

MINUTES  
TONKA BAY CITY COUNCIL  
SPECIAL WORK SESSION  
DECEMBER 3, 2025

1. CALL TO ORDER

The work session was called to order at 5:31 p.m.

2. ROLL CALL

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

Staff present: City Administrator Holl and City Attorney Nason

*Council Member Anderson arrived at 6:30 p.m.*

3. DISCUSSION TOPICS

**Zoning Ordinance Performance Standards Review** – City Attorney Nason explained that the purpose of the performance standards section of the zoning code is to consolidate development regulations that apply citywide into a single, clear location. While performance standards already exist in the ordinance, City Planner Johnson is leading a revision to reorganize and update them, and the City Attorney is presenting the proposed language to Council for feedback. The discussion noted that additional standards, such as those related to dust, smoke, construction hours, public access, and rights-of-way, will be incorporated in later phases and were not part of this review. Nason stated the goal of the revisions is to promote high-quality development, protect quality of life, and minimize negative impacts to neighboring properties. Council was advised that the review would proceed section by section, beginning with standards related to lighting restrictions, with future sections addressing topics such as land reclamation, lot provisions, fences and retaining walls, and accessory structures.


**Budget Update** – City Administrator Holl provided a final budget update focused on non-general fund, non-levy items ahead of the Truth in Taxation hearing. Holl emphasized that the discussion centered on enterprise and special funds, such as water, sewer, parks and docks, stormwater, and capital improvement, which are supported by fees and other revenues rather than property taxes. Key points included the need to begin longer-term financial planning and rate studies for enterprise funds (water and sewer), which have historically rolled over year to year without forward projections. Several inactive or unnecessary funds will be closed or consolidated, including the Woodpecker Ridge fund, the water treatment plant fund, the sewer/water reserve fund, and completed bond funds tied to the 2023 and 2024 infrastructure projects. Parks and Docks funds are proposed to be combined for clarity and efficiency. The Capital Improvement Fund was reviewed, noting that levy dollars already approved flow into this fund to support projects such as City Hall roof maintenance, equipment replacement, including a skid loader and lawn mower, and street maintenance like the Tonka Bay Road mill and overlay.

Utility funds were discussed in detail. The Water Operating Fund reflects fewer main breaks, reducing repair costs, but includes planned investments such as furnace replacements at the water plant, generator maintenance, hydrant work, pit cleanouts, and a state-mandated safe drinking water fee increase. The Sewer Operating Fund remains healthy and includes funding for lift station repairs, Met Council rate increases, and future replacement of the 30 Pearl Street lift station. Staffing cost allocation across funds will be simplified beginning in 2026 to reduce administrative burden and improve accuracy. Other funds reviewed included stormwater (culvert replacements and permit renewal), garbage and recycling (no major changes), liquor (closed and transferred to capital), docks (stable revenues, pending consolidation with parks), antenna (no current revenue after lease expiration and equipment removal), and PEG/franchise fees (modest revenue from cable providers).

Holl concluded that the general fund budget and preliminary levy have already been set, and Council's next action will be to adopt the final budget and levy on the December 9, 2025 City Council Meeting.

ADJOURNMENT

The meeting adjourned at 7:05 p.m.

Attest:   
Gildemeister, City Clerk

  
Jennings, Mayor