560	5,900	340
100-41500-122	FICA/MEDICARE	5,670	6,020	350
100-43100-224	ROAD MANT>MATERIALS (ON-GOING)	67,980	121,980	54,000
Total Expenditures		130,230	193,920	63,690
			Variance	(17,190)



RESOLUTION NO. 18-1204-03

RESOLUTION APPROVING 2019 GENERAL FUND BUDGET

WHEREAS, it is the practice of the City of Independence to create and adopt a General Fund Budget; and

WHEREAS, the City Council for the City of Independence has determined to create a balanced budget; and

WHEREAS, the City Council has determined that the 2019 General Fund Budget will call for revenues and expenditures of **\$2,656,535.39**; and

WHEREAS, the proposed 2019 General Fund Budget meets the criteria of a balanced budget,

NOW, THEREFORE, BE IT RESOLVED, that the Independence City Council hereby adopts the General Fund Budget for 2019.

General Fund

2019 Final Budget
\$ 2,656,535.39

This resolution was adopted by the City Council of the City of Independence on this 4th day of December, 2018, by a vote of ____ ayes and ____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



RESOLUTION NO. 18-1204-04

RESOLUTION APPROVING 2019 FINAL PROPERTY TAX GENERAL LEVY

WHEREAS, the City of Independence is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

WHEREAS, Minnesota Statutes require approval of a final property tax levy and final budget on or before the fifth business day following the 20th of December of each year; and

BE IT RESOLVED that the City Council of the City of Independence, Hennepin County, Minnesota, that the following sums of money be levied for collection in 2019 upon the table property in said City of Independence for the following purposes:

	<u>2019 Final Budget</u>
General Fund	\$ 2,656,535
Debt Service	
2006 GO Capital Improvement Bonds \$110,100	\$ 124,530
2010A GO Improvement Bond, Lindgren Lane	\$ 15,957
2015 GO Tax Abatement Bonds	\$ 176,308
Total Operating Levies	<u>\$ 2,973,331</u>
Pioneer/Sarah Watershed Commission	<u>\$ 64,510</u>

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

This resolution was adopted by the City Council of the City of Independence on this 4th day of December, 2018, by a vote of ____ayes and ____nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



RESOLUTION NO. 18-1204-05

**RESOLUTION APPROVING 2019 PIONEER SARAH CREEK WATESHED
MANAGEMENT COMMISSION TAX LEVY**

WHEREAS, the City of Independence is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

WHEREAS, Minnesota Statutes require approval of a final property tax levy and final budget on or before the fifth business day following the 20th of December of each year; and

BE IT RESOLVED that the City Council of the City of Independence, Hennepin County, Minnesota, that the following sums of money be levied for collection in 2019 upon the table property in said City of Independence for the following purposes:

Pioneer/Sarah Watershed Commission	\$ <u>64,510</u>
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BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

This resolution was adopted by the City Council of the City of Independence on this 4th day of December, 2018, by a vote of ____ ayes and ____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



RESOLUTION NO. 18-1204-06

RESOLUTION APPROVING 2018 BUDGET AMENDMENT

WHEREAS, the City of Independence adopted the 2018 budget in December 2017;
and

WHEREAS, the budget was set based on historical data and future planned expenses; and

WHEREAS, changes in the City's operations have caused a deviation from the original 2018 budget; and

WHEREAS, an amendment to the general fund operating budget is proposed to accurately account for the City's finances; and

WHEREAS, the Council has reviewed the proposed amendment and agree to the changes; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Independence, Minnesota hereby approves an amendment to the 2018 Revenue and General Fund Operating Budget at the following amounts.

		2018	Proposed	
Revenues		Budget	Amendment	Change
100-33401	LOCAL GOVERNMENT AID	-	9,000	9,000
100-33620	COUNTY GRANTS & AID (OTHER)	-	9,000	9,000
100-34108	ADMINISTRATIVE CHARGES/REIMBUR	5,520	29,520	24,000
100-36231	DONATIONS	-	4,500	4,500
Total Revenues		5,520	52,020	46,500
Expenditures		2018	Proposed	
		Budget	Amendment	Change
100-41000-331	CONFERENCE & TRAVEL	11,020	15,520	4,500
100-41500-101	WAGES (FULL-TIME)	40,000	44,500	4,500
100-41500-121	PERA	5,560	5,900	340
100-41500-122	FICA/MEDICARE	5,670	6,020	350
100-43100-224	ROAD MAINT>MATERIALS (ON-GOING)	67,980	121,980	54,000
Total Expenditures		130,230	193,920	63,690
				Variance
				(17,190)

This resolution was adopted by the City Council of the City of Independence on this 4th day of December 2018, by a vote of ___ ayes and ___ nays.

Marvin D. Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

Proposed Amendment to the City of Independence Ordinances Pertaining to Small Cellular Wireless Technology in City Rights of Ways

To: City Council
From: Mark Kaltsas, City Planner
Meeting Date: December 4, 2018

Consideration:

ORDINANCE 2018-05 – Adopting an Ordinance Amendment to Chapter VIII, Section 810, Right of Way Regulations: Consider proposed amendment to the right of way ordinance relating to small cellular antennas.

SUMMARY ORDINANCE 2018-05 – Adopting a Summary Ordinance Relating to the Amendment to Chapter VIII, Section 810, Right of Way Regulations.

ORDINANCE 2018-06 Adopting an Ordinance Amendment to Chapter V, Section 510.05, Definitions and Chapter 5, Section 530.05, Subd. 4, Conditional Uses: Consider amendment pertaining to small cellular wireless technology in City right of ways.

Discussion:

Small Cellular in City Right of Ways

The State of Minnesota adopted new regulations in 2017 pertaining to the regulation of placement of small cell technologies and distributed antennae systems (DAS) (See Example Images Below). Small cell equipment and DAS both transmit wireless signals to and from a defined area to a larger cell tower. They are often installed at sites that support cell coverage either within a large cell area that has high coverage needs or at sites within large geographic areas that have poor cell coverage overall. Situational needs dictate when cell providers use small cell towers, as opposed to DAS technology. Generally, cell providers install small cell towers when they need to target specific indoor or outdoor areas like stadiums, hospitals, or shopping malls. DAS technology, alternatively, uses a small radio unit and an antenna (that directly link to an existing large cell tower via fiber optics). Installation of a DAS often involves cell providers using the fiber within existing utility structures to link to its larger cell tower.



Historically, many cities' ordinances address large wireless tower sites, but not small cellular towers or DAS. Cities can charge rent (up to a cap for small wireless siting) under the statute for placement of cell technology or DAS on existing or newly installed support structures, like poles or water towers; and, also, can enter into a separate agreement to address issues not covered by state law or ordinance. In addition to adopting specific regulations, many city zoning ordinances recognize structures as conditional uses requiring a permit. While cities may require special permits or variances to their zoning for siting of large cell facilities, under state law, small wireless facilities and wireless support structures accommodating those small wireless facilities are deemed a permitted use. The only exception to the presumed, permitted use for small wireless is that a city may require a special or conditional land use permit to install a new wireless support structure in a residentially zoned or historic district. The City can regulate small wireless and DAS equipment in residential zoning districts by making new structures a conditional use rather than a permitted use. Based on the new legislation, the City can only regulate new equipment located in residential zoning districts and must allow new small wireless structures in all other commercial districts as a permitted use.

Independence will also need to amend the City's Code of Ordinances Chapter VIII, Section 810, Right of Way Regulations. The amendment will define small wireless facilities, provide additional regulations pertaining specifically to small wireless structures and allow the City to permit, lease and charge fees associated with the location of small wireless facilities in the right of way. The state statute provides the City with specific requirements pertaining to small wireless technology in the right of way. The City Attorney has reviewed the right of way ordinance and prepared the proposed amendment. The proposed amendment includes the state statute specified fees for all small wireless as follows:

As provided by Minnesota Statutes Sections 237.162-.163, an annual fee for electricity used to operate the Small Wireless Facility, if not purchased directly from a utility, shall be added to the annual rent due under each Supplement at the rate of:

- A. \$73.00 per radio node less than or equal to 100 max watts;

- B. \$182.00 per radio node over 100 max watts; or*
- C. The actual costs of electricity, if the actual costs exceed the amount in item (A) or (B).*

To ensure that the City has the most control over structures being located within City rights of way, the City would need to consider adding the recommended ordinance changes.

Summary:

Planning Commissioners reviewed the proposed amendment to the zoning ordinance, held a public hearing and recommended approval to the City Council. The City Attorney reviewed the right of way ordinance with staff and prepared the proposed amendment. No public hearing is required to consider the right of way ordinance amendment. Council is being asked to consider approval of the following Ordinances:

ORDINANCE 2018-05 – Adopting an Ordinance Amendment to Chapter VIII, Section 810, Right of Way Regulations: Consider proposed amendment to the right of way ordinance relating to small cellular antennas.

SUMMARY ORDINANCE 2018-05 – Adopting a Summary Ordinance Relating to the Amendment to Chapter VIII, Section 810, Right of Way Regulations.

ORDINANCE 2018-06 Adopting an Ordinance Amendment to Chapter V, Section 510.05, Definitions and Chapter 5, Section 530.05, Subd. 4, Conditional Uses: Consider amendment pertaining to small cellular wireless technology in City right of ways.

Attachments: League of Minnesota Cities – Information (2 PDF's)

**ORDINANCE NO. 2018-05
CITY OF INDEPENDENCE**

**AN ORDINANCE AMENDING CHAPTER VIII, SECTION 810,
OF THE CITY CODE (RIGHT-OF-WAY REGULATIONS)**

**THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, HENNEPIN COUNTY,
MINNESOTA, ORDAINS:**

SECTION 1. The Independence City Code, Chapter VIII, Section 810 is repealed in its entirety and replaced with the following:

SECTION 810. - RIGHT-OF-WAY REGULATIONS; PERMITS

810.01. - Election to manage the public right-of-way.

In accordance with the authority granted to the city under state and federal statutory, administrative and common law, the city hereby elects under Minn. Stats. § 237.163, subd. 2(b) to manage rights-of-way within its jurisdiction.

810.03. - Definitions.

The definitions included in Minn. R. 7819.0100, subparts 1 through 23 are hereby adopted by reference and are incorporated into this section as if set out in full, in addition to the terms defined below.

Collocate or Collocation. To install, mount, maintain, modify, operate, or replace a small wireless facility on, under, within, or adjacent to an existing wireless support structure or utility pole that is owned privately, or by the city or other governmental unit.

Management Costs. The actual costs the city incurs in managing its rights-of-way, including such costs, if incurred, as those associated with registering applicants; issuing, processing, and verifying right-of-way or small wireless facility permit applications; inspecting job sites and restoration projects; maintaining, supporting, protecting, or moving user facilities during right-of-way work; determining the adequacy of right-of-way restoration; restoring work inadequately performed after providing notice and the opportunity to correct the work; and revoking right-of-way or small wireless facility permits. Management costs do not include payment by a telecommunications right-of-way user for the use of the right-of-way, unreasonable fees of a third-party contractor used by the city including fees tied to or based on customer counts, access lines, or revenues generated by the right-of-way or for the city, the fees and cost of litigation relating to the interpretation of Minnesota Session Laws 1997, Chapter 123; Minnesota Statutes Sections 237.162 or 237.163; or any ordinance enacted under those sections, or the city fees and costs related to appeals taken pursuant to Section 1.30 of this chapter.

Small Wireless Facility. A wireless facility that meets both of the following qualifications:

- (i) each antenna is located inside an enclosure of no more than six cubic feet in volume or could fit within such an enclosure; and
- (ii) all other wireless equipment associated with the small wireless facility provided such equipment is, in aggregate, no more than 28 cubic feet in volume, not including electric meters, concealment elements, telecommunications demarcation boxes, battery backup power systems, grounding equipment, power transfer switches, cutoff switches, cable, conduit, vertical cable runs for the connection of power and other services, and any equipment concealed from public view within or behind an existing structure or concealment.

Utility Pole. A pole that is used in whole or in part to facilitate telecommunications or electric service.

Wireless Facility. Equipment at a fixed location that enables the provision of wireless services between user equipment and a wireless service network, including equipment associated with wireless service, a radio transceiver, antenna, coaxial or fiber-optic cable, regular and backup power supplies, and/or a small wireless facility, but not including wireless support structures, wireline backhaul facilities, or cables between utility poles or wireless support structures, or not otherwise immediately adjacent to and directly associated with a specific antenna.

Wireless Service. Any service using licensed or unlicensed wireless spectrum, including the use of Wi-Fi, whether at a fixed location or by means of a mobile device, that is provided using wireless facilities. Wireless service does not include services regulated under Title VI of the Communications Act of 1934, as amended, including cable service.

Wireless Support Structure. A new or existing structure in a right-of-way designed to support or capable of supporting small wireless facilities, as reasonably determined by the city.

810.05. - Permit requirement.

Subd. 1. *Permit required.* Except as otherwise provided in this Code, no person may obstruct or excavate any right-of-way without first having obtained the appropriate permit from the city. The types of permits are as follows:

- (a) *Excavation permit.* An excavation permit is required to excavate that part of the right-of-way described in such permit and to hinder free and open passage over the specified portion of the right-of-way by placing facilities described therein, to the extent and for the duration specified therein.
- (b) *Obstruction permit.* An obstruction permit is required to hinder free and open passage over the specified portion of right-of-way by placing equipment described therein on the right-of-way, to the extent and for the duration specified therein. An obstruction permit

is not required if a person already possesses a valid excavation permit for the same project.

- (c) *Small Wireless Facility Permit.* A small wireless facility permit is required by a registrant to erect or install a wireless support structure, to collocate a small wireless facility, or to otherwise install a small wireless facility in the specified portion of the right-of-way, to the extent specified therein, provided that such permit shall remain in effect for the length of time the facility is in use, unless lawfully revoked.

Subd. 2. *Permit extensions.* No person may excavate or obstruct the right-of-way beyond the date or dates specified in the permit unless such person:

- (i) Makes a supplementary application for another right-of-way permit before the expiration of the initial permit, and
- (ii) A new permit or permit extension is granted.

Subd. 3. *Delay penalty.* In accordance with Minn. R. 7819.1000, subpart 3 and notwithstanding subdivision 2 of this subsection, the city shall establish and impose a delay penalty for unreasonable delays in right-of-way excavation, obstruction, patching, or restoration. The city council shall establish the amount of the delay penalty from time to time by resolution.

Subd. 4. *Permit display.* Permits issued under this section shall be conspicuously displayed or otherwise available at all times at the indicated work site and shall be available for inspection by the public works director.

810.07. - Permit applications.

Application for a permit shall contain, and will be considered complete only upon compliance with the requirements of the following provisions:

- (a) Submission of a completed permit application form, including all required attachments, scaled drawings showing the location and area of the proposed project and the location of all known existing and proposed facilities, and the following information:
 - (1) Each permittee's name, Gopher One-Call registration certificate number, address and e-mail address if applicable, and telephone and facsimile numbers.
 - (2) The name, address and e-mail address, if applicable, and telephone and facsimile numbers of a local representative. The local representative or designee shall be available at all times. Current information regarding how to contact the local representative in an emergency shall be provided at the time of registration.
 - (3) A certificate of insurance or self-insurance:
 - (i) Verifying that an insurance policy has been issued to the applicant by an insurance company licensed to do business in the State of Minnesota, or a form of self-insurance acceptable to the public works director;
 - (ii) Verifying that the applicant is insured against claims for personal injury, including death, as well as claims for property damage arising out of the:

- (i) Use and occupancy of the right-of-way by the applicant, its officers, agents, employees and permittees; and
 - (ii) Placement and use of facilities and equipment in the right-of-way by the applicant, its officers, agents, employees and permittees, including, but not limited to, protection against liability arising from completed operations, damage of underground facilities and collapse of property;
 - (iii) Naming the city as an additional insured as to whom the coverages required herein are in force and applicable and for whom defense will be provided as to all such coverages;
 - (iv) Requiring that the public works director be notified 30 days in advance of cancellation of the policy or material modification of a coverage term;
 - (v) Indicating comprehensive liability coverage, automobile liability coverage, workers compensation and umbrella coverage established by the public works director in amounts sufficient to protect the city and the public and to carry out the purposes and policies of this section.
- (4) If the applicant is a corporation, a copy of the certificate required to be filed under Minn. Stats. § 300.06 as recorded and certified to by the secretary of state.
 - (5) A copy of the applicant's order granting a certificate of authority from the Minnesota Public Utilities Commission or other applicable state or federal agency, where the applicant is lawfully required to have such certificate from said commission or other state or federal agency.
- (b) Payment of money due the city for:
 - (1) Permit fees, estimated restoration costs and other management costs;
 - (2) Prior obstructions or excavations;
 - (3) Any undisputed loss, damage, or expense suffered by the city because of applicant's prior excavations or obstructions of the rights-of-way or any emergency actions taken by the city;
 - (4) Franchise fees or other charges, if applicable.

810.09. - Issuance of permit; conditions.

Subd. 1. *Permit issuance.* If the applicant has satisfied the requirements of this section, the public works director shall approve and the city clerk-treasurer shall issue a permit.

Subd. 2. *Conditions.* The public works director may impose reasonable conditions upon the issuance of the permit and the performance of the applicant thereunder to protect the health, safety and welfare or when necessary to protect the right-of-way and its current use.

Subd. 3. *Small Wireless Facility Conditions.* In addition to subdivision 2, the erection or installation of a wireless support structure, the collocation of a small wireless facility, or other installation of a small wireless facility in the right-of-way, shall be subject to the following conditions:

- (a) A small wireless facility shall only be collocated on the particular wireless support structure, under those attachment specifications, and at the height indicated in the applicable permit application.
- (b) No new wireless support structure installed within the right-of-way shall exceed 50 feet in height without the city's written authorization, provided that the city may impose a lower height limit in the applicable permit to protect the public health, safety and welfare or to protect the right-of-way and its current use, and further provided that a registrant may replace an existing wireless support structure exceeding 50 feet in height with a structure of the same height subject to such conditions or requirements as may be imposed in the applicable permit.
- (c) No wireless facility may extend more than 10 feet above its wireless support structure.
- (d) Where an applicant proposes to install a new wireless support structure in the right-of-way, the city may impose separation requirements between such structure and any existing wireless support structure or other facilities in and around the right-of-way.
- (e) Where an applicant proposes collocation on a decorative wireless support structure, sign or other structure not intended to support small wireless facilities, the city may impose reasonable requirements to accommodate the particular design, appearance or intended purpose of such structure.
- (f) Where an applicant proposes to replace a wireless support structure, the city may impose reasonable restocking, replacement, or relocation requirements on the replacement of such structure.

Subd. 4. *Small Wireless Facility Agreement.* A small wireless facility shall only be collocated on a small wireless support structure owned or controlled by the city, or any other city asset in the right-of-way, after the applicant has executed a standard small wireless facility collocation agreement with the city. The standard collocation agreement may require payment of the following:

- (a) Up to \$150 per year for rent to collocate on the city structure.
- (b) \$25 per year for maintenance associated with the collocation;
- (c) A monthly fee for electrical service as follows:
 - 1. \$73 per radio node less than or equal to 100 maximum watts;
 - 2. \$182 per radio node over 100 maximum watts; or
 - 3. The actual costs of electricity, if the actual cost exceed the foregoing.

The standard collocation agreement shall be in addition to, and not in lieu of, the required small wireless facility permit, provided, however, that the applicant shall not be additionally required to obtain a license or franchise in order to collocate. Issuance of a small wireless facility permit does not supersede, alter or affect any then-existing agreement between the city and applicant.

810.11 - Action on Small Wireless Facility Permit Applications.

Subd. 1. *Deadline for Action.* The city shall approve or deny a small wireless facility permit application within 90 days after filing of such application. The small wireless facility permit, and any associated building permit application, shall be deemed approved if the city fails to approve or deny the application within the review periods established in this section.

Subd. 2. *Consolidated Applications.* An applicant may file a consolidated small wireless facility permit application addressing the proposed collocation of up to 15 small wireless facilities, or a greater number if agreed to by a local government unit, provided that all small wireless facilities in the application:

- (a) are located within a two-mile radius;
- (b) consist of substantially similar equipment; and
- (c) are to be placed on similar types of wireless support structures.

In rendering a decision on a consolidated permit application, the city may approve some small wireless facilities and deny others, but may not use denial of one or more permits as a basis to deny all small wireless facilities in the application.

Subd. 3. *Tolling of Deadline.* The 90-day deadline for action on a small wireless facility permit application may be tolled if:

- (a) The city receives applications from one or more applicants seeking approval of permits for more than 30 small wireless facilities within a seven-day period. In such case, the city may extend the deadline for all such applications by 30 days by informing the affected applicants in writing of such extension.
- (b) The applicant fails to submit all required documents or information and the city provides written notice of incompleteness to the applicant within 30 days of receipt the application. Upon submission of additional documents or information, the city shall have ten days to notify the applicant in writing of any still-missing information.
- (c) The city and a small wireless facility applicant agree in writing to toll the review period.

810.13. - Permit fees.

Subd. 1. *Excavation permit fee.* The city council by resolution shall impose an excavation permit fee in an amount sufficient to recover the following costs:

- (a) The city management costs;
- (b) Degradation costs, if applicable.

Subd. 2. *Obstruction permit fee.* The city council by resolution shall impose an obstruction permit fee and shall be in an amount sufficient to recover the city management costs.

Subd. 3. *Small Wireless Facility Permit Fee.* The city shall impose a small wireless facility permit fee in an amount sufficient to recover:

- (a) management costs, and;
- (b) city engineering, make-ready, and construction costs associated with collocation of small wireless facilities.

Subd. 4. *Payment of permit fees.* No excavation permit or obstruction permit shall be issued without payment of excavation or obstruction permit fees. The city may allow applicant to pay such fees within 30 days of billing.

Subd. 5. *Nonrefundable.* Permit fees that were paid for a permit that the public works director has revoked for a breach as stated in subsection 810.27 are not refundable.

Subd. 6. *Application to franchises.* Unless otherwise agreed to in a franchise, management costs may be charged separately from and in addition to the franchise fees imposed on a right-of-way user in the franchise.

Subd. 7. *Compliance with Minnesota Rules.* All permit fees shall be established consistent with the provisions of Minn. R. part 7819.1000.

810.15. - Right-of-way patching and restoration.

Subd. 1. *Timing.* The work to be done under the excavation permit, and the patching and restoration of the right-of-way as required herein, must be completed within the dates specified in the permit, increased by as many days as work could not be done because of circumstances beyond the control of the permittee.

Subd. 2. *Patch and restoration.* The permittee shall patch its own work. The city may choose either to restore the right-of-way itself or have the permittee restore the right-of-way.

- (a) *City restoration.* If the city restores the right-of-way, permittee shall pay the costs thereof within 30 days of billing. If following such restoration, the pavement settles due to permittee's improper backfilling, the permittee shall pay to the city, within 30 days of billing, all costs associated with having to correct the defective work.
- (b) *Permittee restoration.* If the permittee restores the right-of-way itself, it shall at the time of application for an excavation permit post a construction performance bond in accordance with the provisions of Minn. R. part 7819.3000.

- (c) *Degradation fee in lieu of restoration.* In lieu of right-of-way restoration, a right-of-way user may elect to pay a degradation fee. However, the right-of-way user shall remain responsible for patching and the degradation fee shall not include the cost to accomplish these responsibilities.

Subd. 3. *Standards.* The permittee shall perform patching and restoration according to the standards and with the materials specified by the city and shall comply with Minn. R. part 7819.1100.

Subd. 4. *Duty to correct defects.* The permittee shall correct defects in patching, or restoration performed by permittee or its agents. The permittee, upon notification from the public works director, shall correct all restoration work to the extent necessary, using the method required by the public works director. Said work shall be completed within five calendar days of the receipt of the notice from the public works director, not including days during which work cannot be done because of circumstances constituting force majeure.

Subd. 5. *Failure to restore.* If the permittee fails to restore the right-of-way in the manner and to the condition required by the public works director, or fails to satisfactorily and timely complete all restoration required by the public works director, the city, at the option of the public works director, may do such work. In that event the permittee shall pay to the city, within 30 days of billing, the cost of restoring the right-of-way. If permittee fails to pay as required, the city may exercise its rights under the construction performance bond.

810.17. - Supplementary applications.

Subd. 1. *Limitation on area.* A right-of-way permit is valid only for the area of the right-of-way specified in the permit. No permittee may do any work outside the area specified in the permit, except as provided herein. Any permittee which determines that an area greater than that specified in the permit must be obstructed or excavated must before working in that greater area:

- (i) Make application for a permit extension and pay any additional fees required thereby; and
- (ii) Be granted a new permit or permit extension.

Subd. 2. *Limitation on dates.* A right-of-way permit is valid only for the dates specified in the permit. No permittee may begin its work before the permit start date or, except as provided herein, continue working after the end date. If a permittee does not finish the work by the permit end date, it must apply for a new permit for the additional time it needs, and receive the new permit or an extension of the old permit before working after the end date of the previous permit. This supplementary application must be submitted before the permit end date.

810.19. - Denial or revocation of permit.

Subd. 1. *Reasons for denial.* The city may deny a permit for failure to meet the requirements and conditions of this section or if the city determines that the denial is necessary to protect the health, safety, and welfare or when necessary to protect the right-of-way and its current use.

Subd. 2. *Procedural Requirements.* The denial or revocation of a permit must be made in writing and must document the basis for the denial. The city must notify the applicant or right-of-way user in writing within three business days of the decision to deny or revoke a permit. If an application is denied, the right-of-way user may address the reasons for denial identified by the city and resubmit its application. If the application is resubmitted within 30 days of receipt of the notice of denial, no additional application fee shall be imposed. The city must approve or deny the resubmitted application within 30 days after submission.

810.21. - Installation requirements.

The excavation, backfilling, patching and restoration, and all other work performed in the right-of-way shall be done in conformance with Minn. R. part 7819.1100 and other applicable local requirements, in so far as they are not inconsistent with the Minn. Stats. §§ 237.162 and 237.163.

810.23. - Inspection.

Subd. 1. *Notice of completion.* When the work under any permit hereunder is completed, the permittee shall furnish a completion certificate in accordance Minn. R. part 7819.1300.

Subd. 2. *Site inspection.* The permittee shall make the work-site available to city personnel and to all others as authorized by law for inspection at all reasonable times during the execution of and upon completion of the work.

Subd. 3. *Authority of public works director.*

- (a) At the time of inspection the public works director may order the immediate cessation of any work which poses a serious threat to the life, health, safety or well-being of the public.
- (b) The public works director may issue an order to the permittee for any work, which does not conform to the terms of the permit or other applicable standards, conditions, or codes. The order shall state that failure to correct the violation will be cause for revocation of the permit. Within ten days after issuance of the order, the permittee shall present proof to the public works director that the violation has been corrected. If such proof has not been presented within the required time, the public works director may revoke the permit pursuant to subsection 810.27 of this Code.

810.25. - Work done without a permit.

Subd. 1. *Emergency situations.* Each person with facilities in the right-of-way shall immediately notify the city of any event regarding its facilities, which it considers to be an emergency. The owner of the facilities may proceed to take whatever actions are necessary to respond to the emergency. Within two business days after the occurrence of the emergency the owner shall apply for the necessary permits, pay the fees associated therewith and fulfill the rest of the requirements necessary to bring itself into compliance with this section for the actions it took in response to the emergency. If the city becomes aware of an emergency regarding facilities, the city will attempt to contact the local representative of each facility owner affected, or potentially affected, by the emergency. In any event, the city

may take whatever action it deems necessary to respond to the emergency, the cost of which shall be borne by the person whose facilities occasioned the emergency.

Subd. 2. *Non-emergency situations.* Except in an emergency, any person who, without first having obtained the necessary permit, obstructs or excavates a right-of-way must subsequently obtain a permit, and as a penalty pay double the normal fee for said permit, pay double all the other fees required by this Code, deposit with the city the fees necessary to correct any damage to the right-of-way and comply with all of the requirements of this section.

810.27. - Supplementary notification.

If the obstruction or excavation of the right-of-way begins later or ends sooner than the date given on the permit, permittee shall notify the public works director of the accurate information as soon as this information is known.

810.29. - Revocation of permits.

Subd. 1. *Substantial breach.* The city reserves its right, as provided herein, to revoke any right-of-way permit, without a fee refund, if there is a substantial breach of the terms and conditions of any statute, ordinance, rule or regulation, or any material condition of the permit. A substantial breach by permittee shall include, but shall not be limited to, the following:

- (a) The violation of any material provision of the right-of-way permit;
- (b) An evasion or attempt to evade any material provision of the right-of-way permit, or the perpetration or attempt to perpetrate any fraud or deceit upon the city or its citizens;
- (c) Any material misrepresentation of fact in the application for a right-of-way permit;
- (d) The failure to complete the work in a timely manner; unless a permit extension is obtained or unless the failure to complete work is due to reasons beyond the permittee's control; or
- (e) The failure to correct, in a timely manner, work that does not conform to a condition indicated on an order issued pursuant to subsection 810.21 of this Code.

Subd. 2. *Written notice of breach.* If the city determines that the permittee has committed a substantial breach of a term or condition of any statute, ordinance, rule, regulation or any condition of the permit the city shall make a written demand upon the permittee to remedy such violation. The demand shall state that continued violations may be cause for revocation of the permit. A substantial breach, as stated above, will allow the city, at its discretion, to place additional or revised conditions on the permit to mitigate and remedy the breach.

Subd. 3. *Response to notice of breach.* Within 24 hours of receiving notification of the breach, permittee shall provide the city with a plan, acceptable to the city, that will cure the breach. The permittee's failure to so contact the city, or the permittee's failure to submit an acceptable plan, or permittee's failure to reasonably implement the approved plan, shall be cause for immediate revocation of the permit.

Subd. 4. *Reimbursement of city costs.* If a permit is revoked, the permittee shall also reimburse the city for the city's reasonable costs, including restoration costs and the costs of collection and reasonable attorneys' fees incurred in connection with such revocation.

810.31. - Mapping data.

Each permittee shall provide mapping information required by the city in accordance with Minn. R. parts 7819.4000 and 7819.4100.

810.33. - Location of facilities.

Subd. 1. *Undergrounding.* Unless otherwise agreed in a franchise or other agreement between the applicable right-of-way user and the city, newly constructed facilities in the right-of-way must be located underground. The city may approve above-ground installation of pedestals, equipment boxes, and other equipment typically located above-ground. The city may impose restrictions on the location, size, design and appearance of any such above-ground equipment.

Subd. 2. *Corridors.* The city may assign specific corridors within the right-of-way, or any particular segment thereof as may be necessary, for each type of facilities that is or, pursuant to current technology, the city expects will someday be located within the right-of-way. All excavation, obstruction, or other permits issued by the city involving the installation or replacement of facilities shall designate the proper corridor for the facilities at issue.

Subd. 3. *Limitation of space.* To protect health, safety, and welfare or when necessary to protect the right-of-way and its current use, the public works director shall have the power to prohibit or limit the placement of new or additional facilities within the right-of-way. In making such decisions, the public works director shall strive to the extent possible to accommodate all existing and potential users of the right-of-way, but shall be guided primarily by considerations of the public interest, the public's needs for the particular utility service, the condition of the right-of-way, the time of year with respect to essential utilities, the protection of existing facilities in the right-of-way, and future city plans for public improvements and development projects which have been determined to be in the public interest.

810.35. - Damage to other facilities.

When the city does work in the right-of-way and finds it necessary to maintain, support, or move facilities to protect it, the public works director shall notify the local representative as early as is reasonably possible and placed as required. The costs associated therewith will be billed to that registrant and must be paid within 30 days from the date of billing. Each facility owner shall be responsible for the cost of repairing any facilities in the right-of-way, which it or its facilities damages. Each facility owner shall be responsible for the cost of repairing any damage to the facilities of another registrant caused during the city's response to an emergency occasioned by that owner's facilities.

810.37. - Right-of-way vacation.

If the city vacates a right-of-way, which contains the facilities of a permittee, the permittee's rights in the vacated right-of-way are governed by Minn. R. part 7819.3200.

810.39. - Indemnification and liability.

By applying for and accepting a permit under this section, a permittee agrees to defend and indemnify the city in accordance with the provisions of Minn. R. part 7819.1250.

810.41. - Abandoned facilities.

Any person who has abandoned facilities in any right-of-way shall remove them from that right-of-way if required in conjunction with other right-of-way repair, excavation, or construction, unless this requirement is waived by the public works director.

810.43. - Appeal.

A right-of-way user that:

- (i) Has been denied registration;
- (ii) Has been denied a permit;
- (iii) Has had permit revoked; or
- (iv) Believes that the fees imposed are invalid;

may have the denial, revocation, or fee imposition reviewed, upon written request, by the city council. The city council shall act on a timely written request at its next regularly scheduled meeting. A decision by the city council affirming the denial, revocation, or fee imposition will be writing and supported by written findings establishing the reasonableness of the decision.

810.45. - Reservation of regulatory and police powers.

A permittee's rights are subject to the regulatory and police powers of the city to adopt and enforce general ordinances necessary to protect the health, safety and welfare of the public.

SECTION 2. This ordinance shall be in force and effect after enactment and publication as required by law.

Adopted this 4th day of December 2018, by the Independence City Council.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

**SUMMARY ORDINANCE NO. 2018-05
CITY OF INDEPENDENCE**

**AN ORDINANCE AMENDING CHAPTER VIII, SECTION 810,
OF THE CITY CODE (RIGHT-OF-WAY REGULATIONS)**

**THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, HENNEPIN COUNTY,
MINNESOTA, ORDAINS:**

NOTICE IS HEREBY GIVEN that on December 4th, 2018, Ordinance No. 2018-05, was adopted by the City Council of the City of Independence, Minnesota.

NOTICE IS FURTHER GIVEN that, because of the lengthy nature of Ordinance No. 2018-05, the following summary of the ordinance has been prepared for publication.

NOTICE IS FURTHER GIVEN that the ordinance adopted by the City Council amends Chapter VIII, Section 810 of the Independence Ordinance, “Right of Way Regulations” by updating the ordinance to provide for the permitting and regulation of small wireless facilities within the City’s right of ways. The ordinance is consistent with the statutory language allowing local municipalities to regulate the permitting and use of the right of way. The ordinance adds several definitions pertaining to small wireless facilities and provides clear requirements for permitting of same facilities in the right of way.

A printed copy of the entire ordinance is available for inspection by any person during the City’s regular office hours at the City of Independence City Hall.

APPROVED for publication by the City Council of the City of Independence, Minnesota on this 4th day of December 2018.

CITY OF INDEPENDENCE

Adopted this 4th day of December 2018, by the Independence City Council.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

**ORDINANCE NO. 2018-06
CITY OF INDEPENDENCE**

**AN ORDINANCE AMENDING CHAPTER V, SECTION 510 AND CHAPTER V,
SECTION 530 OF THE CITY CODE (ZONING ORDINANCE)**

**THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, HENNEPIN COUNTY,
MINNESOTA, ORDAINS:**

SECTION 1. The Independence City Code, Chapter V, Section 510.05, Definitions is amended to add the following definitions. The section will be renumbered to accommodate the proposed amendment.

Chapter V, Section 510.05. – Definitions.

Subd. 90. “Small Wireless Facility,” means a wireless facility that meets both of the following qualifications:

- (a) Each antenna is located inside an enclosure of no more than six cubic feet in volume or could fit within such an enclosure; and
- (b) All other wireless equipment associated with the small wireless facility provided such equipment is, in aggregate, no more than 28 cubic feet in volume, not including electric meters, concealment elements, telecommunications demarcation boxes, battery backup power systems, grounding equipment, power transfer switches, cutoff switches, cable, conduit, vertical cable runs for the connection of power and other services, and any equipment concealed from public view within or behind an existing structure or concealment.

Subd. 91. “Wireless Support Structure,” means a new or existing structure in a right-of-way designed to support or capable of supporting small wireless facilities, as reasonably determined by the city.

SECTION 2. The Independence City Code, Chapter V, Section 530.01, Subd. 4, Conditional Uses is amended to add the following definitions. The section will be renumbered to accommodate the proposed amendment.

Chapter V, Section 530.01, Subd. 4, Conditional Uses:

- (l) New wireless support structures for small wireless facilities.

SECTION 3. The Independence City Code, Chapter V, Section 530.01, Subd. 4, Conditional Uses is amended to add the following definitions. The section will be renumbered to accommodate the proposed amendment.

Chapter V, Section 530.05, Subd. 4, Conditional Uses:

- (l) New wireless support structures for small wireless facilities.

SECTION 4. This ordinance shall be in force and effect after enactment and publication as required by law.

Adopted this 4th day of December 2018, by the Independence City Council.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

Townline Road Quiet Zone Railroad Crossing Discussion

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 4, 2018

Discussion:

Loretto received legislative funding from the 2018 bonding bill to make improvements (create quiet crossing) to the railroad crossing at the CSAH 19 railroad crossing in downtown. The funding is approximately \$350,000. Loretto has prepared plans and specs and bid out the project for spring 2019 construction. The estimated cost is \$275,000-\$300,000. The funding received can also be used for improvements to the Townline Road railroad crossing in Independence and Medina. Based on the estimated cost of \$275,000, there could be funds remaining that could be used at Townline Road. It is anticipated that a quiet crossing at Townline Road will cost between \$200,000-\$300,000. The remaining funding would not be enough to make all of the improvements necessary to provide a quiet crossing but could be used to make some of the required improvements. In order to understand what would need to be done to improve the crossing and how much it would cost, an engineering study needs to be completed. Loretto and Medina have already agreed to proceed with an engineering study and are asking Independence if it would like to participate. The City is being asked to participate in 1/3 of the cost of the \$5,000 study.

Council Recommendation:

Council is being asked to approve funding of \$1,666 to participate in the initial engineering study. Participating in this study does not lock the City into funding any future improvements. This item is not a budgeted item for 2018, but it is anticipated that the City will have other funds available to cover this cost.

Attachments: Loretto Staff Memorandum
Engineering Agreement

CITY OF LORETTO

Memo

To: Mayor Koch and Council Members
From: Jeff Leuer, Public Works Director
CC: Mary Schneider, City Clerk
Date: 11/1/2018
Re: Preliminary Engineering Agreement

Mayor Koch and Council Members:

The City of Loretto received a grant through the 2018 State Bonding Bill. It states in the bill that Loretto Crossings at Co. Rd. 19 and Town Line Road will be upgraded for safety (Quiet Zone) improvements. We are currently getting an upgraded quote for the Co. Rd. 19 crossing from CP Railroad to do this project. In 2014, I requested CP Railroad to do the preliminary engineering on Co. Rd. 19 crossing with an agreement (see attachment). I am requesting that the city council consider moving forward and approving for me to request the same agreement with the scope of work for Town Line Road from CP Railroad. The cost on this would be \$5000.00 for this work to be done. The City of Medina has agreed to pay 1/3 of the cost related because the crossing is within their city limits. The City of Independence has given the approval to move forward with the project but without financial help at this time on the Quiet Zone crossing on Town Line. The cost to the City of Loretto for this work would be approx. \$3400.00.

I will not be at the November 13th, 2018 council meeting. Please contact me prior to November 7th if you any questions.

Jeff Leuer
Public Works Director
City of Loretto

AGREEMENT No. 20152901
Dated: JANUARY 29, 2015
Project: Loretto – Quiet Zone
Preliminary Engineering / Signal Estimate
City of Loretto, Minnesota
Soo Line Railroad Company d/b/a
Canadian Pacific

This agreement is made between the Soo Line Railroad Company (DBA Canadian Pacific), hereinafter called the "Company", and City of Loretto, 279 Medina Street North, Suite 260, PO Box 207, Loretto, Hennepin County, Minnesota 55357 hereinafter called the "City", WITNESSETH:

WHEREAS, the City has proposed one railroad signal project for installation/upgrade of railroad grade crossing warning devices at CSAH 19 (Main Street), DOT 689133X in City of Loretto, Hennepin County, Minnesota, and the tracks of the Company at railroad mile post 21.12, Paynesville Subdivision, US Southern Region; and

WHEREAS, the City desires that said at-grade crossing be provided with circuitry upgrades that include constant working time circuitry (CWT) and pedestrian flashing light signals and gates and cost estimate. The Company agrees to such construction and cost estimate, hereinafter called the "Projects", and

WHEREAS, the City is desirous that the Company perform preliminary engineering work, including detail signal cost estimates, and the Company is willing to do so upon the terms and conditions hereinafter stated; and

WHEREAS, the City is authorized to enter into an agreement with the Company for the Project;

NOW THEREFORE, in consideration of the foregoing and the provisions hereinafter stated, it is agreed as follows:

1. The Company, subsequent to the execution of this agreement and approval of the Projects by the City, will proceed to perform the preliminary engineering work required by this agreement.

2. Preliminary engineering shall mean and include locating, making of surveys, foundation investigation, engineering studies and the detail signal cost estimates of the Projects and the preparation of specifications and construction cost estimates in advance of construction operations. The Company's detail cost estimate will be in accordance with all applicable

standards for railroad grade crossing design and shall consist of standards and regulations in AASHTO, AREMA, FHWA, FRA, Minnesota MUTCD, Minnesota Statutes 219.0et seq. and Minnesota Rules 8830et seq. Should a conflict be identified in any of these rules and regulations, the Minnesota rules and statutes shall be controlling, unless preempted by Federal Regulations.

3. The Company will perform the work called for in this agreement entirely at the expense of the City. It is understood that for agreement the City and the Company have agreed upon a LUMP SUM PAYMENT of \$5,000. The lump sum amount will be paid to the Company by the City when the City certifies that the work has been satisfactorily completed. The City will pay the lump sum, in total within 60 days of certification that the work has been completed satisfactorily.

4. In the event it is determined that a change from the scope of work to be performed by the Company is required, it shall be authorized only by an amendment to this agreement executed prior to the performance of the work involved in the change.

5. Any party to this agreement may assign any receivable due them under this agreement, provided, however, such assignments shall not relieve the assignor of any of its rights or obligations under this agreement.

6. The laws of the State of Minnesota shall govern all questions as to the execution, nature, obligation, construction, validity and performance of this agreement.

7. This agreement is effective upon the date the Company executes the agreement and the Company shall be completed with the detail signal cost estimates within six (6) months after the date the Company is authorized to begin work by the City.

8. The Company shall keep account of its work in such a way that said accounts may be readily audited.

9. The City recognizes that the Company has an ongoing contract with RSS (Railroad Signal Systems – 2425 Great Southwest Parkway, Fort Worth, TX 76106) for railroad signal engineering services. The Company will document the selection of any and all consultants and contractors in addition to RSS. The Company shall follow appropriate regulations for awarding of contract for engineering by other than RSS or Company forces.

The remainder of this page has been intentionally left blank.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed in duplicate counterparts, each of which shall be considered as an original, as of the dates below indicated.

SOO LINE RAILROAD COMPANY



Title:

Date: 1/29, 2014 ~~15~~

CITY of LORETTO, MINNESOTA



Title: Mayor

Date: 1/20/2015, 2014