

CITY OF TONKA BAY ITEM NO. 4A

MINUTES TONKA BAY CITY COUNCIL WORKSESSION November 10, 2009

1. CALL TO ORDER

The 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, Tessness, Folley, and De La Vega. Also present were City Administrator Loftus, City Attorney Penberthy, and Public Works Superintendent Kluver.

3. Enterprise Funds and 2010 Fee Schedule – Loftus reviewed the enterprise funds beginning with the water operating fund. Two large equipment replacements are proposed – the roof on the water plant in the amount of \$60,000 and the meter replacement program at a cost of \$42,000 over the next three years. Staff is recommending a rate increase to reflect the 1.3% operating cost increase proposed. Kluver noted Met Council has identified a 16% water loss in Tonka Bay. He discussed what the city is doing to lower this percentage and explained why a meter replacement would help. Kluver explained the life of the water plant roof is twenty years, and it has been fourteen years since the roof was replaced. Penberthy asked if there would be a charge for the new meter to the resident. Kluver stated one is not proposed. Penberthy noted Excelsior charged a portion of the cost to their residents. Kluver noted the cost of a meter would be approximately \$200, and it takes approximately 15-20 minutes to change out a meter. De La Vega asked if the meter replacement is identified in the CIP. Kluver stated it is identified as a 3-year program. De La Vega asked if there would be a cost savings to buy them all at once. Kluver indicated there would be a cost savings. Loftus noted there are conservation rates that will be mandated in 2010. In the sewer fund, Loftus reviewed a control panel is needed in Lift Station 6 in 2010 at a cost of \$20,000, and other operating expenses are standard in the sewer fund. Loftus reviewed the water-sewer reserve fund where depreciation is transferred to fund large or one-time capital maintenance projects. Kluver noted the control panel for Lift Station 6 is a scheduled replacement. Loftus reviewed the storm water drainage fund noting that the street sweeping has been moved into this account for the first time. Revenue will cover the expenses in this fund. Loftus reviewed the dock fund showing increased expenses in 2010. There are a couple other projects that have been discussed which include the basketball court at the park and milfoil removal. She stated information is provided

showing dock rates at other cities and marinas. Correspondence from residents about the docks is also enclosed. Administrative Assistant Link has provided information on other payment options in the future. LaBelle invited those present to give their input on the dock fees. **Brent Brickman, 40 West Point Drive** stated he did a rate study on fees over the last several years noting an average of 13% increases. He stated it is difficult for renters to know where the rate is going from year to year. He asked the Council to consider a reasonable rental increase with a target rate in mind. **Mike Dixon, 55 Waseca Avenue** echoed Brickman's comments and asked if the fees would go for services for dock spaces. LaBelle noted the rates have been underpriced for a long time, and it is still an incredible value. **Chad Kullberg, 5088 Manitou Road** stated what is more important is what the cost of maintaining the docks is and if this is just a revenue fund. Loftus stated one of the largest expenses is dredging which costs around \$100,000. Other expenses included the annual weed treatments, and costs to stay on top of maintenance, lighting, and portable toilets. It was noted there are people who still fish there which is a security concern. He suggested a locking system be placed. **Terry Fink, 65 Wildhurst Road** stated we were informed it was public property and could not be locked. LaBelle stated that was not the concern. He was in favor of looking into a locking system via survey of the renters. **Virgil Fasching, 45 Lilah Lane** discussed his concerns about maintenance at the docks and the amount of money brought in. He would like a printout of income and expenses and what the rest is spent on. He noted Excelsior charges a senior rate of \$1300 for a dock. A member of the audience asked for an update on the expansion study. LaBelle stated it is ongoing and quite an extensive project. Marceau stated there are two options, and the start-up to actually proceed is in the six figures. De La Vega stated there are many issues that need to be resolved, and the project discussion is still on the table. He noted it would double the number of spaces available. LaBelle noted we would be discussing this fund again in two weeks and will finalize it in December. **Mike Dixon, 55 Waseca Avenue** discussed his concerns about the dock maintenance and safety concerns. LaBelle stated a fee should be determined by the next meeting. Loftus reviewed the garbage and recycling fund showing a 2% increase in the recycling fund. A member of the audience suggested an opt-out opportunity for water bills as he does not need a paper copy of his bill. The park fund is proposed to replace garbage and recycling cans or possibly monument signs at park and city entrances. Loftus stated the Southshore fund is a new fund for 2010. Loftus reviewed the proposed fee schedule for 2010. She discussed a new fee of \$1 proposed for the notary service. After discussion, the Council agreed it should be a fee for non-residents only. Loftus noted another new fee is proposed for peddlers. She stated a 1.3% increase is proposed for water rates. She also indicated conservation rates are proposed which are based on usage. Kluver reviewed the various rate structures which are proposed. LaBelle suggested another worksession be held prior to the November 24 meeting. Loftus stated the meeting should be set as Item 9B on the meeting agenda.

4. **ADJOURNMENT**

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

Attest:

Clerk