CITY COUNCIL MEETING MINUTES
TUESDAY JULY 21, 2026

CITY COUNCIL MEETING TIME: 6:30 PM

1. CALL TO ORDER

Mayor Brad Spencer called the meeting to order on Tuesday, July 21, 2026, at 6:30 PM

2. PLEDGE OF ALLEGIANCE

Mayor Spencer led the group in the Pledge of Allegiance.

3. ROLL CALL
   PRESENT: Spencer, Fisher, McCoy, Betts, Grotting
   ABSENT: None
   STAFF: Administrator Kaltsas, Public Works Director Lehman, WHPS Chief DuRose
   VISITORS: Andy Grice (City Auditor)

4. ****CONSENT AGENDA****

Mayor Spencer stated that the consent agenda items would be considered routine and acted on by one motion unless someone would like to remove an item for discussion. The consent agenda

a. Approval of City Council Minutes from the June 7, Regular City Council Meeting.
b. Approval of Accounts Payable; (Batch #1 - Checks No. 24470-24498).

Motion by Betts, seconded by Fisher to approve the consent agenda. Ayes: Spencer, Fisher, McCoy, Betts, Grotting. Nays: None. Absent: None. Abstain: None. Motion Approved. 5-0

5. Reports of Boards and Committees by Council and Staff.

Council member Betts Attended the following meeting:

- None

Council member McCoy Attended the following meeting:

- Ceremony at the State Capitol – Independence Resident received a civics award

  McCoy noted this is the first year the award had been given with 22 high school students across MN being recognized for their involvement in civics-related activities, including participation in supreme court programs.

Council member Grotting Attended the following meeting:

- Planning Commission

Mayor Spencer Attended the following meeting:

- Cops and Bobbers
- Lakeshore Association's summer potluck meeting
- Serving as watershed representative in place of Joe Baker for 2nd consecutive month

Mark Kaltsas Attended the following meeting:

- None

6. West Hennepin Public Safety – Director Matthew DuRose: Presentation of the June 2026 Activity Reports.

City Administrator Kaltsas presented the June 2026 activity report on behalf of West Hennepin Public Safety in Director DuRose's absence, noting there was nothing particularly remarkable within the report itself.

The Administrator highlighted several noteworthy recent activities outside of the report. He described the inaugural Cops and Bobbers fishing event held on July 8th on Independence's lake, which brought together 13 local children from Maple Plain and Independence, accompanied by police officers and community members on four boats. Despite early morning weather concerns, the event was deemed a success—the supply of bait was exhausted, which the Administrator characterized as a positive sign and a lesson learned for future planning. Public recognition was extended to several partners who made the event possible, including the Minnesota Chiefs of Police Foundation, which provided a $50,000 grant covering nearly all costs and enabling the purchase of equipment and supplies for future years, the Independence Citizens Association and its boat captain volunteers, the DNR conservation officers who provided assistance and equipment, and Iron Exchange, which catered lunch for the event. The Administrator noted that the grant funding also allowed the purchase of tackle and t-shirts anticipated to last multiple years.

The Mayor and Councilmember McCoy both offered praise for the event; Councilmember McCoy noted that his grandson had attended and was all smiles despite not catching any fish.

The Administrator also announced that Night to Unite is scheduled for Tuesday, August 4th, with 8 to 9 registrations received to date between Maple Plain and Independence, and encouraged any remaining households to submit registration forms.

7. Presentation of the 2025 Financial Audit.

    a. 2025 Financial Audit

    b. 2025 Audit Presentation

City Administrator Kaltsas introduced Andy Grice of the city's auditing firm to present the 2025 Financial Audit, noting that the presentation was slightly later than usual due to a delay in finalizing the Maple Plain Fire Relief Association's audit. An extension was obtained from the Office of the State Auditor (OSA), and the submittal remains within the approved timeline.

Auditor Grice presented the audit findings. He confirmed that the city received an unmodified opinion on its financial statements—the highest level of assurance an auditor can provide—indicating that the financial statements present fairly, in all material respects, the financial position of the city at year-end.

Regarding internal controls, Auditor Grice reported no findings rising to the level of a significant deficiency or material weakness. A lower-level deficiency related to segregation of accounting duties was noted, reflecting the reality that in a small municipality, certain individuals necessarily perform overlapping accounting functions. The city has implemented mitigating and compensating controls to address this, which is why the finding remains at the lowest possible level. The Minnesota Legal Compliance report contained no findings.

On the financial analysis, Auditor Grice highlighted the following key points:

General Fund Revenues increased approximately 4 percent (approximately $187,000) in 2025, driven primarily by a $250,000 increase in property tax levy revenues and a $133,000 increase in building permit revenue, which reached its highest point in five years at $543,000. These gains were partially offset by decreases in intergovernmental revenue and miscellaneous revenue.

Budget to Actual: The adopted budget projected $4.3 million in revenues and $4.2 million in expenditures with no anticipated change in fund balance. Revenues exceeded the budget by approximately $260,000 (6 percent), largely due to stronger-than-anticipated license and permit activity. On the expenditure side, results were essentially on budget overall, with public works coming in approximately $310,000 under budget due to lower maintenance needs, offset by capital outlay exceeding the budget by approximately $209,000 due to a dump truck purchase. A resulting increase in transfers out to other funds led to a net decline in fund balance of approximately $21,000.

Fund Balance: The city's unassigned fund balance stands at 44 percent of the subsequent year's budgeted expenditures, within the city's adopted policy range of 40 to 50 percent.

Sewer (Enterprise) Fund: The fund recorded an operating loss of $123,000 in 2025, which includes non-cash depreciation expense. Excluding depreciation, the fund was essentially at breakeven, with a deficit of approximately $1,300. The unrestricted net position of the fund has declined since 2022 to $653,000 at year-end 2025. City Administrator Kaltsas noted that a full rate study and capital improvement plan for the sewer fund is underway and will be incorporated into the upcoming budgeting process to address the fund's long-term sustainability.

Councilmember Grotting acknowledged the city's progress in addressing prior communication-related findings. The Administrator also noted that a correction was made to the bound copies of the audit regarding the listed terms of council members, as flagged by Councilmember Betts.

Motion by Grotting, seconded by Betts to accept the 2025 Financial Audit. Ayes: Spencer, Fisher, McCoy, Betts, Grotting. Nays: None. Absent: None. Abstain: None. Motion Approved. 5-0

8. **(PUBLIC HEARING)** The City Council will consider the following action:

    a. **Resolution No. 26-0721-01**: Considering vacation of the drainage and utility easements associated with a previous wetland delineation and conveyance of new drainage and utility easements based on an updated wetland delineation and buffer for the property located 6231 County Road 11 (PID No. 11-118-24-22-0007).

City Administrator Kaltsas presented the request for easement vacation at the property located at 6231 County Road 11. He explained that the property was recently purchased and an updated wetland delineation was performed. Because wetland delineations have a limited validity period, the boundaries and buffers had shifted since the original delineation was completed at the time of subdivision. As a result, the previously established drainage and utility easements no longer accurately reflect the current wetland boundaries.

The applicant is requesting that the city vacate the existing drainage and utility easements tied to the prior delineation and accept newly drawn easements that reflect the updated wetland boundaries and required buffers. The property contains two large wetland complexes, and the updated delineation also identified a smaller wetland area on the west side of one of the complexes that had not been captured in the prior delineation. The Administrator noted that modern practice is to more precisely align drainage and utility easements with specific buffer boundaries, rather than using generalized or oversized easements, making this type of cleanup appropriate when delineations are updated.

The Mayor opened the public hearing. No members of the public came forward to comment.

Motion to close the public hearing was made by Councilmember McCoy and seconded by Councilmember Betts. Ayes: Spencer, Fisher, McCoy, Betts, Grotting. Nays: None. Absent: None. Abstain: None. Motion Approved. 5-0

Motion to approve Resolution No. 26-0721-01, vacating the existing drainage and utility easements and accepting the new drainage and utility easements for the property at 6231 County Road 11 (PID No. 11-118-24-22-0007), was made by Councilmember McCoy and seconded by Councilmember Grotting. Ayes: Spencer, Fisher, McCoy, Betts, Grotting. Nays: None. Absent: None. Abstain: None. Motion Approved. 5-0

9. Open/Misc. (Discuss August 4th City Council Meeting Time).

The Council discussed the start time for the August 4th City Council Meeting, which coincides with the Night to Unite community event. City Administrator Kaltsas noted that the meeting is anticipated to carry a large number of planning commission items and had previously been set to begin at 5:00 PM. After brief discussion, the Council agreed to move the start time to 4:30 PM to allow sufficient time to work through the agenda and for Council members to attend Night to Unite. It was noted that the change would be formally noticed and communicated to applicants appearing before the Council that evening.

Motion to set the August 4th City Council Meeting start time to 4:30 PM was made by the Mayor and seconded by Councilmember Betts. Ayes: Spencer, Fisher, McCoy, Betts, Grotting. Nays: None. Absent: None. Abstain: None. Motion Approved. 5-0

10. Adjourn.

Motion by McCoy, seconded by Fisher to adjourn the meeting at 6:56PM. Ayes: Spencer, Fisher, McCoy, Betts. Nays: None. Absent: Grotting. Abstain: None. Motion Approved. 5-0