



CITY COUNCIL WORKSHOP AGENDA
Thursday, November 10, 2016

7:00 A.M.

1. **Call to Order**
2. **Roll Call**
3. **2017 Budget**
 - a. Final Budget Discussion
 - b. Sewer Rate Increase
4. **Discussion on Relocation of Snow Mobile Trails to City Property**
5. **General Correspondence** – Brief mention of several upcoming items:
 - a. Public Works Update
 - i. Discussion on Sewer Camera Purchase
 - b. Planning Commission Vacancy
 - i. Process for appointing new member
 - c. Concept Development Plan for 2236 South Lake Shore Dr.
 - d. Hennepin County Assessor - 2016 Fall Ratio Meeting Findings
6. **Adjourn**

City of Independence
2017 Budget and Levy Discussion

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: November 10, 2016

Discussion:

Council set the preliminary budget for 2017 following a series of workshops this fall. The preliminary 2017 budget reflects an approximately 6.83 percent increase from 2016. The tax rate resulting from the proposed increase would remain nearly constant going from 38.59 to 38.85 percent. Since the adoption of the preliminary levy, WHPS Commission has made further reductions to their budget. Those changes along with many smaller reductions to the budget made it possible for the City to realize a contribution to the administration capital outlay (City Hall) of approximately \$44,000. This dollar amount contributed to capital outlay for 2017 can be further evaluated by the Council. Should the City contribute to the administration capital funds (City Hall), an amount will need to be considered.

Staff is seeking additional direction from Council relating to the final budget. There was some initial discussion relating to the goals of the Council pertaining to the budget (i.e. maintain a flat tax rate). Based on additional discussion by the Council, staff can make modifications to the budget for final consideration.

Attachments: Memorandum with Preliminary Budget and Levy



September 13, 2016

Honorable Mayor and City Council
City of Independence
1920 County Road 90
Independence, MN 55359

Introduction

Enclosed is the 2017 proposed budget as prepared by city staff. A preliminary budget and tax levy needs to be approved by Council before September 30, 2016. As you are aware, the construction of the 2017 budget is a year-long process which includes Mayor, City Council, and staff input, budget work sessions, and culminating with this final document to be approved by City Council.

Key items in this year's budget:

- Overall City general fund levy increase is 7.59 percent but the overall city-wide increase is \$168,106 or 6.83 percent.
- The increase in the general fund is driven by the following factors:
 - Generally use a 3% inflation increase factor for all expenditures not specifically identified. This will continue to be reviewed as more activity is recorded in 2016.
 - Funding \$15,000 of comprehensive plan costs in 2017.
 - Reallocation of public works salary from General fund to Sewer fund to more accurately reflect activity. This results in about a \$15,000 decrease over 2016 budget.
 - Funded \$8,500 of capital costs
 - Recycling expenses are increased about \$20,000 over the prior year budget to reflect actual costs.
- The Pioneer/Sarah Watershed taxing district levy is \$66,200 or a 3% increase over last year.

The following are some of the key factors in developing the budget:

Budget Format

The 2016 Budget included the Council approved priorities for each department. These will continue to be reviewed and updated as needed.

Sewer Cash Flow and 5 Year Finance Plan –

We presented the Sewer Cash Flow study last fall and will be updating that information along with an update to the long term CIP in August.

Fair Labor Standards Act (FLSA) Regulatory Changes

On May 18, 2016, the U.S. Department of Labor (DOL) released its highly anticipated Final Rule setting new Fair Labor Standards Act (FLSA) minimum salary requirements for all employees, thus impacting millions of employees across the country. The Final Rule, which becomes effective December 1, 2016, significantly increases the minimum weekly salary that must be paid to satisfy the FLSA's "white collar" exemptions (e.g. executive, professional, and administrative) and the "highly compensated employee" exemption, which both qualify an employee to be paid a salary and, therefore, be exempt from overtime pay.

As a general rule, if you have salaried (exempt) employees earning less than \$47,476 per year, you will need to take action before December 1, 2016, to ensure compliance with the new Final Rule. These salaried employees will need to either receive a salary increase to meet or exceed the new minimum requirement or be converted to an hourly rate with overtime eligibility. Of course, these decisions must be carefully evaluated, communicated, and implemented.

With about six months to go before the Final Rule becomes effective, we will be working with staff to determine if this change impacts the City.

PERA changes

There are no rate increases projected for 2017 at this time. Coordinated members of the general employees' retirement plan of PERA employer contributions will remain at 7.5% with the employee base contribution remaining at 6.5%. The Police & Fire Plan rates will remain 10.8% for the members and 16.2% for the employers.

Levy Limits

At this time there are no levy limits.

Taxation Notification Summary Chart for Taxes Payable 2017

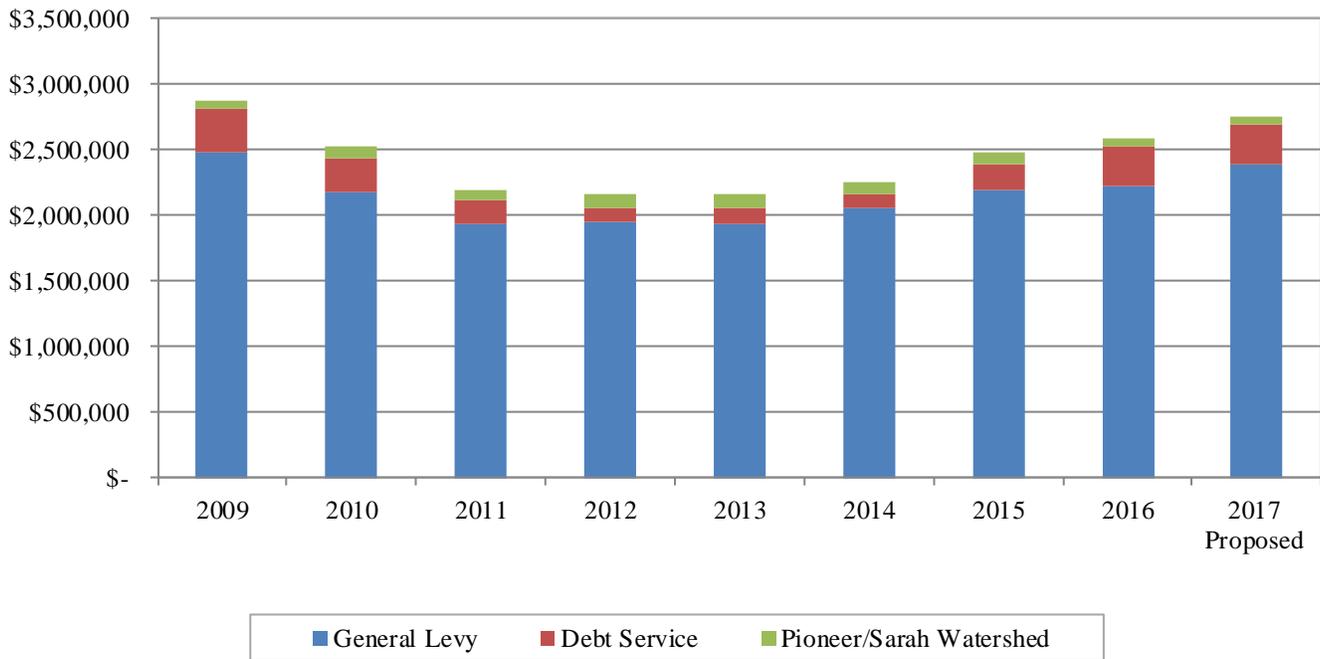
Date	Action
On or before Sept. 15	Special taxing districts (EDAs, HRAs, port authorities, etc.) must adopt any proposed property tax levy and certify the proposed levy to the county auditor.
On or before Sept. 30	At one meeting, the city council adopts the proposed property tax levy and announces the 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 Nov. 24 and must start at or after 6 p.m. The time and place of the public input meeting must be included in the minutes but newspaper publication of the minutes is not required.
On or before Sept. 30	<p>Cities must provide the county auditor with the following information:</p> <ul style="list-style-type: none"> • The time and place of the meeting at which the budget and levy will be discussed and public input allowed. (Again, meeting must occur after November 24, and must not start before 6:00 PM) • A phone number that city tax payers may call if they have questions related to the auditor’s property tax notice; this does not require listing a private phone number. • An address where comments will be received by mail; this does not require listing a private address.
Nov 11 to Nov 24	County auditor prepares and sends parcel specific notices.
Nov 25 to Dec 28	Cities of population greater than 500 hold meeting (at 6:00 PM or later) to discuss the budget and property tax levy and, before a final determination, allows public input.
On or before Dec 28	Cities must also file the certificate of compliance (Form TNT) with the Department of Revenue by Dec 28, 2016

Tax Levy Summary

Overall, the tax levy includes levies for general operations, city infrastructure and debt services. The levy includes an overall 6.83 percent increase from 2016. The 2016 budgeted and 2017 tax levies are listed below:

	2016 Budget	2017 Final Budget	Increase (Decrease)	% Change
General	\$ 2,213,830	\$ 2,381,936	\$ 168,106	7.59%
Debt Service				
2006 GO Improvement Bonds	110,100	117,000	6,900	6.27%
2005 GO Improvement Bonds				
2007 GO Equipment Certificates				
2010 GO Improvement Bonds	15,010	13,652	(1,358)	-9.04%
2015 GO Tax Abatement Bonds	178,619	177,043	(1,576)	(0.01)
Total City Operating Levy	\$ 2,517,559	\$ 2,689,632	\$ 172,073	6.83%
Pioneer/Sarah Watershed Taxing District	\$ 64,270	\$ 66,200	\$ 1,930	3.00%

Levy Summary 2009 to 2017 Projected



Summary of the City's Tax Capacity

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

	2015 Pay 2016	2016 Pay 2017	% Change	% Change (county-wide)
Commercial	\$ 138,323	\$ 144,863	4.73%	7.72%
Industrial	208,491	161,155	-22.70%	2.61%
Apartment	-	-	0.00%	18.92%
Residential	5,203,294	5,581,662	7.27%	6.13%
Farm	799,193	798,388	-0.10%	-2.14%
Other	-	-	0.00%	3.49%
Total	\$ 6,349,301	\$ 6,686,068	5.30%	7.39%

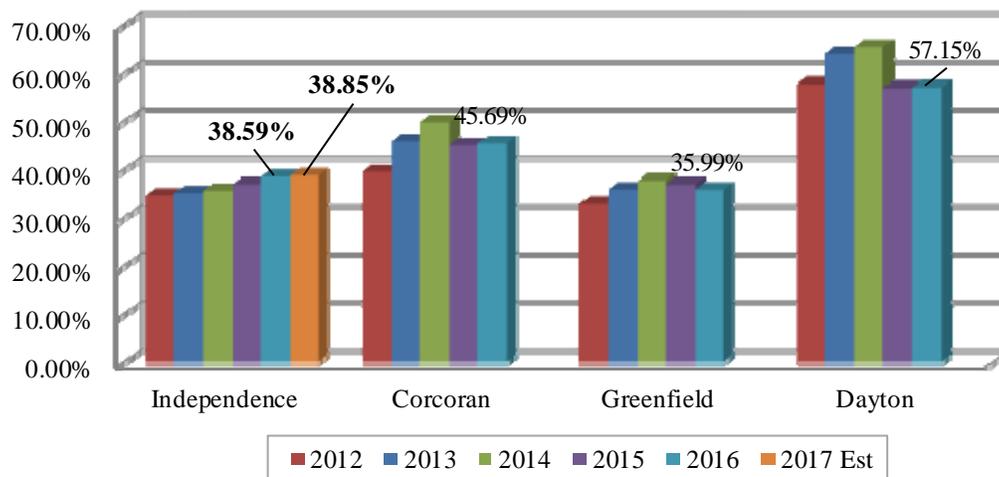
The current tax capacity and historical tax capacity rates are summarized below for Independence and three relatively comparable Hennepin County Cities. The major difference between Independence and the three comparable cites is the large commercial tax base.

Tax Capacity by Property Type - 2016 Pay 2017

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

	Independence	Corcoran	Greenfield	Dayton
Commercial	\$ 144,863	\$ 310,086	\$ 180,264	\$ 264,533
Industrial	161,155	355,960	306,720	1,413,812
Apartment	-	-	-	3,488
Residential	5,581,662	6,002,481	3,482,273	4,217,839
Farm	798,388	889,842	390,976	447,848
Other	-	69,375	-	89,150
Total	\$ 6,686,068	\$ 7,627,744	\$ 4,360,233	\$ 6,436,670

Tax Capacity Rates - 2012 - 2016, 2017 Estimate for Independence



Staffing

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

Summary of FTES by Department	2014	2015	2016
City Council	5.00	5.00	5.00
Administration	2.41	1.30	1.30
Streets	2.60	2.60	2.20
Building inspection	0.75	0.75	0.86
Subtotal General Fund	10.76	9.65	9.35
Sewer	0.96	0.96	1.07
Total	11.72	10.61	10.43

The main changes relate to the allocations of positions.

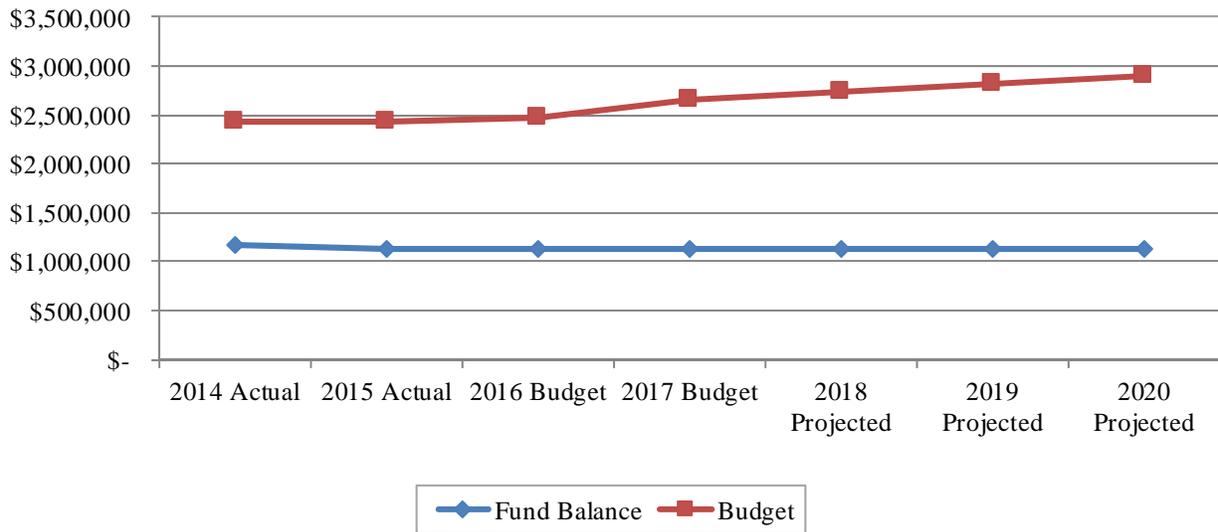
General Fund Budget Summary

		Budget		Increase/	Percent
		2016	2017	(Decrease)	Change
REVENUES					
Taxes		\$ 2,213,830	\$ 2,381,936	\$ 168,106	7.59%
Licenses and permits		148,420	152,880	4,460	3.00%
Charges for services		45,160	38,770	(6,390)	-14.15%
Fines and forfeitures		45,000	46,350	1,350	3.00%
Interest on investments		5,200	5,360	160	3.08%
Miscellaneous		18,230	15,570	(2,660)	-14.59%
Transfers in		-	-	-	0.00%
TOTAL REVENUES		\$ 2,475,840	\$ 2,655,366	\$ 179,526	7.25%
		Budget		Increase/	Percent
		2016	2017	(Decrease)	Change
EXPENDITURES					
Mayor and City Council		\$ 19,230	\$ 19,510	\$ 280	1.46%
Financial administration		334,400	368,660	34,260	10.25%
Election		7,500	3,230	(4,270)	-56.93%
Planning and zoning		29,080	29,194	114	0.39%
Water resource		8,030	8,270	240	2.99%
General government buildings		28,460	29,370	910	3.20%
Legal services		34,510	35,550	1,040	3.01%
Police		1,018,190	1,103,625	85,435	8.39%
Fire		337,190	333,035	(4,155)	-1.23%
Building inspection		87,870	101,770	13,900	15.82%
Animal control		-	-	-	0.00%
Streets		501,850	506,970	5,120	1.02%
Street lighting		3,000	2,750	(250)	-8.33%
Recycling		30,900	50,000	19,100	61.81%
Parks		22,540	20,630	(1,910)	-8.47%
Capital outlay - General government		11,340	35,382	24,042	212.01%
Capital outlay - public safety		1,750	420	(1,330)	-76.00%
Capital outlay - public works		-	7,000	7,000	0.00%
Transfer out		-	-	-	0.00%
TOTAL EXPENDITURES		2,475,840	2,655,366	179,526	7.25%
Excess (Deficient) Revenue		-	-	-	
OTHER FINANCING SOURCES					
Sale of capital assets		-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	
Net Change		\$ -	\$ -	\$ -	

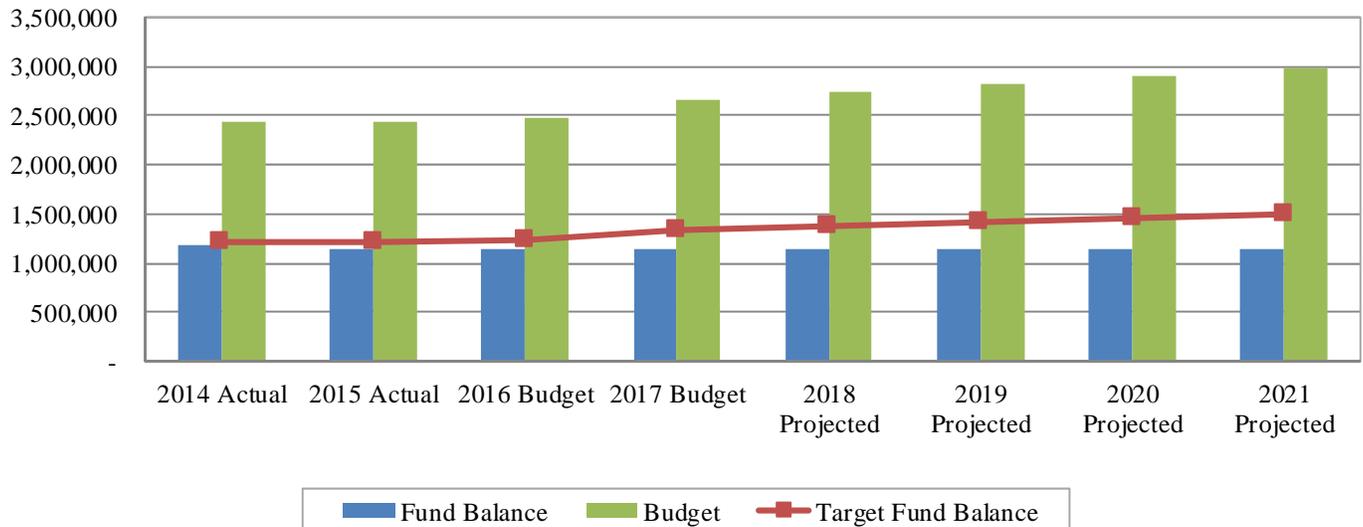
General Fund Balance

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 2017 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 percent of expenditures.

Year	Fund Balance December 31	General Fund Budget	Percent of Fund Balance to Budget
2014 Actual	1,178,889	2,440,386	48.3%
2015 Actual	1,136,763	2,441,403	46.6%
2016 Budget	1,136,763	2,475,840	45.9%
2017 Budget	1,136,763	2,655,366	42.8%
2018 Projected	1,136,763	2,735,027	41.6%
2019 Projected	1,136,763	2,817,078	40.4%
2020 Projected	1,136,763	2,901,590	39.2%
2021 Projected	1,136,763	2,988,638	38.0%



General Fund Balance as a Percent of Expenditures



Pioneer/Sarah Watershed Summary

		Budget		Increase	% Change
		2016	2017		
200-31010-000	AD VALOREM TAXES	\$ 61,290	\$ 63,130	\$ 1,840	3.00%
200-31020-000	WATER RESOURCE REIMB. DEV.	-	-	-	
200-31040-000	FISCAL DISPARITIES	2,980	3,070	90	3.02%
200-34103-000	LAND USE APPLICATION	-	-	-	
200-34108-000	ADMINISTRATIVE CHARGES/REIMBURSEMENT	-	-	-	
200-36210-000	INTEREST EARNINGS	-	-	-	
200-36230-000	MISC.CONTRIBUTIONS/DONATIONS	-	-	-	
200-36261-000	EVENT REVENUES	-	-	-	
	Total Revenues	64,270	66,200	1,930	3.00%
200-41920-303	ENGINEERING	-	-		
200-41920-310	PIONEER-SARAH WATERSHED COMM.	50,110	51,620	1,510	3.01%
200-41920-320	WATER RESOURCE STAFF	2,060	2,120	60	2.91%
200-41920-330	OTHER CONSULTING FEES	1,030	1,060	30	2.91%
200-41920-350	PRINTING&PUBLICATIONS-(LEGALS)	770	790	20	2.60%
200-41920-433	MISC. DUES/FFES	-	-	-	
200-41920-540	CAPITAL OUTLAY (MTG GRANT FND)	-	-	-	
200-41920-570	CAPITAL OUTLAY (PROJECT COST)	10,300	10,610	310	3.01%
	Total	64,270	66,200	1,930	3.00%
	Change in Fund Balance	\$ -	\$ -	\$ -	

**City of Independence
2017 Budget**

Account	Description	Final		May	Budget		Comments/ % Change
		2014	2015	2016	2016	2017	
Taxes							
100-31010-000	AD VALOREM TAXES	\$ 1,905,613	\$ 2,105,357	\$ (11,187)	\$ 2,136,220	\$ 2,301,996	
100-31030-000	BONDS & INTEREST	5,371	2,717	-	-	-	
100-31040-000	FISCAL DISPARITIES	69,162	75,126	-	77,610	79,940	
Total		1,980,146	2,183,200	(11,187)	2,213,830	2,381,936	7.59%
Licenses and permits							
100-32100-000	BUSINESS LICENSES	11,210	12,650	9,400	12,480	12,850	
100-32210-000	BUILDING PERMIT	152,172	104,554	26,255	133,840	137,860	
100-32240-000	ANIMAL LICENSES	199	570	140	530	550	
100-32250-000	MISC. LICENSES & PERMITS	3,251	5,633	4,450	1,570	1,620	
Total		166,832	123,407	40,245	148,420	152,880	3.00%
Intergovernmental							
100-33610-000	CTY. GRANTS & AID (STREETS)	14,937	-	-	-	14,500	
100-33620-000	COUNTY GRANTS & AID (OTHER)	11,309	-	-	-	-	
100-33630-000	C.D.B.G./MISC. CREDIT	-	-	-	-	-	
100-33400-000	STATE GRANT	48,153	61,183	962	-	-	
100-33401-000	LOCAL GOVERNMENT AID	-	23,683	-	-	-	
100-33402-000	PROPERTY TAX CREDITS (HACA)	11,241	-	-	-	-	
100-33403-000	MISC. TAX CREDITS	2,800	-	-	-	-	
Total		88,440	84,866	962	-	14,500	0.00%
Charges for services							
100-34103-000	ZONING/SUBDIVISION FEE	42,255	17,906	(18,949)	25,000	18,000	move developer
100-34104-000	WATER RESOURCE FEES	7,943	1,220	-	-	-	
100-34105-000	SALE-MAPS,PUBLICATION,COPIES	-	117	15	100	100	
100-34107-000	ASSESSMENT SEARCH FEES	250	903	-	150	150	
100-34108-000	ADMINISTRATIVE CHARGES/REIMBUR	18,120	30,252	8,638	5,200	5,360	
100-34305-000	PUBLIC WORKS REIMBURSEMENTS	7,172	14,995	108	530	550	
100-34306-000	BUILDING INSPECTIONS REIMBURSE	2,169	139	-	1,040	1,070	
100-34307-000	PLANNING/ZONING REIMB. DEVL.	19,896	15,048	1,420	10,000	10,300	
100-34308-000	LEGAL FEE/ REIMB. DEV.	(523)	195	-	530	550	
100-34309-000	ENG. FEE/ REIMB. DEV.	3,261	-	-	2,610	2,690	
100-36242-000	PARK RENTAL FEE	-	1,200	-	-	-	
100-34310-000	MINNEHAHA WATERSHED REIMBURSE	-	-	-	-	-	
Total		100,542	81,975	(8,769)	45,160	38,770	-14.15%
Fines and forfeitures							
100-35000-000	COURT FINES/DOG IMPOUNDING	49,188	49,517	9,995	45,000	46,350	reflects past actual
Total		49,188	49,517	9,995	45,000	46,350	3.00%
Special Assessments							
100-36101-000	SPECIAL ASSESS/INT (CTY. PYMT)	-	-	-	-	-	
Total		-	-	-	-	-	0.00%
Interest on investments							
100-36210-000	INTEREST EARNINGS	2,217	2,884	2,121	5,200	5,360	
Total		2,217	2,884	2,121	5,200	5,360	3.08%
Miscellaneous							
100-36220-000	INSURANCE PREMIUM REFUND	5,219	5,733	-	3,650	3,760	
100-36230-000	MISC. CONTRIB./REFUND	89	109	-	530	550	
100-36240-000	COMMUNITY CENTER REVENUES	5,550	6,435	900	6,240	3,210	
100-36250-000	SALES TAX (COLLECTED)	-	0	-	-	-	
100-36260-000	FESTIVAL REVENUES	-	150	-	5,200	5,360	
100-36261-000	EVENT REVENUES	38	7,097	3,616	2,610	2,690	
100-39102-000	COMPENSATION FOR LOSS OF GEN	-	-	-	-	-	
Total		10,896	19,525	4,516	18,230	15,570	-14.59%

**City of Independence
2017 Budget**

Account	Description	Final		May	Budget		Comments/ % Change
		2014	2015	2016	2016	2017	
Transfers							
100-39200-000	Transfer in	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		-	-	-	-	-	0.00%
Total		2,398,261	2,545,374	37,883	2,475,840	2,655,366	7.25%
Mayor and council							
100-41000-102	MAYOR'S SALARY	3,000	3,000	750	3,000	3,000	
100-41000-103	COUNCIL SALARIES	7,200	7,200	2,216	7,200	7,200	
100-41000-122	FICA(6.2) MEDICARE (1.45)	780	780	195	780	780	
100-41000-321	COMMUNICATIONS	-	-	-	-	-	
100-41000-331	CONFERENCE & TRAVEL	6,387	9,622	2,932	5,670	5,840	
100-41000-360	INSURANCE	798	919	939	820	870	
100-41000-405	MISCELLANEOUS	106	-	134	210	220	
100-41000-433	DUES & SUBSCRIPTIONS	1,539	550	-	1,550	1,600	
Total		19,810	22,071	7,165	19,230	19,510	1.46%
Election							
100-41400-103	ELECTION OFFICIAL'S WAGES (PT)	2,820	1,410	-	3,500	1,500	presidential election
100-41400-210	OPERATING SUPPLIES/MTN EQUIP.	995	694	-	3,000	700	
100-41400-350	BALLOT PRINTING	-	390	-	-	-	
100-41400-405	MISCELLANEOUS	1,219	1,066	-	1,000	1,030	
Total		5,034	3,561	-	7,500	3,230	-56.93%
Financial administration							
100-41500-101	WAGES (FULL-TIME)	169,918	109,728	27,725	36,220	38,060	
100-41500-102	WAGES (PART-TIME)	-	-	-	24,140	25,370	
100-41500-103	WAGES (TEMPORARY HELP)	-	-	-	-	-	
100-41500-121	PERA	12,285	7,374	2,079	4,530	4,760	
100-41500-122	FICA/MEDICARE	11,651	7,957	2,121	4,620	4,850	
100-41500-131	CITY PAID BENEFIT ALLOWANCE-L	33,536	24,391	2,422	12,420	13,290	
100-41500-133	COBRA EMPLOYEE INSURANCE	-	(690)	(345)	-	-	
100-41500-200	OFFICE SUPPLIES	3,049	6,146	1,339	4,120	4,240	
100-41500-301	AUDITING FEES	22,505	12,500	25,480	12,500	12,880	
100-41500-305	CPA FEES	24,877	56,652	24,315	58,350	60,100	
100-41500-310	OTHER CONSULTING EXPENSE	12,702	52,658	2,598	77,950	98,990	includes comp plan
100-41500-315	ASSESSOR'S FEE	50,518	52,000	-	55,000	60,000	
100-41500-321	COMMUNICATIONS	4,305	3,961	1,166	3,610	3,720	
100-41500-322	POSTAGE	1,427	40	-	1,550	1,600	
100-41500-330	TRANSPORTATION	51	-	-	-	-	
100-41500-331	TRAVEL & CONFERENCE EXPENSE	6,882	1,695	586	1,500	1,550	
100-41500-350	PRINTING&PUBLICATIONS-(LEGALS)	10,604	11,744	3,399	9,270	9,550	
100-41500-360	INSURANCE	6,564	7,709	9,418	7,210	7,640	
100-41500-404	MAINT.&REPAIR EQUIP.(CONTRACT)	3,310	5,666	921	4,000	4,120	
100-41500-405	MISCELLANEOUS	1,261	839	761	1,030	1,060	
100-41500-433	DUES & SUBSCRIPTIONS	7,386	6,051	4,068	5,870	6,050	
100-41500-602	LEASE/PURCHASE (COPIER)	6,450	7,936	3,855	8,240	8,490	
100-49000-720	TRANSFERS OUT	-	-	-	-	-	
100-49000-800	CONTINGENCY	-	-	-	-	-	
100-49240-375	CLAIM DEDUCTIBLE	-	2,500	-	520	540	
100-49240-620	AGENCY FEES	1,700	1,700	1,700	1,750	1,800	
100-49300-720	TRANSFER OUT	-	-	-	-	-	
Total		390,981	378,556	113,607	334,400	368,660	10.25%
Capital outlay - General government							
100-41500-560	CAPITAL OUTLAY (OFFICE EQUIP)	871	1,939	-	520	540	
100-41500-570	CAPITAL OUTLAY (COMPUTER EQUIP)	4,490	500	-	520	540	
100-41940-510	C.O. (LAND AND BUILDING - 804)	1,738	7,404	-	10,300	34,302	
Total		7,099	9,843	-	11,340	35,382	212.01%

**City of Independence
2017 Budget**

Account	Description	Final		May	Budget		Comments/ % Change
		2014	2015	2016	2016	2017	
Legal services							
100-41600-304	CIVIL, LEGAL (K&G)	\$ 16,455	\$ 36,966	\$ 8,927	\$ 15,450	\$ 15,910	
100-41600-306	PROSECUTION (C&C)	18,775	22,433	9,767	18,540	19,100	
100-41600-312	CODIFICATION OF ORDINANCES	56	-	-	520	540	
100-41600-405	MISC.	-	1,870	-	-	-	
Total		35,286	61,269	18,694	34,510	35,550	3.01%
Planning and zoning							
100-41900-301	PLANNER CONTRACT FEE	34,460	22,288	7,950	23,200	23,184	
100-41900-310	OTHER CONSULTANT FEES	-	-	-	-	-	
100-41900-360	INSURANCE	5,426	5,753	5,538	5,670	6,010	
100-41900-405	MISC.	163	-	-	210	-	
Total		40,049	28,041	13,488	29,080	29,194	0.39%
Water resource							
100-41920-311	OTHER CONSULTING FEES (MC)	1,430	654	-	1,030	1,060	
100-41920-330	TRANSPORTATION	672	-	-	-	-	
100-41920-320	WATER RESOURCE STAFF	6,057	9,261	1,229	7,000	7,210	
100-41920-331	OTHER CONSULTING FEES (PS)	-	-	-	-	-	
Total		8,159	9,915	1,229	8,030	8,270	2.99%
General Government Buildings							
100-41940-321	COMMUNICATIONS	1,788	1,334	2,260	1,030	1,060	
100-41940-350	ADVERTISING (COMM. CENTER)	1,253	1,705	25	-	-	
100-41940-360	INSURANCE	2,085	2,366	2,111	2,160	2,290	
100-41940-380	UTILITIES (NSP,GAS,LINEN)	10,745	18,134	4,747	12,360	12,730	
100-41940-384	GARBAGE PICK-UP	964	1,060	446	1,130	1,160	
100-41940-401	MAINT.&REPAIR BLD	12,770	12,886	2,535	11,130	11,460	
100-41940-402	MUSEUM	140	137	-	150	150	
100-41940-403	GROUND MAINTENANCE	60	-	-	500	520	
100-41940-404	SNOW REMOVAL	-	-	85	-	-	
100-41940-405	MISCELLANEOUS	535	1,388	525	-	-	
Total		30,340	39,010	12,733	28,460	29,370	3.20%
Police							
100-42400-301	AUDITING FEES	1,424	(175)	-	-	-	
100-42000-405	MISCELLANEOUS	775	1,967	-	1,130	1,160	
100-42000-440	CONTRACT	888,994	965,033	481,078	1,012,420	1,100,865	
100-42000-441	ROOM & BOARD	-	-	-	-	-	
100-42000-442	PRISONER BOOKING	3,743	1,529	410	1,550	1,600	
100-42000-461	BUILDING CODE SURCHARGE	4,945	2,365	-	3,090	-	
Total		899,881	970,719	481,488	1,018,190	1,103,625	8.39%
Fire							
100-42000-450	FIRE PROTECTION	309,400	313,968	117,160	337,190	333,035	
Total		309,400	313,968	117,160	337,190	333,035	-1.23%
Animal control							
100-42000-470	ANIMAL CONTROL	-	-	-	-	-	
Total		-	-	-	-	-	0.00%

**City of Independence
2017 Budget**

Account	Description	Final		May	Budget		Comments/ % Change
		2014	2015	2016	2016	2017	
Building Inspection							
100-42400-101	WAGES (FULL-TIME)	\$ 61,018	\$ 69,210	\$ 30,513	\$ 60,560	\$ 69,220	reallocation from sewer
100-42400-103	WAGES- (TEMP HELP)	1,149	335	151	410	420	
100-42400-121	PERA	4,433	5,120	2,288	4,540	5,190	
100-42400-122	FICA/MEDICARE	4,677	5,222	2,334	4,630	5,290	
100-42400-131	CITY PAID BENEFIT ALLOWANCE-L	11,387	13,541	5,484	10,960	14,370	
100-42400-200	OFFICE SUPPLIES	337	635	98	260	270	
100-42400-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	898	600	213	460	470	
100-42400-310	OTHER CONSULTING EXPENSE	200	701	-	150	150	
100-42400-321	COMMUNICATIONS	2,188	1,847	825	1,550	1,600	
100-42400-331	CONFERENCE & TRAVEL	751	1,757	278	770	1,000	
100-42400-360	INSURANCE	3,120	3,711	3,369	3,300	3,500	
100-42400-405	MISCELLANEOUS	-	61	-	-	-	
100-42400-433	DUES & SUBSCRIPTIONS	110	95	95	280	290	
Total		90,268	102,836	45,650	87,870	101,770	15.82%
Capital Outlay - Public safety							
100-42400-570	CAPITAL OUTLAY (EQUIP PURCHA)	2,368	400	-	410	420	
100-42000-570	C. O.	1,240	-	-	1,340	-	
Total		3,608	400	-	1,750	420	-76.00%
Streets							
100-43100-101	WAGES (FULL-TIME)	150,772	148,622	65,827	152,000	145,790	
100-43100-103	WAGES (TEMP HELP)	1,215	-	261	-	-	
100-43100-121	PERA	10,816	11,100	4,937	11,400	10,930	
100-43100-122	FICA/MEDICARE	11,241	11,194	4,967	11,630	11,150	
100-43100-131	CITY PAID BENEFIT ALLOWANCE	34,203	23,615	12,233	34,350	33,270	
100-43100-210	OPERATING SUPPLIES	378	397	15	620	640	
100-43100-212	VEHICLE OPER.SUPPLIES(FUEL,ETC	29,208	15,734	4,271	26,780	22,500	
100-43100-217	SIGNS	1,883	3,720	-	5,000	4,000	
100-43100-218	UNIFORMS	568	1,623	737	1,600	1,650	
100-43100-219	CULVERTS	881	3,051	-	4,120	3,500	
100-43100-220	MAINT.&REPAIR SUPPLIES (EQUIP)	27,870	22,124	11,708	21,630	21,630	
100-43100-223	MAINT.& REPAIR SUPPLIES(BLDG.)	6,087	4,506	3,783	4,640	4,640	
100-43100-224	ROAD MANT>MATERIALS (ON-GOING)	-	32,322	47,055	51,500	66,000	
100-43100-225	RD.UPGRADING MAT.(CAP.IMPROVE)	-	-	-	-	-	
100-43100-226	BLACKTOP MATERIAL	-	31,093	10,276	41,200	41,200	
100-43100-227	EQUIPMENT CONTRACT HIRE	-	433	81	1,030	1,000	
100-43100-240	SMALL TOOLS & MINOR EQUIPMENT	-	-	203	310	320	
100-43100-301	AUDITING FEES	3,560	(700)	-	-	-	
100-43100-303	ENGINEERING	8,345	2,068	1,518	4,120	4,240	
100-43100-310	OTHER CONSULTING EXPENSE	1,001	798	-	-	-	
100-43100-321	COMMUNICATIONS (PHONE,E-MAIL)	4,415	2,833	2,320	4,120	4,120	
100-43100-331	TRAVEL,CONF.EDUC.EXPENSE	170	500	1,117	1,000	1,030	
100-43100-350	PRINTING & PUBLICATIONS	859	184	687	310	320	
100-43100-360	INSURANCE	14,130	15,349	14,342	16,000	16,960	
100-43100-380	UTILITIES	10,585	6,614	4,950	9,270	9,550	
100-43100-384	GARBAGE PICK-UP	583	482	122	460	470	
100-43100-402	WEED CONTROL	-	-	-	-	-	
100-43100-403	BRUSH & TREE REMOVAL	369	-	-	-	3,000	
100-43100-405	MISCELLANEOUS	370	-	325	-	-	
100-43100-408	DUST CONTROL	-	59,348	-	66,950	66,950	
100-43100-413	SALES/FUEL TAX & LICENSE	461	372	10	1,000	500	
100-43100-415	EQUIPMENT RENTAL	450	-	-	520	540	
100-43100-720	TRANSFER OUT	-	-	100,000	-	-	
100-43100-407	SNOW REMOVAL-MATERIALS	30,158	19,873	1,673	25,750	26,520	
100-43100-420	GOPHER STATE ONE-CALL	2,132	1,651	624	1,850	1,850	
100-43100-430	SAFETY PROGRAM (AWAIR, ETC.	1,800	3,600	-	1,850	1,850	
100-43100-433	MEMBERSHIP DUES	417	696	269	580	600	
100-43200-405	MISCELLANEOUS	-	-	-	260	250	
Total		354,927	423,202	294,309	501,850	506,970	1.02%

City of Independence
2017 Budget

Account	Description	Final		May	Budget		Comments/ % Change
		2014	2015	2016	2016	2017	
Street lighting							
100-43100-381	STREET LIGHTING	\$ 2,378	\$ 2,509	\$ 1,169	\$ 3,000	\$ 2,750	
Total		2,378	2,509	1,169	3,000	2,750	-8.33%
Capital outlay - Public works							
100-43100-550	C.O. (ROAD IMPROV. - 802)	174,414	-	-	-	-	
100-43100-560	CAPITAL OUTLAY (OFFICE EQUIP.)	1,677	638	-	-	-	
100-43100-570	C O. (EQUIP. PURCH. -803)	691	-	-	-	7,000	
100-43100-580	C. O. (PUBLIC WORKS BLD. -801)	-	-	-	-	-	
Total		176,782	638	-	-	7,000	0.00%
Recycling							
100-43200-410	RECYCLING EXPENSES	45,227	51,411	22,251	30,900	50,000	
Total		45,227	51,411	22,251	30,900	50,000	61.81%
Park							
100-45100-120	PARTICIPATE RECREATION	7,948	3,921	1,640	6,700	6,900	
100-45100-405	MISCELLANEOUS	-	-	-	-	-	
100-45200-402	YOUTH GROUPS	600	600	-	620	640	
100-45300-210	SUPPLIES & MATERIALS	161	-	-	1,030	1,060	
100-45300-220	REPAIRS & MAINTENANCE (MOWING)	5,299	4,767	4,133	5,670	5,840	
100-45300-230	EQUIPMENT PURCHASES	-	-	-	520	540	
100-45300-310	OTHER CONSULTING EXPENSE	-	-	-	520	540	
100-45300-331	CONFERENCE & TRAVEL	-	-	-	-	-	
100-45300-350	PRINTING&PUBLICATIONS-(LEGALS)	-	-	83	-	-	
100-45300-361	INSURANCE	1,589	3,440	2,740	1,650	1,750	
100-45300-380	UTILITIES/WASTE REMOVAL	420	326	-	620	640	
100-45300-405	MISCELLANEOUS	-	152	-	210	220	
100-45300-451	FESTIVAL EXPENDITURES	5,140	10,249	-	5,000	2,500	
Total		21,157	23,456	8,596	22,540	20,630	-8.47%
Total		2,440,386	2,441,403	1,137,538	2,475,840	2,655,366	7.25%
Revenues over (under) expenditures		(42,125)	103,970	(1,099,655)	-	-	
Other financing sources							
100-39101-000	SALE OF LAND	-	-	-	-	-	
Total		-	-	-	-	-	
Net change in General Fund fund balance		\$ (42,125)	\$ 103,970	\$ (1,099,655)	\$ -	\$ -	

City of Independence

Discussion Relating to Snow Mobile Trail Relocation

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: November 10, 2016

Discussion:

The City has been approached by the snow mobile club to consider allowing the relocation of the snow mobile trail from traveling along Pagenkopf Road to traveling through Pioneer Creek Park and the City Hall property. The club has had some issues with the trail located along Pagenkopf Road between Baker Park and County Road 11. In an effort to eliminate the concerns along Pagenkopf, the club has explored possible routes that would relocate the trail to the south.

The club is seeking City Council consideration to allow the trail to be routed through Pioneer Creek Park, then south on County Road 90 and then east through the City Hall property (see attached map).

Staff has reviewed the request and offers the following points for the Council to consider:

1. Chapter 8 of the City's ordinance states the following prohibition on motorized vehicles.
 - a. Subd. 3. Motorized vehicle. (a) No person shall operate a motorized vehicle within any park except in areas specifically designated for such use.
2. The access that would be used to get into the park is a creek crossing in the northwest corner of the park. The City has a metal bridge located in this area that is not suitable for snowmobile use.
3. WHPS and Public Works have expressed concerns with allowing the snow mobiles in the park due to a potential conflict with the recently planted small trees, the existing playground equipment and the sledding hill.
4. Due to the wide expanse of open space in the park and the perception of it being "public" land, it may be difficult to successfully maintain the use of only the designated trail through the park.
5. Public Works has concerns about snow mobile traffic damaging the lawn area along the driveway adjacent to City Hall along with the newly overlaid driveway and parking lot.

Representatives from the snow mobile club will be in attendance at the workshop to hear Council discussion relating to their request. The Council is not being asked to make a determination, but rather to provide staff with feedback and to initially discuss the request.

Attachments: Proposed Routing Maps Provided by Snow Mobile Club

Interactive Maps

Property

[Go to Property links](#)

[Clear results](#)

PID:
2211824140003
 2055 Co Rd No 90
 Independence, MN
 55359

Owner/Taxpayer

Owner:
 City Of
 Independ

Taxpayer:
 CITY OF
 INDEPEN
 1920 CO
 MAPLE P
 MN 5535

Tax Parcel

Parcel Area:
 50.17 acr
 2,185,324

Torrens/Abstract: Abstract

Addition: Hillstrom
 Gardens

Lot: 002

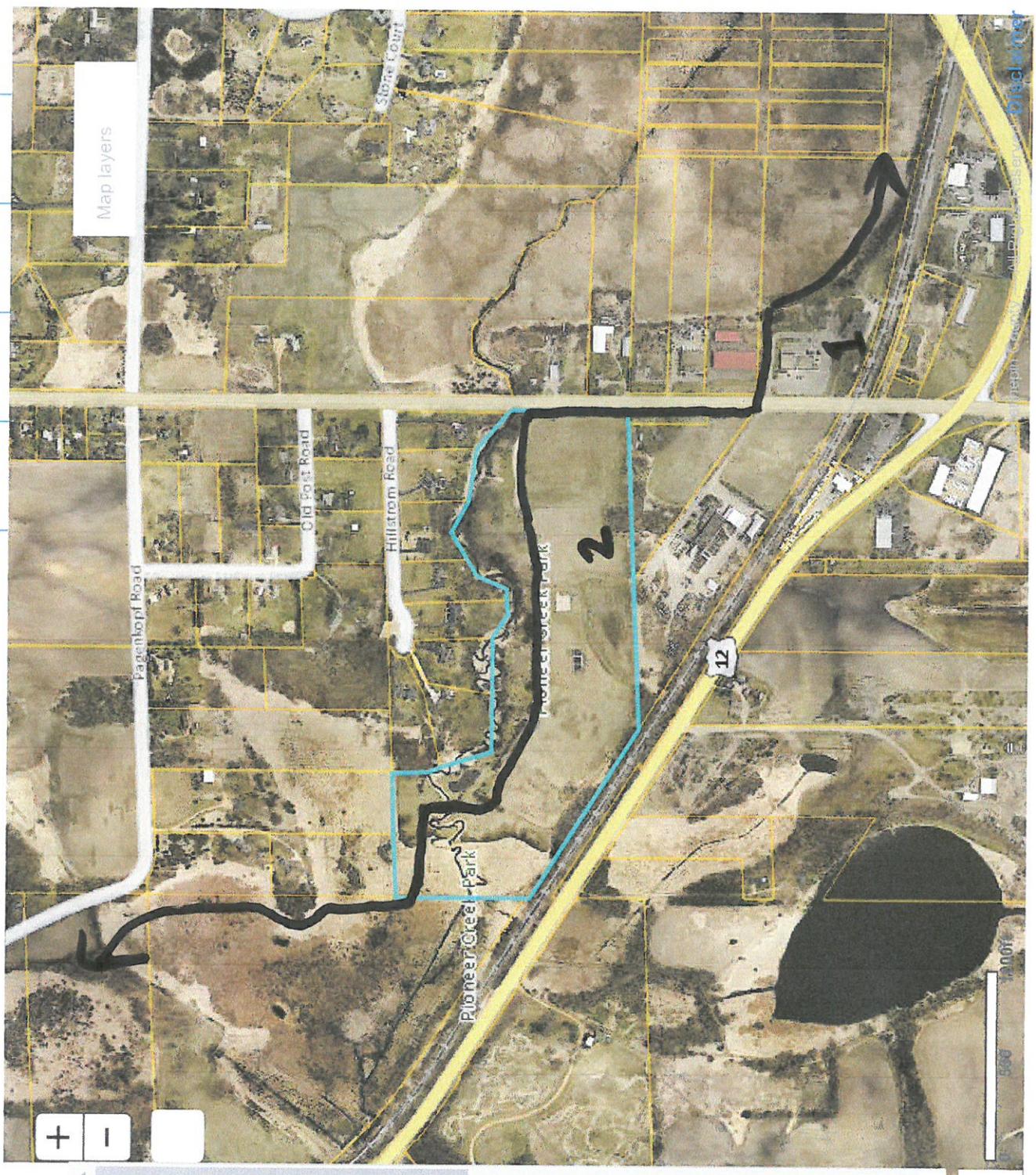
Block: 001

Go to...

Type an address or a property ID (PID) Search help

+

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Map layers

Disclaimer

--- existing trail
 IntXXV trail eliminated by proposed trail
 Maps

Property

Instructions

To search for a property:

- Enter the property ID (PID) or address (addresses will begin to auto-populate as you type), then click enter or the search icon.

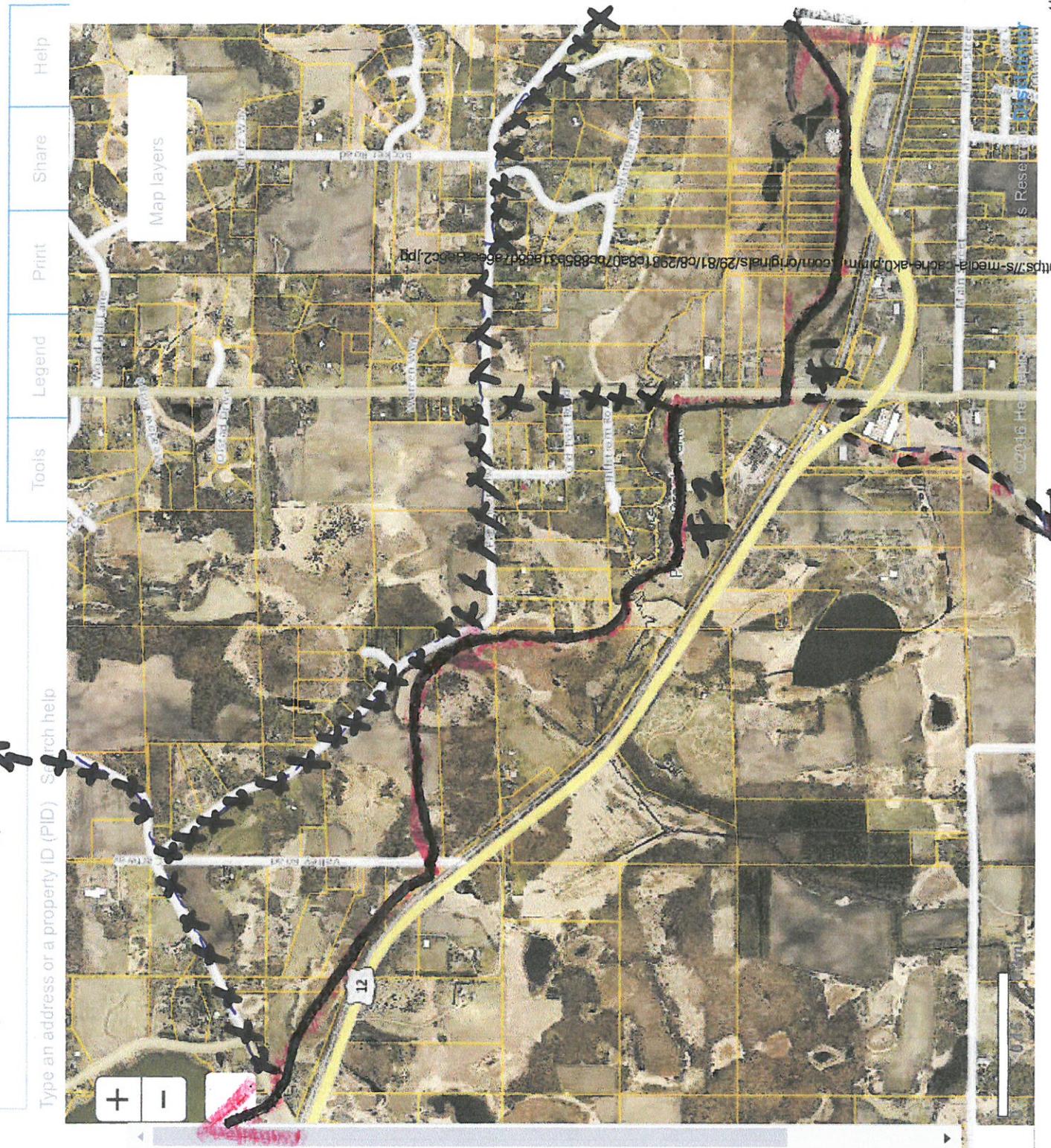
OR

- Navigate to the general location and click on the property.

Other Resources

- [Online access to recorded documents](#)
- [Property and survey information](#)

Go to...



Interactive Maps

Property

Go to Property links

Clear results

PID:
2311824320010
 1920 CO RD NO 90
 Independence, MN
 55359

Owner/Taxpayer

Owner:
 City Of
 Independ
 CITY OF
 INDEPEN
 1920 CO
 90
 MAPLE P
 MN 55359

Taxpayer:

Tax Parcel

Parcel Area:	20.07 acr 874,047 s
Torrens/Abstract:	Both
Addition:	Unplatted 24
Lot:	

Go to...

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Map layers

Interactive Maps

Property

[Go to Property links](#)

Clear results

PID:
2211824140003
 2055 Co Rd No 90
 Independence, MN
 55359

Owner/Taxpayer

Owner:
 City Of
 Independ

Taxpayer:
 CITY OF
 INDEPEN
 1920 CO
 MAPLE P
 MN 5535:

Tax Parcel

Parcel Area:
 50.17 acr
 2,185,324

Torrens/Abstract: Abstract

Addition: Hillstrom
 Gardens

Lot: 002

Block: 001

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Map layers

City of Independence

Public Works Sewer Camera Purchase Discussion

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: November 10, 2016

Discussion:

Public Works continues to work on maintaining the City's sewer system. One of the key tools that aids in the evaluation and troubleshooting of the sewer system is a sewer camera. A sewer camera allows the City to identify sources of I & I as well as determine whether or not a sewer pipe needs to be jetted or cleaned. This year the City has spent approximately \$2,500 on televising the City's sewers. All of the dollars spent to date related to identifying breaks and or blockages in the existing system after a problem occurred. The City has hired contractors to provide the televising service. The City pays on average around 1 dollar per lineal foot of pipe televised. The City has approximately 20,000 lineal feet of gravity sewer lines in the City.

Due to the costs associated with televising the sewer, the City has only been able to televise sewer lines that have or appear to have blockages or breaks. In order to practice preventative maintenance, it has been recommended that the City should televise all gravity sewer lines. Proactively televising the lines would allow the City to identify sewer build up or potential blockages as well as identify sources of I & I.

The cost of purchasing a City owned camera is estimated to range between \$6,500 and \$8,500. The City is working on obtaining additional costing information and camera options. The City does not have available budget to acquire the camera in 2016, but would like Council direction related to purchasing a camera in early 2017.

Attachments: No Attachments

City of Independence

Planning Commission Vacancy Discussion

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: November 10, 2016

Discussion:

The City will have a Planning Commission vacancy at the end of 2016. The City advertised this position in the newsletter and through the City's website and social media channels. Interested parties were asked to submit an application to the City.

The City has received three (3) applications from interested parties. Staff is seeking direction from the City relating to the Council's preferred process for selecting a candidate. Historically, the Council has met with potential candidates and then voted on their preferred choice. Staff would like direction from the Council relating to whether or not the Planning Commission should be included in a part of the decision process and or given an opportunity to provide insight to the Council prior to a decision being made.

Staff is seeking direction from the Council on potential times to meet with the candidates. The Council could meet with the candidates prior to a regular City Council Meeting or on a separate night.

Attachments: No Attachments

City of Independence

Discussion on 2236 South Lake Shore Concept Development Plan

To: City Council
From: Mark Kaltsas, City Administrator
Meeting Date: November 10, 2016

Discussion:

The City has been approached by a developer to consider a development plan for the property located at 2236 South Lake Shore. The property has the following characteristics:

1. The property is comprised of approximately 45 acres.
2. There are currently two homes located on the property.
3. The property has approximately 500 LF of lakeshore frontage on Lake Independence.
4. The property is guided by the City as RR-Rural Residential.
5. The City has sanitary sewer along South Lake Shore and Pagenkopf Roads. The property is not currently within the City's sewer service area.
6. The developer would like to develop the property with urban services (i.e. sewer and water) at densities different than those currently contemplated within the City.
7. In order to develop the property, the City would have to consider a comprehensive plan amendment, rezoning and development of a zoning classification.
8. Sewer capacity to this property may not be available until 2019-2020 due to restrictions in the Metropolitan Councils available LS #63 capacities.

Attachments: None - Concept Plan to be Presented at the Workshop

Your Proposed Levies & Taxes for 2017

Notices will be mailed and live on Hennepin.us on November 14th

Step 2 of 3 Steps -

- Step 1 – Value and classification Notice
- Step 2 – Proposed levies and taxes**
- Step 3 – Property Tax Statement

Orange	AY 2015 pay 2016
Green	AY 2016 pay 2017
Brown	AY 2017 pay 2018

Hennepin County

All County Funds including Regional Railroad, EXCEPT HRA

Municipality

Sewer District – If applicable

School Districts

Operating and Capital
Voter approved Op and Cap to meet Basic Education Formulas

Referendums

- 1 – Minneapolis Special School
- 278 – Orono
- 883 - Rockford

Metro Special Taxing District (Partial Munics)

Metropolitan Council
Metropolitan Mosquitoes
Metropolitan Transit

Other Special Taxing Districts

Three River Parks	(Excluding Mpls)
Park Museum	(County Wide)
Hennepin County HRA	(County Wide)
Watershed – If applicable	(If applicable)
Municipality HRA / EDA	(If applicable)
Mpls Teachers Retirement, Mpls Public Housing, Mpls Chapter 595	(Mpls Only)

TNT Inserts Hennepin County
Bloomington / Corcoran / Edina / Golden Valley /
Medina / Minneapolis / Orono / Robbinsdale
Minneapolis Schools