

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, SEPTEMBER 17, 2019 –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.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Spencer, McCoy and Betts
ABSENT: City Attorney Vose, Councilor Grotting
STAFF: City Administrative Assistant Horner, City Administrator Kaltsas
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 September 3, 2019 Regular City Council Meeting.
- b. Approval of Accounts Payable; Checks Numbered 19095-19131.
- c. Approval of Mayor's attendance at the National League of Cities Conference in San Antonio Nov. 19-22.

Motion by Spencer, second by McCoy to approve the Consent Agenda. Ayes: McCoy, Betts and Spencer. Nays: None. Absent: Grotting, Abstain. Johnson. 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:

- Highway 12 Safety Coalition
- City Council Workshop

Grotting attended the following meetings:

McCoy attended the following meetings:

- Highway 12 Safety Coalition
- City Council Workshop

Betts attended the following meetings:

- Highway 12 Safety Coalition
- West Hennepin Chamber of Commerce Meeting
- City Council Workshop

- Fire Commission Meeting
- Police Commission Meeting

Johnson attended the following meetings:

- Highway 12 Safety Coalition
- Parade of Homes
- Regional Council of Mayors Meeting
- Met with Deb Taylor- Executive Director of Senior Community Services
- Orono School Board Meeting
- Northwest League of Municipalities Meeting
- City Council Workshop
- Fire Commission Meeting
- Orono School Alumni Events
- Police Commission Meeting
- Met with Commissioner Jeff Johnson

Horner attended the following meetings:

- City Council Workshop
- TASC meeting

Kaltsas attended the following meetings:

- Highway 12 Safety Coalition Meeting
- City Council Workshop
- Police Commission Meeting
- Fire Commission Meeting

7. Director Gary Kroells, West Hennepin Public Safety:

- a. Activity Report for the Month of August 2019.

for a complete report see the City Council packet

Kroells said at the end of August, WHPS handled a year-to-date total of 4,579 incident complaints. For the month of August; 361 incidents occurred in Independence and 279 incidents were in Maple Plain. He highlighted a few incidents.

8. Consider Approval of the 2020 Preliminary Budget and Tax Levy:

- a. **RESOLUTION NO. 19-0917-01** – Establishing the General and Debt Service Preliminary Tax Levy.
- b. **RESOLUTION NO. 19-0917-02** – Establishing the Pioneer Sarah Creek Watershed Management Commission Preliminary Tax Levy.

Kaltsas said Staff and Council have had several meetings to discuss and revise the preliminary budget and corresponding tax levy for 2020. Based on Council discussions, the City has established a preliminary budget which would equate to an approximately 3.83 percent increase in the overall tax levy. The City's tax rate resulting from the proposed budget and tax levy would remain flat (no increase) at just below 40

percent. The City has been working to fully fund public works capital expenditures through the general fund budget. For 2020, the proposed budget allocates approximately \$75,000 towards the public works capital improvement plan. In addition, the City has prepared a cash flow analysis of the public works capital improvement plan which is shown in more detail in the budget memo. This analysis provides further detail of how the capital funds can fully pay for the capital needs projected over 10 years. In addition to the capital equipment fund, the City is budgeting an additional \$80,000 for road tiling and road chip sealing in 2020. The attached preliminary budget memorandum further details the proposed 2020 budget. The City Council will have the opportunity to further refine the budget prior to the requisite December 2019 adoption. At this time, the City is considering the adoption of the preliminary budget and tax levy which establishes the maximum tax levy for taxes payable in 2019. The preliminary levy is required to be set prior to September 30, 2019. The City can adopt a final levy that is less than the preliminary but cannot increase the final levy set in December from the adopted preliminary levy.

Key items include Budgeted \$75,000 in Capital Transfers, up from \$68,623 in 2019. Administration's capital fund increased \$10,000. This money is used as a contingency fund. Consulting increased \$5,000. Engineering costs increased \$5,000. Road tiling and chip sealing increased \$40,000 each. Created a new expenditure line item to break out Building Permits from Plan Review. Fire protections was only increased 3% from 2018 since we are still awaiting budget numbers from other Cities. The increase from 2018-2019 was 8% and may need to be re-evaluated once more information is given. Increased Building Inspection Conference and Travel to \$2,500 to better reflect training costs. Police contract increased 2.3% from 2019 and is reflected in the budget. Increased budget for Codification of Ordinances to \$2,500 to reflect prior year expenses. The sign budget increased by \$2,500 to bring current signage into compliance. Budgeted \$75,000 in Capital Transfers, up from \$68,623 in 2019. Administration's capital fund increased \$10,000. This money is used as a contingency fund. Consulting increased \$5,000. Engineering costs increased \$5,000. Road tiling and chip sealing increased \$40,000 each. Created a new expenditure line item to break out Building Permits from Plan Review. Fire protections was only increased 3% from 2018 since we are still awaiting budget numbers from other Cities. The increase from 2018-2019 was 8% and may need to be re-evaluated once more information is given. Increased Building Inspection Conference and Travel to \$2,500 to better reflect training costs. Police contract increased 2.3% from 2019 and is reflected in the budget. Increased budget for Codification of Ordinances to \$2,500 to reflect prior year expenses. The sign budget increased by \$2,500 to bring current signage into compliance.

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. 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.

Johnson said the Pioneer Sarah Creek Watershed is separate because it doesn't include everybody, only those in the district.

Motion by McCoy, second by Spencer to approve RESOLUTION NO. 19-0917-01 – Establishing the General and Debt Service Preliminary Tax Levy. Ayes: Johnson, McCoy, Betts and Spencer. Nays: None. Absent: Grotting. MOTION DECLARED CARRIED.

Motion by Spencer, second by McCoy to approve RESOLUTION NO. 19-0917-02 – Establishing the Pioneer Sarah Creek Watershed Management Commission Preliminary Tax Levy. Ayes: Johnson, McCoy, Betts and Spencer. Nays: None. Absent: Grotting. MOTION DECLARED CARRIED.

9. Approval to Change the Date of the November 5th City Council Meeting Due to the Election.

Kaltsas said the first November City Council Meeting (November 5th) falls on the same date as the 2019 Election. The City will need to reschedule the Council Meeting. The second November City Council Meeting creates a conflict for the Mayor due to the NLC Conference. As has been done in the past, the City is in a position to hold only one meeting in November. Staff is recommending that the City Council cancel both regularly scheduled meetings in November and hold one meeting. Staff is seeking direction from Council on which of two alternative dates work best?

Monday, November 4th or
Monday, November 18th

Motion by Betts, second by McCoy change the November City Council meeting to Monday, November 18, 2019. Ayes: Johnson, McCoy, Betts and Spencer. Nays: None. Absent: Grotting. MOTION DECLARED CARRIED.

10. Open/Misc.

11. Adjourn.

Motion by McCoy, second by Betts to adjourn at 7:12 p.m.

Respectfully Submitted,

Trish Gronstal
Recording Secretary