

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, MAY 24, 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 7:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL.

PRESENT: Mayor Johnson, Council Members Betts, Spencer, and Wallace
ABSENT: Council Member Wenck, City Attorney Vose (excused by Hirsch)
STAFF: Clerk-Administrator Hirsch
VISITORS: Trevor Russell, Craig Popenhagen, Heidi Tatro

4. CONSENT AGENDA.

Approve:

- Council Minutes from May 10, 2011
- ABDO, First Quarter 2011 Report and Budget Year to Date

Motion by Betts, second by Spencer, to approve the consent agenda. Ayes: Betts, Johnson, Spencer, Wallace. Nays: none. MOTION DECLARED CARRIED.

Johnson stated that in the ABDO first quarter report some of the categories were over the percentages for the first quarter and asked Hirsch if she had any concerns with that. Hirsch replied she did not. Since it is the first quarter there are a lot of items, such as insurance, that come up at the beginning of the year. Johnson stated public charges for services seem low as well as fines and forfeitures for the quarter. Hirsch replied that it should catch up by year end. Johnson directed Hirsch to review the figures again.

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

Nothing added.

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

Spencer: Police Commission Meeting (sitting in for Betts)

- Wallace: None
- Betts: None
- Johnson: Northwest League of Cities with Met Council representatives, Orono Healthy Communities at the WeCAN office, KARE11 segment on Step To It, Community Action Suburban Hennepin County Finance Commission meeting, Police Commission Meeting, Orono Awards Ceremony, Transportation for America meeting with Senator Klobuchar staff, WeCAN Gala Fundraiser event at the Lafayette Country Club, Active Living Meeting in Hopkins, Maple Plain Fire Department retirement party at Island View Golf Course, Minnetrista Day, Plymouth Rockers Concert, met with Medina City Administrator (who is leaving to be City Administrator for Albert Lea), and chairing the Program Review Committee for Senior Community Services Board this year
- Hirsch: Police Commission Meeting, Municipal Sewer and Water Magazine interview in regards to the Blue Star Award Council will be receiving this evening

7. TREVOR RUSSELL, PRESENTATION OF THE BLUE STAR AWARD RECOGNIZING EXCELLENCE IN COMMUNITY STORMWATER MANAGEMENT

Russell with Friends of the Mississippi River was present to award the Blue Star Award Program for Excellence in Community Stormwater Management. It is an unique joint venture of the MN Pollution Control Agency, Friends of the Mississippi River, MN Green Step Cities Program, Emmons & Olivier Resources Inc. engineering firm, several watershed commissions, private donations and individuals.

Russell stated that clean water is a Minnesota essential way of life and one of the biggest pollutants is runoff water. He stated that federal and state regulations to mitigate runoff are often the minimum control measures. The award program is an incentive to go above and beyond the minimum requirements. It is used to nudge cities to take a leadership role.

The Blue Star Award has three goals:

1. Recognize communities that are doing a good job protecting clean water
2. Spotlight those communities for other cities that wish to emulate those actions
3. Help citizens understand how their community is performing

The program measures a city's overall performance. The city conducted a rigorous self assessment on the following three criteria:

1. Water friendly planning and preservation
2. Stormwater management practices and standards
3. Stormwater pollution prevention

Russell reported that the City of Independence scored high enough to earn the Blue Star Award and there were only twelve other communities in Minnesota that received the award. Of the 35 communities trying for the award, only these twelve were able to do so in the first nine months of the program. The City of Independence came in second for planning and preservation behind the City of St. Paul, scored first on management practices and standards. Russell reported that the overall score was the highest in the state by a good margin.

Russell presented Mayor Johnson the Blue Star Award.

8. DIRECTOR RAY MCCOY – WEST HENNEPIN PUBLIC SAFETY

McCoy was not present to give the report. He is attending the graduation ceremony at Hennepin County for new reserves.

9. LARSON/ALLEN, 2010 AUDIT REPORT

Craig Popenhagen, principal, and Heidi Tatro, manager, were present for the audit report. Popenhagen stated this is their first time auditing the City. Popenhagen stated they would like to present a high level summary of their findings.

Popenhagen reported there is an upward trend in cash and investments and a downward trend on expenses. The financial position of the city is trending upwards. There is a downward trend in general fund revenue due to recent economic events and circumstances that is driving down tax assessed value. The general fund expenditures are down due to expenditure controls. In a comparison of expenses to revenue, the general fund is operating on a break even status with revenue slightly higher than expenditures. The general fund balance is in a healthy financial state.

Tatro stated there is a \$100,000 operating loss in the sanitary sewer fund in the last three years, but to keep in mind the depreciation expenses are included in that number. She said the sewer fund has decreased and does not include restricted fund balance. She said that figure does not include the special assessment and is just for operating costs. Popenhagen stated that it is important to note that the special assessment is to pay for debt service.

Tatro reported on the principal and interest for bonds for the next five years. In 2010, the City paid off about \$294,000. For 2011 it decreases a little because in 2010 the City paid off the 1999 project revenue bonds in the amount of \$80,000. The figures jumped from 2011 to 2012 because the City will start paying on the principal on the debt bids issued in 2010.

Tatro stated that she is required to inform the Council of several items per the Minnesota Compliance Letters. She stated that the Council is required to include a clause in their agreements with contractors that the contractor must pay subcontractors within 10 days of payment from the City. Council discussed what would happen if subcontractors were not paid.

Tatro stated that there are several communications that auditors are required to give which are the following statements. Their audit provides reasonable assurance but not complete assurance. There are no new policies for the year. There are estimates used within the financial statements. There were no material audit adjustments in preparing the financial statements. There were a couple of adjustments that should have been included but are immaterial and do not inaccurately reflect on the financial statements but they are required to report it to the Council. There were no disagreements with staff or difficulties while performing the audit. Tatro reported that staff were well prepared and good to work with.

Popenhagen reported that there will be new accounting standards that take effect for the 2011 audit and will add more detail to the fund balance reporting and more detail to fund balance disclosures. He said it will require some decision from the Council prior to December 31 on how to delegate authority to

reallocate use of funds in terms of how much is done by Council or how much can be delegated to the Clerk/Administrator.

Betts had some corrections to the printed material and some suggestions for the final copy.

Council discussed delinquent taxes. Popenhagen stated that there is a process for tracking those accounts. Johnson requested a copy of the delinquent taxes for the last several years.

Johnson thanked Carol Neyens for her good work that results in a good audit.

Motion by Spencer, second by Betts, to accept the audit. Ayes: Betts, Johnson, Spencer, Wallace. Nays: none. MOTION DECLARED CARRIED.

10. OPEN/MISC.

Motion by Betts, second by Wallace, to cancel the June 14, 2011 Council meeting. Ayes: Betts, Johnson, Spencer, Wallace. Nays: none. MOTION DECLARED CARRIED.

Council discussed holding an early meeting on June 14 at 7:30 a.m. to accept the payables. Hirsch noted that a council member needed to meet earlier.

Motion by Betts, second by Wallace, to have a quorum present at 7:15 a.m. June 14, 2011 to approve the accounts payable list. Ayes: Betts, Johnson, Spencer, Wallace. Nays: none. MOTION DECLARED CARRIED.

11. ADJOURN

Motion by Wallace, second by Betts to adjourn the City Council meeting 8:20 p.m. Ayes: Betts, Johnson, Spencer, Wallace. Nays: none. MOTION DECLARED CARRIED.

Respectfully submitted,

Kimberly A. Olson, Recording Secretary