

MINUTES  
TONKA BAY CITY COUNCIL  
WORK SESSION  
SEPTEMBER 9, 2025

1. CALL TO ORDER

The work session was called to order at 5:32 p.m.

2. ROLL CALL

Members present: Mayor Jennings and Council Members Eckland and Ottum.

Staff Present: City Administrator Holl, City Planner Johnson, and City Attorney Nason

*Council Member Anderson arrived at 5:33 p.m.*

3. DISCUSSION TOPICS

**Council Vacancy Discussion** – Mayor Jennings reviewed the nomination process for filling the vacant council seat and invited Council Members to share their perspectives. Council discussed the qualifications of each candidate, and each member provided their recommendations. Consensus was sought to guide the upcoming formal appointment at the regular meeting.

**Shorewood/Tonka Bay Small Parcel Swap Discussion** – City Planner Johnson reported on a meeting with Shorewood’s City Administrator and Community Development Director regarding the Xcel Energy site, which is now for sale and has generated significant interest. A portion of the property lies within Tonka Bay, meaning any redevelopment would require jurisdictional approval from both cities. Johnson noted that a similar process was previously required for the Lake Park Villas development, which proved difficult to coordinate. Johnson informed Council that there are several nearby parcels that also contain small slivers of land split between Tonka Bay and Shorewood, creating the potential for repeated complications with future development or redevelopment. Council questioned the tax implications and City Administrator Holl stated the difference between these parcels and then this parcel tax is about \$38 a year between them. A potential land swap between the cities may be considered to simplify jurisdictional oversight. Additional discussion took place on the potential need for a comprehensive plan amendment.

City Attorney Nason explained that the process would be straightforward, requiring both cities to adopt identical resolutions as part of a “friendly annexation.” Following adoption, notices would be issued, Council would take action, and the matter would be submitted for boundary adjustment through the Office of Administrative Hearings. Nason emphasized the importance of obtaining accurate legal descriptions of the parcels to avoid future complications.

**Future Draft Street CIP** – Mayor Jennings introduced the Capital Improvement Plan (CIP) for roads, water, and sewer as part of the annual budgeting process, noting it provides a solid framework through 2031, though not all city roads are yet included. The Mayor emphasized the value of the interactive map, which allows residents to view the timeline for improvements to their streets and helps manage public expectations. Specific projects highlighted included Wildhurst Road (2027), added due to frequent watermain breaks, and West Point Road, scheduled for 2028, which presents significant challenges because of its location along Lake Minnetonka. Jennings stressed the importance of addressing West Point Road sooner rather than later, citing infrastructure vulnerabilities and deteriorating trees along West Point Road that threaten the stability of the road system. Council reviewed the various roads and project timelines for clarification. Mayor Jennings emphasized the importance of keeping project sizes manageable to lessen the tax impact on residents. Council agreed the draft was a strong starting point but noted that further refinement is needed.

**Zoning Ordinance Review** – City Planner Johnson opened discussion on the C2 zoning district, aiming to clarify permitted and conditional uses. Suggestions included consolidating categories under broader terms like “retail,” defining uses such as personal services and specialty shops, and maintaining prior approvals for cannabis uses and small breweries/taprooms. Conditional uses would continue to include adult uses and commercial bus storage, though the bus provision was noted as outdated and vague, particularly regarding noise and drainage standards. Council reviewed noise and bus operations, noting the bus garage complies with MPCA standards and that existing ordinance language on noise may be redundant. They discussed streamlining other provisions, such as vehicular access requirements. Conditional uses for open/outdoor storage were questioned; since only two sites are affected and one will be redeveloped, the Council generally agreed to remove this provision. Discussion also addressed open/outdoor service, sale, and rental, limiting outdoor operations to 30% of gross floor area and focusing on non-motorized recreational equipment, with drive-throughs treated as conditional uses. Limited warehouse, light manufacturing, and assembly uses were considered more appropriate for the Marina District, aligning the C2 area toward a commercial focus rather than industrial. Finally, the council reviewed zoning standards, including parking, setbacks, building height (35 feet, with PD exceptions), and outdoor trash enclosures, agreeing masonry construction is preferred to ensure durability and maintain the City’s aesthetic. Johnson noted that, due to time constraints, the discussion on impervious surface will be postponed to next month’s work session. Council convened the Work Session Meeting until after the regular Council Meeting.

*Work Session reconvened at 7:52 a.m.*

**Budget Update** – City Administrator Holl opened the budget discussion by providing context for new council members on how the levy and taxes work. He explained that while residents may question tax increases, the city’s portion makes up only about 19% of the overall tax bill, with 71% coming from schools and the county, and the remaining 10% from other county charges such as solid waste. Therefore, a 15% levy increase

only affects 19% of a property owner's bill, not the full amount. He also noted that Tonka Bay has consistently maintained one of the lowest tax rates in Hennepin County, ranking third lowest even in years when taxes were raised to fund infrastructure. Council discussed Tonka Bay's tax rate history, noting the City's \$12 million tax capacity but use of only \$2 million, which limits eligibility for state aid. Mayor Jennings emphasized that Council's role is to support property values through investments in infrastructure. The proposed 2026 levy increase of about 15.75% would raise the City tax rate slightly but still keep Tonka Bay among the lowest in Hennepin County. For homeowners, this equates to \$25/month on a \$1.1M home or \$10/month on a \$500K home, about a 3% increase on the total tax bill. Holl highlighted rising costs, especially a 12% increase for police and fire services, legal services, and code enforcement, now contracted through WSB to ease staff workload and improve responsiveness. The draft budget reflects more accurate expense estimates, including election-year costs, a 3.5% cost-of-living adjustment for staff, potential market adjustments for underpaid employees, and a 5% estimate for insurance increases. Savings were achieved in IT and insurance renewals. Holl highlighted increases. Planning and zoning expenses were held flat despite higher requests. Police costs are budgeted at \$519,000, while fire expenses are offset by \$62,000 in public safety funds to reduce levy impacts. Building inspection and planning costs were consolidated for clarity. Public Works remain mostly flat, with street repairs shifted fully to the capital budget. Council expressed their appreciation, thanking Holl for the exceptional work on the 2026 budget figures.


**Miscellaneous Discussion** – Council Member Anderson raised the topic of a wage increase for Council Members, noting he has served for 14 years without an adjustment and that the current council is investing significantly more time than in the past. Holl explained that such changes are typically made when a new council is seated. Anderson suggested moving forward with a model for future discussions.

Council set September 15<sup>th</sup>, 2025 at 6:00 p.m. as the next Special City Council Meeting.

ADJOURNMENT

The meeting adjourned at 8:30 p.m.

Attest:

  
Gildemeister, City Clerk

  
Jennings, Mayor