



CITY COUNCIL MEETING AGENDA
TUESDAY DECEMBER 6, 2022

******SPECIAL MEETING - TRUTH IN TAXATION 6:00 PM******

1. Call to Order
 2. Truth in Taxation Hearing.
 3. Adjourn.
-

CITY COUNCIL MEETING TIME: 6:30 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
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 November 20, 2022, Regular City Council Meeting.
 - b. Approval of Accounts Payable (Batch # 1; Checks Numbered 21629-21650, Batch # 2; Checks Numbered 21651-21671).
 - c. Pay Request #2 BV Construction – WHPS/North Memorial Garage.
5. Set Agenda – Anyone Not on the Agenda can be Placed Under Open/Misc.
6. Reports of Boards and Committees by Council and Staff.
7. Consider Adoption of the Final 2023 Tax Levy and General Fund Budget and Associated Actions.
 - a. **RESOLUTION 22-1206-01** – Adopting the 2023 General Fund Budget.
 - b. **RESOLUTION 22-1206-02** – Adopting the 2023 General Tax Levy.

- c. **RESOLUTION 22-1206-03** – Adopting the 2023 Pioneer Sarah Creek Watershed Management Commission Tax Levy.
- 8. Ryan Nash (Applicant/Owner) is requesting the following action for the properties located at 2870 Lake Sarah Road (PID No's. 16-118-24-13-0003 and 16-118-24-42-0001) in the City of Independence, MN:
 - a. **RESOLUTION 22-1206-04** – Considering approval of a minor subdivision to allow a lot combination that would create one parcel from the two existing parcels with a combined acreage of 5.4 acres.
- 9. Annual Designation of the Independence City Hall as the Official Polling Place for 2023 Election.
 - a. **RESOLUTION 22-1206-05** – Establishing the Independence City Hall as the official polling place for 2023.
- 10. Approval of Compensation Analysis and Personnel Committee Recommendation to Update the Position Classifications, Range and Scale Compensation Model.
 - a. **RESOLUTION 22-1206-06** – Considering approval of the amended pay grade and compensation model developed in conjunction with ABDO Solutions.
- 11. Open/Misc.
- 12. Adjourn.

City of Independence

2023 Final Budget and Levy

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 6, 2022

Discussion:

Staff and Council have had a series of meetings to discuss and revise the preliminary/final budget and corresponding tax levy for 2023. Council is being asked to consider and provide direction relating to the final budget and tax levy. For the past seven years, Council has directed staff to prepare a budget using a flat tax rate of ~40% with no increase in rate. This would mean that if there was no market value increase for a particular property, there would be no tax increase from the City portion of the property taxes. This year, properties in the City saw a significant increase in market valuations of nearly 20%. Council recognized this significant increase and has worked to establish a tax levy that meaningfully reduces the City's tax rate to offset some or all of the market value increase impacts. The City Council has now determined that it should adopt a final tax levy based on a tax rate of 33.12% (more than a 5% decrease year over year). This reduction will allow close to 50% of all properties in Independence to realize no increase or see a reduction in the total property tax bill. ABDO Solutions and staff have prepared a final budget which reflects an overall increase of 5.77% or \$199,275. This increase is necessary to offset a needed increase in compensation for West Hennepin Public Safety as well as to offset increased costs associated with past two years of high inflation.

Several highlights of the final budget are as follows:

- The budget includes public safety increases prepared by all public safety entities. The City has received estimated budgets from all three contracted Fire Departments. West Hennepin Public Safety has received approval from the Police Commission on their final budget.
- The budget reflects a 7% cost of living increase per employee.
- The budget continues to allow the City to fund capital equipment purchases in accordance with the long-range capital equipment plan using cash.
- The City has a capital road improvement plan that includes seal coating and gravel road tiling. In order to fund the plan, the City will continue to budget \$100,000 per year.

The City Council is being asked to approve the 2023 City Budget and establish the 2023 final tax levy and PSCWMC levy. The final levy is required to be set prior to December 20, 2022.

Council Direction:

The City Council is being asked to consider approval of **RESOLUTION 22-1206-01**, **RESOLUTION 22-1206-02** and **RESOLUTION 22-1206-03** approving the final city budget and levies for 2023.

Attachments: **RESOLUTION 22-1206-01**

RESOLUTION 22-1206-02

RESOLUTION 22-1206-03

ABDO Memorandum with Final Budget and Levy Memorandum and Budgets



Lighting the path forward

City of Independence

2023 Final Budget

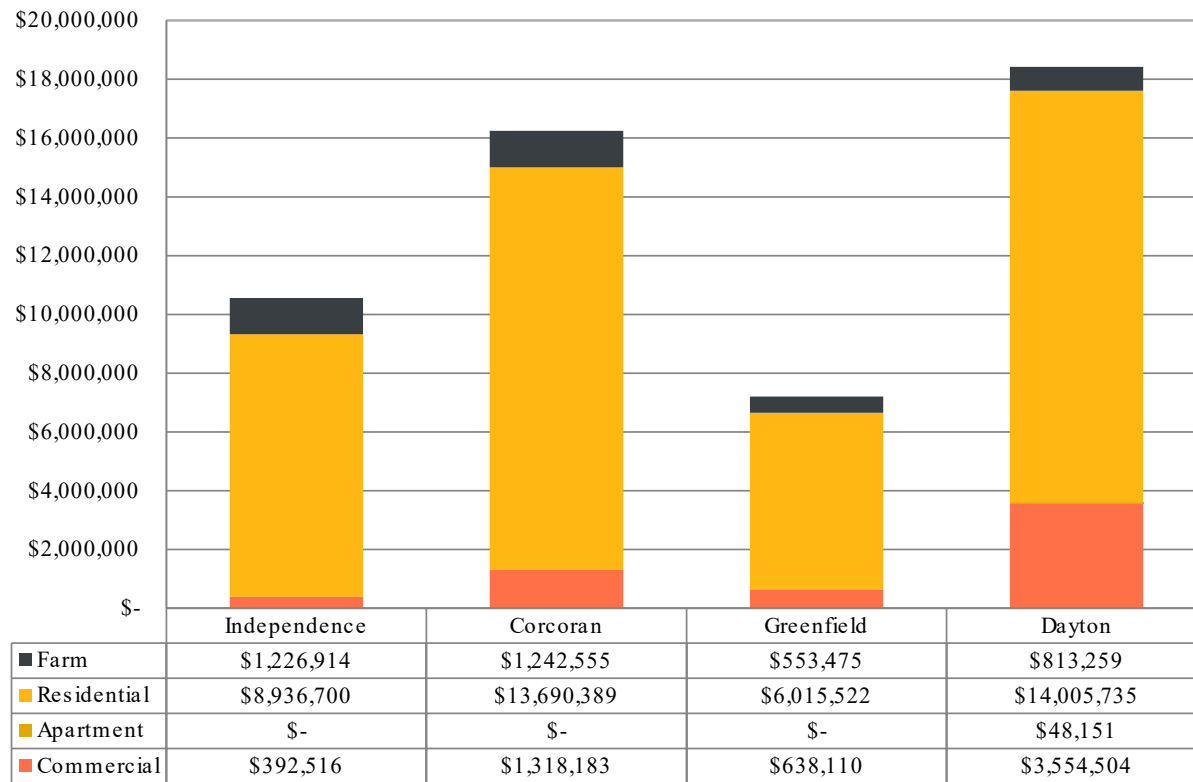
December 6, 2022



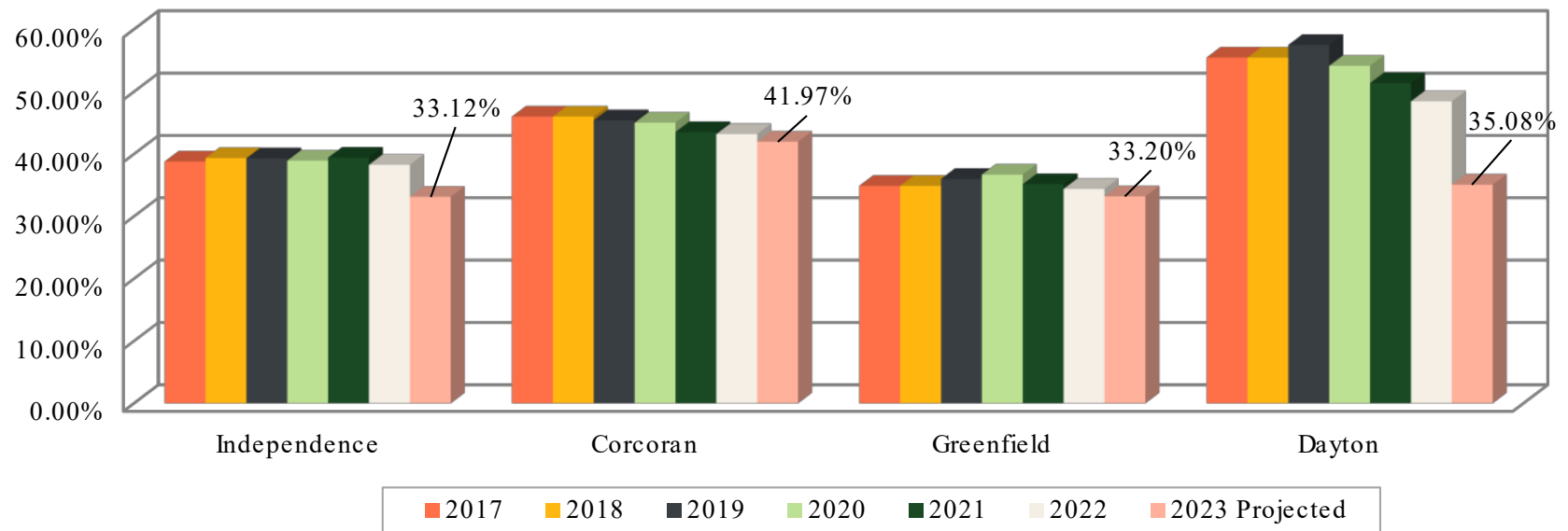
2023 Levy Compared to 2022

	2022 Budget	2023 Proposed Budget	Increase (Decrease)	% Change
General	\$ 3,114,548	\$ 3,313,823	\$ 199,275	6.40%
Debt Service				
2010 GO Improvement Bonds	15,569	13,351	(2,218)	-14.25%
2015 GO Tax Abatement Bonds	177,463	179,458	1,995	1.12%
2020A GO Bonds	121,792	120,690	(1,102)	-0.90%
Total City Operating Levy	\$ 3,429,372	\$ 3,627,322	\$ 197,950	5.77%
Pioneer/Sarah Waters hed Taxing Dis trict	\$ 64,510	\$ 67,736	\$ 3,226	5.00%

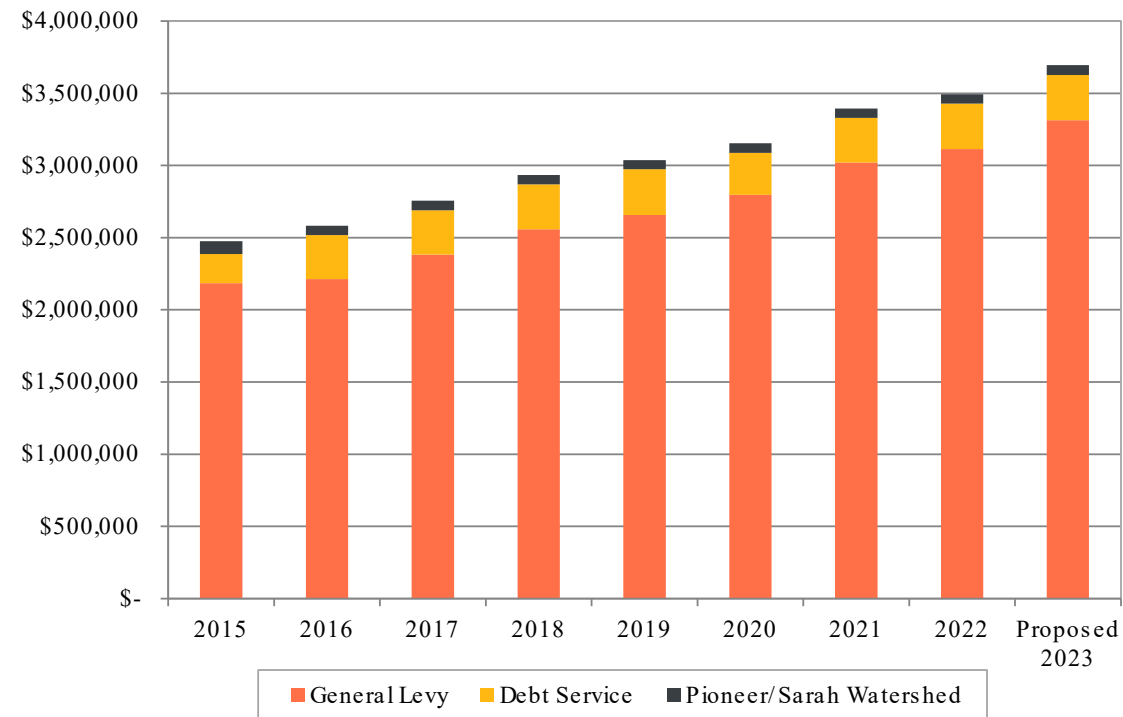
Tax Capacity Graphs



Tax Capacity Rate Graphs



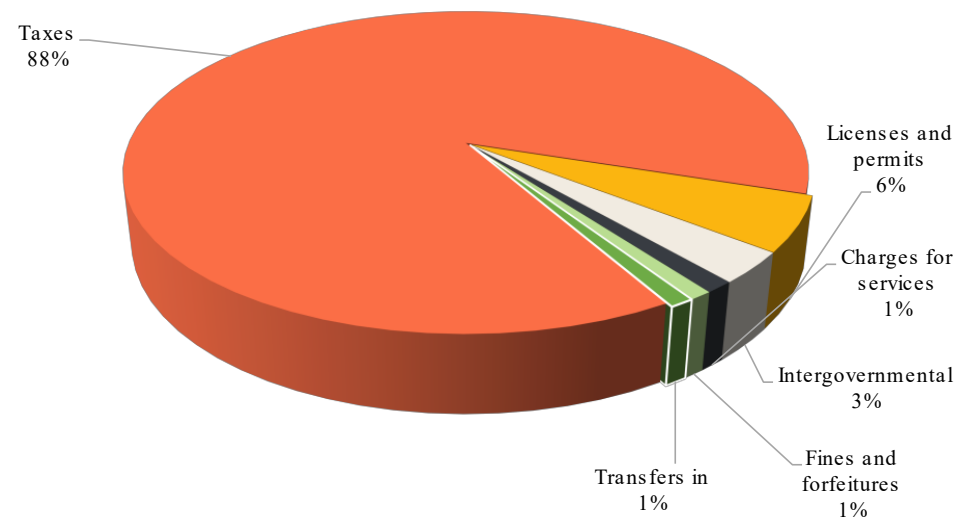
Levy Summary 2015 to 2023 Projected



2023 Projected General Fund Revenue

Revenues

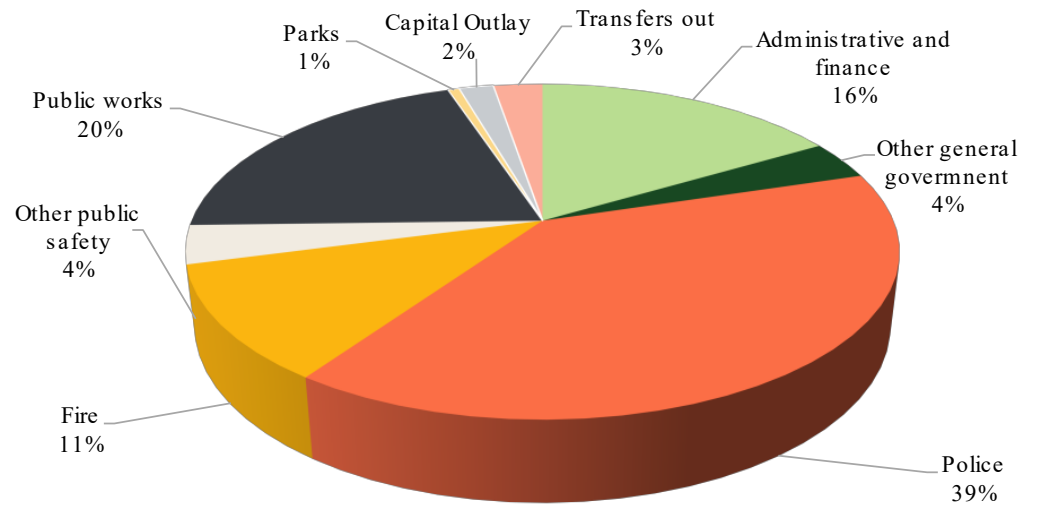
	2023
Taxes	\$ 3,313,823
Licenses and permits	205,923
Intergovernmental	117,700
Charges for services	43,208
Fines and forfeitures	35,127
Interest on investments	3,150
Miscellaneous	5,250
Transfers in	37,500
Total Revenues	\$ 3,761,680



2023 Projected General Fund Expenditures

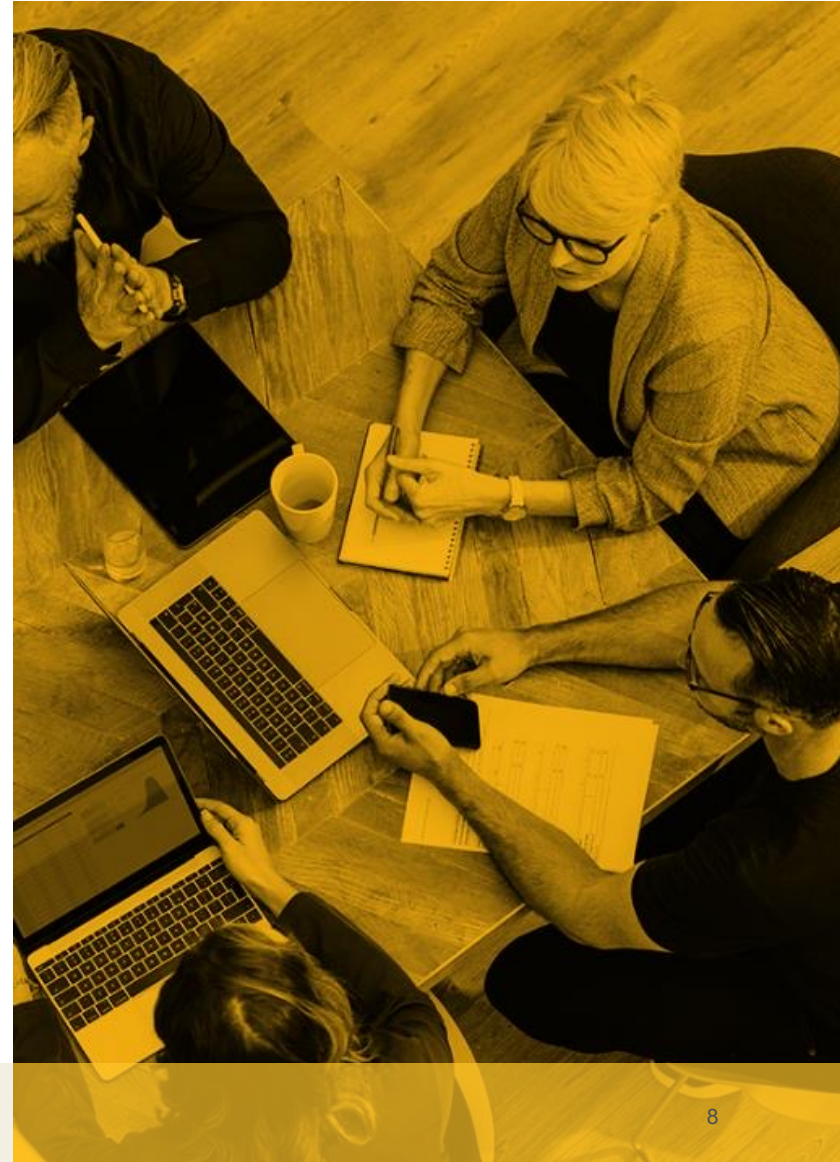
Expenditures

	2023
Administrative and finance	\$ 623,190
Other general government	139,522
Police	1,482,699
Fire	419,625
Other public safety	140,208
Public works	763,557
Parks	23,025
Capital Outlay	70,000
Transfers out	99,855
Total Expenditures	<u><u>\$ 3,761,680</u></u>



Key Changes - General Fund

- The general fund tax levy increases \$199,275 or 6.40% over prior year. The tax rate calculates to 33.12% which is less than the City target of 40%. Some factors in the change are described below.
- Revenue sources other than the tax levy are budgeted at about a 5% increase from 2022.
- Wages and benefits for financial administration, building inspection and streets department increased 10%.
- Police protection increased \$165,223 or 12.57% from the 2022 budget. This is due to reduced revenue from forfeitures and grants and increased expenditures for anticipated retirements, insurance and capital outlay.
- Fire services increased \$33,525 or 8.86% from the 2022 budget.
- Streets increased \$41,794 due to wage/benefit increase and a 5% increase in operating expenses and repairs and maintenance.
- Capital outlay in public works was increased to \$55,000 from 2022.
- Capital transfers were budgeted at \$99,855 for 2023, a decrease of \$28,915 from the prior year.
- LMCIT Insurance and Workers Comp Insurance was budgeted with 5% increase over prior year.



Recommended Action

- Approve the final levy and budget as presented and certify to the County





Questions?

MINUTES OF A REGULAR MEETING OF
THE INDEPENDENCE CITY COUNCIL
TUESDAY, NOVEMBER 15, 2022–6:30 P.M.
City Hall Chambers

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.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Mayor Johnson and Councilors Betts, Spencer, and Grotting.

ABSENT: McCoy.

STAFF: City Administrator Kaltsas and Director Kroells.

VISITORS: (See Sign-In Sheet.)

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 November 1, 2022, Regular City Council Meeting.
- b. Approval of Accounts Payable (Batch # 1; Checks Numbered 21592-21595, Batch # 2; Checks Numbered 21596-21628).

Corrected minutes sent included the motion verbiage to take it off the table which we did not.

Motion by Spencer, seconded by Betts to approve the Consent Agenda. Ayes: Johnson, Betts, Spencer, and Grotting. Nays: None. Absent: McCoy. Abstain. None. MOTION DECLARED CARRIED. 4.0

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

6. REPORTS OF BOARDS AND COMMITTEES BY COUNCIL AND STAFF

Grotting attended the following meetings:

- Planning Commission Mtg
- WHCC Trunk or Treat

Spencer attended the following meetings:

Betts attended the following meetings:

- Plymouth Fire Dept Station Tour
- Hwy 12 Coalition Mtg

Johnson attended the following meetings:

- Fire Services Mtg at Long Lake Fire Dept
- Plymouth Fire Dept Station Tour
- Hwy 12 Coalition Mtg - Delano Fire Dept
- Election Day Election Judge all day
- NW League speaker: MN Demographer
- Sr Community Services Finance Committee Mtg
- Veterans Day Orono HS Program
- Regional Council of Mayors Mtg
- Orono School Board meeting

Kaltsas attended the following meetings:

There were 1,710 in-person voters and about 120 ballots were mailed into Hennepin County.

7. West Hennepin Public Safety – Director Gary Kroells: Presentation of the October 2022 Activity Report.

At the end October 31, 2022, West Hennepin Public Safety (WHPS) handled year-to date a total of 3,934 incident complaints: For the month of October; 243 incidents occurred in the City of Independence and 127 in the City of Maple Plain.

See full report for more details.

8. Consideration of an amendment to Chapter II, Section 210.01 to align municipal elections with local, state and national election schedules.

- a. **ORDINANCE NO. 2022-07** – Approving an amendment to Chapter II, Section 210.01 of the Independence City Code.

Motioned by Betts, seconded by Spencer to remove Ordinance No. 2022-07 from table. Ayes: Johnson, Betts, Spencer, and Grotting. Nays: None. Absent: McCoy. Abstain. None. MOTION DECLARED CARRIED. 4.0

year elections. Integrating the change can happen by City Councilors either increasing or reducing their terms or passing the motion to phase in changes over a 5–7-year period which means Election cycle ordinance changes. There were about half dozen ways to get there, and there is not a wrong or right way to do it. Optics for all will create some confusing votes if members were voted on for having different length terms each election. Secondly, School districts also are now aligned with even year elections. Lastly, it also costs \$10,000-15,000 to hold an election plus time associated. There will be a reduction in cost by not holding elections on odd years. Mound Westonka would hold their own odd year election which impacts about 100 Independence voters.

Johnson – Not only the cost of paying the Election Judges, but I was surprised by the extravagant publishing costs.

Kaltsas – Election costs are higher due to more onerous requirements quality checks, trainings, electronic things, a smaller city staff putting lots of energy towards leading up to Election Day.

Johnson – Does the state law require odd year early voting?

Kaltsas – Yes, we do, but Amber would know more.

Mayor Johnson explained to Grotting that it was initially set up for odd year elections when the township was turned to a city. We've had odd year elections ever since.

Grotting – So it's more of a housekeeping issue.

Kaltsas – If you want more people to participate in local government, it's important to have a better voter turnout so you'd want to change it. When there's not much on an election agenda, getting people to turnout to vote can be harder. Historically, we get 25-30% in an odd year and in the 80's % in even year election. It's not even just the City of Independence residents that have this type of turnout.

Johnson – When school year issues, that increase turnout too.

Grotting – It mostly affects me and Ray.

Kaltsas – It evenly affects the Mayor and whole Council's term extension. We can't change it this year, but we can make the change for next year. There are 2 seats up next year and we're extending those. The others won't see theirs until later.

Betts- This is probably the easiest thing to do now and get it taken care of.

Johnson – There are actually 3 seats because the Mayor is up next year too.

Grotting – What's the legal interpretation as what might perceive as the gain.

Kaltsas – I had the City Attorney look to give us an opinion, and the Council has complete authority to determine the local election schedule including extending the terms. By extending everyone, it's even.

Spencer – Orono extended a year too.

Johnson – Spring Park also extended everyone's term 1 year without any issues. The Orono School Board issue, but when the candidates were interviewed, only 1 person brought it up.

Grotting – Can a person abstain? (Council discussed only a majority vote was needed to pass it.)

Betts – Having a Mayoral election at the same time as Presidential election is important in the timing.

Johnson – We do have it on the floor.

Spencer - Anyone can resign their position if the term was extended and a councilor wanted to move. This year's turnout was close to 2,200 but last year is about 400. The school board elections increased turnout this year. I've been thinking this is the right thing to do for a long time.

Johnson - Not that I'm looking for another year, but I do think it's the right decision. Any further discussion?

(The motion from 2 meetings ago was still on the books.)

Motion by Betts, seconded by Spencer to approve ORDINANCE NO. 2022-07 – approving an amendment to Chapter II, Section 210.01 of the Independence City Code extending terms one year. Ayes: Johnson, Betts, and Spencer. Nays: Grotting. Absent: McCoy. Abstain. None. MOTION DECLARED CARRIED. 3.1

9. Certification of Delinquent Sewer Service Charges as Special Assessments.

- a. **RESOLUTION NO. 2022-1115-01** – Resolution certifying delinquent sewer service charges.

Johnson- This happens annually, and some delay their charges to annually to add this charge to their taxes even though it is not legal for a tax deduction.

Kaltsas- Only these 7 of the 240 some sewer service charges were delinquent. Earlier there were more but many made payments. All were notified of tonight's hearing if they had a problem with their bill.

Motioned by Johnson, seconded by Grotting to approve RESOLUTION NO. 22-1115-01 to certify delinquent sewer service charges as special assessments. Ayes: Johnson, Betts, Spencer, and Grotting. Nays: None. Absent: McCoy. Abstain. None. MOTION DECLARED CARRIED. 4.0

10. Windsong Golf Club – North Course Expansion Project: Environmental Assessment Worksheet.

- a. **RESOLUTION NO. 22-1115-02** – Resolution issuing a negative declaration of the need for an Environmental Impact Statement for Windsong Golf Club north course expansion project.

Kaltsas stated this request was a housekeeping item associated with the approved conditional use permit and this was one of the conditions that we make a negative finding relating to having to do further environmental investigation for the golf course. The conversion from 80 AG acres to an 18-hole golf course automatically triggered this. The assessment worksheet was done and ultimately received comments and responded to it. The next level of environmental review would've been impact statement, but no issues were identified triggering the next step. So the City can safely make a negative declaration of the north expansion project. This is a formality. Note the 100 pages. The applicant used their own engineer, and the city administers the process. The response to comments made were agencies, watershed districts, army corps, etc. all made comments. This makes the negative declaration and will publish it to complete.

Betts – In the cultural consultant's letter, they talked about the location being in Maple Plain. Can we be sure it's correctly stated as being in Independence?

Kaltsas –The proper legal description and map will be used.

Betts- Later on another page it states Maple Plain township, not Independence.

Kaltsas- Primarily related to the wetlands, and heritage, buildings, species, and nothing was found.

Grotting – Were there drain tiles being mitigated?

Kaltsas- Most of the drainage will be significantly altered and added back.

Johnson – Being such a dry year could've hindered it in the burial ground.

Kaltsas- That is part of all of those reviews and assessments, and nothing was identified and shown on lists.

Johnson- Was there any other discussion before we vote on Resolution 22-1115-02?

Motioned by Grotting, seconded by Betts to approve RESOLUTION NO. 22-1115-02 as written issuing a negative declaration of the need for an environmental impact statement for the Windsong Golf Club North Course expansion project. Ayes: Johnson, Betts, Spencer, and Grotting. Nays: None. Absent: McCoy. Abstain. None. MOTION DECLARED CARRIED. 4.0

11. Open/Misc.

12. Adjourn.

Motion by Spencer, second by Betts to adjourn the meeting at 7:08 pm.

Respectfully Submitted,
Linda Johnson / Recording Secretary

DRAFT

City of Independence

WHPS/North Memorial Garage - Pay Request #2

To: City Council
From: Mark Kaltsas, Administrator
Meeting Date: September 6, 2022

Summary:

The City has received the second pay request from BV Construction for the WHPS/North Memorial Garage Project. The request has been reviewed and aligns with materials and work completed to date. Staff has reviewed the requested payment and found it to be in line with anticipated and budgeted project costs.

City Council Direction:

Council is being asked to consider approval of the pay requests as recommended.

Attachments: Pay Request #2

DK Services, Inc.

3327 Eaken Avenue NE

Buffalo, MN 55313

612-490-1241

dkservices15@gmail.com

Invoice 2012**BILL TO**

BV Construction Inc

4118 48th St NE

Buffalo, MN 55313 USA

DATE
10/27/2022PLEASE PAY
\$9,500.00DUE DATE
11/26/2022**JOB NAME**

Independence

ADDRESS

1920 CR-90 Maple Plain

ITEM	PHASE CODE/JOB INFO	QTY	RATE	AMOUNT
Services	Bore 2" sewer 180'		9,500.00	9,500.00
	Bore 1" gas 160'			
	Bore 3" power + 1 (1/4) comm pipe 190'			

TOTAL DUE

\$9,500.00

THANK YOU.

New Building

BV Construction Inc.

4118 48th St Ne.

Buffalo, MN 55313

Invoice

Date	Invoice #
11/15/2022	1211

Bill To
City Of Independence

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	MATERIALS FOR INSIDE , STUCCO STEEL , BRICK VENEER	78,600.00	78,600.00
	CONCRETE FLOOR	49,808.00	49,808.00
	APRONS ON BUILDING EXTRA	4,960.00	4,960.00
	POLY DOOR WAYS & HEAT TO POUR CONCRETE	1,500.00	1,500.00
	DRAW ON ELECTRIC ROUGH IN	20,000.00	20,000.00
	DRAW ON HEATING ROUGH IN	9,180.00	9,180.00
	DRAW ON OVERHEAD DOORS	12,600.00	12,600.00
	LABOR FOR INSIDE FRAMING	10,000.00	10,000.00
	New Building		
Thank you for your business.		Total	\$186,648.00

BUDGET MEMO

TO: CITY ADMINISTRATOR
FROM: ABDO FINANCIAL SOLUTIONS, LLC
SUBJECT: 2023 BUDGET POINTS MEMO
DATE: 11/29/2022

Introduction

Upon your request, we have summarized the 2023 Budget highlights below.

Budget Format

The 2023 Budget included the Council approved priorities for each department. These will continue to be reviewed and updated as needed.

Key Items in this Year's Budget

- The general fund tax levy increases \$199,275 or 6.40% over prior year. The tax rate calculates to 33.12%. Prior year's tax rate was 38.27%. Some factors in the change are described below.
- Court Fines revenue projection decreased by 26.42% to reflect prior year actuals.
- Agricultural Credit grant is projected to be \$62,000 and Small City Assistance will be \$45,000.
- Police protection increased \$165,370 or 12.55% from the 2022 budget. This is due to reduced revenue from forfeitures and grants and increased expenditures for anticipated retirements, insurance and capital outlay. A transfer in was established from the COVID funds earned in 2021 to offset \$37,500 annually for the next four years.
- Fire services were increased by \$33,525 or 8.68% from the 2022 budget.
- Streets increased by \$41,794, due to staffing increase of \$13,890 and a 5% increase in all other operating expenses.
- LMCIT Insurance and Worker's Comp Insurance was budgeted with 5% increase over prior year.

Taxation Notification Summary Chart for Taxes Payable 2022

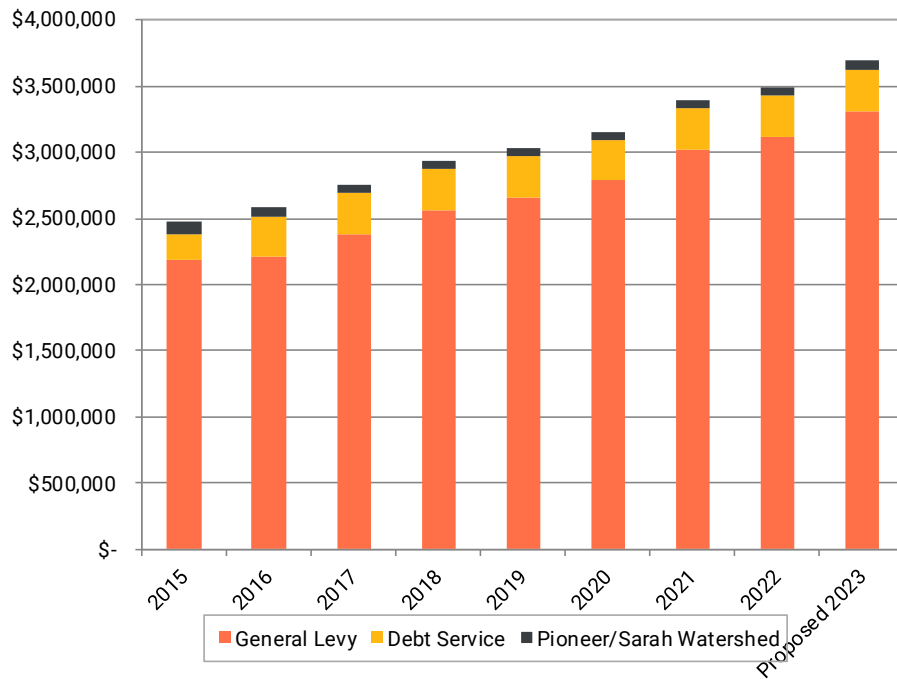
Due Date	EDA and City Levy Process
9/30/2022	The EDA must pass a resolution authorizing the proposed 2023 EDA levy
9/30/2022	The City must pass a resolution and file with the County the exact amount of the proposed 2023 City levy. The due date of the City property tax levy is September 30, 2022.
9/30/2022	At one meeting, the City Council adopts the proposed property tax levy and announces the time and place of a future City Council meeting at which the budget and levy will be discussed and public input allowed, prior to final budget and levy determination. This public input meeting must occur after November 24, 2022 and must start at or after 6:00 PM. The time and place of the public input meeting must be included in the minutes but newspaper publication of the minutes is not required. This information must be filed with the County Auditor.
11/25/22 - 12/28/22	EDA must pass a resolution approving the 2023 EDA levy
11/25/22 - 12/28/22	City must pass a resolution approving the 2023 City levy
11/25/22 - 12/28/22	City Council must hold a meeting to discuss the budget and property tax levy and, before a final determination, all public input.
12/28/22	City must file the certificate of compliance (form TNT - 2023) with the Department of Revenue by December 28, 2022.

Tax Levy Summary

Overall, the tax levy includes levies for general operations, city infrastructure and debt services. The 2023 and 2022 budgeted tax levies are listed below.

	2022 Budget	Proposed Budget	Increase (Decrease)	% Change
General	\$ 3,114,548	\$ 3,313,823	\$ 199,275	6.40%
Debt Service				
2010 GO Improvement Bonds	15,569	13,351	(2,218)	-14.25%
2015 GO Tax Abatement Bonds	177,463	179,458	1,995	1.12%
2020A GO Bonds	121,792	120,690	(1,102)	-0.90%
Total City Operating Levy	\$ 3,429,372	\$ 3,627,322	\$ 197,950	5.77%
Pioneer/Sarah Watershed Taxing District	\$ 64,510	\$ 67,736	\$ 3,226	5.00%

Levy Summary 2015 to 2023 Projected



Summary of the City's Tax Capacity

The estimated tax capacity increased 22.79% for 2023.

The past three years with comparison to the average percentage change for Hennepin County is listed below:

	2019 Pay	2020 Pay	2021 Pay	2022 Pay	Estimated 2022 Pay 2023	% Change	% Change (County-wide)
Commercial/Industrial	\$ 317,883	\$ 340,260	\$ 354,991	\$ 392,516		10.57%	6.00%
Residential	6,288,886	6,752,557	7,249,137	8,936,700		23.28%	17.50%
Farm	900,121	970,554	992,826	1,226,914		23.58%	8.80%
Total	\$ 7,506,890	\$ 8,063,371	\$ 8,596,954	\$ 10,556,130		22.79%	13.20%

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.

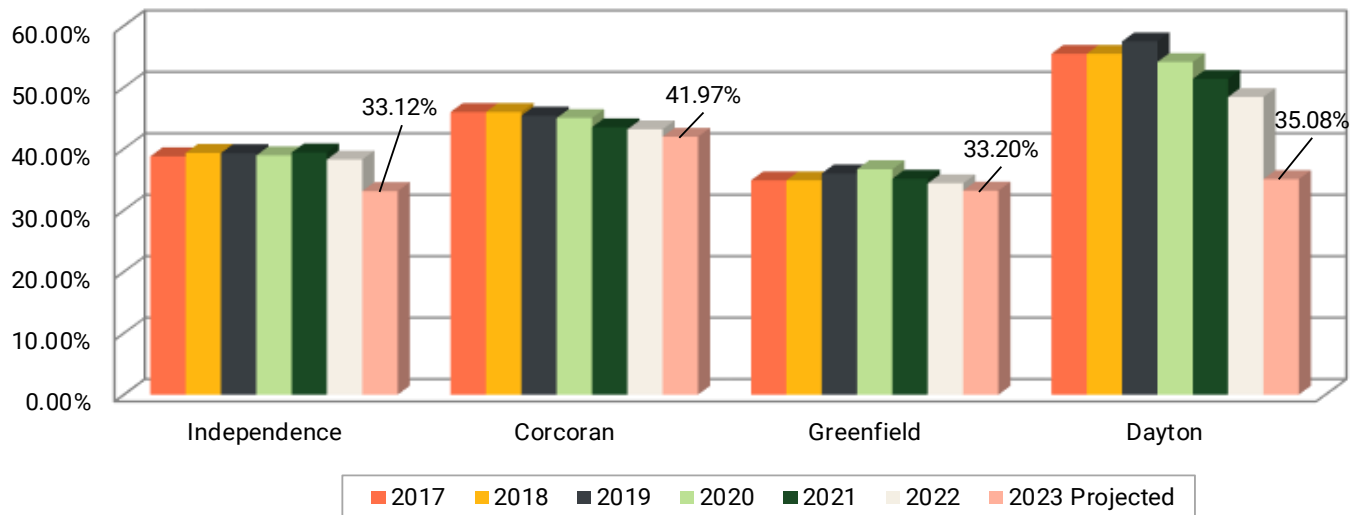
Tax Capacity by Property Type - Estimated 2022 Pay 2023

City of Independence Tax Rate History Compared to other similar sized Hennepin County Cities:

	Independence	Corcoran	Greenfield	Dayton
Commercial/Industrial	\$ 392,516	\$ 1,318,183	\$ 638,110	\$ 3,554,504
Apartment	-	-	-	48,151
Residential	8,936,700	13,690,389	6,015,522	14,005,735
Farm	1,226,914	1,242,555	553,475	813,259
Total	\$ 10,556,130	\$ 16,251,127	\$ 7,207,107	\$ 18,421,649

Tax Capacity Rates

	Independence	Corcoran	Greenfield	Dayton
2017	38.78%	45.99%	34.88%	55.47%
2018	39.34%	45.99%	34.88%	55.47%
2019	39.31%	45.41%	36.00%	57.49%
2020	38.93%	45.01%	36.69%	54.14%
2021	39.41%	43.52%	35.15%	51.38%
2022	38.27%	43.19%	34.40%	48.44%
2023 Projected	33.12%	41.97%	33.20%	35.08%



Staffing

Data related to the number of full time equivalent positions is noted below:

Summary of FTES by Department	2020	2021	2022	2023
City Council	5.00	5.00	5.00	5.00
Adminstration	1.45	1.69	2.19	2.19
Streets	2.20	2.26	1.79	1.79
Building Inspection	0.86	0.88	0.93	0.93
Subtotal General Fund	9.51	9.83	9.91	9.91
Sewer	1.05	1.13	1.42	1.42
Total	10.56	10.96	11.33	11.33

General Fund Summary

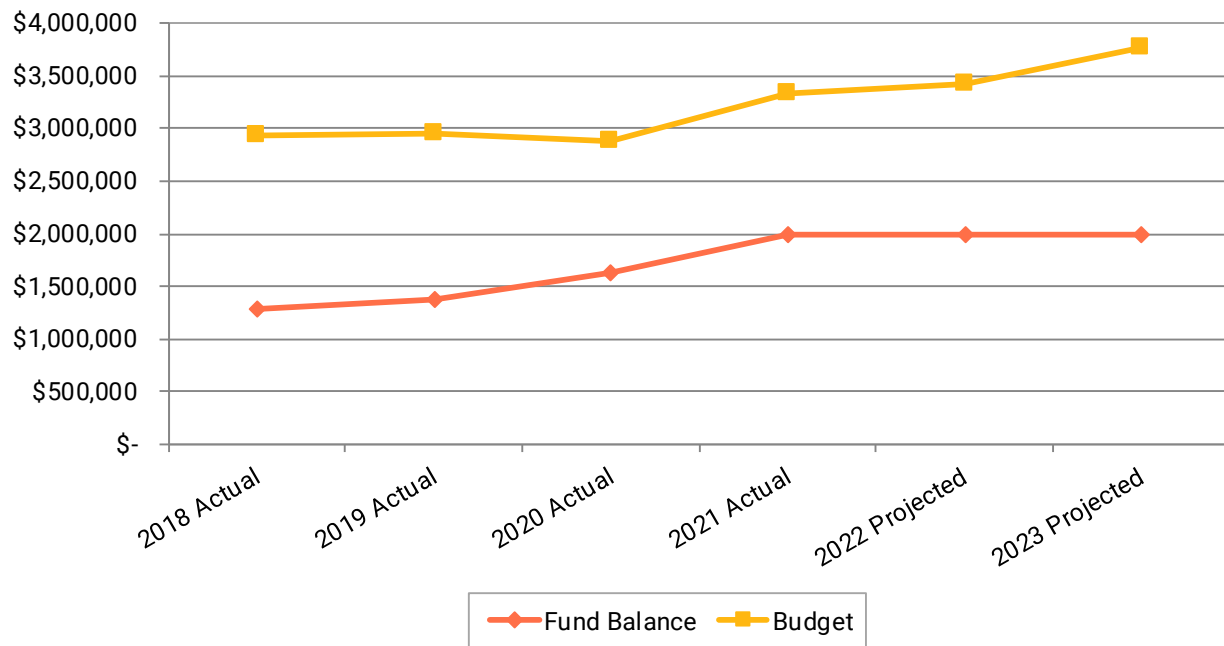
2023 General Fund Summary Budget

	Actual 2021	Budget 2022	Budget 2023	Increase/ (Decrease)	Percent Change
Revenues					
Taxes	\$ 3,022,621	\$ 3,114,548	\$ 3,313,823	\$ 199,275	6.40%
Licenses and permits	247,346	195,070	205,923	10,853	5.56%
Intergovernmental	151,613	16,000	117,700	101,700	635.63%
Charges for services	47,151	41,150	43,208	2,058	5.00%
Fines and forfeitures	35,451	47,740	35,127	(12,613)	-26.42%
Special assessments	-	-	-	-	0.00%
Interest on investments	2,846	3,000	3,150	150	5.00%
Miscellaneous	179,003	5,000	5,250	250	5.00%
Transfers in	-	-	37,500	37,500	0.00%
Total Revenues	\$ 3,686,030	\$ 3,422,508	\$ 3,761,680	\$ 339,172	9.91%
	Actual 2021	Budget 2022	Budget 2023	Increase/ (Decrease)	Percent Change
Expenditures					
Mayor and City Council	\$ 16,158	\$ 25,464	\$ 26,737	\$ 1,273	5.00%
Financial administration	511,940	536,113	596,453	60,340	11.26%
Election	4,053	5,000	5,223	223	4.45%
Planning and zoning	45,557	37,050	43,841	6,791	18.33%
Water resource	-	3,000	3,000	-	0.00%
General government buildings	64,972	44,709	46,944	2,235	5.00%
Legal services	37,157	43,830	40,515	(3,316)	-7.56%
Police	1,186,271	1,317,329	1,482,699	165,370	12.55%
Fire	416,744	386,100	419,625	33,525	8.68%
Building inspection	126,023	130,899	140,208	9,309	7.11%
Streets	635,083	635,681	675,520	39,839	6.27%
Street lighting	5,338	3,090	3,245	155	5.00%
Recycling	86,062	68,850	84,793	15,943	23.16%
Parks	8,896	21,993	23,025	1,032	4.69%
Capital outlay - General government	7,391	35,000	15,000	(20,000)	-57.14%
Capital outlay - public safety	-	430	-	(430)	-100.00%
Capital outlay - public works	58,455	-	55,000	55,000	0.00%
Transfer out	128,770	128,770	99,855	(28,915)	-22.45%
Total Expenditures	3,338,870	3,423,308	3,761,680	338,372	9.88%
Net Change	\$ 347,160	\$ (800)	\$ -	\$ 800	

General Fund Balance

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 2021 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.

Year	Fund Balance December 31	General Fund Budget	Percent of Fund Balance to Budget
2018 Actual	\$ 1,279,825	\$ 2,934,508	43.6%
2019 Actual	1,378,021	2,961,463	46.5%
2020 Actual	1,630,768	2,871,447	56.8%
2021 Actual	1,982,099	3,326,128	59.6%
2022 Projected	1,982,099	3,423,308	57.9%
2023 Projected	1,982,099	3,767,062	52.6%



General Fund Balance as a Percentage of Expenditures

Pioneer/Sarah Watershed Summary

Account	Description	Actual 2020	Actual 2021	YTD 2022	Budget 2022	Budget 2023
200-31010	Ad Valorem Taxes	\$ 62,968	\$ 61,111	\$ 32,053	\$ 61,350	\$ 64,418
200-31040	Fiscal Disparities	2,346	2,652	1,290	3,160	3,318
200-36210	Interest Earnings	270	52	129	-	-
	Total Revenues	65,584	63,815	33,472	64,510	67,736
200-41920-309	Pioneer-Sarah Watershed Comm.	108,632	47,477	47,642	49,500	51,975
200-41920-310	Other Consulting Fees	-	-	-	1,090	1,145
200-41920-320	Water Resource Staff	12,074	19,184	24,235	2,180	2,289
200-41920-350	Printing&Publications-(Legals)	-	-	-	810	851
200-41920-433	Misc. Dues/Ffes	530	530	530	-	-
200-41920-570	Capital Outlay (Project Cost)	-	-	-	10,930	11,477
	Total Expenses	121,236	67,191	72,407	64,510	67,736
	Change in Fund Balance	\$ (55,652)	\$ (3,376)	\$ (38,935)	\$ -	\$ -

Capital Planning

Building Capital Fund (401)

There are no current projects identified in the fund. The cash flow analysis through 2027 is shown below.

City of Independence, Minnesota Cash Flow - Building Capital Fund 401

	2021 Actual	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 105,769	\$ 103,077	\$ 104,108	\$ 105,149	\$ 106,200	\$ 107,262	\$ 108,335
Revenues	112	1,031	1,041	1,051	1,062	1,073	1,083
Expenditures	2,804	-	-	-	-	-	-
Ending Balance	<u>\$ 103,077</u>	<u>\$ 104,108</u>	<u>\$ 105,149</u>	<u>\$ 106,200</u>	<u>\$ 107,262</u>	<u>\$ 108,335</u>	<u>\$ 109,418</u>

Road Capital Fund (402)

There are no current projects identified in the fund. The cash flow analysis through 2027 is shown below.

City of Independence, Minnesota Cash Flow - Road Capital Fund 402

	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 13,044	\$ 61,516	\$ 61,530	\$ 62,146	\$ 62,767	\$ 63,395	\$ 64,029
Revenues	14	14	615	621	628	634	640
Transfers in	48,458						
Expenditures	-	-	-	-	-	-	-
Ending Balance	<u>\$ 61,516</u>	<u>\$ 61,530</u>	<u>\$ 62,146</u>	<u>\$ 62,767</u>	<u>\$ 63,395</u>	<u>\$ 64,029</u>	<u>\$ 64,669</u>

Capital Planning (Continued)

Public Works Equipment Fund (403)

City Staff has reviewed the existing capital needs of the department and determined the following represent anticipated expenditures through 2027.

City of Independence, Minnesota
Capital Improvement Plan - Public Works Equipment Fund 403
Schedule of Planned Capital Outlay 2022 to 2027

			2021	2022	2023	2024	2025	2026	2027
Department	Year to Replace	Item	Cost	Cost History	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts
Public works	2018	Shop Sweeper	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public works	2019	(5) 800 MHz Radios	15,000	-	-	-	-	-	-
Public works	2020	Tandem	250,000	210,000	-	-	-	-	-
Public works	2021	S-10 Pickup (Replace with 3/4 Ton)	50,000	-	50,000	-	-	-	-
Public works	2023	Crack Sealer	35,000	-	-	35,000	-	-	-
Public works	2023	Road Grader Overhaul	40,000	-	-	40,000	-	-	-
Public works	2024	Road Side Mower (Replacement)	57,000	20,000	-	-	57,000	-	-
Public works	2024	Tractor & Loader	130,000	130,000	-	-	130,000	-	-
Public works	2025	New Truck Tandem Axel	250,000	-	-	-	-	250,000	-
Public works	2027	Lawn Mower	30,000	-	-	-	-	-	30,000
Public works	2029	Single Axel	200,000	-	-	-	-	-	-
Public works	2031	Generator	50,000	-	-	-	-	-	-
Public works	2031	Grader	260,000	-	-	-	-	-	-
Public works	2034	Pay Loader	150,000	-	-	-	-	-	-
Public works	NA	Road Packer	-	20,000	-	-	-	-	-
Public works	NA	Tanks for Tandem	4,422	-	-	-	-	-	-
Public works	NA	Trailer	-	-	-	-	-	-	-
					\$ 50,000	\$ -	\$ 75,000	\$ 187,000	\$ 250,000
								\$ -	\$ 30,000

City Staff created a cash flow analysis for the Public Works Equipment Fund through 2027.

City of Independence, Minnesota
Cash Flow - Public Works Equipment Fund 403

	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 27,655	\$ 156,499	\$ 285,269	\$ 310,124	\$ 186,778	\$ 3,615	\$ 73,793
Transfers in	128,770	128,770	99,855	63,654	66,837	70,179	73,687
Other receipts							
Expenditures	-	-	75,000	187,000	250,000	-	30,000
Ending Balance	\$ 156,425	\$ 285,269	\$ 310,124	\$ 186,778	\$ 3,615	\$ 73,793	\$ 117,481
Transfers in are from:							
100-43100-720	\$ 60,000	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
100-49300-720	68,770	68,770	38,055	-	-	-	-
	\$ 128,770	\$ 128,770	\$ 99,855	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556

Capital Planning (Continued)

Administrative Fund

City Staff has reviewed the existing capital needs for improvements to City Hall and determined the following represent the anticipated expenditures. The next scheduled capital outlay item will be in 2031.

City of Independence, Minnesota
Capital Improvement Plan - Administrative Fund 404
Schedule of Planned Capital Outlay 2022 to 2024

Department	Year	Item	Cost	2022	2023	2024
				Estimated Amounts	Estimated Amounts	Estimated Amounts
General government	2031	Office Equipment - Furnishing	\$ 5,000	\$ -	\$ -	\$ -
General government	2031	Mechanical Electric	32,500	-	-	-
General government	2031	City Hall Parking Lot (original paid by 2015 bond)	67,000	-	-	-
General government	2031	City Hall Carpet	20,000	-	-	-
General government	2032	Paint Exterior	27,500	-	-	-
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The cash flow in the fund is anticipated to be the following through 2027.

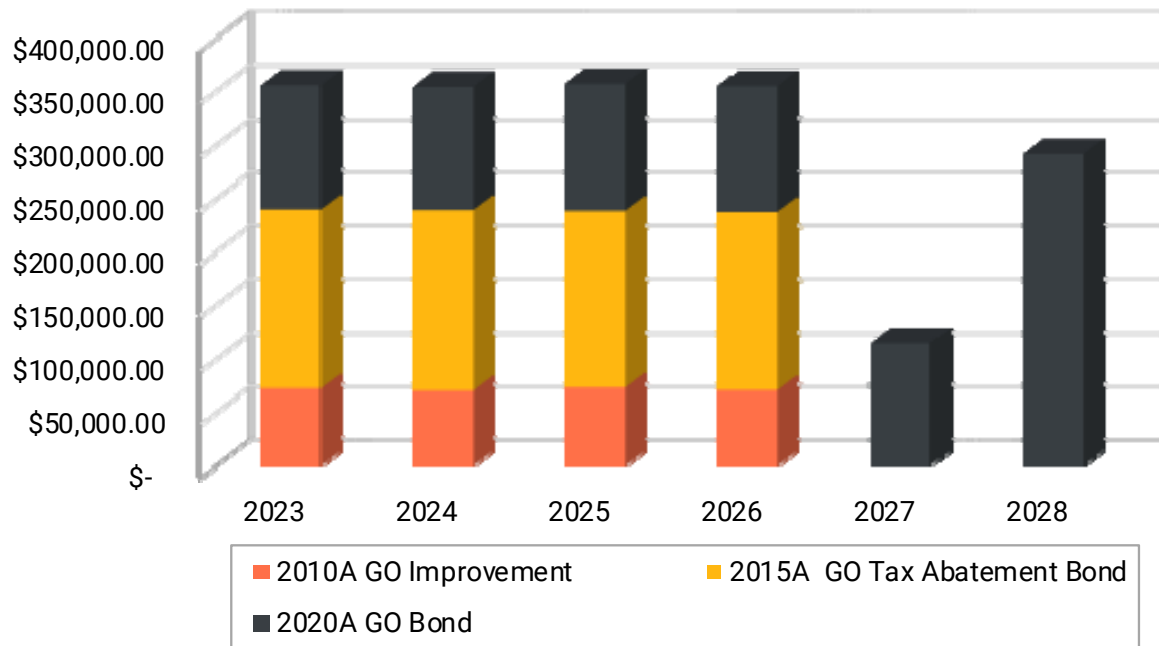
City of Independence, Minnesota
Cash Flow - Administrative Fund 404

	2022	2023	2024	2025	2026	2027
Beginning Balance	\$ 83,600	\$ 84,436	\$ 85,280	\$ 86,133	\$ 86,994	\$ 87,864
Transfers in	-	-	-	-	-	-
Other receipts	836	844	853	861	870	879
Expenditures	-	-	-	-	-	-
Ending Balance	<u>\$ 84,436</u>	<u>\$ 85,280</u>	<u>\$ 86,133</u>	<u>\$ 86,994</u>	<u>\$ 87,864</u>	<u>\$ 88,743</u>

Debt Schedule

City of Independence Bond Payment Schedule

Fund	Maturity Date		Total Remaining	2023	2024	2025	2026	2027	2028
602 2010A GO Improvement	2/1/2026	Principal	\$ 270,000	\$ 65,000	\$ 65,000	\$ 70,000	\$ 70,000		
602 2010A GO Improvement	2/1/2026	Interest	18,505	7,929	5,816	3,570	1,190		
		Total	430,195	72,929	70,816	73,570	71,190		
314 2015A GO Tax Abatement Bond	2/1/2026	Principal	640,000	155,000	160,000	160,000	165,000		
314 2015A GO Tax Abatement Bond	2/1/2026	Interest	28,944	12,463	9,113	5,513	1,856		
		Total	1,002,969	167,463	169,113	165,513	166,856		
315 2020A GO Bond	2/1/2041	Principal	3,725,000	35,000	35,000	40,000	40,000	40,000	220,000
315 2020A GO Bond	2/1/2041	Interest	915,211	80,468	79,418	78,293	77,093	75,893	71,993
		Total	4,850,166	115,468	114,418	118,293	117,093	115,893	291,993



City of Independence
2023 Budget

Account	Description	Final		YTD	Budget		Change from PY Budget	Comments / % Change
		2020	2021	2022	2022	2023		
Taxes								
100-31010	AD VALOREM TAXES	\$ 2,636,608	\$ 2,903,839	\$ 1,557,603	\$ 3,006,461	\$ 3,200,332	6.45%	
100-31040	FISCAL DISPARITIES	115,140	118,782	68,292	108,087	113,491	5.00%	
Total Taxes		2,751,748	3,022,621	1,625,895	3,114,548	3,313,823	6.40%	
Licenses and permits								
100-32100	BUSINESS LICENSES	19,077	18,210	18,340	13,240	15,000	13.29%	\$15k to balance past years
100-32210	BUILDING PERMIT	188,565	187,891	284,191	146,260	153,573	5.00%	
100-32211	PLAN REVIEW	56,666	35,696	92,948	30,000	31,500	5.00%	
100-32240	ANIMAL LICENSES	420	200	62	570	600	5.18%	
100-32250	MISC. LICENSES & PERMITS	9,130	5,349	3,032	5,000	5,250	5.00%	
Total Licenses and Permits		273,857	247,346	398,573	195,070	205,923	5.56%	
Intergovernmental								
100-33401	LOCAL GOVERNMENT AID	18,422	106,535	8,448	8,000	106,500	1231.25%	MV Ag Credit was \$62K, Small City Assistance was \$45K in 2021
100-33610	CTY. GRANTS & AID (STREETS)	-	34,515	-	-	-	0.00%	
100-33620	COUNTY GRANTS & AID (OTHER)	7,763	10,563	4,609	8,000	11,200	40.00%	Recycling Grant plus Met Council Agreement
Total Intergovernmental		26,186	151,613	13,057	16,000	117,700	635.63%	
Charges for Services								
100-34103	ZONING/SUBDIVISION FEE	8,290	23,350	27,850	12,000	12,600	5.00%	Combined with 100-34307
100-34104	WATER RESOURCE FEES	2,500	500	-	-	-	0.00%	
100-34105	SALE-MAPS,PUBLICATION,COPIES	10	75	-	-	-	0.00%	
100-34107	ASSESSMENT SEARCH FEES	125	325	350	150	158	5.00%	
100-34108	ADMINISTRATIVE CHARGES/REIMBUR	12,916	22,770	5,530	28,000	29,400	5.00%	Vinland Police/Fire Contract not included before
100-34305	PUBLIC WORKS REIMBURSEMENTS	44	131	-	600	630	5.00%	
100-34306	BUILDING INSPECTIONS REIMBURSE	6,199	-	-	400	420	5.00%	
Total Charges for Services		30,084	47,151	33,730	41,150	43,208	5.00%	
Fines and Forfeitures								
100-35000	COURT FINES/DOG IMPOUNDING	35,323	35,451	36,015	47,740	35,127	-26.42%	reflects past actual
Total Fines and Forfeitures		35,323	35,451	36,015	47,740	35,127	-26.42%	
Interest on Investments								
100-36210	INTEREST EARNINGS	4,768	2,846	6,216	3,000	3,150	5.00%	
Total Interest on Investments		4,768	2,846	6,216	3,000	3,150	5.00%	
Miscellaneous								
100-36220	INSURANCE PREMIUM REFUND	1,934	5,428	-	3,500	3,675	5.00%	
100-36230	MISC. CONTRIB./REFUND	3,644	173,375	2,620	500	525	5.00%	
100-36240	COMMUNITY CENTER REVENUES	150	200	900	1,000	1,050	5.00%	
Total Miscellaneous		5,728	179,003	3,520	5,000	5,250	5.00%	
Transfers								
100-39200	Transfer in	-	-	-	-	37,500	0.00%	
Total Transfers		-	-	-	-	37,500	0.00%	
Total		3,127,693	3,686,030	2,117,005	3,422,508	3,761,680	9.91%	

City of Independence
2023 Budget

Account	Description	Final		YTD		Budget		Change from		Comments / % Change
		2020	2021	2022	2022	2023	PY Budget			
Mayor and Council										
100-41000-100	MAYOR'S SALARY	\$ 2,834	\$ 166	\$ -	\$ 3,450	\$ 3,623	5.00%	Increase 5%		
100-41000-103	COUNCIL SALARIES	7,200	10,200	8,798	8,280	8,694	5.00%	Increase 5%		
100-41000-122	FICA(6.2) MEDICARE (1.45)	780	780	673	897	942	5.00%	Increase 5%		
100-41000-331	CONFERENCE & TRAVEL	2,445	2,917	2,246	9,270	9,734	5.00%			
100-41000-361	INSURANCE	1,238	1,550	1,741	1,627	1,708	5.00%			
100-41000-405	MISCELLANEOUS	-	67	239	240	252	5.00%			
100-41000-433	DUES & SUBSCRIPTIONS	430	478	85	1,700	1,785	5.00%			
Total Mayor and Council		14,928	16,158	13,782	25,464	26,737	5.00%			
Election										
100-41410-102	ELECTION OFFICIAL'S WAGES (PT)	4,106	780	2,751	2,652	2,785	5.00%	\$12/hr		
100-41410-210	OPERATING SUPPLIES/MTN EQUIP.	4,716	3,273	-	1,030	1,082	5.00%			
100-41410-350	PRINTING & PUBLICATIONS	675	-	-	770	809	5.00%			
100-41410-405	MISCELLANEOUS	410	-	692	548	548	0.00%			
Total Election		9,907	4,053	3,443	5,000	5,223	4.45%			
Financial Administration										
100-41500-101	WAGES (FULL-TIME)	58,365	88,952	139,771	76,674	86,611	12.96%	Per Salary Schedule		
100-41500-102	WAGES (PART-TIME)	39,394	20,403	-	70,905	71,333	0.60%	Per Salary Schedule		
100-41500-121	PERA	7,260	7,760	10,047	9,925	11,846	19.35%	Per Salary Schedule		
100-41500-122	FICA/MEDICARE	7,309	8,094	10,713	10,123	12,083	19.36%	Per Salary Schedule		
100-41500-131	CITY PAID BENEFIT ALLOWANCE-LI	25,825	22,880	38,380	27,720	27,720	0.00%	Per Salary Schedule		
100-41500-200	OFFICE SUPPLIES	5,963	14,871	6,916	4,770	1,627	-65.90%			
100-41500-301	AUDITING FEES	12,600	8,400	16,433	13,500	14,175	5.00%			
100-41500-305	CPA FEES	73,571	84,272	73,209	74,500	81,000	8.72%			
100-41500-302	ADMINSTRATION CONSULTING	99,895	95,534	93,495	116,865	141,120	20.75%			
100-41500-310	OTHER CONSULTING EXPENSE	12,572	-	-	10,000	10,000	0.00%	Consulting		
100-41500-315	ASSESSOR'S FEE	67,000	69,140	72,000	69,000	72,450	5.00%	HC estimate		
100-41500-321	COMMUNICATIONS	7,696	37,743	22,584	4,220	4,431	5.00%			
100-41500-322	POSTAGE	741	1,270	2,289	1,750	1,838	5.00%			
100-41500-325	IT CONSULTING	-	-	-	-	13,928	0.00%	Element Technology - monthly IT Support, coded to 100-41500-321 in the past		
100-41500-330	TRANSPORTATION	-	-	-	-	-	0.00%			
100-41500-331	TRAVEL & CONFERENCE EXPENSE	-	261	410	2,500	2,625	5.00%			
100-41500-350	PRINTING&PUBLICATIONS-(LEGALS)	10,737	22,366	22,654	13,790	18,000	30.53%			
100-41500-360	WORKERS COMP INSURANCE	6,550	6,989	7,064	7,688	8,072	5.00%			
100-41500-361	INSURANCE	1,238	1,895	1,876	1,753	1,841	5.00%			
100-41500-404	MAINT.&REPAIR EQUIP.(CONTRACT)	5,721	837	-	2,000	2,100	5.00%	Reduce to 2k per Admin.		
100-41500-405	MISCELLANEOUS	4,690	3,784	1,371	1,590	1,670	5.00%			
100-41500-433	DUES & SUBSCRIPTIONS	8,064	13,416	13,213	9,840	5,140	-47.76%	LMC Dues (\$1,420), Banyon Annual Fee (\$1,585), Microsoft (\$2,100), Metro Cities (\$1,720), MCFOA (\$45), NW Henn League (\$20), Sensible Land Use (\$250), subtracted 2,000 to get the budget to balance per discussion with Mark - ELE 11/30/22		
100-41500-602	LEASE/PURCHASE (COPIER)	5,196	3,074	4,371	4,290	4,000	-6.76%	Bring in line with past actuals - lower copier lease payment (went from \$535 to 279)		
100-49240-375	CLAIM DEDUCTIBLE	500	-	-	590	620	5.00%	Copier \$279*12, Pitney Bowes \$175*4		
100-49240-620	AGENCY FEES	-	-	-	2,120	2,226	5.00%			
100-49300-720	TRANSFER OUT	-	68,770	51,570	68,770	38,055	-44.66%			
Total Financial Administration		462,965	580,710	588,364	604,883	634,508	4.90%			
Capital Outlay - General Government										
100-41500-560	CAPITAL OUTLAY (OFFICE EQUIP)	24,122	7,391	1,817	35,000	15,000	-57.14%			
Total Capital Outlay - General Government		24,317	7,391	1,817	35,000	15,000	-57.14%			

City of Independence
2023 Budget

Account	Description	Final		YTD		Budget		Change from PY Budget	Comments / % Change
		2020	2021	2022	2022	2023			
Legal Services									
100-41600-304	CIVIL, LEGAL (K&G)	\$ 22,004	\$ 14,697	\$ 16,067	\$ 17,910	\$ 18,806	5.00%	Bring in line with past actuals - average of last 4 years	
100-41600-306	PROSECUTION (C&C)	15,617	20,379	14,678	23,340	19,000	-18.59%		
100-41600-312	CODIFICATION OF ORDINANCES	2,165	2,081	4,628	2,580	2,709	5.00%		
100-41600-405	MISC.	-	-	625	-	-	0.00%		
Total Legal Services		39,785	37,157	35,998	43,830	40,515	-7.56%		
Planning and Zoning									
100-41900-307	PLANNER CONSULTING	32,969	39,644	25,112	31,400	37,908	20.73%		
100-41900-361	INSURANCE	4,332	5,381	6,047	5,650	5,933	5.00%		
100-41900-405	MISC.	-	532	368	-	-	0.00%		
Total Planning and Zoning		37,301	45,557	31,527	37,050	43,841	18.33%		
Water Resource									
100-41920-311	WATER RESOURCE STAFF FEE	-	-	-	3,000	3,000	0.00%	added based on properties not in pioneer	
Total Water Resource		-	-	-	3,000	3,000	0.00%		
General Government Buildings									
100-41940-321	COMMUNCIATIONS	2,975	16,782	9,410	10,000	10,500	5.00%	Monthly fees: MS Office (200/mo), WHPS IT (\$535/mo), Frontier (\$110/mo). Misc other costs \$3,000	
100-41940-360	WORKERS COMP INSURANCE	-	2,084	-	-	-	0.00%	Moved to Gen Insurance	
100-41940-361	INSURANCE	3,653	4,027	4,526	4,229	4,440	5.00%		
100-41940-380	UTILITIES (NSP,GAS,LINEN)	8,351	11,044	14,089	12,360	12,978	5.00%	Bring in line with past actuals	
100-41940-384	GARBAGE PICK-UP	1,510	1,594	1,263	1,310	1,376	5.00%	\$105/mo	
100-41940-401	MAINT.&REPAIR BLD	4,374	14,987	9,304	13,600	14,280	5.00%	Ameripride - Mats for City Hall, moved from Misc	
100-41940-402	MUSEUM	-	-	-	150	158	5.00%		
100-41940-403	GROUND MAINTENANCE	-	-	-	560	588	5.00%		
100-41940-405	MISCELLANEOUS	3,120	14,455	6,970	2,500	2,625	5.00%	moved to Maint. Repair Bldg	
Total General Government Buildings		23,982	64,972	45,562	44,709	46,944	5.00%		
Police									
100-42000-405	MISCELLANEOUS	3,767	12,946	3,706	1,230	1,292	5.00%	Cornerhouse	
100-42000-440	CONTRACT	996,170	1,173,007	1,314,399	1,314,399	1,479,622	12.57%	Updated with numbers from W. Hennepin Budget from Mark on 11/28/22	
100-42000-442	PRISONER BOOKING	1,307	319	1,056	1,700	1,785	5.00%		
Total Police		1,001,243	1,186,271	1,319,161	1,317,329	1,482,699	12.55%		
Fire									
100-42000-450	FIRE PROTECTION	396,275	416,744	377,388	386,100	419,625	8.68%	2023 Estimates: MP \$243,444; Loretto \$105,784; Delano \$70,397	
Total Fire		396,275	416,744	377,388	386,100	419,625	8.68%		

City of Independence
2023 Budget

Account	Description	Final		YTD		Budget		Change from PY Budget	Comments / % Change
		2020	2021	2022	2022	2023			
Building Inspection									
100-42400-101	WAGES (FULL-TIME)	\$ 89,655	\$ 86,222	\$ 72,020	\$ 88,892	\$ 97,933	10.17%	Per Salary Schedule	
100-42400-104	WAGES- (TEMP HELP)	-	-	-	-	-	0.00%	Per Salary Schedule	
100-42400-121	PERA	6,648	6,485	5,779	6,667	7,345	10.17%	Per Salary Schedule	
100-42400-122	FICA/MEDICARE	6,674	6,488	5,817	6,800	7,492	10.17%	Per Salary Schedule	
100-42400-131	CITY PAID BENEFIT ALLOWANCE-LI	16,761	15,070	17,652	16,500	16,500	0.00%	Per Salary Schedule	
100-42400-200	OFFICE SUPPLIES	65	3,703	98	720	756	5.00%		
100-42400-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	1,485	858	20	820	861	5.00%		
100-42400-310	OTHER CONSULTING EXPENSE	-	-	-	520	546	5.00%		
100-42400-321	COMMUNICATIONS	1,771	1,800	565	2,080	480	-76.92%	Cell phone (\$40/mo), disconnected Frontier	
100-42400-331	CONFERENCE & TRAVEL	187	445	851	2,580	2,709	5.00%		
100-42400-360	WORKERS COMP INSURANCE	2,620	3,008	2,825	3,294	3,459	5.00%		
100-42400-361	INSURANCE	1,395	1,539	1,730	1,616	1,697	5.00%		
100-42400-433	DUES & SUBSCRIPTIONS	160	405	549	410	431	5.00%		
Total Building Inspection		127,420	126,023	107,905	130,899	140,208	7.11%		
Capital Outlay - Public Safety									
100-42400-570	CAPITAL OUTLAY (EQUIP PURCHA)	-	-	-	430	-	-100.00%	DNU	
Total Capital Outlay - Public Safety		-	-	-	430	-	-100.00%		
Streets									
100-43100-101	WAGES (FULL-TIME)	185,276	179,650	142,562	118,735	130,798	10.16%	Per Salary Schedule	
100-43100-102	WAGES (PART-TIME)	690	-	-	-	-	0.00%	Per Salary Schedule	
100-43100-121	PERA	13,822	13,194	11,552	8,905	9,810	10.16%	Per Salary Schedule	
100-43100-122	FICA/MEDICARE	13,978	13,577	12,229	9,083	10,006	10.16%	Per Salary Schedule	
100-43100-131	CITY PAID BENEFIT ALLOWANCE	34,328	27,136	48,280	28,875	28,875	0.00%	Per Salary Schedule	
100-43100-210	OPERATING SUPPLIES	3,960	14,689	1,293	680	714	5.00%		
100-43100-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	14,523	12,702	27,111	24,590	25,820	5.00%		
100-43100-217	SIGNS	5,389	3,756	5,134	6,700	7,035	5.00%	Signs being replaced to bring into compliance for 2023	
100-43100-218	UNIFORMS	4,946	4,245	1,571	2,970	4,200	41.41%	bring in line with actuals	
100-43100-219	CULVERTS	-	-	5,140	5,300	5,565	5.00%		
100-43100-220	MAINT.&REPAIR SUPPLIES (EQUIP)	24,755	19,531	19,084	24,400	25,620	5.00%		
100-43100-223	MAINT. & REPAIR SUPPLIES(BLDG.)	5,763	5,513	8,541	5,070	5,324	5.00%		
100-43100-224	ROAD MANT-MATERIALS (ON-GOING)	69,316	48,249	40,443	74,280	77,994	5.00%		
100-43100-226	BLACKTOP MATERIAL	4,885	60,290	19,101	46,380	48,699	5.00%		
100-43100-227	EQUIPMENT CONTRACT HIRE	-	-	-	1,090	1,145	5.00%		
100-43100-240	SMALL TOOLS & MINOR EQUIPMENT	-	522	-	350	368	5.00%		
100-43100-303	ENGINEERING	8,237	6,021	44,201	9,920	10,416	5.00%		
100-43100-321	COMMUNICATIONS (PHONE,E-MAIL)	6,321	7,631	5,494	5,940	7,600	27.95%	bring in line with actuals	
100-43100-331	TRAVEL,CONF.,EDUC.EXPENSE	-	571	-	1,120	1,176	5.00%		
100-43100-350	PRINTING & PUBLICATIONS	-	288	-	3,710	3,896	5.00%		
100-43100-360	WORKERS COMP INSURANCE	6,918	6,417	7,064	7,058	7,411	5.00%		
100-43100-361	INSURANCE	9,477	8,415	9,456	8,835	9,277	5.00%		
100-43100-380	UTILITIES	6,881	6,043	4,462	10,750	11,288	5.00%		
100-43100-381	STREET LIGHTING	5,976	5,338	5,495	3,090	3,245	5.00%		
100-43100-384	GARBAGE PICK-UP	-	-	-	510	536	5.00%		
100-43100-405	MISCELLANEOUS	425	832	493	280	294	5.00%		
100-43100-407	SNOW REMOVAL-MATERIALS	28,142	27,853	8,389	29,850	31,343	5.00%		
100-43100-408	DUST CONTROL	62,457	67,840	69,854	75,350	79,118	5.00%		
100-43100-412	BRUSH & TREE REMOVAL	15,178	17,624	14,025	15,910	16,706	5.00%		
100-43100-413	SALES/FUEL TAX & LICENSE	116	-	-	550	578	5.00%		
100-43100-415	SAC CHARGES	-	-	-	590	620	5.00%		
100-43100-418	WEED CONTROL	1,164	-	-	3,180	3,339	5.00%		
100-43100-420	GOPHER STATE ONE-CALL	1,654	1,577	1,219	2,030	2,132	5.00%		
100-43100-421	SEAL COATING	19,473	43,015	50,000	50,000	52,500	5.00%		
100-43100-422	ROAD TILING	34,393	37,901	-	50,000	52,500	5.00%		
100-43100-430	SAFETY PROGRAM (AWAIR, ETC.	3,600	-	365	2,030	2,132	5.00%		
100-43100-433	MEMBERSHIP DUES	-	-	-	660	693	5.00%		
100-43100-720	TRANSFER OUT	75,000	60,000	45,000	60,000	61,800	3.00%	Revenue for PW Capital Fund	
Total Streets		667,044	700,421	607,556	698,771	740,565	5.98%		

City of Independence
2023 Budget

Account	Description	Final		YTD		Budget		Change from PY Budget	Comments / % Change
		2020	2021	2022	2022	2023			
Capital Outlay - Public Works									
100-43100-550	C.O. (ROAD IMPROV. - 802)	\$ -	\$ -	\$ -	\$ -	\$ 55,000	0.00%	Townline road improvement	
100-43100-560	CAPITAL OUTLAY (OFFICE EQUIP.)	-	-	-	-	-	0.00%		
100-43100-570	C.O. (EQUIP. PURCH. -803)	2,544	58,455	104,518	-	-	0.00%	PW Capital Plan	
100-43100-580	C.O. (PUBLIC WORKS BLD. -801)	-	-	-	-	-	0.00%		
Total Capital Outlay - Public Works		2,544	58,455	104,518	-	55,000	0.00%		
Recycling									
100-43200-383	RECYCLING EXPENSES	51,640	74,099	59,530	68,850	72,293	5.00%	Approx \$4,080/mo - Randy's Recycling, Inc \$15,800 per new Contract for 2021	
100-43200-405	MISCELLANEOUS	-	119	600	-	-	0.00%		
100-43200-411	CLEAN-UP DAY	-	11,843	11,400	-	12,500	0.00%	Clean up Day	
Total Recycling		51,640	86,062	71,530	68,850	84,793	23.16%		
Park									
100-45100-120	COMMUNITY EVENT CONTRIBUTIONS	3,346	4,000	-	7,110	7,466	5.00%	City contribution to Orono Community Center/WeCAN/Delano Sr. Center	
100-45200-409	YOUTH GROUPS	-	-	-	680	680	0.00%	Lyndale Lutheran Church	
100-45300-210	SUPPLIES & MATERIALS	-	65	-	1,120	1,176	5.00%		
100-45300-220	REPAIRS & MAINTENANCE (MOWING)	4,879	619	1,223	6,580	6,909	5.00%	Park weed and fee third party cost	
100-45300-230	EQUIPMENT PURCHASES	-	-	-	580	609	5.00%		
100-45300-310	OTHER CONSULTING EXPENSE	-	-	-	580	609	5.00%		
100-45300-361	INSURANCE	3,872	4,213	4,734	4,423	4,644	5.00%		
100-45300-380	UTILITIES/WASTE REMOVAL	-	-	-	680	680	0.00%	Park lighting	
100-45300-405	MISCELLANEOUS	-	-	-	240	252	5.00%		
Total Park		12,097	8,896	5,957	21,993	23,025	4.69%		
Total		2,871,447	3,338,870	3,314,510	3,423,308	3,761,680	9.88%		
Revenues Over (Under) Expenditures		256,246	347,160	(1,197,504)	(800)	-			
Other Financing Sources									
100-39101	SALE OF LAND	-	-	-	-	-		For Covid dollars earned to be used for police	
Total Other Financing Sources		-	-	-	-	-			
Net Change in General Fund Fund Balance		\$ 256,246	\$ 347,160	\$ (1,197,504)	\$ (800)	\$ -			



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-01

RESOLUTION APPROVING 2023 GENERAL FUND BUDGET

WHEREAS, it is the practice of the City of Independence to create and adopt a General Fund Budget; and

WHEREAS, the City Council for the City of Independence has determined to create a balanced budget; and

WHEREAS, the City Council has determined that the 2023 General Fund Budget will call for revenues and expenditures of **\$3,313,823.00**; and

WHEREAS, the proposed 2023 General Fund Budget meets the criteria of a balanced budget,

NOW, THEREFORE, BE IT RESOLVED, that the Independence City Council hereby adopts the General Fund Budget for 2023.

General Fund

2023 Final Budget
\$ 3,313,823.00

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of _____ayes and _____nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-02

RESOLUTION APPROVING 2023 FINAL PROPERTY TAX GENERAL LEVY

WHEREAS, the City of Independence is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

WHEREAS, Minnesota Statutes require approval of a final property tax levy and final budget on or before the fifth business day following the 20th of December of each year; and

BE IT RESOLVED that the City Council of the City of Independence, Hennepin County, Minnesota, that the following sums of money be levied for collection in 2023 upon the table property in said City of Independence for the following purposes:

	<u>2023 Final Budget</u>
General Fund	\$ 3,313,823
Debt Service	
2010 GO Improvement Bond, Lindgren Lane	\$ 13,351
2015 GO Tax Abatement Bonds	\$ 179,458
2020A GO Bonds	\$ 120,690
Total City Operating Levies	<u>\$ 3,627,322</u>

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of ____ ayes and ____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-03

**RESOLUTION APPROVING 2023 PIONEER CREEK WATERSHED
MANAGEMENT COMMISSION TAX LEVY**

WHEREAS, the City of Independence is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

WHEREAS, Minnesota Statutes require approval of a final property tax levy and final budget on or before the fifth business day following the 20th of December of each year; and

BE IT RESOLVED that the City Council of the City of Independence, Hennepin County, Minnesota, that the following sums of money be levied for collection in 2023 upon the table property in said City of Independence for the following purposes:

Pioneer/Sarah Watershed Commission Taxing District **\$. 67,736.00**

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of ____ayes and ____nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

Request for a Minor Subdivision to Allow a Lot Combination for the Property located at 2870 Lake Sarah Rd.

<i>To:</i>	City Council
<i>From:</i>	Mark Kaltsas, City Planner
<i>Meeting Date:</i>	December 6, 2022
<i>Applicants:</i>	Ryan Nash
<i>Owners:</i>	Ryan Nash
<i>Location:</i>	2870 Lake Sarah Rd.

Request:

Ryan Nash (Applicant/Owner) is requesting the following action for the properties located at 2870 Lake Sarah Rd. (PID No's. 16-118-24-13-0003 and 16-118-24-42-0001) in the City of Independence, MN:

- a. A minor subdivision to allow a lot combination that would create one parcel from the two existing parcels with a combined acreage of 5.4 acres.

Property/Site Information:

There are two subject properties being considered. Both properties are located on the south side of Lake Sarah Rd., north of Highway 12 and north of the BNSF railroad. The applicant owns both properties and has an existing home and two detached accessory structures on the north property. The north property has frontage on Lake Sarah Rd. and the south property has no public road frontage but does abut the BNSF railroad right of way. The property has the following site characteristics:

Property Information: 2870 Lake Sarah Road

Zoning: Agriculture

Comprehensive Plan: Agriculture

<i>Acreage (Before):</i>	<i>PID No. 16-118-24-13-0003</i>	<i>2 acres</i>
	<i>PID No. 16-118-24-42-0001</i>	<i>3.4 acres</i>

<i>Acreage (After):</i>	<i>5.4 acres</i>
-------------------------	------------------



Discussion:

The applicant approached the City about the possibility of adding onto the existing detached accessory building located on the north parcel. The City determined that the north property does not have enough area to support an expansion of the existing detached accessory structure. It was noted that the north and south properties could be combined to allow for the proposed building expansion.

The existing detached accessory structure is 1,200 square feet (30' x 40'). The applicant is proposing to add a 640 square foot addition to the north side of the building and a 400 square foot open addition to the south side. The total square footage of the existing structure, plus the proposed accessory structure expansion is 2,240. The City allows properties that are less than 2.5 acres to have a maximum square footage of 1,850. For properties greater than 2.5 acres, the City allows a maximum square footage of detached accessory structures based on a calculation of 2% of the buildable upland.

The north property is 2 acres, and the south property is 3.4 acres. It is estimated that there is 2.22 acres of wetlands on the south property. By combining the properties, the applicant would be able to realize approximately 2,770 square feet of detached accessory structures as follows:

Combined Property:	5.4 acres
Wetland Acres:	2.14 acres
Upland Acres:	3.18 acres
Buildable Upland:	138,521 SF
Allowed Accessory Structure:	2,770 SF
Proposed Accessory Structure SF:	2,240 SF

There are several items that should be noted by the City during consideration of the application:

1. The south lot does not have any public frontage.
2. The existing detached accessory building meets applicable building setbacks. The proposed expansion of the structure will meet all applicable setbacks in the after condition.
3. The requisite drainage and utility easements would need to be dedicated to the City. The applicant shall execute the necessary documents to convey the easements as determined necessary by the City.

The proposed subdivision to allow a lot combination appears to meet all applicable standards of the City's zoning and subdivision ordinance. The combined lot will fit into the surrounding area and have minimal impacts on the surrounding properties.

Planning Commission Discussion and Recommendation:

Planning Commissioners discussed the proposed subdivision and asked questions of staff and the applicant. Commissioners asked if there were many properties that were similar to the subject property that had no public road frontage. It was noted that there are a handful of similar properties in the City. Commissioners generally found that the proposed minor subdivision appeared to make

sense and would “clean up” a unique property situation. Commissioners recommended approval of the requested minor subdivision to the City Council.

Neighbor Comments:

The City has not received any written comments regarding the proposed minor subdivision.

Recommendation:

The Planning Commission recommended approval of the minor subdivision with the following conditions and findings:

1. The proposed subdivision, allowing a lot combination, meets all applicable criteria and conditions stated in Chapter V, Section 500, Planning and Land Use Regulations of the City of Independence Zoning Ordinance.
2. The applicant shall submit a separate exhibit showing the after conditions prior to City Council consideration of the minor subdivision.
3. The applicant shall dedicate the requisite drainage and utility easements to the City. The applicant shall execute the necessary documents to convey the easements as determined necessary by the City.
4. The applicant shall pay for all costs associated with the City’s review of the requested minor subdivision.
5. The applicant shall record the subdivision and City Council Resolution with Hennepin County within six (6) months of approval.
6. The applicant shall execute and record the requisite drainage and utility easements with Hennepin County within six (6) months of approval.

Attachments:

1. Application
2. Exhibit Depicting Both Before and After Conditions



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-04

**A RESOLUTION GRANTING APPROVAL OF A MINOR SUBDIVISION TO ALLOW
A LOT COMBINATION FOR THE PROPERTIES GENERALLY
LOCATED AT 2870 LAKE SARAH ROAD**

WHEREAS, the City of Independence (the “City”) is a municipal corporation under the laws of Minnesota; and

WHEREAS, the City adopted a comprehensive plan in 2010 to guide the development of the community; and

WHEREAS, the City has adopted a zoning ordinance and other official controls to assist in implementing the comprehensive plan; and

WHEREAS, Ryan Nash (the “Applicants/Owner”) submitted a request for minor subdivision to allow a lot combination to combine the two properties located at 2870 Lake Sarah Road (PID No’s. 16-118-24-13-0003 and 16-118-24-42-0001): (the “Property”); and

WHEREAS, the Properties are zoned A-Agriculture; and

WHEREAS, the Properties are legally described on **Exhibit A** attached hereto; and

WHEREAS the requested minor subdivision meets all requirements, standards and specifications of the City of Independence zoning ordinance for Agriculture lots; and

WHEREAS the Planning Commission held a public hearing on November 15, 2022, to review the application for a minor subdivision, following mailed and published noticed as required by law; and

WHEREAS, the City Council has reviewed all materials submitted by the Applicant; considered the oral and written testimony offered by the applicant and all interested parties; and has now concluded that the application is in compliance with all applicable standards and can be considered for approval.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MINNESOTA, that it should and hereby does approve the application by Ryan Nash and grants approval of a minor subdivision to allow a lot combination for the

properties in accordance with the City's zoning regulations with the following findings and conditions:

1. The proposed subdivision, allowing a lot combination, meets all applicable criteria and conditions stated in Chapter V, Section 500, Planning and Land Use Regulations of the City of Independence Zoning Ordinance.
2. The applicant shall submit a separate exhibit showing the after conditions prior to City Council consideration of the minor subdivision.
3. The applicant shall dedicate the requisite drainage and utility easements to the City. The applicant shall execute the necessary documents to convey the easements as determined necessary by the City.
4. The applicant shall pay for all costs associated with the City's review of the requested minor subdivision.
5. The applicant shall record the subdivision and City Council Resolution with Hennepin County within six (6) months of approval.
6. The applicant shall execute and record the requisite drainage and utility easements with Hennepin County within six (6) months of approval.

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of ____ ayes and ____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

EXHIBIT A
(Legal Description)

Combined Description

(PIDs 1611824130003 & 1611824420001):

The East 170 feet of that part of Government Lot 3, Section 16, Township 118, Range 24, lying Southerly of the centerline of the road running Northeasterly and Southwesterly through said Lot, according to the U.S. Government Survey thereof, Hennepin County, Minnesota.

AND

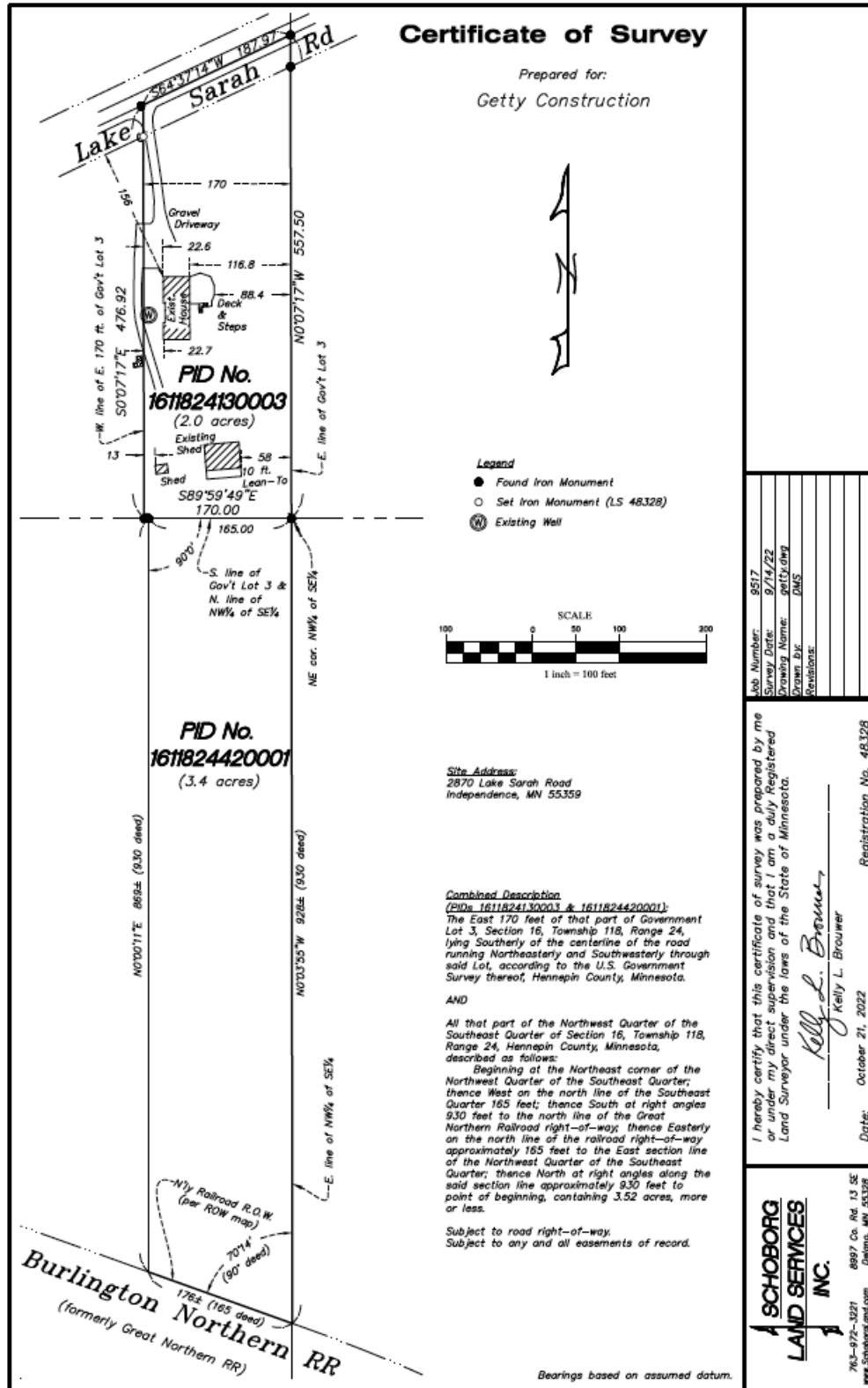
All that part of the Northwest Quarter of the Southeast Quarter of Section 16, Township 118, Range 24, Hennepin County, Minnesota, described as follows:

Beginning at the Northeast corner of the Northwest Quarter of the Southeast Quarter; thence West on the north line of the Southeast Quarter 165 feet; thence South at right angles 930 feet to the north line of the Great Northern Railroad right-of-way; thence Easterly on the north line of the railroad right-of-way approximately 165 feet to the East section line of the Northwest Quarter of the Southeast Quarter; thence North at right angles along the said section line approximately 930 feet to point of beginning, containing 3.52 acres, more or less.

Subject to road right-of-way.

Subject to any and all easements of record.

EXHIBIT B
(Site Plan)





**CITY OF
INDEPENDENCE
MINNESOTA**

Applicant Information

Name: Ryan Nash
Address: 2870 Lake Sarah Rd
Independence, Minnesota
55359
Primary Phone: 6122298323
Email: RNASH83@gmail.com

Owner Information

Name: Ryan Nash
Address: 2870 Lake Sarah Rd
Independence, Minnesota
55359
Primary Phone: 6122298323
Email: RNASH83@gmail.com

Property Address:

PID:

Planning Application Type: Subdivision

Subdivision Type: Minor Subdivision (3 lots or less)

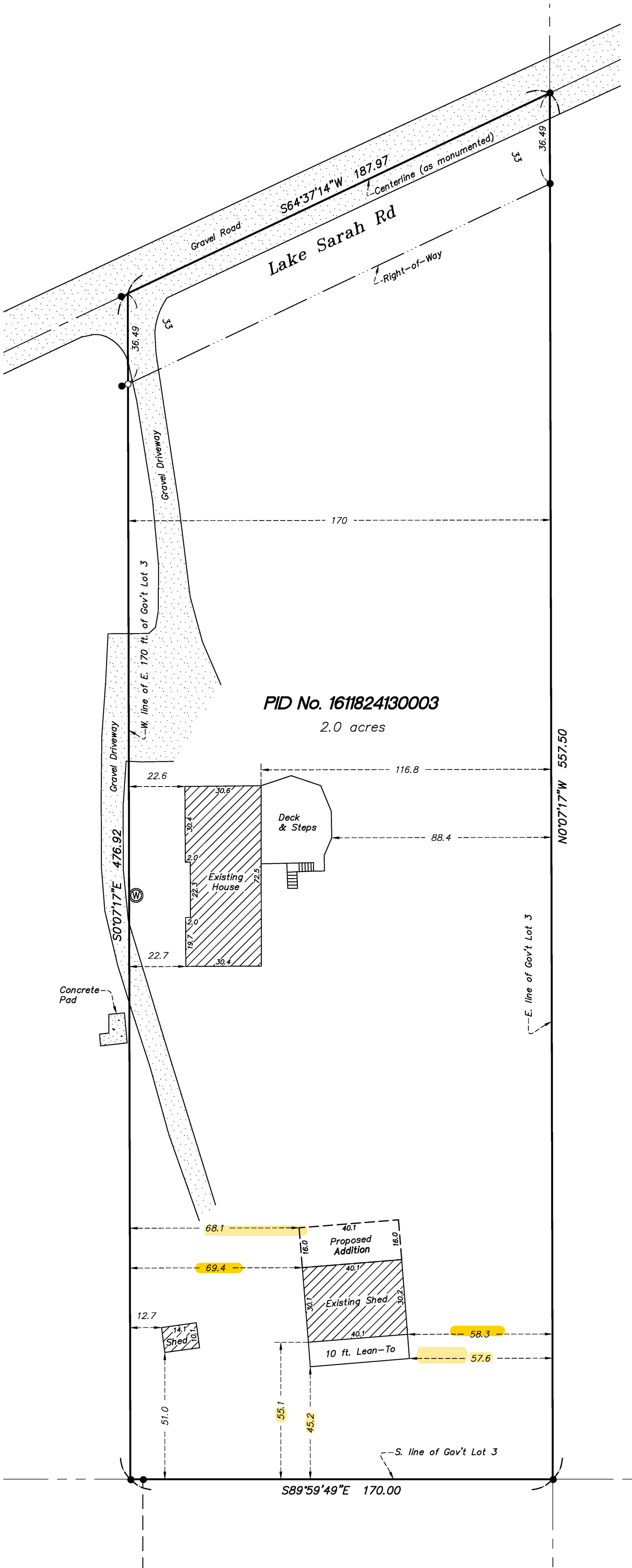
Description:

Supporting Documents: Site Survey (Existing Conditions)

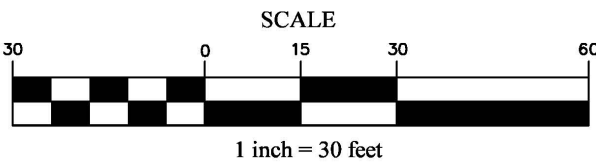
Signature:

Building Permit Survey

Prepared for:
Getty Construction



- Legend
- Found Iron Monument
 - Set Iron Monument (LS 14700)
 - ⊙ Existing Well



Site Address:
2870 Lake Sarah Road
Independence, MN 55359

Boundary Description (supplied by client)
The East 170 feet of that part of Government Lot 3, Section 16, Township 118, Range 24, lying Southerly of the centerline of the road running Northeasterly and Southwesterly through said Lot, according to the U.S. Government Survey thereof, Hennepin County, Minnesota.

Subject to any and all easements of record.
Subject to road right-of-way.

Bearings based on Hennepin County coordinate system.

I hereby certify that this certificate of survey was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

Paul B. Schoborg
Paul B. Schoborg

Date: September 22, 2022 Registration No. 14700

SCHOBORG
LAND SERVICES
INC.

763-972-3221 8997 Co. Rd. 13 SE
www.SchoborgLand.com Delano, MN 55328

Job Number: 9517
Survey Date: 9/14/22
Drawing Name: getty.dwg
Drawn by: DMS
Revisions:



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-05

RESOLUTION DESIGNATING THE 2023 POLLING PLACE

WHEREAS, Minnesota Statutes 204B.16, subd.1 requires the governing body of each municipality to designate polling places within their city by December 31st each year.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, hereby designates the following polling place for elections conducted in the city in 2023:

Independence City Hall
1920 County Road 90
Independence, MN 55359

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of _____ ayes and _____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator

City of Independence

Compensation Analysis Study

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: December 6, 2022

Discussion:

The City has determined that it was necessary and prudent to review and analyze employee compensation to compare Independence with similar organizations and ensure fair and competitive wages. The City last reviewed employee compensation in 2015. The City contracted with ABDO Solutions to review and analyze existing compensation and compare Independence to similar and like organizations to understand market conditions for similar positions. The analysis that was completed identified a few areas where the City's compensation grades and pay ranges for each position could be adjusted to provide reasonable and competitive wages.

The City identified the following key strategic goals and assumptions:

- The City of Independence is motivated to attract and retain qualified talent to facilitate successful City operations and leadership. In order to do this effectively, both in the past and looking ahead, the City has historically aimed to position itself competitively related to wages and benefits and wishes to provide a compensation structure that motivates career progression and development.
- The City wishes to position pay ranges at near average (50%) of the market for minimum pay and near the top quartile (75%) of the market for maximum pay.
- The City wishes to develop a more formalized pay structure across the entire organization that will be both compliant with Minnesota Pay Equity requirements and offer competitive pay for all positions.
- The City is interested in exploring an "open range" pay structure, thus eliminating individual step increases and providing management and Council more flexibility to award pay increases within the employee's designated grade based primarily on performance.
- The City wishes to compile independent and accurate market data to address specific concerns and guide future decisions related to compensation.

The proposed compensation model reflects the following structural components:

- Open range and grade model utilizes a total of 12 grade levels.

- Within each grade, annual increases are intended to be awarded using a budget and performance/merit-based compensation analysis.
- The minimum pay level for the proposed non-union compensation scale is, on average, 2.96% above the market average (50%) minimum pay range for each position.
- The maximum pay level for the proposed non-union compensation scale is, on average, 1.52% above the market upper quartile (75%) maximum pay range for each position.
- The proposed scale includes an 8.75% adjustment between grades.
- The range within each grade of the proposed scale is 36.31%.
- The range can be adjusted annually to accommodate COLA. The 2022 scale developed will be adjusted to accommodate a 7% COLA for 2023.

Table 4 - Range and Grade Scale – Proposed 2022 Compensation Model

Proposed Standard Scale						
Points	Grade		Grade Minimum	Grade Mid-Point	Grade Maximum	
0	75	1	\$ 19.50	\$ 23.04	\$ 26.58	
76	93	2	21.21	\$ 25.06	28.90	
94	114	3	23.07	\$ 27.27	31.46	
115	126	4	25.09	\$ 29.65	34.20	
127	138	5	27.29	\$ 32.25	37.20	
139	152	6	29.68	\$ 35.07	40.45	
153	166	7	32.28	\$ 38.14	44.00	
167	201	8	35.10	\$ 41.47	47.84	
202	210	9	38.17	\$ 45.10	52.02	
211	230	10	41.51	\$ 49.05	56.58	
231	252	11	45.14	\$ 53.33	61.52	
253	275	12	49.09	\$ 58.00	66.91	

In addition to the Range and Grade Scale the City has established a new position, Administrative Services Director. This position will replace the Assistant City Administrator position and has been developed to more accurately reflect current organizational needs and structure. The existing personnel will be moved to the new position effective January 1, 2023.

Council Direction:

The City Council is being asked to consider approval of **RESOLUTION 22-1206-06**, adopting the proposed Range and Grade Scale and the establishment and approval of the Administrative Services Director position and personnel move.

Attachments: RESOLUTION 22-1206-06



RESOLUTION OF THE
CITY OF INDEPENDENCE
HENNEPIN COUNTY, MINNESOTA

RESOLUTION NO. 22-1206-06

**RESOLUTION APPROVING THE COMPENSATION ANALYSIS AND PERSONNEL
COMMITTEE RECOMMENDATION TO UPDATE THE POSITION
CLASSIFICATIONS, RANGE AND SCALE
AND SUBSEQUENT AND CORRESPONDING POSITION ADJUSTMENTS**

WHEREAS, the City Council of the City of Independence has historically adopted a Classification and Compensation Range and Grade Scale Plan (Plan); and

WHEREAS, the City reviewed the current plan and found that it was good practice to review the plan to ensure fair, reasonable and competitive wages are provided by the City; and

WHEREAS, the City has determined that the plan should be adjusted to reflect the comparative market analysis that was conducted by ABDO Solutions on behalf of the City; and

WHEREAS, the study also established a new position, Administrative Services Director, that will replace the existing Assistant City Administrator position; and

WHEREAS, the City Council recommends moving existing personnel to the new Administrative Services Director position effective January 1, 2023; and

WHEREAS, the proposed changes are accommodated and accounted for in the 2023 general fund budget adopted by the City.

NOW THEREFORE BE IT RESOLVED that the proposed changes become effective on the first payroll in January 2023.

This resolution was adopted by the City Council of the City of Independence on this 6th day of December 2022, by a vote of _____ ayes and _____ nays.

Marvin Johnson, Mayor

ATTEST:

Mark Kaltsas, City Administrator