

ITEM NO. 4B

**MINUTES
TONKA BAY CITY COUNCIL
BUDGET WORK SESSION
November 24, 2015**

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 Clapp and Grothe. Also present were City Administrator Crawford, Bookkeeper Spoerner, and City Attorney Penberthy.

3. 2016 PROPOSED ENTERPRISE FUND WATER OPERATING BUDGET

De La Vega reviewed the previous work session proposal for the Water Operating Fund where staff was asked to conduct research on base rates for water, water tier levels, and software used to read water.

Spoerner shared the new proposed water tier rates of 1-15, 16-30, 31-45, and 46 and higher.

De La Vega stated the future of the Water/Sewer CIP (Reserve) does not look good if the City does not raise the water rates now.

Councilmember Ansari entered at 6:26 p.m.

Staff and the City Council reviewed two additional scenarios one-by-one. Scenario two called for a 5% increase to the water tier fees and a 14.25% increase to the base rate, bringing that total to \$18.00. Scenario three called for a 5% increase to the water tier fees and a 27% increase to the base rate, bringing that total to \$20.00. Councilmember Clapp stated he liked scenario three.

Staff and the City Council agreed that a significant increase to the water structure should be advertised to the residents. Crawford stated it can be advertised on the website, through an email blast, and in the spring newsletter.

The City Council discussed quadrupling the base rate one time now versus increasing it a little over time.

De La Vega proposed increasing the base rate to \$25.00, having no increase (\$0) to the water tier fees, approving the new tier structure that staff recommended, and approving a one-time transfer in amount of the minimum that is needed to bring the Fund to a positive number.

Crawford stated that staff would work on those revisions and send the revised budget to De La Vega prior to the December 8th City Council meeting.

4. **ADJOURNMENT**

There being no further business, it was moved by Grothe to adjourn the meeting at 6:55 p.m. Clapp seconded the motion. Ayes 4. Motion carried.

Attest:

Clerk