

MINUTES OF A REGULAR MEETING OF
THE INDEPENDENCE CITY COUNCIL
TUESDAY, DECEMBER 6, 2022–6:30 P.M.
City Hall Chambers

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor 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 and Councilors McCoy, Betts, Spencer, and Grotting.

ABSENT: None.

STAFF: City Administrator Kaltsas, Assistant Administrator Simon, and City Attorney Vose.

VISITORS: None.

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 November 15, 2022, Regular City Council Meeting.
- b. Approval of Accounts Payable (Batch # 1; Checks Numbered 21629-21650, Batch # 2; Checks Numbered 21651-21671).
- c. Pay Request #2 BV Construction – WHPS/North Memorial Garage.

Motion by McCoy, seconded by Betts to approve the Consent Agenda. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.
Update on nuisance violation on Lake Haughey Rd.

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Grotting attended the following meetings:

- Planning Commission
- Workshop

Spencer attended the following meetings:

- Workshop
- Personnel committee meeting

McCoy attended the following meetings:

- Workshop
- Clint Bergman's funeral – 1970's Councilman (When he resigned from the Council, they appointed Marvin.)
- View Santa

Betts attended the following meetings:

- Workshop

Johnson attended the following meetings:

- Workshop
- Rosa Merz' funeral /luncheon
- Executive Hwy 55 Corridor Coalition
- Breakfast with Congressman Dean Phillips
- Clinton Bergman's funeral
- Hennepin County Truth in Taxation Hearing (motioned to reduce HC levy by 1%)
- County Assessor meeting
- Personnel Committee Meeting
- Old Fashioned Lutfisk Dinner at Lyndale Lutheran Church
- View Santa
- Ridgeview Hospital Foundation Waconia

Simon attended the following meetings:

- Workshop
- View Santa
- Fall Ratio meeting with Hennepin County Assessor Joshua Hoogland

Kaltsas attended the following meetings:

- Workshop
- MetCouncil and City of Medina
- Fall Ratio meeting
- Personnel Committee

7. Consider Adoption of the Final 2023 Tax Levy and General Fund Budget and Associated Actions.

The City is now ready to adopt 2023 General Fund levy, General Operating Budget, debt service levy, and Pioneer/Sarah Watershed Taxing District levy. The City must certify these before end of 2022. The budgeting process began in August, and we adopted a Preliminary Budget in September. We saw significant increase in property valuations for payable 2023 resulting that a potential for the City to capture some of that increase. We decided not to capture that, but we are reducing our rate by almost 7%. Taxpayers in Independence, with Hennepin County increase of 3.5%, over half of Independence will see a decrease in overall taxes. We don't know what next year brings. A lot of cities have captured some of that windfall. In

the future if the values stay flat or go down, it will change our taxes going forward. It is good news for Independence residents and that we can fully fund our Police Department, and give them and our staff in increase as well as equipment, streets, roads, etc. The overall increase was 5.75% increase year over year. The Total General Fund Budget is \$3,313,823.

a. RESOLUTION 22-1206-01 – Adopting the 2023 General Fund Budget.

Motion by Betts, seconded by McCoy to approve the 2023 General Fund Budget. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

McCoy thanked the staff and Council serving on boards to get a workable budget.

b. RESOLUTION 22-1206-02 – Adopting the 2023 General Tax Levy.

The 2023 Final Property Tax General Levy includes \$313,499 Debt Service and \$3,627,322 General Fund but does not include the Watershed Levy.

Motion by Grotting, seconded by Spencer to approve the 2023 Final Property Tax General Levy. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

c. RESOLUTION 22-1206-03 – Adopting the 2023 Pioneer Sarah Creek Watershed Management Commission Tax Levy.

The 2023 Pioneer Sarah Creek Watershed Management Commission Tax Levy is \$67,736.00

Motion by Spencer, seconded by McCoy to approve the 2023 Pioneer Creek Watershed Management Commission Tax Levy. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

Spencer – Thank you to our long serving Commissioner Joel Baker who has held the budget flat. The slight increase is a tax formula shift rather than a budget shift. He has put the commission back in favor with the Board of Water and Soil, so we are getting things done. Mayor Johnson asked staff to commend Commissioner Joel Baker for his service. He stated that he's eager to hear the Minnehaha Water District cost as their rate is much higher even though it's a smaller area.

8. Ryan Nash (Applicant/Owner) is requesting the following action for the properties located at 2870 Lake Sarah Road (PID No's. 16-118-24-13-0003 and 16-118-24-42-0001) in the City of Independence, MN:

- a. RESOLUTION 22-1206-04 – Considering approval of a minor subdivision to allow a lot combination that would create one parcel from the two existing parcels with a combined acreage of 5.4 acres.**

Kaltsas- The Applicant approached the City about the possibility of building an additional structure to an existing detached accessory building, and when we did calculations on that, the square footage of the proposed expansion would exceed what is allowed for the size lot he has. His lot is North of the BNSF railroad and North of Hwy 12 and South of Co Rd 92 at the Hwy 12 intersection. He has two properties: (North parcel) 2 acres and (South parcel) 3.4 acres, totaling 5.4 acres. The South lot is landlocked and has no direct access without going through his North property. He could combine these to enlarge the structure. The existing 1,200 sqft detached structure has a 400 sqft lean-to (1,600 sqft overall) and wants to add 640 sqft on the north side totaling a 2,240 sqft proposed structure. Properties less than 2.5 acres allow a 1,850 sqft maximum detached accessory structure. For properties greater than 2.5 acres, the City allows a maximum square footage that is proportionate to the amount of Upland acreage at 2% rate. In the combined property conditions, he does have some wetland on the south portion of the property but would have 3.18 Upland acres which gives him a 2,770 SF Allowable Detached Accessory Structure. He's proposing 2,240 SF, so that all works if properties are combined. Some noted things to consider: 1) The South lot does not have any public frontage. 2) The existing detached accessory building meets applicable building setbacks. The proposed expansion of the structure will meet all applicable setbacks in the after condition. 3) The requisite drainage and utility easements would need to be dedicated to the City, and the applicant must execute the necessary documents to convey the easements as determined necessary by the City. The Planning Commissioners discussed the proposal and thought it was straight forward and was a good idea to combine lots for those reasons. They asked of other lots were landlocked like this, but there is just a rare handful. Ultimately, the Planning Commission recommended approval.

Johnson- Do you have any idea when this property was split off?

Kaltsas- I tried to look back on description or taxing body, there is no other separation. There is a section line there, but no others were split on those lines. It's an odd one.

Johnson- I am assuming it was originally a part of the farm on the corner and maybe divided off at the same point in time. If you find the dates, I'd be curious what the history is on the separation. Are these new property owners?

Grotting – Yes, I had represented them for their purchase somewhat recently but have nothing to do with this project.

Johnson – Previous owners had hosted Nite to Unite gatherings.

Motion by McCoy, seconded by Grotting to approve RESOLUTION 22-1206-05 for a minor subdivision to allow a lot combination for the properties generally located at 2870 Lake Sarah Road. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

9. Annual Designation of the Independence City Hall as the Official Polling Place for 2023 Election.

- a. **RESOLUTION 22-1206-05** – Establishing the Independence City Hall as the official polling place for 2023.

Motion by Spencer, seconded by Betts to approve RESOLUTION NO. 22-1206-05 designating the 2023 Polling Place as the City of Independence City Hall. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

10. Approval of Compensation Analysis and Personnel Committee Recommendation to Update the Position Classifications, Range, and Scale Compensation Model.

- b. **RESOLUTION 22-1206-06** – Considering approval of the amended pay grade and compensation model developed in conjunction with ABDO Solutions.

Kaltsas- We talked about this at a Workshop and the Personnel Committee discussed it prior to that. The City on a somewhat regular basis tries to look at competitive wages for various positions within the City and allows us to make sure we are in compliance with the state's pay equity requirements. With market and inflation, we asked ABDO Financial Consultant to put together a compensation analysis of pay grade, scale, and individual positions. With pay grade and scales, compared with similar cities and types of positions, 15 cities were looked at. Looking to ensure compensation for each employee and ranges of pay grades were near the 50% mark or a little above as far as averages. Noted in the study results, the minimum pay in pay grade was low for the market, but the max was competitive near where we wanted it to be. With that we talked about each position and pay structure. I asked ABDO if it's the right structure with 8 grade levels. ABDO opened it up to a 12-grade system that allows flexibility for movement. In the past we created other positions when we have had turnover from retirement. A Public Works Supervisor role was created when the PW Director retired and slotting new positions within a pay grade scale can be challenging. This then allows for creating positions as we grow as a city. The 12-grade system is the right way to do that. Within the scale it shows pay grades rated based on points, and those points are a standardized scaling system. Once you are placed on the scale based on points, you have pay grade minimum, midpoint, and maximum ranges. Employees would have to stay within that range. The scale gets increased by Cost-Of-Living Allowance/ COLA annually by the City Council and it's annually determined by the Council. Historically, it has been about a 2% COLA. We are recommending 7% COLA, and this is a makeup for employees having a 2% year over year when inflation had been much higher than that. The creation of the new Administrative Services Director position replaces and reclassifies the Assistant City Administrator position to make sense with job duties being done. Other cities dealt with this similarly.

Grotting- Are the new and old positions both the same pay grade and points?

Kaltsas – They are a little different, with adding oversight of some staff duties. The Administrative Services Director will have two reports of the two administrative staff in the office. This was part of a move we had started a while ago and then the retirement timing put it on hold a bit. But now Amber is moving into that position.

Grotting- Say the market goes very flat and wages stay very depressed and flat over a long time. The cost of living would justify an increase. Does that play into the chart, and how you go forward? Could potentially next year if some significant predictions of recession and unemployment increase, how would the chart work when inflation goes up?

Kaltsas- The chart is there to provide the structure to maintain the separation between various jobs based on function, duty, responsibility, education, etc. The scale we'd be adopting is one that can be sustained at no increase, or when no COLA is necessary. Recessionary or budgetary pressures, etc. We could hold this scale flat and not have any increase across the board. If we provide a COLA to our employees, the whole scale goes up by that percentage.

Grotting- COLA and inflation could continue to go up but say if unemployment is high and wages are stagnant, it is bigger and deeper than just COLA. It's all circumstances.

Kaltsas- Yes, we use COLA as a metric. There are other factors.

Johnson – We realized last year that we should have gone up another percentage point, but then we did not.

Grotting – God bless our wonderful staff. We appreciate everyone so much.

Motion by McCoy, seconded by Grotting to approve RESOLUTION NO. 22-1206-06 of the compensation package. Ayes: Johnson, McCoy, Betts, Spencer, and Grotting. Nays: None. Absent: None. Abstain. None. MOTION DECLARED CARRIED. 5.0

11. Open/Misc.

The Lake Haughey report:

Kaltsas- I was updated after Thanksgiving on 3585 Lake Haughey Rd. We've been working on enforcement of nuisance violations since 2021, and we had initiated criminal charge against the property owner in late 2021 after trying to work with the owner for a while to correct it internally. Because we still get quite a few calls for this property and I think Council does too, I wanted to give an update. We met in the Fall with both of the owners, an attorney who had who represented one of the owners at the time, the City Prosecuting Attorney, Peggy Larkin of Carson, Clelland, and Schreder, and City staff with options to resolve the issues. Nothing came out of that, and they eventually terminated the one attorney who was representing them. So they went back to court the week before Thanksgiving, and one of the defendants had asked the court for additional time in order to hire a new attorney, one as a real-estate expert. The Judge gave them until January 27, 2023. So we are 18-months deep in the court system with zero resolution. It's frustrating for us. We've told the attorney to go at everything and got nothing. These are not clean-easy-simple.

Johnson- All neighbors expect action to be taken immediately and it doesn't work that way.

Attorney Vose- The prosecuting attorney is working on this with staff, but I want to acknowledge that more than annually Administrator Kaltsas asks me if we are up to speed with what other cities are doing to deal with problem properties. How to deal with properties that don't get cleaned up is a problem being shared across the state. It's a problem because in MN we (Government Officials) are trying to balance landowner rights (the right to do with your property generally speaking what you want within legal confines) against everyone around them who is trying to do the same thing and also enjoy their properties. Balancing that is very difficult unfortunately. Staff is quite on top of that, and Mark and I have discussed what can be updated in the nuisance code provisions or other code provisions that give the City some tools however imperfect to deal with them. It's a work in progress, and we will stay on it. Unfortunately, prosecution is the shortest line from point A to point B, but it doesn't always lead to compliance. But prosecution is the first step typically that we end up taking, and that doesn't even always lead to compliance.

Johnson- Even if the Judge takes action on March 27th, we are also dealing with Minnesota winters which hinders things.

Kaltsas - Right. We're talking about a fence in the right of way, boxes of debris,

Grotting- How much personal fencing is in our ROW? Don't we have the practice to go clear things out of the ROW?

Kaltsas- Life safety things we could say, but the problem is that the fence has been there for a while. We have been actively trying to get – that's a part of our action. The fence is in our ROW and so is half of the debris, there's so much stuff. If it were an obstacle or obstruction, we would pull it, and this one might be because it is really tight there for the plows. If there was a car/trailer parked there, rocks, we could go move it if they were unwilling, but this is 450 linear feet of stuff there.

Grotting- Is the defense's argument that it is an "undue burden" to deal with?

Kaltsas – There is no defense in this case. They are in violation of our ordinance, and the pictures and testimonials are compelling. I don't know that they have an argument, but this is the process. If someone is willing to go to court, have an action and a lawsuit against their property, continue to fight it by hiring and firing attorneys, and then show up asking the Judge for more time, the Judge is going to give it.

Grotting – Wasn't there a question filling the opposite side of the property, the shorelines?

Kaltsas- Yes, that is a different issue. The DNR had initially looked at that issue, but then that person left and now nobody at the DNR was doing enforcement on that particular issue. That is being revisited.

Johnson- A week from tomorrow the Canadian Pacific Holiday Train comes into Loretto at 4:15pm and heads into Buffalo about 6:30pm, or one could sit in the car along Hwy 55 and stay warm like I've done before.

12. Adjourn.

Motion by Spencer, second by Grotting to adjourn the meeting at 7:13 pm.

Meeting adjourned.

Respectfully Submitted,
Linda Johnson / Recording Secretary