

MINUTES OF THE TRUTH IN TAXATION HEARING  
A SPECIAL MEETING OF THE  
INDEPENDENCE CITY COUNCIL

TUESDAY, DECEMBER 16, 2014 – 6:45 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a truth in taxation hearing of the Independence City Council was called to order by Mayor Johnson at 6:45 p.m.

Johnson explained this is a Public Hearing for the City's 2015 Budget.

2. ROLL CALL

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

ABSENT: None

STAFF: City Administrator Hirsch and CPA Dan Gerdes,

VISITORS: Lance Gyllenblad, Mark Austin, and Director Gary Kroells

3. TRUTH IN TAXATION HEARING

Dan Gerdes, CPA of Abdo, Eick, & Meyers, stated on the overall levies there will be a 5.92% increase. The major changes are the result in the increased Police Department budget and the increased maintenance needs from the Public Works Department.

Gerdes explained the accounting clerk position has been replaced with contract services along with a part-time clerical position.

The City is also working on a long-term plan that has identified cost for high priority street projects throughout the city.

Gerdes stated the 5.92% increase is still a decrease from the preliminary budget that was sent to the County which was roughly 8%. The police budget was an increase of \$77,000 over last year; which is down from the preliminary budget by \$30,000. The Public Works Department increase was roughly \$22,000, based on maintenance needs for street repair.

Gerdes described the tax capacity; which is the amount the City is allowed to tax. The capacity increased is 5.3%.

Director Kroells explained the proposed budget was cut to 3.19% overall increase for both cities. He stated the department changed their health savings plan from Medica to Health Partners; which saved almost \$30,000. He stated the net increase is \$47,565. Due to loss of income from capital outlay and crime prevention accounts the difference is \$77,000.

Johnson stated the League of Minnesota Cities issued the City a check from the Trust Fund. The City also no longer budgets reserve money for the Police.

Wenck asked for clarification on the police budget; which overall is 3.19% increase. The City of Independence's portion is larger because the City pays for two thirds of the budget.

Mark Austin, 4925 Sunset Lane, asked about who sets property values. He was informed this is done by Hennepin County. He asked why Hennepin County changed his property value to a 13% increase, but the increase for Independence is 27.5%. Johnson explained this hearing is not for individual properties, but this sounds like a situation in which you should talk to the County Assessor.

Lance Gyllenblad, inquired about the increase in environmental protection. Gerdes explained the money was shifted out of the Pioneer Sarah Creek Watershed Commission into the City's general account to better protect the City's watersheds. These funds are for the entire city, not just the Pioneer Sarah Creek Watershed. Spencer stated the City's water resources consultant was being paid from the PSCW fund, but should be paid from the City's general fund. The relocated funds into the general funds should eliminate issues of a negative fund balance for the PSCW. Johnson explained that this account can pay items in either of the watershed districts.

Gyllenblad asked what was paid last year. Spencer explained it was about the same amount which was around \$9,000 last year.

#### 4. ADJOURNMENT

**Motion made by Wenck, seconded by Betts, to adjourn the meeting at 7:04 p.m. Ayes: Betts, Johnson, Spencer, Wenck and Fisher. Nays: None. Absent: None. MOTION DECLARED CARRIED.**

Respectfully submitted,

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Jolene Nelson, Recording Secretary