

**MINUTES
TONKA BAY CITY COUNCIL
ENTERPRISE BUDGET WORK SESSION
November 14, 2017**

1. CALL TO ORDER

The enterprise budget work session was called to order at 6:00 p.m.

2. ROLL CALL

Members present: Mayor De La Vega, Councilmembers Anderson, Ansari, and LaBelle. Also present were City Administrator Crawford, Public Works Superintendent Bowman, and Financial Coordinator/ Utility Billing Clerk Spoerner.

Members absent: Councilmember Jennings.

3. 2018 PROPOSED ENTERPRISE FUND BUDGETS AND WATER/ SEWER RESERVE CAPITAL IMPROVEMENT PLAN

Staff and the City Council reviewed each proposed enterprise budget one-by-one.

There was no proposed change to the Parks Fund. Crawford stated she could amend the budget depending on the Council's decision regarding park field rental fees at the upcoming Council meeting.

De La Vega inquired about how depreciation is calculated for the Water Operating Fund and will follow up with the auditor to clarify. De La Vega explained the proposed \$55,000 transfer to the Water Reserve CIP.

De La Vega explained that the sewage disposal rate is a number given to the City by the Metropolitan Council in which it cannot be adjusted. Crawford stated that staff proposed to transfer \$125,000 of a \$200,000 CD from the Sewer Operating Fund to the Sewer Reserve CIP to help cover 2018 project costs. The remaining \$75,000 of the CD could be reinvested.

Regarding the Garbage Fund, De La Vega inquired about the large increase of contract rates. Spoerner discussed accruals for auditing purposes and that there is a mix of residents who leave for the winter which dictates the actual numbers.

There were no proposed changes to the Recycling/ Yard Waste Fund and Stormwater Fund.

De La Vega explained that a portion of Dock Funds have been used to complete parks projects and that without those transfers, this Fund balance would be substantially larger. The City Council discussed the need to dredge, review the docks interest group survey results, and potentially investigate expanding the docks again.

De La Vega discussed the Sprint settlement and stated that the Antenna Fund will soon no longer exist. He stated that the City Council should operate as if this fund already no longer exists for budgeting purposes. Crawford shared legislation regarding small cell wireless technology. La Belle asked Crawford to bring information regarding the legislation and a sample ordinance to a City Council meeting in early 2018.

De La Vega explained the PEG Fund and what these funds can and cannot be used for. The City Council discussed renegotiating the franchise fee contract in 2018, and stated there is approximately five years' worth of monies before the Fund is exhausted.

Crawford reviewed the Water/ Sewer Reserve CIP with the City Council. De La Vega shared concerns with funding projects in the upcoming years. The Council discussed painting the water tower. De La Vega suggested earmarking the project if possible rather than paying for it all at once. Crawford discussed sewer lift station projects and their need. The City Council discussed Fund balances.

Staff proposed no changes to any utility rates for 2018.

4. ADJOURNMENT

There being no further business, it was moved by Anderson to adjourn the meeting at 6:50 p.m. LaBelle seconded the motion. Ayes 4. Motion carried.

Attest:

Clerk