CITY OF TONKA BAY
ITEM NO. 4A

MINUTES
TONKA BAY CITY COUNCIL
BUDGET WORK SESSION
August 26, 2014

1. **CALL TO ORDER**
The budget meeting was called to order at 6:00 p.m.

2. **ROLL CALL**
Members present: Mayor De La Vega, Councilmembers Anderson, Ansari, Clapp and Grothe. Also present were City Administrator Kohlmann and City Attorney Penberthy.

3. **2015 PROPOSED BUDGET AND CAPITAL IMPROVEMENTS PLAN**
De La Vega reviewed increases proposed to the 2015 budget including videos of Council meetings, IT expenses, and the increase to the SLMPD budget.

De La Vega also noted there was discussion at the last budget work session about budgeting for seasonal signage for parking restrictions. Kohlmann stated the committee was concerned that temporary signage could easily be removed and preferred permanent signs. De La Vega stated dates could be on the signs but he was concerned about spawning dates changing from year to year. Penberthy agreed dates would change according to the season based on weather conditions. He stated there was discussion about flexibility for each season. Clapp suggested we set our own dates. Penberthy stated if permanent signs are preferred, the DNR's "no fishing during spawning season" signage date could work. The City Council could also authorize staff to place temporary signage. He stated the committee is still wrestling with what to do about signage. De La Vega stated it should remain in the budget until a final decision is made.

De La Vega stated the franchise fees are a new source of revenue. He stated there was discussion about that point. The PEG fees can only be used for equipment and that sort of technology. He stated the franchise fees should be used for the administration of the franchise such as handling complaints. He asked if the funds should be allocated to a type of expenditure.

Kohlmann reviewed other expected expenses for 2015. He noted it will not be an election year, so those expenses will be minimal. He stated health expenses will increase; however, an employee will be going from family to single which will impact expenses positively.

De La Vega noted the Fourth of July expense should decrease after further discussion. He stated overall, the budget is pretty tight.

Clapp asked if Public Works has voiced their concerns about what they will need. Kohlmann indicated expenses are accounted for. Clapp asked if locks for the gates will be added.

Ansari asked if the LMA cost is accounted for. Kohlmann stated it will come out of the dock fund. Ansari asked if it would stay at $5,000. De La Vega stated he didn't think he wanted to keep it at $10,000 like it was in 2014. He stated there is flexibility since it is coming from the dock fund.

Councilmembers briefly discussed the $750 Arctic Fever annual expense.

CIP expenses were discussed such as the windows which will be pushed out to a later year and construction of a salt storage building which is in need of a site. Clapp stated mixing the sand and salt in the parking lot is an MPCA concern Councilmembers recognized it as an issue without any immediate solutions.

Anderson stated the water tower painting is not on the CIP. Kohlmann reviewed water and sewer investments which could be used for the expense. Councilmembers discussed I & I expenses which will increase significantly because of high water levels this year.

Kohlmann stated schedule changes have been made for replacement dates of the copier and basketball court. Councilmembers discussed possible tennis court replacement and if there is grant money available.

De La Vega believed the dock fund and park fund should be combined as one fund. Grothe suggested marina licensing also be included in this fund. Penberthy discussed the possible reduction of dock fees and building a reserve to dredge and repair docks. He was concerned about dock renters who would be subsidizing the purchase of a lawn mower. He believed the dock fund is not designed to pay for other expenses that benefit the entire city. Councilmembers discussed dock expenses, area marinas, fund balance, dredging, and future expansion.

Kohlmann asked the Council if they agreed with the operating budget and CIP, it will be adopted at the next City Council meeting.

Ansari asked if the park equipment at Pleasant Park would be replaced soon. De La Vega suggested it be a Park Committee discussion item. Clapp suggested a

survey be sent out.

Grothe asked if there will be another work session in September. De La Vega stated it is not needed. Grothe suggested the next budget have a small increase of around 1-2%.

Councilmembers discussed reserve balances. Penberthy stated the question is if there is enough should there be a tremendous expenditure. Kohlmann agreed and noted street and water main replacements are not budgeted but will be discussed with the Enterprise Funds.

4. ADJOURNMENT

There being no further business, De La Vega closed the work session at 7:00 p.m.

Attest:

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Clerk