

CITY OF TONKA BAY ITEM NO. 4A

MINUTES TONKA BAY CITY COUNCIL REGULAR MEETING November 22, 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

LaBelle asked what Banyon Data Systems is for. Kohlmann noted it is our utilities program. LaBelle asked if a fall clean-up tonnage report has been provided. Kohlmann stated he would check into it. Marceau moved to approve the consent agenda as presented approving the regular meeting minutes of November 8, 2011; Resolution 11-22, Variance Request – Bloss, 210 Birch Bluff Road; and Accounts Payable. De La Vega seconded the motion. Ayes 5. Motion carried.

5. MATTERS FROM THE FLOOR

None

6. SPECIAL BUSINESS

None

7. PUBLIC HEARINGS

A. Public Hearing Regarding the Certification of Delinquent Utilities –

Kohlmann stated this is an annual event where the City certifies past due utility accounts. A public hearing is required by State statute. The amount to be certified is in the blue folder provided. Holscher asked if the past due amount is added to the taxes. LaBelle indicated that is correct. Holscher asked how it compares to the past year. Kohlmann noted it is less. LaBelle opened the hearing for public comments. There were none, and the hearing was closed. **Holscher moved to adopt:**

RESOLUTION 11-24

A RESOLUTION FOR THE COLLECTION OF DELINQUENT 2011 WATER AND SEWER UTILITY SERVICE CHARGES, GARBAGE AND RECYCLING CHARGES, AND STORM DRAINAGE CHARGES

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

B. First Reading – Amend Section 402 – Fee Schedule – Kohlmann stated the major changes have been outlined on the hearing provided. He noted Metro West has recommended some changes in building permit and general permit fees. He discussed a proposed increase in water rates for 2012. Marceau questioned the dog license fee and what it would be after the deadline for a new dog. Staff will look into the amount. LaBelle was also concerned about doubling the fee after March 15. Penberthy stated he believed it had something to do with the current dogs and licenses not being issued. Staff will provide additional information at the second reading. Marceau stated he believed we are at the level we wanted to be for the docks. Anderson asked when was the last time there was ever a canoe on the canoe rack and if the price is too high. Kluver noted it has been at least five years since there was one on it. Council discussed lowering the fee in order to get more usage in 2012. It was determined it would be changed to half the cost. De La Vega suggested the fees be looked at in relation to salaries.

8. OLD BUSINESS

None

9. NEW BUSINESS

A. Water Rate Structure Discussion – Kohlmann stated that at previous worksessions, staff had recommended a 3% increase in water rates. He stated it would take an 18% increase to break even in the water fund. He suggested there be a 9% increase every year for three years which would reflect a 3% inflation increase and a 6% increase in order to get to the break-even figure. He stated a benefit of raising rates would be to incrementally get better projections once all the meters have been replaced. He noted all our projections are based on the lower-tiered rates when that is not the case due to higher end users. He stated a decision also needs to be made on transferring money from the sewer operating to the water and sewer fund reserves in order to have a higher reserve for capital projects. De La Vega stated this is a very conservative estimate, and there needs to be a number closer to reality. LaBelle asked if he had a recommendation. He suggested the number of gallons sold divided by the number of households would provide a more realistic figure to use. Kohlmann stated most

residential users fall into the first and second tiers. Commercial properties are over and above that amount. De La Vega asked if commercial and residential could be segregated. Kohlmann stated it is probably a possibility. Kohlmann stated if you used the number of gallons sold, there would be an average of 76,000 gallons per household. De La Vega stated that includes commercial. Kluver stated subtracting out commercial would make it 73,000 gallons per household. He also noted it would need to be divided by four quarters which would put it in the lowest rate. Kohlmann stated some numbers can be brought back using that concept. De La Vega asked what the base rate for water is based on. Kluver explained there are a number of different things to look at, and usually it is based on fixed costs. The more you increase the base rate, the more it impacts low income residents. It is usually kept at a lower amount. De La Vega stated as long as we are at a deficit, we are either raising the base rate or the user rate. It could be based more on what will need to be replaced such as depreciation. Kluver stated that can certainly be looked into further and information brought back showing what it should include. Penberthy asked if the sewer and water reserve is tied to depreciation. It was noted that it is. LaBelle asked if monthly billing would be an option. Kohlmann stated he is aware of cities that have moved to monthly billing after radio reads are city-wide. He noted delinquencies might also go down as a result. LaBelle suggested talking about it a year from now. Staff was directed to come back with more detailed information.

B. Dock Fund Discussion – Kohlmann stated there are a number of questions to discuss regarding the installation of gates at the City docks. He noted they are built as needed by the supplier. He asked if the amount should be budgeted for purchase during the next boating season. Kluver stated there wasn't much of a positive response. He noted there is a place to put a padlock which would be needed. It would be more of a security resolution. They would attach directly to the docks. De La Vega stated it would seem keys would need to be collected every year, codes changed, etc. He suggested card keys be used similar to hotels. Councilmembers discussed security measures. Holscher discussed another poll be sent out to dock renters. Marceau stated it could also be done when renewals are sent out.

C. RFP Request – Engineering and Planning Services – Kohlmann stated staff has prepared an RFP for Engineering and Planning Services. He reviewed the timeline for submittals, interviews, and final appointment. He asked the Council for feedback. LaBelle stated he supported the requested. De La Vega asked if this is for a one-year period. It was noted it is. Holscher stated it is a good idea, and we may get a better price. Kohlmann stated he would come back with RFPs received.

10. MATTERS FROM THE FLOOR

None

11. **REPORTS**

A. **Administrator** – Kohlmann noted dredging has been completed.

B. **Holscher – Buildings, Building Inspections, Fire Lanes** - no report

C. **Anderson - Animal Control, LMCC, Technology, and Southshore Center** – Anderson noted the LMCC is looking for a consultant to work on the franchise negotiations. He noted the current franchise agreement is fifteen years old, and the LMCC wants to make sure they negotiate well.

D. **De La Vega – EFD, Parks, Sanitation, LMCD** – De La Vega stated an EFD meeting was held the week before, and the 2012 budget has been adopted by all five cities.

E. **Marceau – Finance, Marinas, Municipal Docks** – Marceau stated one investment has been called and two more will mature soon. Interest rates continue to go down.

F. **Attorney's Report** – no report

G. **LaBelle - Public Works and SLMPD** – LaBelle stated and SLMPD Coordinating Committee will be held on November 29.

12. **ADJOURNMENT**

There being no further business, it was moved by Marceau to adjourn the meeting at 7:44 p.m. De La Vega seconded the motion. Ayes 5. Motion carried.

Attest:

Clerk