

MINUTES OF A WORK SESSION OF THE
INDEPENDENCE CITY COUNCIL
WEDNESDAY AUGUST 7, 2019 –7:00 A.M.

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 Betts, Spencer, McCoy and Grotting

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Assistant Beth Horner, City Attorney Vose, Public Works Supervisor Bode

VISITORS: WHPS Chief Kroells, ABDO Andrea Worcester

3. General Administration

a. 2019 Budget

- o Preliminary Budget Review/Discussion
 - Police/Fire Budget Updates
 - Roadway Improvement Capital Planning

Kaltsas said Council is being asked to consider and provide direction relating to the preliminary budget goals. For the past two years, Council has directed staff to prepare a budget using a flat tax rate of 40%. ABDO, Eick & Meyers and staff have prepared a draft preliminary budget which reflects an overall increase of .61% or \$16,000.

Several highlights are as follows:

- The budget includes initial public safety increases prepared by all public safety entities. The City has received estimated budgets from the Loretto Fire Department and West Hennepin Public Safety. There have been no preliminary numbers provided by Delano or Maple Plain Fire at the time this report was prepared. The preliminary proposed 2019 public safety and fire contract amounts are as follows:

	2020	2019	2018	2017
Maple Plain Fire	N/A	250,684.00	215,401.00	185,344.00
Delano Fire	N/A	65,279.62	66,072.73	66,129.13
Loretto Fire	94,564.12	89,000.96	75,138.85	81,442.14
WHPS	1,145,343	1,119,531	1,118,860	1,089,303

- The City has PW capital equipment cash balance of approximately \$166,000 with an additional \$51,467 being transferred by year end (~\$215,000). Based on the capital equipment plan, the City is in the process of purchasing a new tandem axel vehicle in 2020. The City’s capital equipment plan

projects how the City will be able to fund capital equipment purchases moving forward using a flat budget number of \$60,000 per year after 2020.

- Once again, the capital improvement plan for City Hall shows no significant expenditures until 2020. The budget continues to contemplate the City taking on a more robust overhaul of the mechanical systems and interior and exterior needs of the building in 2020. The 2006A GO bond issue will be expiring in 2020. It is anticipated that the City will capture the expiring debt by issuing new debt in 2020 (payable 2021) to upgrade City Hall. This could include upgrades to the front entrance, carpet and flooring, interior and exterior painting, new HVAC equipment for WHPS, community room upgrades and storage and garage space upgrades.
- The budget reflects a 2% cost of living increase. It should be noted that health insurance costs are increasing by 6-8%.
- The City has been working on preparation of a capital road improvement plan. This plan has three primary areas:
 1. Street Seal Coating (Chip Sealing)
 2. Gravel Road Tiling
 3. Bituminous Road Overlay/ Upgrade

Staff has been working to project/ prioritize needs for improving and maintain roads for a five-year period. From the information prepared in a draft format, it can be seen that the City would need to increase street funding by a significant amount in order to fully fund road improvement projects. While this information is very preliminary and the numbers conservative, staff would like to review the information provided in the packet and discuss possible ways to realize funding of the street capital improvement plan. The budget reflects a nominal/ token place holder for 2020 of \$8,000 in a new line item.

Johnson asked about the old tiling that was done and the seal not holding up. Kaltsas said Main Street was the first job and Ende had thought the sock was plugged. The tile does not fully work on Main Street but the other roads that have been done have been outstanding. Kaltsas said the thought is to re-tile the roads in 2020. Betts noted road priorities may change as extra traffic is considered once the projects begin. Kaltsas said the chip seal, tile and gravel numbers are conservative. Spencer noted interest rates are low right now so financing costs are reasonable.

Kaltsas said City Hall needs a new HVAC system and wondered about Council's thoughts on some cosmetic building improvements on areas that need repairs. He noted WHPS also needs more garage space. Betts said HVAC needs to be a priority. Kroells stated North Memorial Ambulance service is looking for bay so they can stop and stay as needed. It would entail the bay, wi-fi, bed, sofa and microwave and they would partner with WHPS. He said there is a 16-minute response time right now due to the time it takes them to respond and get out here. It would be beneficial to have an ambulance at the station.

Spencer said if some of the bonds roll off the HVAC and smaller overlays could be looked at getting taken care of first. Johnson said the Small Cities bill should go through next year and that should help us. Kaltsas noted that tax base alone won't be enough to fix the roads. McCoy asked if MnDOT would have any money available due to using our local roads when they close Highway 12 for construction. Kaltsas said if they use our roads than there may be a possibility of getting some funding.

Kaltsas said there will be one more budget meeting in September and have another draft to be adopted.

- b. Quad City Agreement
 - o Overview of Key Points

Kaltsas said the City has been working on an amendment to the Tri-City Agreement (will be called the Quad-City Agreement) in order to allow Loretto to connect to the City of Independence Force Main on County Road 19. The agreement is not yet finalized; however, there are several key points that should be discussed:

- The City has been working to understand the potential number of additional Independence units that could be connected to the system. The City has focused on lakeshore lots that have access to the sewer. Earlier this year the City determined that lakeshore lots that have the ability to connect to City sewer can be a minimum of 1 acre. Based on the conceptual subdivision of properties, (primarily along Independence Road) it was estimated that an additional 14-34 lots could be realized (see attached exhibit). The City also recognized that there are six properties on Windmill Dr. that are not connected to City sewer. Staff has been working with Medina to increase the number of connections included in the Quad City Agreement. Medina has stated that they would allow an additional 26 connections on top of the 289 agreed to in the Tri-City Agreement for a total of 315 connections (see attached breakdown).
- The City is working to determine how the Metropolitan Council will handle I&I. Independence and Loretto will be metered by the Metropolitan Council. Greenfield will not be metered by the Metropolitan Council and Independence connects to Medina at Perkinsville Road which will not be metered by the Metropolitan Council. This issue is still in the process of being resolved.
- Many of the costs associated with maintenance and repairs to the system will now be reimbursed by the Metropolitan Council. There is a cap on the total amount that will be reimbursed.
- The agreement has been modified to remove the reconstruction of the pipe under Sycamore Trail. The Metropolitan Council is including this replacement in their project.
- The Cities will continue to have a maximum daily flow that can be pumped into the system. Those daily flow numbers will reflect the increased number of units.

- c. Pioneer Park Development

- The City has been talking with Orono/ Westonka Youth Soccer Association about the possibility of developing multi-purpose athletic fields in Pioneer Park. The City estimated costs for both a one field and a three field development option. Orono/ Westonka has had some additional discussions and asked the City to provide feedback on the possibility of allowing them to construct an indoor “field house” on the City’s property. The field house would be approximately 20,000 SF (see estimated footprint

on attached exhibit). The field house would have bathrooms that could also be used by the public along with a concessions space. Their idea would be to construct a pole building type structure that would look and feel like a horse barn. Staff would like to generally discuss this concept with Council.

Betts said it would be nice to see the park get used for something. Grotting asked if they would be responsible for maintenance of the building. Kaltsas said it could look like a land lease. Vose said there needs to be a look at programming as there are a lot of organizations that would like something like this. Spencer said it is interested and should be looked at as an option.

d. Zoning Ordinance Discussion

- The Planning Commission has been discussing possible updates to the zoning ordinance relating to the definitions for several land uses that have recently been interpreted to allow business activities somewhat associated with Agriculture, Horticulture and Forestry (see attached Planning Commission Staff Report). Planning Commissioners discussed this issue in more depth at their last meeting. One of the issues that was identified was that Independence has only two zoning districts outside of Commercial Light Industrial. Commissioners discussed the concept of adding several additional zoning districts to better categorize similar types of land uses. Having several additional land uses (i.e. shoreland, rural estate, etc.) would allow land uses of similar types to have permitted, conditional and interim uses that more closely relate to the size and or location of the subject property. Staff would like to generally discuss this concept with Council and whether or not the Planning Commission should consider looking more closely at this issue.

Betts said we need to look at problems that are affecting neighbors, but she does not want to add more layers or restrictions where there is not an issue. Spencer said we need to clean up some of these issues that happen through loopholes or interpretations of our Ordinances. He said it is better to prevent issues rather than spending money to fix them later. It can be a nice way to screen out requests and be more proactive. CUP's are in place so they can be controlled so they do not become a nuisance.

4. Adjourn

Mayor Johnson adjourned the work session at 9:04 a.m.

Respectfully submitted,

Trish Gronstal, Recording Secretary