

MINUTES
TONKA BAY CITY COUNCIL
REGULAR MEETING
APRIL 8, 2025

1. CALL TO ORDER

The regular semi-monthly meeting of the Tonka Bay City Council was called to order at 7:00 p.m.

2. ROLL CALL

Members present: Mayor Jennings, Council Members Anderson, Eckland, Ottum, and Wischmeier. Also present were City Administrator Holl, City Engineer Bradford, and City Attorney Nason.

3. APPROVAL OF AGENDA

Council Member Anderson made a motion to approve the agenda as presented. Council Member Eckland seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.

4. CONSENT AGENDA

- A. Minutes from March 25, 2025 City Council Meeting
- B. Minutes from March 19, 2025 Special Council Work Session Meeting
- C. March 2025 Claims: Check numbers 28253-28271, bank e-check numbers 501993-502003.
- D. Tour de Tonka Special Event Permit
- E. Safe Assure OSHA Mitigation/Public Works
- F. Minutes from March 10, 2025 Parks and Docks Commission Meeting
- G. Minutes from February 24, 2025 Parks and Docks Commission Meeting
- H. Hennepin County Transportation Department Highway 19 ADA Improvements
- I. Public Hearing Notice for April 22, 2025 – Home Occupation Permit Request for Cannabis Business

Council Member Anderson made a motion to approve the consent agenda with edits to 4A and notation to 4C. Council Member Eckland seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.

5. SPECIAL BUSINESS

None

6. MATTERS FROM THE FLOOR

None

7. PUBLIC HEARINGS

None

8. OLD BUSINESS
None

9. NEW BUSINESS

A. Resolution 2025-09 Opposing State Preemption of Local Zoning - The City Council considered Resolution 2025-09, which formally states the City of Tonka Bay's opposition to proposed legislation currently under consideration at the Capitol that would preempt local zoning authority. This resolution is consistent with prior discussions held by the Council and reflects a position already expressed informally through dialogue with our state legislators.

The resolution mirrors a model ordinance recently adopted by the City of Excelsior and currently under consideration in the City of Shorewood. It serves to codify Tonka Bay's position, affirming the City's commitment to maintaining local control over land use and zoning decisions.

It was clarified during the discussion that this resolution is non-binding from a legal standpoint and does not carry the force of law to prevent state action. However, it does provide a formal, unified statement from the City, which can be conveyed to legislative representatives as part of a broader municipal effort to advocate against state-level zoning preemption.

Council members acknowledged that while individual residents may have previously voiced opposition, a formal resolution carries greater weight. It enables our state delegation—specifically Representative Myers and Senator Johnson-Stewart—to reference official opposition from multiple cities, thereby strengthening their legislative advocacy.

Council expressed consensus that the passage of this resolution would support ongoing efforts to protect local decision-making authority.

A motion to approve Resolution 2025-09 Opposing State Preemption of Local Zoning was made by Council Member Anderson. Council Member Wischmeier seconded the motion.

Roll call: Anderson Aye
Eckland Aye
Ottum Aye
Wischmeier Aye
Jennings Aye

The motion carried.

- B. DDA Class & Compensation Proposal Options - City Administrator Holl provided a summary of the David Drown & Associates (DDA) proposal previously reviewed during the Council's Work Session. The proposal includes several options, but Holl recommended moving forward with Option 2, which would initiate a compensation study and establish a formal compensation system for city employees, at a cost of \$4,500.

Currently, the City of Tonka Bay does not have a structured compensation system—there is no existing step and grade model, or defined salary ranges for non-union staff. The proposed study would evaluate current compensation and develop a sustainable system that could guide both union negotiations and internal equity for non-union employees.

It was noted that while DDA offers optional ongoing maintenance, that service is typically more relevant for larger organizations. Given Tonka Bay's small staff size, ongoing support was not deemed necessary at this time.

In response to a Council Member's question, Holl clarified that while this is different from the previous pay equity study, the recommended compensation system will be structured to ensure ongoing compliance with pay equity standards. This includes a point-based system to evaluate and classify positions, reducing the risk of falling out of compliance—a situation that Holl had experienced in a previous municipality with significant financial consequences.

A motion to approve the DDA Class and Compensation Proposal, Option 2, in the amount of \$4,500.00 was made by Council Member Anderson. Council Member Wischmeier seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.

- C. Abdo Auditing Preparation Services Proposal - City Administrator Holl provided a little background and clarification regarding the funding source for the next three items under consideration. It was explained that the City intends to use already budgeted funds—specifically, dollars previously allocated within the Public Works budget.

These funds include:

- Budgeted dollars (\$55,000) for a new Public Works truck, and
- An undesignated \$30,000 line item also within the Public Works budget.

Combined, these sources total approximately \$85,000, which would be repurposed to cover the current proposed expenditures. Holl noted that the replacement truck (a 2015 model) is still running well, and the City could plan to re-budget for its replacement down the road.

Holl presented a recommendation to transition the City's auditing services from Stuart Bonniwell, CPA to Abdo, a firm with extensive experience in municipal audits. Currently, Mr. Bonniwell, an independent auditor, provides basic audit services for approximately \$10,000 annually. However, issues have arisen related to delayed reporting, lack of responsiveness, and limited detail in the audit deliverables.

In contrast, Abdo offers a more robust and timely audit process. The proposed cost for the 2024 audit is \$21,000, which includes required reporting to the Office of the State Auditor (OSA). While this represents an increase in cost, Holl emphasized that the City would receive significantly more comprehensive financial reporting and support that would help with future decision-making.

It was noted that the City has previously experienced audit delays, with reports being received as late as October, well past the June deadline, resulting in the need for filing extensions. Holl cited this is another reason to transition to a firm with a proven history of timeliness and responsiveness.

Holl confirmed that there is no formal contract with the current auditor, and that he will personally notify Mr. Bonniwell of the City's decision to move in a different direction.

A motion to approve Abdo's proposal for auditing services, beginning with the 2024 audit, at the quoted price of \$21,000, was made by Council Member Wischmeier. Council Member Anderson seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.

- D. Abdo Accounting Services Proposal - City Administrator Holl presented a proposal to engage Abdo for a series of professional accounting services aimed at strengthening the City's financial infrastructure. This recommendation follows a review of internal needs and prior staff turnover, which highlighted the lack of consistent financial processes and modern systems.

The proposal includes three key service components:

- Initial Financial Assessment – \$15,000
Abdo would perform a comprehensive evaluation of the City's current financial operations, including general accounting, budget processes, journal entries, payroll, accounts payable/receivable, investments, audit preparation, and financial reporting. This would help identify areas of improvement and ensure compliance moving forward.

- Bank Reconciliation & Fund Accounting – \$15,500
This component would ensure the City's fund accounting and bank reconciliations are current and accurate—particularly critical in preparation for the upcoming audit.
- Monthly Coaching & Technical Training – \$19,500
Abdo would provide ongoing coaching and technical training for the City Treasurer to improve internal capacity and ensure long-term financial sustainability.

Holl emphasized that this is not expected to be a recurring annual cost but rather a foundational investment that will position the City with greater efficiency and compliance in the future.

Funding for the proposal would be drawn from already budgeted dollar, specifically reallocated funds originally set aside for a Public Works vehicle replacement (\$55,000) and an additional \$30,000 in undesignated Public Works funds, totaling \$85,000 in available resources. Holl confirmed that the Public Works team is aware of, and supports the decision to defer the vehicle purchase.

Finally, Holl noted that using Abdo for both accounting and auditing services would promote efficiency and consistency, and that the firm is widely regarded in Minnesota for its municipal expertise. While future service costs could potentially be negotiated, this proposal is viewed as a strategic one-time expense to enhance the City's financial operations.

A motion to utilize the services of Abdo accounting based on their proposal options of approximately \$50,000 for services rendered as noted by City Administrator's presentation was made by Council Member Eckland. Council Member Anderson seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.

- E. Update LMCIT Claim Discussion – Water Plant Generator Control Board - City Administrator Holl reported that the control board for the generator servicing the water plant and adjacent lift station has failed. The generator, installed in 2018, experienced a critical malfunction, rendering the backup power system inoperable.

The City contacted its insurance provider, LMCIT, to determine if the damage was covered under the current policy. LMCIT has confirmed coverage and will reimburse \$7,200 for the replacement cost. Holl noted that the new control board has been ordered.

Until the repair is completed, the water plant and lift station are without emergency power in the event of an outage. However, the situation is being addressed, and restoration of generator functionality is expected soon.

10. MATTERS FROM THE FLOOR

None

11. REPORTS

City Administrator Holl reported that Hennepin County Youth Sports representatives visited the City earlier today to inspect the newly completed pier, which was funded in part by a Hennepin County Youth Sports \$20,000 grant. As part of the grant agreement, the City is required to install signage at the pier acknowledging them as the funding source. The County provided the sign, which was shown to the Council. The visitors from Hennepin County were pleased to see the completed project and expressed appreciation for amenities that benefit local youth and families.

Holl reminded Council about the upcoming League of Minnesota Cities annual meeting, referred to as City Fest. While not everyone typically attends, the Administrator plans to go and noted that the event offers valuable training opportunities for City officials.

Holl reported that work is underway to coordinate special event permits and scheduling with both the Softball and Baseball Associations for field use at Manitou Park for the upcoming season. During this process, it was discovered that the City had not billed the associations for 2024 field usage. Holl plans to speak with the Baseball Association to correct this oversight and assumes a similar billing error occurred with the Softball Association. Once scheduling and billing matters are finalized, the special event permits will be presented to the Council as part of a future consent agenda.

Council expressed appreciation to Holl for his outstanding communications.

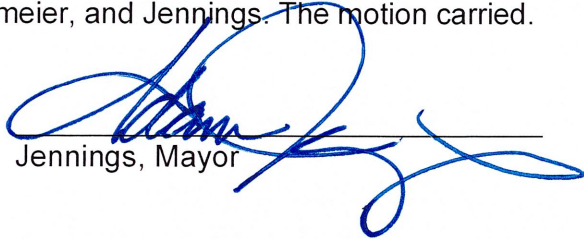
City Engineer Bradford reported that a notice will be sent out to residents indicating that reconstruction of Birch Bluff Road will begin on Wednesday, the 16th. The initial work will involve reclaiming the existing asphalt by grinding and removing it. Starting the following Monday, May 21st, storm sewer pipe installation will begin. The full reconstruction of both halves of the road is expected to be completed by the end of July.

Council Member Eckland had nothing to report, however, stated he would like to complement our City maintenance crew on the Safe Assure mitigation of all the problems that they found from a safety standpoint.

Mayor Jennings reported that there is an SLMPD Coordinating Committee Meeting scheduled for tomorrow, Wednesday the 8th, at 5:30 PM. Jennings also pointed out a developing pothole at West Point near Lift Station 10 and noted he has been meaning to contact Public Works about it. Holl stated he would discuss it with Todd Schallberg, Public Works Supervisor.

12. ADJOURNMENT

There being no further business, Councilmember Anderson made a motion to adjourn the meeting at 7:49 pm. Councilmember Eckland seconded the motion. Ayes: Anderson, Eckland, Ottum, Wischmeier, and Jennings. The motion carried.



Jennings, Mayor

Attest:



Gildemeister, City Clerk