

MINUTES OF A WORK SESSION OF THE
INDEPENDENCE CITY COUNCIL
THURSDAY, JULY 27, 2023 – 7:00 AM.
(WHPS Conference Room)

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 Spencer, Betts, Grotting, McCoy

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Services Director Simon, Public Works Supervisor Bode

VISITORS: WHPS Chief Kroells, City Accountant McDonald

3. General Administration

a. 2024 Draft Budget Discussion

- City Budget and General Tax Levy
- WHPS Budget
- Fire Budgets

Kaltsas explained that there is an overall increase of 8.75% in the budget. There was a \$290k year over year increase in our general fund. The total city operating levy goes up by 8%. We look at our city piece of the tax rate and that is one of the barometers used. On average we had a 32.1% increase which is lower than we were last year. Last year we went down by 5% year over year. At some point we may be faced with larger increases although we have tried to be relatively flat so people don't see large swings with market valuation. Over 50% of residents saw a decrease in taxes last year due to our city taxes offsetting the increase.

Kaltsas said staffing is projected to stay the same. WHPS gave the city a proposed budget of a \$70k increase from \$1.49m to \$1.55m. We received MP Fire budget and that was up by about \$40k. Loretto was up \$4k. Delano has not given us their budget, but we projected a 3% increase. About \$115k-\$120k is going towards public safety of the \$290k increase. We did take ARPA funds and banked some of those so we could help offset some of that \$70k budget.

Kaltsas noted that the city's recycling contract ends on December 31, 2023 and the city needs to go out for RFPs. He said that our current provider said to expect a 40% increase. A placeholder was put in the budget for that 40% just in case.

Public Works capital increased as a one-time shot to stabilize it in 2024. We don't have to do that but some shifts that we have made with purchases have influenced us to plan ahead. The city would like to establish a capital plan for updating items like paint, exterior, HVAC, parking lot, AV equipment and more. We should budget for this fund.

Other budget items show:

- 3% cost of living increase
- 8-10% health insurance increase
- \$25k consulting services placeholder for park plans
- \$15k to legal fees to enforcing nuisances and violations
- Elections doubled due to having a National, Primary and Local election in 2024
- \$60k each increase to seal coat/tiling and road maintenance projects

Chief Kroells discussed the public safety plan that was recently passed by the MN Legislature and signed into law. The plan gives \$300m in funds that are available for public safety. Chief Kroells explained that this money can be projected out and shared with Fire.

b. Fire District Update

- What direction the city wants to go with the Delano Fire Dept? The fire station is in a poor spot so the response times to our city are approximately the same. There would be further discussion with Loretto on the cost difference if the city withdrew from Delano and Loretto took it on.
- Discussion if the city would entertain joining West Suburban Fire District. What does that look like for the fire relief association? The conclusion was to bring it to the fire commission meeting with all scenarios to find the best option.

c. Update on Midco Grant Award

- There is a press release for this award!
- The area(s) located on the map for this grant money are non-negotiable
- The areas being serviced do not have any broadband access currently
- Once these areas are serviced, the city plans to go after the areas along the Minnetrista boarder that are not serviced as well as getting other areas secondary service options

d. Recycling Contract Discussion

- Hennepin County requires the city to offer recycling services.
- Score money is going downhill and we are dealing with food waste
- City should talk to our commissioners to get rid of this since most Independence residents can either compost in their own yards or can pay for individual services

4. **Adjourn**

The Workshop adjourned at 9:00 a.m.

Respectfully Submitted,
Amber Simon/ Recording Secretary