

**CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION
MONDAY, JULY 28, 2025**

**5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
5:30 P.M.**

AGENDA

1. CONVENE CITY COUNCIL WORK SESSION

A. Roll Call

Mayor Labadie _____
Maddy _____
Sanschagrin _____
Gorham _____
DiGruttolo _____

B. Review Agenda

**2. BUDGET WORK SESSION #3 – PERSONNEL, FEES AND
FRANCHISE FEES**

3. NEW CONSTRUCTION WATER CONNECTION PROGRAM

4. WATER CONNECTION & ASSESSMENT PROGRAM

5. MUNICIPAL WATER POLICY UPDATE

6. ADJOURN

ATTACHMENTS

Finance Director Memo

Planning Director Memo

City Engineer Memo

Planning Director Memo



City Council Work Session Item

Title/Subject: Budget Work Session #3-Personnel, Fee Schedule, Franchise Fees
Meeting Date: July 28, 2025
Prepared by: Jeanne Schmuck, Finance Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: 2026 Draft Master Fee Schedule
2026 City Budget – Communications Report

Item 2

Background

As in years past, there will be a number of budget work sessions over the next several months, during which we will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), and update the Fee Schedule, etc.

The first two work sessions consisted of goal setting, discussing the schedule and process, and seeking direction from the Council on initiatives and expectations for the 2026 budget, and then review of the long-term financial management plan.

General Overview

The early stages of the budget process focus primarily on those activities funded mainly through property taxes, and the information used to establish the tax rate. Shorewood's tax rate is the 9th lowest of cities in Minnesota with a population between 5,000 and 10,000. Property taxes directly support the General Fund, and the Shorewood Community and Event Center Fund. Property taxes also support the Capital and Debt Service Funds. We will also be reviewing the 2026 Draft Master Fee Schedule, and Franchise Fees, as these revenues have an indirect impact on the property tax levy.

Preliminary numbers from the County include a taxable market value of \$3,019,484,300. The net tax capacity is projected at \$34,554,231. This is an increase of \$1,642,433, or a 4.99% increase. The median value home in Shorewood is estimated at \$740,650.

Personnel

The City continues to operate on the pay grid calibration and policy adopted with the 2023 market analysis conducted by DDA Human Resources, Inc. and the current AFSCME Public Works Labor Agreement 2025-2027, which reflects a 3.0% cost of living adjustment over 2025. The State created a mandatory paid family and medical leave insurance program beginning January 1, 2026. This program is to be funded by employer premiums and employee contributions. DEED released that the premium rate for 2026 will be 0.88%, for a total cost of \$22,380, which the City is

proposing to cover. The total personnel increase for 2026 is \$315,275, of which \$261,430 is an impact to the levy, while the remaining \$53,845 is in the Enterprise Funds. This is an overall levy increase of 3.44% for 2026.

The City's goal has been to cover a single employee's major benefits. An initial premium increase of 18-20% has been projected by Gallagher. A benefits committee was established this year to look at current benefit offerings and benefit contribution practices. Twelve employees from various departments and with different benefit situations volunteered. The committee, following several meetings and a vote, has proposed contribution levels of \$1,930 for employee coverage, \$2,030 for employee plus one coverage, and \$2,130 for family coverage of 3 or more. This contribution is to cover the current mandatory benefits of age band health, dental, basic life, and short-term and long-term disability insurance. These benefits are 15.63% of the City's overall personnel expenses. Included in the proposed budget is this recommended change in the City contribution toward employee insurance premiums and benefits.

All departments were also asked to continue to evaluate positions and propose any organizational structure changes and/or reclassifications of positions. No recommendations were made. In addition, they were asked to review indirect allocations of services provided to various functions throughout the City. Administration staff had a significant shift in allocations; Planning & Zoning had some shifting with Protective Inspections as these allocations have been constant for many years.

Personnel expenses are \$3,663,985 of the overall City budget. The General Fund supports \$2,808,400, \$68,480 supports Southshore Community & Events Center, and the remaining \$787,105 is covered by user fees within the enterprise funds.

Fee Schedule

Pursuant to MN State Law municipalities shall set forth fees to be reimbursed for administrative costs and expenses associated with issuing permits, licenses and providing other city services and amenities. Each year our fees are reviewed by departments as part of the budget process. Cities should consider three things when setting fees: 1) Cities should not view the fees as a significant source of revenue, rather fees must approximate the direct and indirect costs associated with issuing the license, permit or service and with policing, regulating or administering the service or licensed activities; 2) The fee amount should sufficiently reimburse the city for all of the expenses related to the license regulations or providing the service but should not cover other unrelated expenses; 3) Fees should be set based on the city's particular situation and not based solely on what other cities have found reasonable. When possible, staff try to stay in line with inflation.

The following summary of proposed fees will be incorporated into the City's 2026 Master Fee Schedule for adoption at the September 8th City Council meeting based on the approved 2026 budget calendar. The following are the proposed fees and justification as recommended by Staff

who have reviewed their respective departmental fees to approximate the direct and indirect costs associated with the services provided. Please see attached red line version of the 2025 Fee Schedule.

Section I: License and Permit Service Fees

The only proposed change in Section 1 is an increase to cover the cost of processing and issuing dock licenses to adequately pay for the services being provided by the Planning and Protective Services departments.

Section III: Utility Rates

The proposed utility rate changes are based upon several previous discussions with the Council. Based on the rate analysis provided by Northland Securities, included within the long-term financial plan, the Sanitary Sewer rates are proposed to increase 30% based on the information provided with the long-term financial plan. The Plan also recommended an estimated 6% increase in 2027, with approximately 3-4% increase annually thereafter, based on current assumptions.

Water connection permits are proposed to increase to adequately pay for the services being provided by the City. Water meter test fee is increasing to cover the City costs for the test.

Water Service fees are also changing based on several annual retreats and work session discussions. The changes include a base fee for all properties that have City water available, and an additional consumption level of 5,001-25,000 gallons to support the City's conservation efforts.

Water Infrastructure Fee is added but will not begin until 2027 to provide ample time to educate property owners of the significance of the fee. This fee is for all property owners where City water is not currently available. Although this is not effective until 2027 it is included for additional transparency as we move forward with educational and informational materials over the next year.

Stormwater Management Utilities base rate is increasing to \$69.58 per quarter, which is a \$26.09 increase per quarter based on the rate analysis within the long-term financial plan. The various tiers have been removed and reference to the City Code has been added similar other areas within the fee schedule, as what was previously presented only reference one of 5 classifications the calculation should apply.

The Residential recycling fee is proposed to increase \$1 per quarter. This is subject to change upon review of the responses to the City's Request for Proposal.

A resident was in to discuss a utility bill and inquired about seasonal rates for utilities. Seasonal rates were removed from the fee schedule July 2007. This was a consent item with no indication

as to why it was removed. Another customer inquired about stormwater management credits. They were not created when stormwater management was established. Both of these items increase complexity and expenses to administer and assure compliance.

Section IV: Miscellaneous Fees and Charges

Rental license fee increase is to adequately pay for the services provided by the Planning and Protective Inspections departments. A fee was also added for utilization of Public Works Staff at a rate of \$75 per hour.

Section V: Park and Recreation

Park and recreation use fees are proposed to change as organized sports participant fees are now included in developed agreements with athletic associations. Some other recreational fees reflect slight increases in various areas.

Section VI: Building and Right of Way Fees

There are two new fees being added to the fee schedule, the first being a \$175 minimum permit fee for building permit applications. Building permit fees are typically based on the market value of the project, however, in some situations the market value is so low on a proposed project that the permit fees are negligible even though the same amount of staff time is required to process the permits. By implementing a minimum permit fee, the City will break even on every building permit application. It is anticipated that this fee will only apply to a handful of building permit applications every year, as most building permit applications cost more than \$175.

The second application fee that is new for 2026 is the engineering fee for new single-family homes and addition building permits. The fee is proposed to be \$300 for new single-family homes and \$100 for single family additions. This fee helps to offset the cost to review the more complex permit applications that involve items such as stormwater management and grading plan review. City staff reviewed the fee schedules of a number of cities in the area and set the proposed fees for engineering review at a similar level. Without these fees, the cost to conduct engineering review for building permit applications would be shifted to the City's overall budget and would ultimately be paid by taxpayers, rather than the applicant for the building permit. City staff feel these fees are necessary to continue to offer a high-level of service to residents while still being fiscally responsible.

Other minor rate increases are included to adequately pay for the services provided by the Planning and Protective Inspections departments.

Section VII: Zoning and Land Use Fees

An escrow is being added to Subdivision sketch plan review to align with other fees within this section to cover consulting engineer and attorney expenses passed on to the applicant. Zoning permits and verification letters are increased again to adequately pay for the services provided

by the Planning and Protective Services departments. Also, the administrative adjustment application was created as part of the subdivision ordinance update adopted by the City Council on July 14, 2025. The application fees are proposed to be the same as the Minor Subdivision application, as the Administrative Adjustment will involve a similar amount of review by City staff.

Shorewood Community and Event Center Fees

These fees are increased to incorporate the custodial fees within the various fee structures for simplification. "Federally registered" has been added to non-profit for further clarification.

Franchise Fees

Gas and electric utility companies use public rights-of-way, such as roads or sidewalks, to deliver their services. Since the City is responsible for the management of its rights-of-way franchise agreements are often necessary. A franchise agreement is a contract between the City and the utility provider that allows the utility provider the right to use the public right-of-way to install, maintain and repair their equipment located on public grounds or in the right-of-way.

Pursuant to Minn. Stat. Section 216B.36, the City established gas franchise fees on November 13, 2017, and electric franchise fees October 1, 2018. Ordinances 549 and 560 indicate that the fees will be used to partially fund the City's cost to maintain the city street system. These fees were revenue within the Street Improvement Fund from inception through 2021. At the November 30, 2021 Council retreat, the updated Capital Improvement Plan schedule included a Staff recommendation that the franchise fees became part of the Stormwater Management Fund, and this change was incorporated in the 2022 budget and going forward. The allocation of these funds were presented in the long-term plan and are reflected in the Street Improvement Fund budget in accordance with Ordinance 549.

Both the gas and electric fees have remained the same since inception in 2017 and 2018. Staff recommends reviewing these fees as the average inflation rate from 2017 to 2025 is roughly 3.1%. Any changes to franchise fees will need to be made via contract and ordinance changes, as well as being brought to the Minnesota Public Utilities Commission.

Financial or Budget Considerations:

Personnel expenses and fee revenues affect many City fund budgets. Direction on these will provide guidance in generating the more detailed fund budgets for future work sessions in the coming months.

The 2026 levy continues to be evaluated as we progress through the budget process. Department requests were completed June 20th which started the budget review with a proposed levy of 12.54% increase. Following individual department meetings with the City Administrator these budgets were analyzed, and adjusted, which then brought the budgeted levy down to 10.51%. Upon an update from the South Lake Minnetonka Police Department (SLMPD) proposal, the

proposed levy has been further reduced and is preliminarily at a 9.73% increase. Increases in Police & Fire due to contractual obligations are significant for 2026. Information from both Chief's are individually presented to Council. SLMPD is proposing a 12.2% increase of \$195,543. There was a one-time use of Public Safety Aid Funds in 2025 that reduces the budget impact to \$146,835, (an 8.5% increase), or a 1.93% direct levy impact. Excelsior Fire District is requesting an allocation to Shorewood for contracted services of \$924,201 and an additional \$155,550 for equipment (SCBAs), which is an increase of \$224,225, 29.9% increase, and a 2.95% direct levy impact.

Discussion Requested:

Council should discuss if there are further items to adjust prior to the upcoming fund-specific work sessions in August and September 8th Preliminary Budget adoption. If not, these will be incorporated into those fund budgets for further discussion. The final 2026 fee schedule will be presented for adoption at the September 8th council meeting and will be effective January 1, 2026.

Public Engagement:

The City has been actively reviewing ways to improve and strengthen communications with stakeholders. The public is invited to attend all City Council meetings where the budget is discussed and contact council members or city staff. 2026 budget updates will be provided in several ShoreReports and available to view on the City's website at shorewoodmn.gov/citybudget. We will continue to connect through various activities and messages and evaluate their effectiveness.

On-going Outreach

Shorewood has always encouraged input from the public and is trying various ways to reach out and inform its constituents. Please see the attached Budget Communication summary from the City's Communication Coordinator.

Public Feedback

Tonight, and all future budget work sessions, we will take a few minutes for the public to provide feedback on each budget section as we go through the series of work sessions. We have had 2 previous budget work sessions with no public attendance.

Open Office Hours

Open office hours will be available weekly throughout the 2026 budget process to provide opportunities for one-on-one communications with the Finance Director or City Administrator. Appointments can be made Tuesdays between 12-3 PM or Wednesdays between 7-11 AM, alternative times can be made available if needed. The Council previously inquired of frequently asked questions, there have been no questions to date. We have had 49 hours available with none utilized to date.

2026 City Budget – Communications Report

Date	Platform	Engagement	Content
	City Budget Web Page	<ul style="list-style-type: none"> Jan 1-June 16: 255 views, 170 users June 17-July 22: 32 views, 25 users 	Shorewoodmn.gov/citybudget
May-June	ShoreReport (print)	<ul style="list-style-type: none"> Mailed to 2,576 HHs 	<p>2026 Budget Process</p> <p>At its March 24 Work Session, City Council discussed the draft 2026 budget calendar. As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc. Although there are numerous decisions to be made through the development of the 2026 budget, the two key scheduled actions are the approval of the preliminary budget and levy in September, and the adoption of the final 2026 budget and property tax levy in December. Along with these, council and staff will also be finalizing the 2026-2035 CIP, 2026 Fee Schedule, and other budget related actions. Direction for each budget comes from City Council discussions with staff which are informed by past results and input from residents in various ways, such as online engagement and direct communication with the City. While the City Council takes final action on the budget each December, developing the budget is a year-round process. The public is invited to attend all City Council meetings where the budget is discussed, contact council members or city staff, and participate in project planning, such as the 2025 Parks Master Plan update or the Highway 7 Corridor Study. 2026 budget updates will be provided in ShoreReports and available to view on the City’s website.</p> <p>Budget information can be found at shorewoodmn.gov/citybudget.</p>
5/2/225	Email, May to June ShoreReport (ShoreReport Email List)	<ul style="list-style-type: none"> Sent: 963 Opens: 718 Clicks: 145 (download ShoreReport) 	<p>Subject: May & June 2025 ShoreReport</p> <p>Preheader: Download the latest newsletter</p> <p>The May/June 2025 ShoreReport (PDF) is available to view and download online.</p> <p>This issue includes: 2025 Community Survey</p>

			<p>Projects Happening In & Around Shorewood 2026 Budget Process Permits You Can Complete Online Spring Cleanup & Paper Shred Details And more...</p>
5/20/25	Email (City Budget List)	<ul style="list-style-type: none"> • Sent: 33 • Opens: 27 • Clicks: 2 	<p>Subject: 2026 City Budget Process Has Begun</p> <p>Pre header: Stay Informed! Discover Key Updates on the 2026 City Budget Process.</p> <p>2026 City Budget Process & Calendar</p> <p>At its March 24 Work Session (PDF, see page 14), City Council discussed the draft 2026 budget calendar, which is available to view on the City's budget web page.</p> <p>As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc. Although there are numerous decisions to be made through the development of the 2026 budget, the two key scheduled actions are the approval of the preliminary budget and levy in September, and the adoption of the final 2026 budget and property tax levy in December. Along with these, council and staff will also be finalizing the 2026-2035 CIP, 2026 Fee Schedule, and other budget related actions. Direction for each budget comes from City Council discussions with staff which are informed by past results and input from residents in various ways, such as online engagement and direct communication with the City. While the City Council takes final action on the budget each December, developing the budget is a year-round process. The public is invited to attend all City Council meetings where the budget is discussed, contact council members or city staff, and participate in project planning, such as the 2025 Parks Master Plan update or the Highway 7 Corridor Study. 2026 budget updates will be provided in ShoreReports and available to view on the City's website at shorewoodmn.gov/citybudget.</p>
5/20/25	News Flash	<ul style="list-style-type: none"> • Stats not available on individual news 	<p>2026 Budget Process</p> <p>At its March 24 Work Session (PDF, see page 14), City Council discussed the draft 2026 budget calendar (see below). As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the</p>

		<p>flash posts</p>	<p>proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc.</p> <p>Although there are numerous decisions to be made through the development of the 2026 budget, the two key scheduled actions are the approval of the preliminary budget and levy in September, and the adoption of the final 2026 budget and property tax levy in December. Along with these, council and staff will also be finalizing the 2026-2035 CIP, 2026 Fee Schedule, and other budget related actions.</p> <p>Direction for each budget comes from City Council discussions with staff which are informed by past results and input from residents in various ways, such as online engagement and direct communication with the City. While the City Council takes final action on the budget each December, developing the budget is a year-round process.</p> <p>The public is invited to attend all City Council meetings where the budget is discussed, contact council members or city staff, and participate in project planning, such as the 2025 Parks Master Plan update or the Highway 7 Corridor Study.</p> <p>2026 budget updates will be provided in <u>ShoreReports</u> and available to view on the City's website at <u>shorewoodmn.gov/citybudget</u>.</p> <p><u>Sign up to receive email updates</u></p> <p>(pic)Table of calendar dates posted in news flash</p>
5/21/25	FB Post	<ul style="list-style-type: none"> • Views: 340 • Reach: 233 • Link Clicks: 4 	<p>The 2026 budget calendar is now available to view on the City's budget web page. As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc.</p> <p>Although there are numerous decisions to be made through the development of the 2026 budget, the two key scheduled actions are the approval of the preliminary budget and levy in September, and the adoption of the final 2026 budget and property tax levy in December. Along with these, council and staff will also be finalizing the 2026-2035 CIP, 2026 Fee Schedule, and other budget related actions.</p>

5/21/25	Nextdoor Post	<ul style="list-style-type: none"> • Impressions: 144 	<p>For the complete calendar and to sign up for and view updates on the 2026 budget process, visit they city's budget page at https://mn-shorewood.civicplus.com/449/City-Budget</p> <p>**The 2026 budget calendar is now available to view on the City of Shorewood's budget web page.** As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc. Although there are numerous decisions to be made through the development of the 2026 budget, the two key scheduled actions are the approval of the preliminary budget and levy in September, and the adoption of the final 2026 budget and property tax levy in December. Along with these, council and staff will also be finalizing the 2026-2035 CIP, 2026 Fee Schedule, and other budget related actions. For the complete calendar and to sign up for and view updates on the 2026 budget process, visit they city's budget page at https://mn-shorewood.civicplus.com/449/City-Budget</p>
5/27/25	IG Post	<ul style="list-style-type: none"> • Views: 99 • Reach: 59 	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;">  <p>2026 City Budget At its March 24 Work Session, City Council discussed the draft 2026 budget calendar.</p> <p>As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc.</p> </div> <div style="width: 48%;">  <p>Updates & Feedback The public is invited to attend all City Council meetings where the budget is discussed, contact councilmembers or city staff, and participate in project planning.</p> <p>Stay up-to-date on the 2026 budget process by visiting the City's budget web page, which highlights the budget calendar, features budget documentation, and provides a link where you can sign up for email updates.</p> <p style="text-align: right;">shorewoodmn.gov/CityBudget</p> </div> </div>
5/28/25	Email – June General Enews	<ul style="list-style-type: none"> • Sent: 910 • Opens: 658 • Clicks (budget link): 3 	<p>2026 Budget Process & Calendar As in years past, several budget work sessions will be held over several months, during which council and staff will review the various City funds, discuss the proposed property tax levy and tax rate, review tax impacts on properties, update the 10-year Capital Improvement Plan (CIP), update the Fee Schedule, etc.</p> <p>The 2026 budget calendar is now available to view on the City's budget web page.</p> <p>Sign up for budget email updates</p>

6/5/25	<p>Email (City Budget List)</p>	<ul style="list-style-type: none"> • Sent: 35 • Opens: 28 • Clicks: 1 	<p>Subject: 2026 City Budget Work Session #1, Pre-header: Join Us for the First Budget Work Session on Goal Setting</p> <p>City Budget Work Session #1: Goal Setting Monday, June 9, 2025:30-6:45 p.m. Shorewood City Hall, 5755 Country Club Road</p> <p>The June 9, 2025 Work Session is scheduled to include the first 2026 budget work session. While there will continue to be opportunities as the City moves through the budget planning process, one of the main objectives of this goal setting session is for City Council to provide their direction on the priorities, initiatives, and expectations for the 2026 budget. Topics scheduled to be reviewed and discussed include: Taxable Market Value/Net Tax Capacity/Total Tax Levy/Tax Rate/For complete agenda topic items and supporting documents, visit the June 9, 2025 Work Session Agenda web page.</p> <p>Public Engagement & Feedback The public is invited to attend all City Council meetings where the budget is discussed, and contact council members or City staff. On June 9, and all future budget work sessions, we will take a few minutes for the public to provide feedback. As in past years, 2026 budget updates will be provided in ShoreReports and available to view on the City's website at shorewoodmn.gov/citybudget. Staff and Council will continue to connect through various activities and messages and evaluate their effectiveness.</p> <p>Open Office Hours In addition to public comments during work sessions, City staff will host weekly open office hours throughout the 2026 budget process to provide opportunities for one-on-one communications with the Finance Director or City Administrator. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.</p>
6/9/25	<p>Email (City Budget List)</p>	<ul style="list-style-type: none"> • Sent: 35 • Opens: 29 • Clicks: 1 	<p style="text-align: center;">City Budget Work Session #1: Goal Setting</p>

Monday, June 9, 2025

5:30-6:45 p.m.

Shorewood City Hall, 5755 Country Club Road

The June 9, 2025 Work Session is scheduled to include the first 2026 budget work session. While there will continue to be opportunities as the City moves through the budget planning process, one of the main objectives of this goal setting session is for City Council to provide their direction on the priorities, initiatives, and expectations for the 2026 budget.

Topics scheduled to be reviewed and discussed include:

- Taxable Market Value
- Net Tax Capacity
- Total Tax Levy
- Tax Rate

For complete agenda topic items and supporting documents, visit the [June 9, 2025 Work Session Agenda web page](#).

Public Engagement & Feedback

The public is invited to attend all City Council meetings where the budget is discussed, and contact council members or City staff. On June 9, and all future budget work sessions, we will take a few minutes for the public to provide feedback.

As in past years, 2026 budget updates will be provided in ShoreReports and available to view on the City’s website at shorewoodmn.gov/citybudget. Staff and Council will continue to connect through various activities and messages and evaluate their effectiveness.

Open Office Hours

In addition to public comments during work sessions, City staff will host weekly open office hours throughout the 2026 budget process to provide opportunities for one-on-one communications with the Finance Director or City Administrator. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.

6/16/25	IG post	<ul style="list-style-type: none"> Reach: 60 	 <p>Shorewood community members are invited to attend one-on-one appointments with the Finance Director or City Administrator at Shorewood City Hall to discuss the 2026 city budget. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.</p> <p>In addition to open office hours, public comments will be accepted during city council work sessions when the budget is being discussed. Work sessions are held each month on the second and fourth Mondays at 5:30 p.m. at City Hall, unless noted otherwise.</p> <p>The 2026 budget planning calendar and updates can be found on the City's budget web page at shorewoodmn.gov/CityBudget or the link in our bio.</p>
6/16/25	News Flash	<ul style="list-style-type: none"> Stats not avail on individual news flash posts 	<p>Shorewood community members are invited to attend one-on-one appointments with the Finance Director or City Administrator at Shorewood City Hall to discuss the 2026 city budget. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.</p> <p>In addition to open office hours, public comments will be accepted during city council work sessions when the budget is being discussed. Work sessions are held each month on the second and fourth Mondays at 5:30 p.m. at City Hall, unless noted otherwise.</p> <p>The 2026 budget planning calendar and updates can be found on the City's budget web page at shorewoodmn.gov/CityBudget. Sign up for city budget email updates Sign up to receive reminder texts for upcoming meetings using Notify Me®</p>

6/17/25	FB post	<ul style="list-style-type: none"> • Reach: 55 	<p>Shorewood community members are invited to attend one-on-one appointments with the Finance Director or City Administrator at Shorewood City Hall to discuss the 2026 city budget. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.</p> <p>In addition to open office hours, public comments will be accepted during city council work sessions when the budget is being discussed. Work sessions are held each month on the second and fourth Mondays at 5:30 p.m. at City Hall, unless noted otherwise.</p> <p>The 2026 budget planning calendar and updates can be found on the City's budget web page at https://shorewoodmn.gov/449/City-Budget</p>
6/20/25	Email (City Budget List)	<ul style="list-style-type: none"> • Sent: 35 • Opens: 27 • Clicks: 2 	<p>City Budget Work Session #2: Long-Term Financial Plan & Rate Study</p> <p>Monday, June 23, 2025</p> <p>5:30-6:45 p.m.</p> <p>Shorewood City Hall, 5755 Country Club Road</p> <p>Northland Securities, Inc. has been engaged to build a Long-Term Financial Management Plan for the City of Shorewood. This Plan is intended to help inform decisions on tax and enterprise fees, among other financial decisions.</p> <p>The Plan provides information to inform decisions both in the near term, and long-term, as near-term decisions often have long-term implications. The Plan contains proposed strategies and key objectives to monitor with respect to on-going and future financial performance. This Plan utilizes the audited financial information from 2023 and</p>

2024, as well as the 2025 budget and 2025-2034 Capital Improvement Plan.

The Plan will be presented and discussed at the next City Council Work Session, scheduled for Monday, June 23 at 5:30 p.m. The Plan is available to view on the June 23, 2025 Work Session Agenda [web page](#).

Public Engagement & Feedback

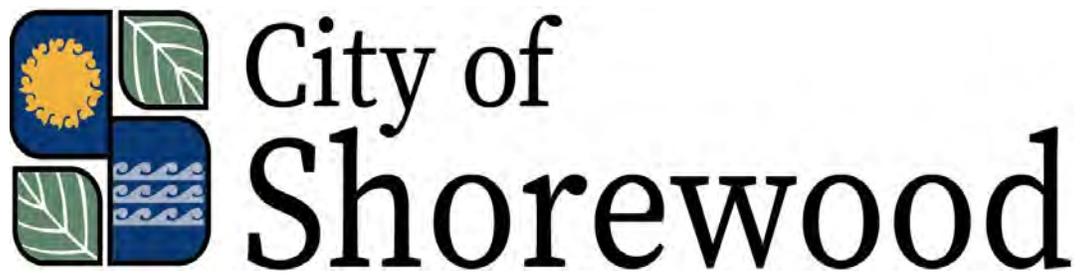
The public is invited to attend all City Council meetings where the budget is discussed, and contact council members or City staff. We will take a few minutes for the public to provide feedback at each budget work session.

As in past years, 2026 budget updates will be provided in ShoreReports and available to view on the City's website at shorewoodmn.gov/citybudget. Staff and Council will continue to connect through various activities and messages and evaluate their effectiveness.

Open Office Hours

In addition to public comments during work sessions, City staff will host weekly open office hours throughout the 2026 budget process to provide opportunities for one-on-one communications with the Finance Director or City Administrator. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schrumck at 952-960-7903 to schedule a time.

7/2/25	July General eNews	<ul style="list-style-type: none"> • Sent: 910 • Opens: 667 • Clicks (budget): 1 	<p>2026 Budget Open Office Hours</p> <p>Shorewood community members are invited to attend one-on-one appointments with the Finance Director or City Administrator at Shorewood City Hall to discuss the 2026 city budget. Appointments can be made Tuesdays between 12-3 p.m. or Wednesdays between 7-11 a.m., alternative times can be made available if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time.</p> <p>Sign up for budget email updates</p>
7/3/25	ShoreReport	<ul style="list-style-type: none"> • Mailed to 2,492 HH • Emailed to ShoreReport List, <ul style="list-style-type: none"> • Sent: 962 • Opens: 707 • Clicks: 133 	<p>Discuss & Share Your Feedback on the 2026 City Budget</p> <p>Shorewood community members are invited to attend one-on-one appointments with the Finance Director or City Administrator at Shorewood City Hall to discuss the 2026 city budget. Appointments can be made Tuesdays between 12:00-3:00 p.m. or Wednesdays between 7:00-11:00 a.m., alternative times can be made available, if needed. Please call Jeanne Schmuck at 952-960-7903 to schedule a time. In addition to open office hours, public comments will be accepted during City Council Work Sessions when the budget is being discussed. Work sessions are held each month on the second and fourth Mondays at 5:30 p.m. at City Hall, unless noted otherwise. The 2026 budget planning calendar, updates, and email notification sign-up list can be found on the City's budget web page at shorewoodmn.gov/CityBudget.</p>



2026 MASTER FEE SCHEDULE

TABLE OF CONTENTS

INTRODUCTION	1
SECTION I: License and Permit Service Fees	2-4
SECTION II: Liquor License Fees and Charges	5
SECTION III: Utility Rates; Sewer, Water, Stormwater, Recycling	6-7
SECTION IV: Miscellaneous Fees and Charges	8-9
SECTION V: Park and Recreation Fees	10
SECTION VI: Building and Right of Way Fees	11-12
SECTION VII: Zoning and Land Use Fees (Ordinance)	13-14
SECTION VIII: Shorewood Community and Event Center	15-16

Introduction

In May of 2017, the Shorewood City Council approved an amendment to Chapter 1300: Municipal Fees of the Shorewood City Code, removing the actual fees from the Code, with the exception of Land Use Fees, and replacing it with referencing the Master Fee Schedule which will establish fees by Council resolution. Land Use Fees are required pursuant to MN State statutes to be amended and established by ordinance in communities that collect in excess of \$5,000 in said fees on an annual basis.

Previous and future resolutions and ordinances amending or establishing new fees will be collated into the Master Fee Schedule as necessary and prudent. These updates are set forth by Council resolution (and ordinance in the case of Land Use Fees) and incorporated into the Master Fee Schedule upon adoption of the proposed established fees. This provides a cost-effective and expedient process for reviewing fees for relevance and providing annual updates to the schedule of city fees and a user-friendly document for public use.

A copy of the Master Fee Schedule is available on the city website at www.ci.shorewood.mn.us or at city offices located at 5755 Country Club Road in Shorewood, MN 55331. To obtain an electronic copy please email cityhall@shorewoodmn.gov.

LICENSE, PERMIT, SERVICE CHARGES AND MISCELLANEOUS FEES		
Type of Charge/Fee	City Code Reference	Charge/Fee
I. License and Permit Service Fees		
Administrative Enforcement	104.03	Class A Offenses: \$300 Violations of Public Health Regulations (Chapters 501-503, except those violations which are also Zoning Code Violations) Class B Offenses: \$300 Violations of Rental Housing Regulations (Chapter 1004) Subsequent Class B Violations \$1,000 Class C Offenses: \$300 Violations of Building Regulations (Chapters 1001-1003 and 1005) Violations of Wetland Regulations (Chapter 1102) Violations of Tree Preservation Regulations (Chapter 1103) Violations of Zoning Regulations (Chapter 1201) <u>Subsequent Class A & C Violations:</u> 2nd citation within 24 months: 25% increase over scheduled civil penalty 3rd citation within 24 months: 50% increase over scheduled civil penalty 4th citation within 24 months: 100% increase over scheduled civil penalty
Administrative Enforcement Appeal	104.03 Subd. 5	\$200
Administrative Non-Payment Fee	104.03 Subd. 5	\$100

LICENSE, PERMIT, SERVICE CHARGES AND MISCELLANEOUS FEES (continued)		
Type of Charge/Fee	City Code Reference	Charge/Fee
I. License and Permit Service Fees (continued)		
Adult use license Investigative fee Adult use facility license	309	\$500 \$1,675 + \$50/video booth or stall
Animal impound fees Daily boarding fee Additional services when required	701.08.4	\$25 first offense of year, \$50 thereafter \$25 \$95 inoculation \$35 bath
Commercial lawn fertilizer application license (annual)	310.03.2d	\$50
Dock - Boat docks and boat storage facility license	304.05	\$35
Dock - Multiple dock facility license	1201.24, Subd.10	1-10 Slips \$100 11-50 Slips \$250 51-100 Slips \$400 101 or More Slips \$550
Dog licenses, per animal	701.03.2	\$10/\$5 license late fee
Farm and other animals	704.09	\$50
Fire alarm permits	601.06.1	\$200 2nd false alarm and thereafter
Fire (recreational fire permit)	501.03	No charge-obtained at Excelsior Fire District
Fireworks dealer license/permit		\$100 per site/per year
Gambling permit - exempt	301.09.3	\$25
Gambling premises permit - new investigation fee	301.08.4	\$100
Horse permit	702.04	\$25
Kennel license	701.04.2	\$25/initial license \$10/renewal license
Police alarm permits	601.06.1	\$100 3rd false alarm and thereafter
Solicitor permit (annual)	308.08	\$75

LICENSE, PERMIT, SERVICE CHARGES AND MISCELLANEOUS FEES (continued)		
Type of Charge/Fee	City Code Reference	Charge/Fee
I. License and Permit Service Fees (continued)		
System contractor license		\$1,000 bond
Therapeutic Massage Massage Business License Massage Therapist License Massage Business License Investigation Fee Massage Therapist License Investigation Fee	Ord. 600	\$300 \$150 \$300 \$150
Tobacco Tobacco Retailer License Tobacco administrative fines: Tobacco licensees in violation Individuals in tobacco violation	302	\$250/premise \$75 first offense \$200 second offense within 24-month period \$250 thereafter within 24-month period \$50/offense
Tree Trimmer License	305	\$50

II. Liquor License Fees and Liquor Violation Fines		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
Intoxicating liquor license - on-sale	401.06.1	\$7,500
Wine license - on-sale	401.06.1	\$1,000
Intoxicating liquor - off-sale	401.06.1	\$310
Liquor special club license	401.06.1	\$250
Special Sunday license	401.06.1	\$200
3.2% malt/liquor license - on-sale	401.06.2	\$300
3.2% malt liquor license - off-sale	401.06.2	\$50
3.2% malt liquor or intoxicating liquor Temporary license	401.06.2	\$25
Extended Sales (2:00 a.m.) liquor license (in addition to State required fee) for On-Sale Intoxicating and Malt Liquor Establishments	401.05	\$100
Liquor license investigation fee new license	401.06.1	\$500
Liquor license investigation fee - Renewal with change in managers/owners/like	401.06.1	\$250
Liquor licensee in violation	401.21	\$500/first offense \$1,000 second offense in 24 months \$1,500 third offense in 24 months \$2,000 fourth offense in 24 months

III. Utility Rates		
Sanitary Sewer		
Type of Charge/Fee	City Code Reference	Charge/Fee
Sewer connection permit	904.07.1	\$150
<u>Sanitary Sewer Service</u>	904.15.1a	
Residential:	Ord. 611	
Sewer per quarter		\$184.93
Low Income Sewer per quarter		\$123.29
Commercial:	Ord.611	
Base Charge		\$20.90
1-28,500 gallons per quarter		\$184.93
Over 28,500 gallons per quarter		\$4.80/1,000 gallons
Sanitary sewer surcharge	904.09.5	\$100/month
Local sewer availability charge	904.18.3	\$1,200
Water		
Type of Charge/Fee	City Code Reference	Charge/Fee
Water connection permit	903.03.1a	
Inside		\$150
Outside		\$100
Watering restriction violation	903.12	\$50 first violation \$25 increase each succeeding violation (e.g. 2nd violation \$75, 3rd violation \$100, and the like)
Water meter	903.04.1	
5/8" x 3/4" meter w/swivels		Cost plus 10%
5/8" x 3/4" copperhorn		Cost plus 10%
1" meter includes swivel		Cost plus 10%
1" copperhorn		Cost plus 10%
1" pressure-reducing valve		Cost plus 10%
1 1/2" meter (with flanges)		Cost plus 10%
2" meter (with flanges)		Cost plus 10%
1 1/2" pressure-reducing valve		Cost plus 10%
2" pressure-reducing valve		Cost plus 10%
Meter Test	903.08.4	\$150

III. Utility Rates (continued)		
Water (continued)		
Type of Charge/Fee	City Code Reference	Charge/Fee
Water service Base Fee (where water available) Consumption Tier 1 (first 5,000 gallons) Tier 2 (5,001 to 25,000 gallons) Tier 3 (25,001 to 50,000 gallons) Tier 4 (over 50,000 gallons)	903.09.1a Ord. 611	\$32.51/qtr. \$1.75/1,000 gallons \$5.75/1,000 gallons \$8.65/1,000 gallons \$10.35/1,000 gallons
Water service - low income per quarter	903.09.1a Ord.611	2/3s Base + consumption if under 5,000 gallons per quarter
Water Infrastructure fee	Beginning 2027	\$10/qtr. (not contributing Base Fee)
Water turn-on and shut-off fee	903.04	\$50
Water connection fee Single-family residential, Multi-family residential, Commercial, Schools, churches, government and other non-residential	903.04	\$10,000 See chart/formula in 903.04 Subd 3a
Stormwater Management		
Type of Charge/Fee	City Code Reference	Charge/Fee
Stormwater Management Utility Basic System Rate	905.03 Ord.611	\$69.58 See chart/formulas in 905.03 Subd 2
MS4 Illicit Discharge Appeal	907.11	\$200.00
Recycling		
Type of Charge/Fee	City Code Reference	Charge/Fee
Residential recycling fee	Ord. 611	\$19/quarter/household

IV. Miscellaneous Fees and Charges		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
Special assessment search		\$25
Mailed minutes (non-resident)		\$75 annual \$.25/page/individual
Mailed agendas		\$35 annual \$.25/page/individual
Copies (B&W)		\$.25/page/single side 8.5x11 \$.50/page/single side > 8.5x14 \$3/page/single side > 11x17
Color copies		\$1/page/single side \$2/page/single side > 8.5x14 \$4/page/single side > 11x17
Mailing labels (All city residents)		\$65 all residents on mailing labels
Aerial topography: Mylar copy Electronic		\$16/acre plus \$5/mylar \$50/megabyte of data
City code book CD rom Updates		\$75 \$25 \$25/year
City zoning code		\$.25 per page
Assessment certification fee	903.10.3(e)	\$50
Comprehensive plan (softbound color copy)		\$1.00 per page
City subdivision ordinance (softbound copy)		\$.25 per page
Election candidate filing fee		\$2
Sand/salt barrel charge		\$40 barrel + sand/salt, \$30 refill only
License application fee, per rental dwelling in building with one to five units (includes two inspections per unit)	1004.06.6	\$200
Rental housing licenses (3-year period)		\$100
Appeal filing fee		

IV. Miscellaneous Fees and Charges (continued)		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
License application fee, per rental dwelling in building with six or more rental units (includes up to two inspections per unit)	1004.03 (3) (Res.17-089)	\$450 plus \$10 per rental unit up to \$800 maximum
Additional inspections as necessary	1004.03 (3) (Res.17-089)	\$75/inspection
Rental license application fee for buildings with six (6) or more units constructed within one year from date of application shall be base license fee excluding \$10 per rental unit fee.	1004.03(3) (Res.20-022)	
	1004.03(3) (Res.17-089)	
Tree preservation - providing funds for planting trees on city property	1103	\$400 per tree
Wetland buffer monuments	1102.06 Subd.2	\$44 per marker + tax
Return check fee		\$25
Plans and specifications, paper copy		\$35
Plans and specifications, CD copy		\$25
Public Works Staff		\$75/hour
Franchise Fees: These monthly fees are collected by the respective utilities and remitted to the City on a quarterly basis.	Ordinance 559 and 560 Adopted 6/25/2018	
<u>Natural Gas Franchise Fee:</u>		
Residential		\$4.00
Com-A		\$4.00
SVDF-A		\$4.00
SVDF-B		\$4.00
LG (Dual Fuel or Firm)		\$4.00
Com/Ind-B		\$10.00
Com/Ind-C		\$25.00
<u>Electric Franchise Fee:</u>		
Residential		\$4.00
Small C & I Non-Demand		\$8.00
Small C & I Demand		\$10.00
Large C & I		\$25.00

V. Park and Recreation		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
Park and recreation use fees Lights Skating Rinks, per rink Tournament, city services Tournament, parking overflow Tournament, refundable deposit Special Event Registration and Permit	902.06.3 505.02.4	\$30/hour \$40 \$400 \$500 \$500 \$50/day for events on public property with 75 or more attendees/participants
Community gardens		\$35-resident \$50-non-resident
Athletic Fields Damage deposit, all fields Badger Park Turf Field, Lights Diamond field (baseball) Freeman Park Soccer Fields Manor Park Soccer Field Tennis Courts		\$200 (refundable) \$75/hour or \$550/day \$30/hour \$50 for 4 hours \$260/day \$160/day \$10/court/hour
Picnic Pavilions Manor/Freeman/Silverwood Eddy Station/Badger Park		\$50-resident \$75-non-resident \$80-resident \$105-non-resident

VI. Building and Right of Way Fees		
<p>Note: Base fees are non-refundable. Escrow deposits are to cover consulting engineer and attorney expenses. Applicants are informed that any city expenses not covered by these fees will be billed to them. Unused escrow fees will be returned to applicant upon written request. Applications with more than one required escrow deposit shall be required to submit the combined total of all escrow amounts.</p>		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
Building permit	1001.05	1997 UBC Sec. 107, Table 1A State Rule 1300.0160
Building permit plan review fee	1001.05	32.5% of permit fee (up to \$3,000) 65% of permit fee (over \$3,000) \$175 minimum permit fee
Reinspection fee		\$75
Engineering fee		
New Single-Family Home		\$300
Single Family Addition		\$100
Residential		
Roofing permit	S.B.C.	\$175
Siding permit	S.B.C.	\$175
Window permit	S.B.C.	\$175
Mechanical permit	S.B.C.	State Statute/2.5% of value with a \$100 minimum
Plumbing permit	S.B.C.	\$15/fixture with a \$100 minimum
Water heater, softener, purification system	S.B.C.	\$100 each
Removal or abandonment, underground tanks	U.F.C.	1997 UBC Section 107
Demolition permit	S.B.C.	\$200 per structure
Sign permit application fee	1201.03.11f	See Zoning Permit (Temporary) Per 1997 U.B.C. Table 1-A (Permanent)
After-the-fact permit applications	S.B.C.	Double permit fees
Grading/filling permit	S.B.C.	Per 1997 U.B.C. Table A-33-A and A-33-B
Grading/filling permit plan review fee		65% of permit fee

VI. Building and Right of Way Fees (continued)		
Note: Base fees are non-refundable. Escrow deposits are to cover consulting engineer and attorney expenses. Applicants are informed that any city expenses not covered by these fees will be billed to them. Unused escrow fees will be returned to applicant upon written request. Applications with more than one required escrow deposit shall be required to submit the combined total of all escrow amounts.		
<i>Type of Charge/Fee</i>	<i>City Code Reference</i>	<i>Charge/Fee</i>
ROW administrative charge	901.03 Subd. 3	\$200 (in addition to actual costs)
ROW annual registration fee	901.06 Subd.1	\$400
ROW/easement encroachment	901	\$300 plus \$1,000 escrow
ROW/encroachment permit	901.01.2	\$40
ROW or public ground excavation permit	901.08 Subd. 2	\$200
Directional drilling or boring	901.08 Subd. 2	\$45 per 100 L. Ft. (in addition to permit fee)
Open trenching	901.08 Subd. 2	\$75 per 100 L. Ft. (in addition to permit fee)
Obstruction permit	901.08 Subd. 2	\$20
Small wireless facility (per site)	901.08 Subd. 2	\$150 (in addition to actual costs)
Security/damage deposit (non-utility)	901.08 Subd. 6	Varies
Pole/pole attachment	901.08 Subd. 2	\$20
Underground sprinkler/irrigation system permit	901.01.2d	Included in encroachment permit

VII. Zoning and Land Use Fees

Note: Base fees are non-refundable. Escrow deposits are to cover consulting engineer and attorney expenses. Applicants are informed that any city expenses not covered by these fees will be billed to them. Unused escrow fees will be returned to applicant upon written request. Applications with more than one required escrow deposit shall be required to submit the combined total of all escrow amounts.

Type of Charge/Fee	City Code Reference	Charge/Fee
Comprehensive plan amendment Pre-application Formal Application		\$200 \$800 plus \$3,000 escrow
Conditional use permit Residential Non-residential	1201.04	\$500 plus \$500 escrow \$600 plus \$1,000 escrow
Interim use permit Residential Non-residential	1201.04	\$500 plus \$500 escrow \$600 plus \$1,000 escrow
Planned unit development Concept Stage Development Stage Final Stage By Conditional Use Permit	1201.25 1201.25 1201.25 1201.06	\$500 plus \$2,000 escrow \$700 plus \$2,000 escrow \$500 plus \$1,000 escrow \$500 plus \$1,000 escrow
Sign permits Temporary Permanent	1201.03 Subd.11	See Zoning Permit Per 1997 U.B.C. Table 1-A
Site plan review	1201.03	\$200 plus \$1,000 escrow
Subdivision sketch plan review	1202.03	\$200 plus \$1,000 escrow
Subdivision (minor subdivision)	1202.03 Ord. 576	\$500 plus \$2,000 escrow
Subdivision (preliminary plat) 5 or fewer lots Over 5 lots	1202.03	\$600 plus \$25/lot plus escrow as follows: \$2,000 \$3,000

VII. Zoning and Land Use Fees (continued)

Note: Base fees are non-refundable. Escrow deposits are to cover consulting engineer and attorney expenses. Applicants are informed that any city expenses not covered by these fees will be billed to them. Unused escrow fees will be returned to applicant upon written request. Applications with more than one required escrow deposit shall be required to submit the combined total of all escrow amounts.

Type of Charge/Fee	City Code Reference	Charge/Fee
Subdivision (final plat) 5 or fewer lots Over 5 lots	1202.03	\$500 plus \$25/lot plus escrow as follows: \$2,000 \$4,000
Traffic studies when required as part of another application	Multiple	Escrow for estimated cost of study to be reviewed by the City's consulting engineers plus \$500.
Vacation of Easement or Right-of-Way	901	\$500 plus \$1,000 escrow
Variances Residential Non-residential	1201.05/1202.09	\$500 plus \$500 escrow \$600 plus \$500 escrow
Zoning amendment (text or map)	1201.04	\$600 plus \$1,000 escrow
Zoning permits	1201.07	\$50
Zoning verification letter		\$250
Park dedication (cash in lieu of land)	1202.07	\$7,500 dwelling unit/Residential 8% of raw land value/Commercial
Extension of plat approval or amendment of development agreement	1202.03	\$200 plus \$1,000 escrow for amendments
Administrative Adjustment	1202.33	\$500 plus \$1,000 escrow

SHOREWOOD COMMUNITY AND EVENT CENTER

All room and kitchen rentals are subject to availability. Rates schedule is subject to change.

BANQUET ROOM				
CAPACITY: 160 - ROUND TABLES, 180 - THEATRE STYLE				
DAY OF WEEK	TIME OF DAY	MIN. HOURS	NON-RESIDENT	RESIDENT
Saturday	8:00 AM to 12:00 Midnight	6	\$115/hour	\$90/hour
Sunday	8:00 AM to 11:00 PM	4	\$100/hour	\$75/hour
Monday - Friday	9:00 AM to 12:00 Midnight	2	\$90/hour	\$65/hour
Damage Deposit			\$200	\$200
Large Group Fee (100+ Guests)			\$75	\$50
ACTIVITY ROOM				
CAPACITY: 40 - BANQUET TABLES, 60 - THEATRE STYLE				
DAY OF WEEK	TIME OF DAY	MIN. HOURS	NON-RESIDENT	RESIDENT
Saturday	9:00 AM to 12:00 Midnight	2	\$85/hour	\$70/hour
Sunday - Friday	9:00 AM to 11:00 PM	2	\$80/hour	\$65/hour
CONFERENCE ROOM				
CAPACITY: 20				
DAY OF WEEK	TIME OF DAY	MIN. HOURS	NON-RESIDENT	RESIDENT
Saturday	9:00 AM to 12:00 Midnight	4	\$50/hour	\$35/hour
Sunday - Friday	9:00 AM to 11:00 PM	2	\$45/hour	\$30/hour
ALL RENTAL ROOMS & LOBBY				
CAPACITY: 300				
DAY OF WEEK	TIME OF DAY	MIN. HOURS	NON-RESIDENT	RESIDENT
Saturday	9:00 AM to 12:00 Midnight	6	\$200/hour	\$160/hour
Sunday – Friday	9:00 AM to 11:00 PM	4	\$180/hour	\$145/hour
Damage Deposit			\$400	\$400
Large Group Fee (100+ Guests)			\$125	\$75
COMMERCIAL KITCHEN				
DAY OF WEEK	RENTAL FEE	STORAGE FEE	SECURITY DEPOSIT	
Monday-Friday	\$30/hour one time use	\$50/month for one rental area/\$25 additional space	\$200	
Tier 1	\$350/month 0-16 hours			
Tier 2	\$600/month 17-49 hours			
Tier 3	\$950/month unlimited			
Federally registered non-profit groups will receive a 25% discount on the hourly rental rate based on their business residency. Prior to receiving the discount, the group must submit documented proof of their non-profit status. Local federally registered non-profit groups are defined as having residency within the cities of Shorewood, Tonka Bay, Deephaven, Excelsior, and Greenwood. The discount is not applied to the damage deposit.				

**SHOREWOOD COMMUNITY AND EVENT CENTER
RENTAL ITEMS**

Linens:

Rounds @ 12.00 each

Rectangles @ 12.00 each

All-inclusive dish rental:

\$2.50 per person

Water glass or coffee cup:

\$0.50 each

Coffee: \$10/pot

Additional fees and/or damage deposits may be required for unique set-up or decoration requests.

DRAFT



City Council Work Session Item

Title/Subject: New Construction Water Connection Program
Meeting Date: July 28, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Draft Amendment Language

Item 3

Background

At the June 9, 2025 City Council meeting, the City Council directed staff to pursue requiring connection to the municipal water system when a new home is built, or completely reconstructed, in a location that has access to municipal water. Since that time, City staff has worked with the City Attorney to develop a City Code Amendment that would implement the Council's direction. Draft amendment language is attached for review and discussion.

If adopted, the proposed changes would not go into effect until January 1, 2026 to allow City staff adequate time to notify residents and local builders of the new requirement. It is anticipated that this would include articles in the City's newsletter, information on the City's website, social media posts, email communications to builders, etc.

City staff will refine the draft amendment language based on the City Council's feedback. The next step in the adoption process would be for the City Council to hold a public hearing on the proposed ordinance, followed by final adoption, which could both occur as soon as the September 8th City Council meeting.

Financial Considerations

There will be costs associated with noticing a public hearing, and summary ordinance publication as the amendments work their way through the adoption process.

Action Requested

The City Council is requested to discuss the draft amendment language and provide feedback to City staff.

903.19 NEW RESIDENTIAL CONSTRUCTION REQUIRED TO CONNECT

Subd. 1. Purpose and Intent.

- a. The City of Shorewood finds that the municipal water system is a critical public utility that supports public health, safety and welfare by providing reliable access to clean and safe drinking water.
- b. The City further finds that requiring connection to the municipal water system for properties that are served by such infrastructure ensures greater resilience during drought, reduces risk to groundwater resources, enhances fire protection and public safety, and supports consistent and equitable service delivery.
- c. The purpose of this ordinance is to require connection to the municipal water system for all new residential construction where service is immediately available.

Subd. 2. Definitions. The terms below shall have the following definitions for the purpose of this Section:

MUNICIPAL WATER SYSTEM. The public water infrastructure owned, operated, or maintained by the City of Shorewood or its authorized agents, including water mains, hydrants, valves, and service laterals. Municipal water service shall also include the same public water infrastructure as described above that is located within the City of Shorewood, but is served by adjacent municipalities.

NEW RESIDENTIAL CONSTRUCTION. The construction of any new residential dwelling unit(s), whether through the development of vacant land or the demolition and replacement of existing structures.

IMMEDIATELY AVAILABLE WATER SERVICE. The municipal water service is deemed to serve a property if a municipal water main exists in a public right-of-way, private street or utility easement that is adjacent to or abutting any portion of the property line.

Subd. 3. Required Connection.

- a. *Mandatory Connection.* When a building permit application is submitted seeking new residential construction; or, demolition of an existing residential dwelling that is to be replaced with a new residential dwelling on the same property, the new residential dwelling shall be connected to the municipal water system if water service is immediately available as defined in this Section.
- b. *Timing of Connection.* The required connection shall occur prior to the issuance of a certificate of occupancy.

c. *Permit Requirements.* The connection to the municipal water system shall pass all plumbing permit inspection required by the Minnesota State Building Code and Minnesota State Plumbing Code. The connection shall be made pursuant to City specifications.

d. *Discontinuation of Private Wells.*

(1) *New Construction on Vacant Land.* Installation of a private drinking water supply or irrigation well shall be prohibited for all new residential construction that takes place on vacant land. Any existing private drinking water supply or irrigation wells not connected to a dwelling shall be properly sealed in accordance with Minnesota State Statute.

(2) *Redevelopment of Existing Dwellings.* In situations where an existing home is demolished and replaced with a new residential dwelling, an existing private drinking water supply well may continue to be used by the property owner for irrigation purposes. However, in no situation may the private well be reconnected to the dwelling.

Subd. 4. *Violation & Penalties.* Failure to comply with the requirements of this Ordinance shall be grounds for denial of a building permit application or withholding issuance of a certificate of occupancy. Violations may be subject to administrative penalties as provided for in the City of Shorewood Fee Schedule, or other legal remedies as may be deemed necessary by the City Council.

Subd. 5. *Severability.* If any section, clause, or phrase of this Ordinance is held invalid by a court of competent jurisdiction, the remainder shall not be affected and shall remain in full force and effect.

Subd. 6. *Effective Date.* This ordinance shall take effect and apply to all building permit applications received after January 1, 2026.



Title/Subject: Water Service Connections & Assessments

Meeting Date: Monday July 28, 2025

Prepared by: Andrew Budde, City Engineer

Reviewed by: Matt Morreim, Public Works Director; Marc Nevinski, City Administrator

Attachments: Assessment Agreement, Draft Narrative for Mailer, Water Connection Map, Age of Well Map, Installation Video <[link](#)>

Background: At the June 9, 2025 council meeting there was a robust discussion related to water infrastructure and potential options that would address a declining Water Enterprise Fund. Option 2 that was presented focuses on implementing an organized connection program which is intended to help streamline the process for residents to connect the water service from the right of way line/curb stop and into the house. It is estimated that there are 531 properties +/- that have watermain available adjacent to their properties but have not yet connected. Option 6 focused on allowing residents to assess these costs, therefore making it more financially feasible. The following information provides additional details and options on how the two scenarios could be implemented. Both are anticipated to be ready for communications, planning, and design in 2025 with construction occurring in 2026.

Option 2: Implementing Organized Connection Program:

For a resident to connect to city water on their own it can be a frustrating and drawn-out process. The city has posted information on its website to try and simplify the process and answer basic questions, but staff still get frequent calls from residents, or their potential contractors related to the process. Every property is unique so there are many variables that can impact cost & process, and the staff does not have answers to some of the questions without additional research. Most of the questions that residents and contractors inquire about are:

- a. What contractors complete this type of work?
- b. Is open cut construction or directionally drilled construction better?
- c. Where is the water stub/shut off valve?
- d. What size water service is available?
- e. Is internal plumbing changes required?
- f. I have heard the city water is not good, is that true?
- g. Are there permits required and what are the costs?
- h. What is the overall cost to connect?

To assist residents, the city-led program would help streamline the process for residents and allow for competitive pricing. It is anticipated that most residents would prefer a directionally drilled installation process so that it minimizes site disturbance, however open cut construction could also be evaluated, if needed. The proposed process is outlined as follows:

1. Send out communications to eligible residents informing them of the project, potential benefits, and seek interest in connecting to municipal water. This could include a summary of the project's intent, benefits to the homeowner, a link to a video of the proposed installation process (link is in attachments), options for payment, and an application for residents to complete and return to initiate the process. A draft of this content is included as an attachment for discussion.
2. For the residents that are interested, staff would follow up by having the resident complete a right of entry agreement, complete research specific to their property, and provide potential costs.
 - a. Potential costs include:
 - i. Water Connection Charge: \$10,000, unless previously paid.
 - ii. Service installation from curb stop into house: \$5,000-\$50,000, varies based on distance the house is setback from the property line.
 - iii. Internal plumbing costs w/ permits & fees: \$1,000-\$2,000, varies on existing configuration and if keeping existing well for irrigation.
 - iv. Seal existing well - Optional: \$5,000.
 - v. Total: \$16,000-\$67,000
 - b. City Research:
 - i. Verify if a previous Water Connection Charge payments have been made.
 - ii. Locate curb stops in the field and verify service size.
 - iii. Complete a site visit & discussion with residents to verify if directionally drilling or open cut installation is preferred/required and identify any potential risks associated with either option.
 - iv. Confirm if wells are to remain or be sealed.
 - v. View mechanical room and acquire pictures/video where water service would likely enter and of existing plumbing configuration. This will help determine the level of effort associated with disconnecting existing wells or adjustments to plumbing to isolate the well from the municipal water service.
 - vi. Provide an engineer's estimate of likely costs to interested residents.
3. For the residents that would like to proceed further with formal pricing from a contractor, receive partial down payment of approximately \$2,000. This would be nonrefundable and intended to recoup the city's expended design and coordination but could be applied toward final payment or Water Connection Charge. Staff will need to confirm if/how this would work with assessments.
4. Finalize design and quote the service installations.
 - a. It is recommended to quote the project instead of publicly bidding so that the city can solicit quotes from reputable contractors as most of the work will be on private property and within residents' homes. Quoting vs bidding thresholds are set by state law at \$175,000, so it is anticipated that a project for the city would be limited to 5-15 connections per project.

5. Share quoted pricing information from contractors with residents. For the residents that would like to proceed with construction, collect payment in full or a signed assessment agreement.
6. Award project to low quote contractor.
7. Complete building permits and construction.
8. Provide a final invoice to residents. If there are any additional costs that may have been encountered after bidding, provide clarification and documentation. Require payment in full or amended assessment agreement prior to water being turned on.
9. Provide a follow-up survey for residents on the city & contractors' performance.

Option 6: Finance Complete Connections:

Currently the city allows the \$10,000 Water Connection Fee to be paid upfront or it can be assessed over a 5–10 year period with an applicable interest rate. The costs associated with installing the private service from the curb stop and into the house cannot be assessed so the residents must pay the contractor directly for completing that work. An alternative option to maximize the incentive for residents on a city led connection program is to allow all costs associated with the water service installation to be assessed. This could range from \$16,000-\$67,000 per connection and be financed over a 5-to-10-year time frame with an annual interest rate. This option requires the city to front a larger portion of money but ensures it will recoup portions on an annual basis, with the full assessment being paid off at the end of the financing period. Also, residents have the option to pay off outstanding assessments at any time and if a property is sold the assessment would be paid in full. A standard Water Assessment Agreement is included as an attachment.

Financial or Budget Considerations:

Staff have not been able to identify any outside funding sources for a project of this nature therefore it would be funded 100% by the city and likely via the Water Fund. The project is not currently budgeted for in the Capital Improvement Plan. It is anticipated that the project budget would be around \$200,000 in total project costs, of which \$175,000 or less would be for construction. If there is a large interest from residents initially, the city could either amend the budget to have two cycles of the project such as a spring and fall project, or plan to complete a similar project in the following years.

Another financial benefit of connecting properties to municipal water is that they will begin to pay the quarterly service rates. A service rate not only covers the cost of pumping, treating, and storing (pressurizing) the water, but also for maintenance of the distribution lines. Annual service rates range by use but a minimum annual residential service rate is \$130.04, and an average residential annual payment is \$679.04.

The estimated start-up cost of the connection program is \$5,000 and includes developing an application process that would include connection information, educational information, online forms, standard right-of-entry agreements. Following the initial start-up, the estimated ongoing city cost of the program is \$1,000-\$3,000 per resident. This cost would include research for individual properties, design work, resident and contractor coordination,

and construction inspection. These costs would be included in the installation costs paid by the property owner.

Discussion Requested: Staff would like discussion and guidance on the project parameters.

1. Should the Organized Connection Plan initially be available city wide or focused on specific locations within the city (ie: NE quadrant of the city, Mill Street, Smithtown Road or other areas where watermain were extended to facilitate development, properties with the oldest wells)?
2. Should the city require a down payment to be able to recoup some of its costs if residents do not continue to pursue installation? If so, how would this work if residents wanted to assess all the costs? Could the down payment be applied to future connection charges?
3. Staff is working to create an overall communications plan related to the water items discussed at the June 9th meeting, are there specific items council would like to see or address in communications to the public related to these two topics?

ASSESSMENT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, by and between the City of Shorewood (SHOREWOOD), a municipal corporation organized under the laws of the State of Minnesota, located at 5755 Country Club Road, Shorewood, MN 55331 and Property Owners, Address, Shorewood MN 55331 (OWNER).

RECITALS

WHEREAS, the OWNER is the owner of the real property located at: Address, Shorewood, MN, 55331; PID: XX-XXX-XX-XXX, legally described as follows: Legal Description.

(“SUBJECT PROPERTY”)

WHEREAS, the OWNER desires to connect to the municipal water supply; and,

WHEREAS, the present Water Access Charge is \$10,000; and

WHEREAS, City Code 903.04, Subd. 3.d. states the property owner shall pay for the improvement or the water connection charge, whichever is greater; and

WHEREAS, the OWNER requests that the full amount of the Water Access charge be assessed against the SUBJECT PROPERTY pursuant to Minn. Stat. Ch. 429.

AGREEMENT

NOW THEREFORE, pursuant to the mutual agreements provided herein, it is agreed by and between the CITY and the OWNER as follows:

1. The OWNER represents and warrants that he is the OWNER of the SUBJECT PROPERTY and that he has full legal authority to encumber the SUBJECT PROPERTY and that as of the date of the execution of this agreement, the OWNER has fee title to the SUBJECT PROPERTY subject only to the liens, interests or encumbrances of record.

2. The OWNER understands and requests that the City levy the Water Access Charge assessed against the PROPERTY in the amount of **\$10,000.00** ("Assessment").
3. The OWNER understands and agrees that SHOREWOOD will provide that the Assessment is payable in **five (5)** annual installments without deferment and will bear an interest rate of **five (5.0)** percent per annum. The Assessment shall be deemed adopted on the date this Agreement has been signed by all parties. The installments shall begin with taxes paid in **2024** and collected with the ad valorem taxes at the times due as determined by Hennepin County.
4. The OWNER agrees that the covenants, waivers and agreements contained in this Agreement shall bind the successors and assigns of the OWNER and shall encumber the PROPERTY in accordance with the agreements described herein.
5. The OWNER its successors and assigns, waives any and all procedural and substantive objections to the Assessment including but not limited to public hearing requirements and any claim that the assessment exceeds the benefit to the Subject Property. Property Owner waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.
6. The OWNER, its successors and assigns, hereby unconditionally releases and forever discharges the City, its elected officials, employees, agents and insurers from any and all claims and causes of action of whatever kind or nature that is in any way connected with the Assessment.

This Agreement shall be binding upon Property Owner and its successors and assigns. This Agreement shall run with the land and may be recorded against the title to the Subject Property.

[Remainder of page is intentionally left blank.]

Signature pages follow.]

OWNER

By: _____

Date: _____

By: _____

Date: _____

CITY OF SHOREWOOD

By: _____

Date: _____

Its _____

By: _____

Date: _____

Its _____

STATE OF MINNESOTA)

) SS:

COUNTY OF HENNEPIN)

The foregoing ASSESSMENT AGREEMENT dated _____ was sworn and subscribed before me in person this ____ day of _____, 20__ by _____ and _____.

Notary Public

STATE OF MINNESOTA)

) SS:

COUNTY OF HENNEPIN)

The foregoing ASSESSMENT AGREEMENT dated _____ was sworn and subscribed before me in person this ____ day of _____, 20__ by Jennifer Labadie, Mayor, and by Sandie Thone, City Clerk of the City of Shorewood (a Minnesota Municipal Corporation), who are personally known to me, on behalf of the Corporation and pursuant to the authority of the City Council.

Notary Public

Shorewood Water Connection Program

7/21/2025

Bringing Clean and Reliable Water to Every Home

The City of Shorewood is committed to providing its residents with safe, clean, and reliable water. Our Water Connection Program is designed to extend water services to homes and businesses, ensuring access to quality municipal water.

Why Connect to Shorewood's Water System?

Health & Safety

- Municipal water undergoes regular testing to meet the Minnesota Department of Health safety standards, providing you with peace of mind.

Reliability

- Say goodbye to well maintenance issues and power outage issues. Enjoy consistent high-water pressure and availability.

Property Value

- Connecting to a municipal water system can increase the value of your property by offering a modern, dependable utility.

Program Highlights

- **Connection Assistance:** Guidance through every step of the process, from permitting to installation.
- **Cost Savings Opportunities:** The city can provide cost savings by completing several service installations with one contractor and savings are passed on to you. Also, costs can be assessed to make connections affordable for residents.
- **Environmental Sustainability:** By using Shorewood's centralized system, you contribute to efficient water use and long-term environmental protection.

How to Get Started

1. **Check Eligibility:** Call Shorewood Engineering (952) 960-7910 to see if your property has access to water. Based on your specific property, staff will be able to provide you with an estimate of overall connections costs.
2. **Sign a Right of Entry Agreement:** Complete and return the Right of Entry Agreement to allow city staff and their contractors access to your property and home to evaluate the service installation.

3. Schedule an Inspection: A city representative will visit your property to explain the construction process and details. This will include viewing and taking pictures/videos of the location where the water service will enter your home and of the plumbing configuration.
4. Pricing: The city will coordinate with licensed contractors to provide a quote to install the service and connect it within the house.
5. Sign an Agreement Form: Sign and return the agreement form that commits the city to install the water service and the property owner to pay the costs.
6. Get Connected: Our team will coordinate with the contractors to complete permits and make the connection per state and local building codes.

Program Costs

While the costs vary by property, the City of Shorewood offers:

- Flexible Payment Plans:
 - Pay the costs upfront, or
 - Spread the cost over 5 to 10 years by assessing your property taxes.
- Transparent Pricing: Quotes will be provided before any work begins.

Frequently Asked Questions

1. What happens to my well?
 - a. You can still connect to the municipal system and use your well for irrigation or other non-potable purposes. The systems must be isolated from each other inside your house.
 - b. If your well will not remain in use, it must be sealed per Minnesota Department of Health requirements.
2. How long does the process take?
 - a. The timeline varies, but most connections are completed within 8 weeks from Agreement submittal. Installation of the water service and internal plumbing is typically completed within 2-3 days.
3. What happens to my old plumbing?
 - a. Adjustments will be made based on the use of the well and to meeting current building codes.

Contact Us

For more information or assistance:

Visit: Shorewood City Hall, 5755 Country Club Road, Shorewood, MN 55331

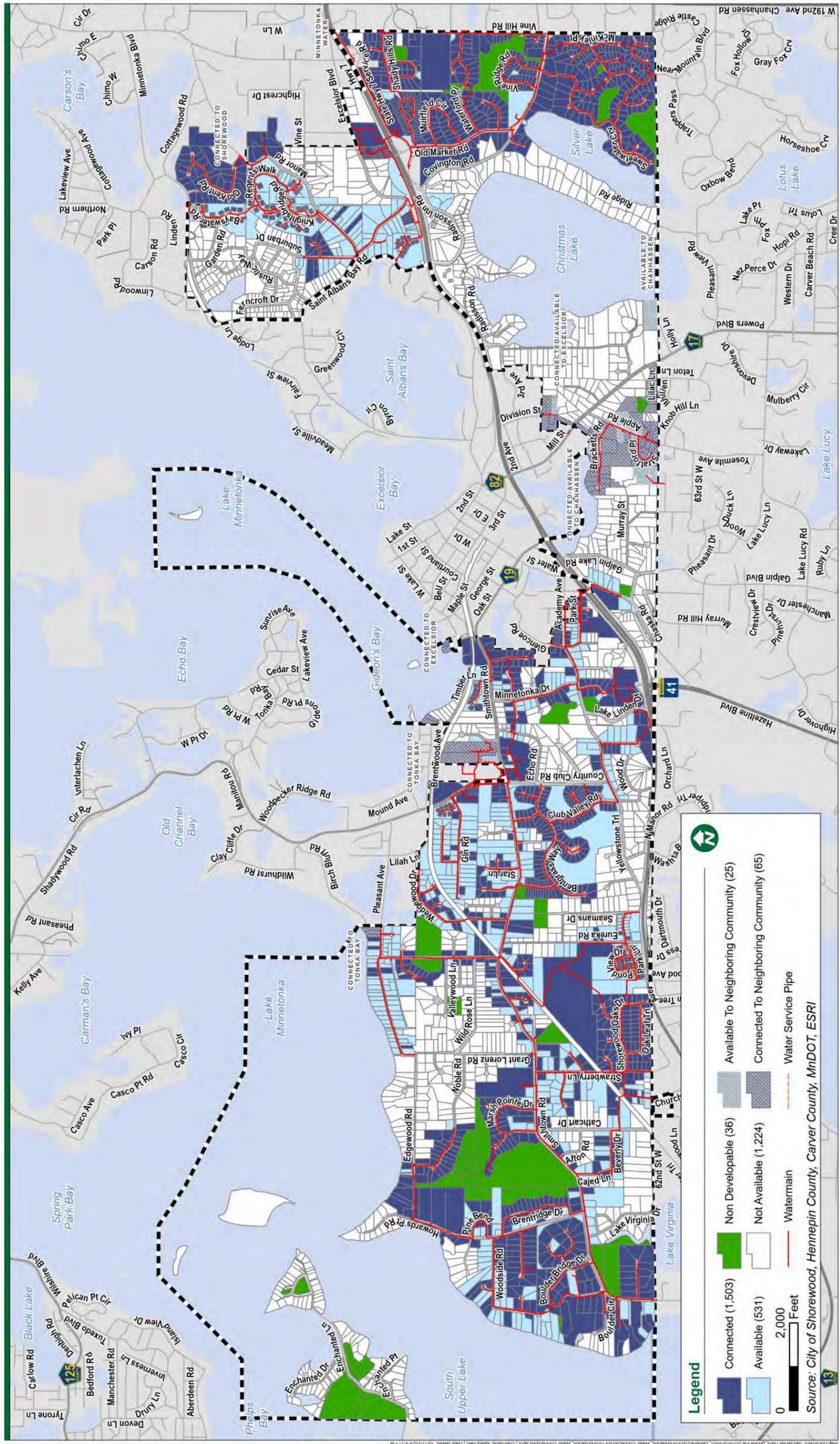
Call: (952) 960-7910

Email: engineering@ci.shorewood.mn.us

Website: <https://www.shorewoodmn.gov/303/Connect-to-City-Water>

Make the switch to cleaner, safer, and more reliable water today!

DRAFT



Legend

- Connected (1,503)
- Available (531)
- Non Developable (36)
- Not Available (1,224)
- Water Service Pipe
- Watermain
- Available To Neighboring Community (25)
- Connected To Neighboring Community (65)

0 2,000 Feet

Source: City of Shorewood, Hennepin County, Carver County, MndOT, ESRI

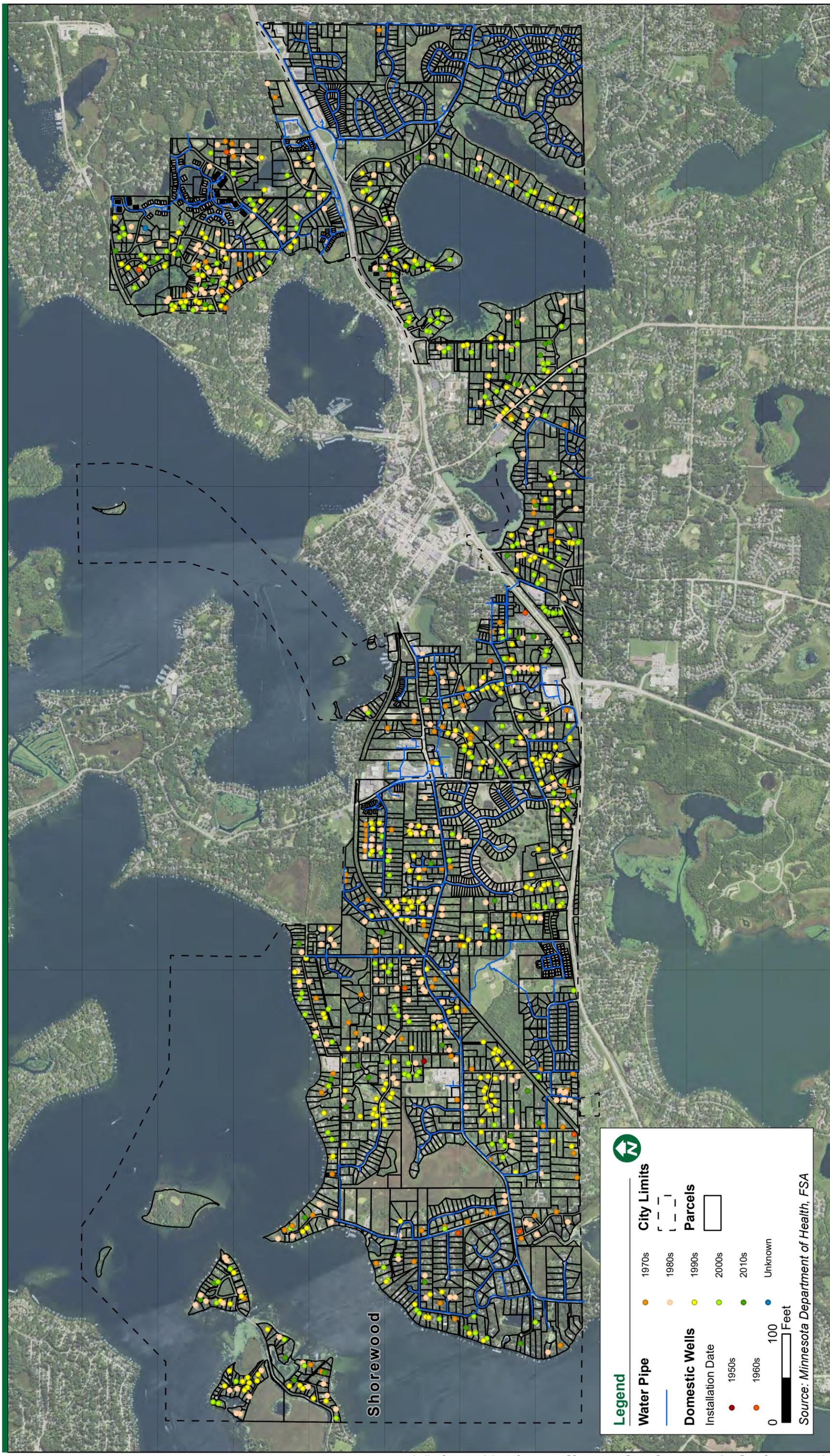


Age of Domestic Wells

Shorewood



October 2022



Legend

Water Pipe	1970s	City Limits
1950s	1980s	Parcels
1960s	1990s	2000s
2010s	2010s	Unknown
0 100 Feet		

Source: Minnesota Department of Health, FSA



City Council Work Session Item

Title/Subject: Water Policy Schedule Update
Meeting Date: July 28, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Municipal Water Policy Matrix

Item 5

Background

At the June 9, 2025 City Council meeting, the City Council directed staff to pursue a number of options relative to the municipal water system. Since that time a number of options have already been adopted through amendments to the City Code or have been discussed. The attached table is informational purposes only and shows the current status and tentative schedule of each of the options that staff was directed to pursue.

Financial Considerations

There will be costs associated with preparing each of the options. More detailed information will be presented as each individual option is brought forward for review.

Action Requested

This item is for informational purposes only. No specific action is requested.

Municipal Water Policy Matrix				
Option	Direction	Next Steps	Lead Staff	Schedule
Completed				
#7 New Subdivision Connection	Pursue ordinance amendments	Completed	Planning	Adopted 7/14/25
In Process				
#1 Perception	Campaign	Water website developed, constant contact list created, additional communications on City media.	Communications	Ongoing
#3 Water Availability Fee	Pursue Fee	Include in LTFMP, Engagement/Inform Add to Fee Schedule	Finance	Discussed at 7/28 CCWS
#4 Infrastructure Fee	Pursue Fee	Include in LTFMP, Engagement/Inform Add to Fee Schedule	Finance	Discussed at 7/28 CCWS
#5 Rate Structure Change	Pursue Fee	Include in LTFMP, Engagement/Inform Add to Fee Schedule	Finance	Discussed at 7/28 CCWS
#9 New Build/Reconstruct	Prepare ordinance	Draft policy	Planning	Discussed at 7/28 CCWS
#2 Org Connection	Prepare options	Outline options, Engagement/Campaign CC approval	Engineering	Fall 2025
#6 Finance "Complete" Connection	Pursue, Prepare Options (w/#2)	Outline options, Engagement/Campaign CC approval	Engineering	Fall 2025
To Be Developed				
#8 Point of Sale	Prepare policy, ordinance	Draft policy	Planning/Finance	TBD Pending Options 2 & 6