

CITY OF TONKA BAY ITEM NO. 4A

MINUTES TONKA BAY CITY COUNCIL BUDGET WORKSESSION October 25, 2011

1. CALL TO ORDER

The budget worksession meeting of the Tonka Bay City Council was called to order at 6:00 p.m.

2. ROLL CALL

Members present: Mayor LaBelle, Councilmembers Marceau, De La Vega, Anderson and Holscher. Also present were City Administrator Kohlmann, City Attorney Penberthy, and Public Works Superintendent Kluver.

3. 2012 BUDGET – Kohlmann reviewed enterprise fund budgets proposed for 2012.

The biggest discussion will have to do with the water and sewer funds. He began discussions with the Manitou Seawall Fund which has a zero budget proposed for 2012. He explained the purpose of the fund which is located at the south end of Mound Avenue. LaBelle asked if the fund would be closed out at some point. Kohlmann noted the fund is used for maintenance purposes and funding came from residents' assessments. Kohlmann reviewed the Antenna Fund and discussed the amount to be transferred out. The Garbage Fund was discussed. Holscher discussed her concerns about lack of funding for the Southshore Center. She suggested they come in with a need for funding, and the City Council take a look at it. She stated we failed to fund the signage. LaBelle stated they failed when the Center was constructed with the promise they would be completely self sufficient. He believed the resources are there to support the Center. LaBelle suggested Holscher be the Council representative for the Center. De La Vega noted the funds in the account now were set aside for capital improvements. Kohlmann noted the contract will be up for renewal for garbage, recycling and yard waste in April. Holscher asked about the possibility about there being more volume of recycling. They discussed changes in recycling collection beginning in January. Holscher asked if there will be an impact to the budget if more is being collected. LaBelle stated that would be discussed as part of the negotiations. Kohlmann noted the Garbage Fund will reflect a 3% increase. Kohlmann noted the Dock Fund has \$5,000 reserved for milfoil treatment, and an amount is transferred out to the General Fund. De La Vega asked if there have been any security issues at the docks. Kohlmann noted he received a call about theft from a boat. Kluver suggested using the same sort of gate that Excelsior uses for their docks and would get a price to consider for next year. The rental fee would remain the same as this year. De La Vega stated he didn't know if spaces 1 and 2 are legitimate spots because of the depth of the water. Kluver noted this is the first year the water has

been so low. De La Vega stated he would like to see a study done of the demand for docks if we are building more docks. Kohlmann reviewed the Storm Water Drainage Fund. Kluver noted a change took place for the fund location for the street sweeping. Councilmembers and staff discussed street sweeping, where income comes from, and future expenses. Kluver reviewed the water, sewer and water reserve funds by discussing major costs. He discussed a suggested three percent increase in rates. He noted rates are being raised slowly but still do not meet expenses annually. He noted we are in the final phase of the water meter replacement program. He discussed the possible purchase of software that can read all the water meters faster. It currently takes eight hours to read all the meters with our current technology. Anderson suggested sharing equipment with other cities. LaBelle suggested it be budgeted for, but it doesn't have to be purchased. Kluver stated the CIP identified replacement of the dehumidifier in 2012, but it can be pushed out to 2015 with \$3000 worth of repairs. Councilmembers and staff discussed Inflow & Infiltration. Kohlmann discussed fund balances and asked if something should be done moving forward in order to make up a projected loss in the water fund. LaBelle stated these funds need to be self sufficient and need reserve balances. Kluver stated an additional amount needs to be raised in order to break even. Holscher asked if anything could be done to educate the public about lawn watering and water usage. Kluver noted that is already done in the newsletter. Kluver discussed the water tower painting and clarifier replacement which are two of the higher ticket items earmarked for replacement at some point. Kohlmann stated the worksession can be continued to another meeting or discussed as part of a regular meeting.

4. ADJOURNMENT

There being no further business, it was moved by De La Vega to adjourn the meeting at 7:00 p.m. Marceau seconded the motion. Ayes 5. Motion carried.

Attest:

Clerk