

# CITY OF TONKA BAY ITEM NO. 4A

## MINUTES TONKA BAY CITY COUNCIL REGULAR MEETING December 13, 2011

### 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 LaBelle, Councilmembers Marceau, De La Vega, Anderson and Holscher. Also present were City Administrator Kohlmann, 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

De La Vega moved to approve the consent agenda as presented approving the regular meeting minutes of November 23, 2011 and Accounts Payable. Holscher seconded the motion. Ayes 5. Motion carried.

### 5. MATTERS FROM THE FLOOR

None

### 6. SPECIAL BUSINESS

A. LMCD Update – Doug Babcock, LMCD Representative stated the focus for the last couple months has been on AIS. Goals were identified at a recent worksession. Harvesting was determined to still be an effective tool for eradication of invasive species. He noted one of the harvesters sank into the lake during the previous season. Chemical treatment was discussed during the worksession, but no plans will change for 2012. Babcock stated the Watershed will be developing a more comprehensive watershed-wide AIS plan. The LMCD will support the Watershed's efforts. He stated the short term issue is from lakes that are connected to Lake Minnetonka. He discussed the other ways zebra mussels can spread besides movement on boat traffic. He stated the LMCD has requested the Watershed make them a partner in the plan development. He discussed the need to maintain accessibility to Lake Minnetonka. Holscher asked what caused the harvester to sink. Babcock noted it was a combination of age and maintenance. De La Vega noted a zebra mussel expert recently

visited the lake. The expert has developed a chemical treatment for zebra mussel eradication. Babcock stated there are some chemical treatments available concentrate on areas with high water movement rather than open water. More information will be available in 2012. In response to a question from De La Vega, Babcock discussed the gates at Christmas Lake.

**7. PUBLIC HEARINGS**

None

**8. OLD BUSINESS**

**A. Water Rate Structure** – Kohlmann stated as discussed at the November 22 meeting, staff hasn't changed any recommendations on the water rates. It has been determined that 18% would make the fund break even. He discussed the current base rate. Following the guideline provided by Rural Water, a \$200 base rate would be recommended. He discussed the possibility of evaluating the rates in 2013 and having a complete overhaul at that time. For this year, we are recommending a nine percent increase and a transfer of \$200,000 from the sewer operating fund to the water reserve fund. LaBelle stated he likes what is being accomplished. He noted these are steps that need to be taken in order to make it viable. De La Vega asked for clarification on the future. Kohlmann stated we can do what we want according to the information provided, and he suggested a couple worksessions be held to discuss this initiative. Kluver stated more reliable information will be available once all the water meters are replaced. Kohlmann stated the rates are shown on the second reading of the fee schedule should the Council be comfortable with staff's recommendation on water rate increases. De La Vega agreed this is moving in the right direction. We need to make sure our water sales are funded properly. Staff was directed to make the transfer from the sewer operating fund to the water reserve fund in the amount of \$200,000.

**B. Second Reading – Amend Chapter 402, Fee Schedule** - Kohlmann noted changes as recommended were made to the fee schedule following discussion at the last meeting. **Marceau moved to approve the ordinance amendment. De La Vega seconded the motion. Ayes 5. Motion carried. Marceau moved to adopt:**

**RESOLUTION NO. 11-25  
A RESOLUTION AUTHORIZING SUMMARY PUBLICATION OF AN ORDINANCE  
OF THE CITY OF TONKA BAY, MINNESOTA  
(SECTION 402, FEE SCHEDULE)**

**De La Vega seconded the motion. Ayes – Marceau, Holscher, Anderson, LaBelle and De La Vega. Motion carried.**

**9. NEW BUSINESS**

**A. Budget and Tax Levy – Public Comment and Approval** – Kohlmann reviewed the proposed 2012 budget. He noted there are increases proposed for police, fire, fuel costs, and it is an election year. He noted there is a fifteen percent reduction in health insurance. He reviewed how tax rates are determined. He stated 87% of the city's revenue comes from property taxes. Kohlmann reviewed proposed expenditures and noted public safety is 56%, and public works is at 17%. He stated the amount budgeted is close to what the previous year's budget was. LaBelle opened the meeting for public comments. Miscellaneous comments were received from **Jon Davis, 50 Willow Woods Drive**. In response to his questions, Kohlmann discussed the budgeting process, budgeting projections for 2012, investment income, contractual services, and Public Works expenses. Kluver added additional information on justification for the water meter replacement program. **Holscher moved to adopt:**

**RESOLUTION NO. 11-26  
A RESOLUTION APPROVING 2012  
BUDGET AND TAX LEVY**

**De La Vega seconded the motion. Ayes – Marceau, Holscher, Anderson, LaBelle and De La Vega. Motion carried.**

**B. 2012 Liquor Licenses** – Kohlmann stated background checks have been done on the renewal applications and recommends approval of the license requests. **Marceau moved to approve the 2012 license renewal requests as submitted. Holscher seconded the motion. Ayes 5. Motion carried.**

**C. Sign Permit Request – Sanctuary SalonSpa, Tonka Village Shopping Center** – Kohlmann stated this is a temporary sign request similar to a previous request, and staff is recommending approval. **Holscher moved to approve the request as submitted. Marceau seconded the motion. Ayes 5. Motion carried.**

**D. Wellhead Protection Plan** – Kluver reviewed the Wellhead Projection Plan mandated by the State of Minnesota. He reviewed the purpose of the plan. The City has three years to develop a program, and the first step has been completed. He requested approval of part one of the plan. If approved, we will proceed with part two. He discussed the possibility of hiring a consultant to prepare the second part. Kohlmann stated they do know of other cities that prepare the second part in-house, and the intent is to begin in-house. Penberthy asked if there is any funding ability. Kluver stated there are resources available to help with the plan, but he was unaware of any funding. Holscher asked if the LMC gives any direction on this plan. Kluver stated the League would help,

but Rural Water would be the biggest source of information. **Marceau moved to approve part one of the Wellhead Project Plan. De La Vega seconded the motion. Ayes 5. Motion carried.**

**E. Code Compliance – Hazel Street Fire Lane** – Kohlmann reviewed two violations of City Code on the Hazel Street fire lane. He stated staff would like to pursue these violations and come back in January with a recommendation with how to proceed. Correspondence has been sent to the residents, and the next step in our code compliance policy is to contact the City Council for their input. De La Vega agreed that private use of the fire lanes should not be allowed. Kohlmann noted no formal motion is required. Penberthy stated there is some language issue in the ordinance that needs to be determined.

**F. Non-union COLA** – Kohlmann stated non-union staff members had performance reviews recently. He recommended a 1% COLA for all employees and asked the Council for direction. He noted 1% has been budgeted. De La Vega stated that 1% is consistent with the current economic environment, and Holscher concurred. **De La Vega moved to approve the 1% COLA for non-union employees for 2012. Holscher seconded the motion. Ayes 5. Motion carried.**

**G. City Administrator Review** – Kohlmann stated he had performance reviews with the City Council, and he asked the Council for discussion on performance and to make any necessary adjustments. LaBelle stated Kohlmann was brought in at the low end of the pay scale when he was hired. After the first six months, he received an increase, and this salary has remained the same to this day. LaBelle stated Kohlmann has received excellent reviews. He recommended a 3% raise and 1% COLA increase retroactive for 2011 and the same for 2012. **Marceau moved to approve a 3% raise and 1% COLA increase retroactive for 2011 and a similar increase for 2012 for City Administrator Joe Kohlmann. De La Vega seconded the motion. Ayes 5. Motion carried.**

**H. Cancel December 27, 2011 City Council Meeting** – Kohlmann stated the City traditionally cancels the second meeting in December as no business is slated. **Marceau moved to cancel the December 27, 2011 City Council meeting. De La Vega seconded the motion. Ayes 5. Motion carried.**

**10. MATTERS FROM THE FLOOR**

None

11. **REPORTS**

- A. **Administrator** – Kohlmann stated a 2012 meeting schedule has been provided, and an adjustment will be needed for the first meeting in August.
- B. **Holscher – Buildings, Building Inspections, Fire Lanes** - no report
- C. **Anderson - Animal Control, LMCC, Technology, Southshore Center** – no report
- D. **De La Vega – EFD, Parks, Sanitation, LMCD** – De La Vega stated the grant submission for the sport court will be reviewed by the Hennepin County Commissioners this evening, and it looks like we will get approved.
- E. **Marceau – Finance, Marinas, Municipal Docks** – Marceau stated options are being discussed about investments in 2012, and more information will be provided in January.
- F. **Attorney's Report** – no report
- G. **LaBelle - Public Works and SLMPD** – LaBelle stated he and Kohlmann attended the SLMPD Coordinating Committee meeting recently. He thanked the City Council and staff for an excellent year.

12. **ADJOURNMENT**

**There being no further business, it was moved by Marceau to adjourn the meeting at 7:55 p.m. De La Vega seconded the motion. Ayes 5. Motion carried.**

Attest:

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Clerk