

CITY OF TONKA BAY ITEM NO. 4B

MINUTES TONKA BAY CITY COUNCIL REGULAR MEETING August 25, 2009

1. CALL TO ORDER

The regular semi-monthly meeting of the Tonka Bay City Council was called to order at 7:08 p.m.

2. ROLL CALL

Members present: Mayor LaBelle, Councilmembers Marceau, Tessness, Folley, and De La Vega. Also present were City Administrator Loftus, City Attorney Penberthy, and Public Works Superintendent Kluver.

3. APPROVAL OF AGENDA

Marceau moved to approve the agenda as submitted. De La Vega seconded the motion. Ayes 5. Motion carried.

4. CONSENT AGENDA

Folley moved to approve the consent agenda as presented approving the worksession and regular meeting minutes of August 11, 2009 and Accounts Payable. Tessness seconded the motion. Ayes 5. Motion carried.

5. MATTERS FROM THE FLOOR

A. Kristy Anderson, Southshore Community Center was present to introduce herself as the Center's new director. She stated the Center will be painted and carpeted in the near future and discussed her plans to rent out the Center. She also stated there are many classes planned for the fall. A re-grand opening will be held on October 9.

6. PUBLIC HEARING

None

7. OLD BUSINESS

A. Accident Insurance Policy – LaBelle stated he understood there is a formula used to determine what the Councilmembers' benefits would be based on salary. Marceau moved to adopt Resolution 09-14 approving the addition of City Councilmembers to the current workers' compensation policy. De La Vega seconded the motion. Ayes – Marceau, De La Vega, Folley, Tessness and LaBelle. Motion carried.

B. Local Government Aid (LGA) Cut – Loftus stated the City of Tonka Bay will not be receiving Local Government Aid in the amount of \$13,499 in 2009 as originally anticipated. This figure represents 1.1% of our total revenue. She reviewed a couple of options to consider now but stated they could consider options later in the year if they wished. She stated cuts could be made in any of the following line items: street repairs, lifeguard services, gas and oil, training, temporary Public Works staff, legal general, or legal prosecutions. She stated another option is to utilize reserve funds and noted we are currently at a 44.6% reserve. Absorbing this loss would reduce the reserve to 44.1% which is still acceptable. Penberthy stated this discussion shows on the record that the Council is responding to the LGA cut. De La Vega stated it would document the approach we take to the cut – do we cut the budget or do we use “rainy day” funds. Loftus stated the Council has typically approached circumstances like this in the past by using reserve funds. LaBelle stated in previous years when line items were over-budget, the reserve fund has been in the 30th percentile. Councilmembers discussed the purpose of the reserve fund. LaBelle stated he was not in favor of going back and amending the budget and supported the use of the reserve funds. De La Vega stated he would like to target the numbers we want and keep a close eye on the budget. Loftus stated knowing that it is a tough year, staff is willing to make some adjustments to some of the more discretionary items. Penberthy stated given the economy, we don’t know what our tax revenue will be. He noted a final decision could be made at the December meeting when the dollars are more accurate. **Marceau moved to utilize the reserve funds to absorb the revenue loss of \$13,499 which would reduce the reserve to 44.1%. De La Vega seconded the motion. Motion carried.**

8. NEW BUSINESS

None

9. MATTERS FROM THE FLOOR

None

10. REPORTS

A. Loftus – no report

B. Marceau – Finance, Marinas – no report

C. Tessness – Buildings, Building Inspection, Fire Lanes and Municipal Docks – no report

D. Folley - Animal Control, LMCC, Technology, and Southshore Senior/Community Center – no report

E. De La Vega - EFD, Parks, Sanitation, and LMCD – no report

F. Attorney's Report – Penberthy submitted a memo to all the Councilmembers regarding a property on Lakeview Avenue for future review.

G. LaBelle - Public Works and SLMPD – LaBelle stated the SLMPD budget has been approved by all member cities.

11. ADJOURNMENT

There being no further business, it was moved by Marceau to adjourn the meeting at 7:26 p.m. De La Vega seconded the motion. Ayes 5. Motion carried.

Attest:

Clerk