

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, NOVEMBER 15, 2011 – 7:30 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 7:32 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL.

PRESENT: Mayor Johnson and Councilmembers Betts, Spencer, Wallace and Wenck

ABSENT: None

STAFF: Clerk-Administrator Hirsch, City Engineer Miller, City Planner Kaltsas, City Attorney Eddington

4. CONSENT AGENDA.

Approve:

- Approval of Council Minutes – October 25, 2011
- Approval of Council Minutes of Special Meeting – November 7, 2011
- Approval of Accounts Payable for November 2011
- Approval of the Third Quarter Report, ABDO
- Approval of the clarification to the Employee Handbook regarding pro-rata basis for Holiday pay
- Approval to certify the Delinquent Utilities
- Approval of the following requests for reinstatement into the Agricultural Preserve program:
 - a. Randal and Colleen Klaers, 4224 South Lake Sarah Drive (PID #'s 02-118-24-42-0002, 02-118-24-42-0003, 02-118-24-41-0001)
 - b. Larry and Sharon Hafften, 7275 Lake Sarah Road (PID # 03-118-24-33-0001)
 - c. Richard and Denise Merz, 1755 Highsted Drive (PID #'s 20-118-24-44-0001, 20-118-24-41-0001)

Johnson stated he had some changes to the November 7, 2011 Special Meeting Minutes.

Motion by Betts, seconded by Wenck, to approve the consent agenda. Ayes: Betts, Johnson, Spencer, Wallace, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

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

No items were added.

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

Spencer: Planning Commission Meeting, Special Council Meeting
Wenck: Two Executive Committee of Lake Minnetonka Cable Commission, Sensible Land Use Conference, Special Council Meeting
Wallace: Special Council Meeting
Betts: Special Council Meeting, Sensible Land Use Conference
Johnson: Special Council Meeting, Sensible Land Use Conference, Meeting with Hennepin County Assessor, Community Action for Suburban Hennepin Board Meeting, International Festival for Orono Schools, Meeting with Police Chief and Maple Plain Mayor to discuss funding for gate in Long Lake, Greater Lakes Country Food Bank, National League of Cities Meeting
Hirsch: Meeting with Hennepin County Assessor, Sensible Land Use Conference, Special Council Meeting

7. DIRECTOR RAY MCCOY, WEST HENNEPIN PUBLIC SAFETY, MONTHLY REPORTS FOR SEPTEMBER AND OCTOBER 2011 AND VINLAND FEE UPDATE

McCoy provided a report on activities for September and October. He stated they had some Safe and Sober arrests, some domestic situation arrests and a couple of felonies.

McCoy stated he met with Loretto Fire Chief Jeff Leuer to review fees for Vinland Center. Wenck wanted to make sure fees cover the cost of training and other resources.

8. EHLERS & ASSOCIATES, DAVE CALLISTER, ANNUAL CONTINUING DISCLOSURE STATEMENT, APPROVAL OF RESOLUTION NO. 11-1115-01 AUTHORIZING THE TRANSFER OF FUNDS ENDING DECEMBER 2010, AND TIF 101 – WEST END RETAIL PHASE 1

In regards to TIF discussion, Wenck was in support of a letter of intent and/or preliminary development agreement. Time is of the essence.

Johnson stated they need to have a firm commitment. He felt the city could not afford to put infrastructure in the ground without such a commitment.

Betts inquired if they needed to outline in a letter of commitment the type of financing, such as: pay as you go, general obligations or bonds. Callister stated he did not feel it could be included at this point and suggested leaving open, to be determined later.

Johnson asked what the initial costs would be as far as preparing the letter of commitment and the agreement. Eddington stated that preparing a letter of support and a development agreement would take about three or four hours of time at the regular city attorney rate. She added once the development agreement is done, the developer generally pays for the costs of the city and the city may ask for a deposit. She suggested that Kennedy and Graven prepare the document and bring it back to the next Council meeting and then present it to the developer for signature.

Wenck asked about the timeline. Callister replied that if they pursue the TIF district, the public hearing would probably be in late February.

Johnson stated there are five Tuesdays in November and they could possibly meet on the fifth Tuesday, November 29.

Wenck suggested having the agreement drafted. He was unsure about the letter. Eddington explained the developer has requested a letter of general support and then he would forward that and the agreement to who he is working with.

Johnson clarified the agreement would have to include items like supplying water, taking care of sewage, possibility of additional land. Eddington stated it would. Callister stated it basically is the creation of a Tax Increment Financing district to support the utilities.

Motion made by Wenck, seconded by Spencer, to direct staff to draft the development agreement and letter of support.

Johnson asked that if there appears to be wavering, would they still have the option to withdraw. Eddington stated that if the provisions in the contract are not met, they would be able to do so. However, the preliminary development agreement is a commitment on the side of the city. Johnson wanted to ensure the Council would have a vote on it after seeing all of the commitments involved.

Eddington suggested that she draft the agreement with Hirsch's advice and then provide it to the developer for his comments and input. They would then bring it back to the Council.

Ayes: Betts, Johnson, Spencer, Wallace, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Betts, seconded by Spencer, to set a meeting for Tuesday, November 29, 2011 at 7:30 p.m. Ayes: Betts, Johnson, Spencer, Wallace, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Callister reported they took a look at the final 2010 Audit. Per Council's policy, they try to keep a fund balance of 50%. Any amount in the expenditures fund over 50% would be transferred out to capital funds that could be used as cash for future projects rather than general obligation debt.

Callister said the amount this year is lower because they have paid down some balances. They are talking about \$131,211.00 that would be split up. 60% will go to the road fund, 20% to the public works equipment fund, 10% to administration, and 10% to the public works buildings. Council would need to authorize those transfers by resolution.

Wenck asked if they needed to do this now. He stated they weren't sure where the 2011 budget would fall and were looking at carrying over some of those funds to the next year's budget. Callister stated it is not required to transfer the funds now. Johnson stated that if it is not done by the end of December, the audit report will appear very different because funds will not have been transferred. Johnson asked if the funds could be transferred in reverse. Callister replied that it could be done in February effective Dec. 31, 2011. Johnson asked if they approve this tonight would they still have the option later to remove some of those funds. Callister stated they always have that right but it does create more accounting work.

Johnson stated that he would rather get 2010 tied up.

Motion by Betts, seconded by Spencer, to approve Resolution No. 11-1115-01 authoring the transfer of funds ending December 2010.

Wenck was against it because they still don't know about the 2011 budget. Wallace asked what the consequence is for not transferring the funds. He didn't see the need to transfer the funds just for the sake of transferring funds. Callister stated that it has been the policy to allocate funds rather than issue debt. Spencer stated that it has been the city's practice to transfer these funds annually for a long period of time.

Ayes: Betts, Johnson, and Spencer. Nays: Wallace and Wenck. Absent: None. MOTION DECLARED CARRIED.

Callister stated that about a year ago the city issued bonds for the Lindgren Lane project. At that time the state's rating was "AAA" and has now been lowered to "AA+". The city receives the same rating as the state. Since the rating has been lowered for the state, the city's rate has been lowered. Any time there is a change, they are required to send out a notice.

9. OPEN/MISC.

There were no items.

10. ADJOURN

Motion made by Wenck, seconded by Wallace, to adjourn the meeting at 8:07 p.m. Ayes: Betts, Johnson, Spencer, Wallace and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully submitted,

Kimberly A. Olson, Recording Secretary