

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Labadie called the meeting to order at 7:01 P.M.

A. Roll Call

B. Pledge of Allegiance

Present. Mayor Labadie; Councilmembers Maddy, Sanschagrín, Gorham, and DiGruttolo; City Attorney Shepherd; City Administrator Nevinski; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; Park and Recreation Manager Czech; Finance Director Schmuck, and, City Engineer Budde

Absent: None

C. Review Agenda

Maddy moved, DiGruttolo seconded, approving the agenda as presented.

Motion passed.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

Councilmember Sanschagrín asked to remove item 2.D. from the Consent Agenda.

Maddy moved, Gorham seconded, Approving the Motions Contained on the Consent Agenda and Adopting the Resolutions Therein.

A. City Council Work Session Minutes of June 9, 2025

B. City Council Regular Meeting Minutes of June 9, 2025

C. Approval of the Verified Claims List

D. ~~Data Practices Policy Annual Review~~ – (moved to 8.B.)

E. 2025 Deer Management Program Agreement

F. Concert in the Park & Movie in the Park Food Trucks, Adopting RESOLUTION NO. 25-063, “A Resolution Approving Food Trucks for Public Events – Concert in the Park and Movie in the Park.”

- G. **Water Assessment Agreement – 23622 Smithtown Road, Adopting RESOLUTION NO. 25-064, “A Resolution Approving and Adopting a Special Assessment”**
- H. **Water Assessment Agreement – 6180 Church Road, Adopting RESOLUTION NO. 25-065, “A Resolution Approving and Adopting a Special Assessment.”**
- I. **Retail Liquor License Renewal, Adopting RESOLUTION NO. 25-058, “A Resolution Approving 2025 Retail Liquor License Renewal.”**

Motion passed.

3. MATTERS FROM THE FLOOR

4. REPORTS AND PRESENTATIONS

A. Long-Term Financial Management Plan – Northland Securities

Finance Director Schmuck reminded the Council that the City had engaged Northland Securities to help build a Long-Term Financial Management Plan (LTFP) as a tool for future planning needs. She introduced Tammy Omdal of Northland Securities and explained that she had given a more in-depth presentation during the Council Work Session and would give a summary presentation of the Plan during the regular meeting. She noted that a recording of both would be available on the City’s website.

Tammy Omdal, Northland Securities, explained that the LTFP was intended to serve as an ongoing guide for management of the City’s funds. She reviewed the key takeaways, study objectives including revenue sufficiency and levy/rate calculations, expected changes in new development within the City, net tax capacity, City tax rate, City tax levy, projected utility rates, capital project spending, capital projects source of revenue, existing and planned new debt issuance, and outstanding debt. She reminded the Council that the LTFP was not the City budget and that the information in the study had been based on assumptions that reflect a snapshot in time, so actual factors may vary from what was presented.

Councilmember Sanschagrín asked if Ms. Omdal had any thoughts on how Shorewood compared to other cities she had worked with. Ms. Omdal stated that Shorewood was very similar and shared examples of similarities she had seen, such as rising rates for utility services.

Councilmember DiGruttolo asked if the model was able to help the city keep rates, levies, and fees more consistent. Ms. Omdal stated that much of this points to the Capital Improvement Plan (CIP) and explained that this was where the ability to have the most impact on the tax levy would be located.

Councilmember Gorham stated that the LTFP was a tool for the City and asked if it was available in Excel and if staff would receive training on the tool. MS. Omdal stated that Northland Securities is a public finance firm, not software developers, but when they put together an LTFP, part of the agreement is to turn over the Excel models, and there is some limited training.

Councilmember DiGruttolo asked if the Council could get a consolidated list of the assumptions that were used in putting together the LTFP. Finance Director Schmuck stated that, within the

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report, every fund has variations for the assumptions that were there, but she could put together something more concise if the Council would like. Councilmember DiGruttolo stated that she would like the assumptions to be in a more concise form. She stated that Finance Director Schmuck had done a lot of outreach throughout the city and asked if she planned to publish any part of the LTFP.

Finance Director Schmuck noted that the report was included in the Council meeting packet which was already available on the city website and would also be on the Budget page as part of Work Session Two. She reminded the Council that if residents had questions or concerns, staff had open office hours where residents were available to speak with them.

Councilmember Sanschagrín asked if staff were building a list of Frequently Asked Questions. Finance Director Schmuck stated that she had not received any questions about it yet.

Maddy moved, Gorham seconded, Approving the Long-Term Financial Management Plan, as presented.

Motion passed.

B. Excelsior Fire District Budget Presentation – Fire Chief Mackey

City Administrator Nevinski noted that Fire Chief Mackey and Assistant Fire Chief Basinger would be giving a presentation to the Council related to the budget and stated that currently, the budget was being proposed to increase by a little over eleven percent.

Fire Chief Mackey gave an overview of the Excelsior Fire District, their goals, 2026 budget objectives, where they started, number of active full-time firefighters, percentage of covered duty officer shifts, years of experience within the Fire District, overview of the various positions in the Fire District including the Fire Chief, Assistant Chief, and Battalion Chiefs. He reviewed the proposed 2026 Operating budget breakdown between the member cities and noted that it was based on a formula. He referenced the Self-Contained Breathing Apparatus (SCBA) and explained that it was personal protective equipment for the firefighters, which expires every fifteen years, and reviewed the budget information for replacement of the SCBA and the SCBA compressor unit.

Councilmember Sanschagrín asked for more information on the financing rates that Fire Chief Mackey had obtained. Fire Chief Mackey stated that Assistant Chief Basinger could cover this more deeply and explained that they are at 5.25, and noted that Deephaven had offered to finance it under 5 percent.

Councilmember Sanschagrín asked about the ISO rating and the OSHA standard requirements. Fire Chief Mackey explained that ISO stood for Insurance Services Office, and they come out and look at things like training, facilities, response times, and staffing, and assign points, up to one hundred. He noted that the Fire District was currently at seventy-two point three points, which gives them an ISO rating of three. He outlined what can happen in a surprise OSHA inspection related to the expiration dates of various equipment pieces and the financial consequences if there is expired equipment. He explained that the Fire District did not receive any fines during the last surprise inspection because they had just purged their old gear and donated it to Ukraine. He noted that they are open to creative options to pay for the SCBA equipment, but cautioned that they just did not want to lower their standard of care for the community.

Councilmember Sanschagrín asked if the City could do anything to help the Fire District become more effective and reduce costs, such as help with recruitment through the City's communications department. Fire Chief Mackey stated that they had tried to utilize the City and explained that the biggest thing they can do is support in this kind of moment. He stated that he knows that they are asking a lot with the proposed budget, especially considering the recent issues with the replacement of the chiller, and just asked the Council to continue to support them.

Councilmember DiGruttolo asked when Fire Chief Mackey felt the budget might start to level out. Fire Chief Mackey explained that they work with Abdo on their audits and budget, but noted that there are things that they cannot control, like trucks, but explained that he has tried to keep the proposed budget increases to between ten and twelve percent.

Mayor Labadie thanked Fire Chief Mackey and Assistant Fire Chief Basinger for presenting the proposed budget to the Council. Fire Chief Mackey encouraged anyone who may have additional questions to give him a call.

5. PARKS

A. Report by Commissioner Wenner on May 20, 2025, Park Commission Meeting

City Administrator Nevinski noted that Park Commissioner Wenner was slated to give the update, but she was ill tonight. He gave a brief overview of the discussion and recommendations from the May 20, 2025, Park Commission meeting.

6. PLANNING

A. Report by Commissioner Holker on June 3, 2025, Planning Commission Meeting

Planning Commissioner Holker reviewed the discussions and recommendations from the June 3, 2025, Planning Commission meeting and answered questions from the Council.

B. Tingewood HOA Common Area PUD Concept Plan

Location: Parcel ID – 3511723110072

Applicant: Tingewood Homeowners Association

Planning Director Griffiths outlined the request for the Tingewood HOA for an amendment to an existing subdivision to subdivide their common areas into one additional lot that would be sold and developed with a single-family home. He noted that the Planning Commission had recommended approval subject to the conditions included within the resolution, but reminded the Council that tonight's agenda item was for a concept plan, so if this was approved tonight, the applicant would still need to move forward with several applications with the City. He briefly reviewed some of the concerns that had been raised by residents at the public hearing.

Councilmember Gorham asked what had determined the shape of the proposed lot. He noted that this was an interesting applicant and asked what discretion the Council had. Planning Director Griffiths stated that the applicant desired to have a simpler lot line. He explained that this was a legislative request because there was already an approved PUD for the Tingewood neighborhood, so the Council's discretion was to make a decision based on findings of fact. He noted that this application did meet the intent of the City's Comprehensive Plan and explained

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that staff had been unable to find the records for the original PUD, other than the minutes. He stated that the original PUD was approved in the early 1970s, which predates modern record-keeping methods.

Councilmember DiGruttolo stated that there were a few people who lived near this neighborhood who were against this application and asked if they had any legal action those individuals could take. City Attorney Shepherd explained that if someone wanted to challenge a land use decision, the court would be looking at whether or not the City's decision was reasonable or arbitrary and capricious. He noted that, when courts look at Council decisions, they generally are not allowed to rely on citizen comments or neighborhood disgruntlement alone.

Councilmember Sanschagrín asked about the absence of the original PUD and if the Council should be concerned. City Attorney Shepherd noted that it would be nice if the City had the original document, but they do not. He explained that pragmatically, they know it had been approved and also that an applicant can come in and ask for a change to the PUD, so he did not have any concerns.

Mayor Labadie asked if there was a representative of the applicant who wanted to address the Council. Lisa Swann, President of the Tingewood HOA, explained that their buildings were in great need of improvements, such as new siding, new roads, and new roofs, but they do not have the needed money. She explained that their intent with this proposal was not to be a poor neighbor and would follow the City's guidelines.

Councilmember Sanschagrín acknowledged that this was early in the City's process but asked about the stormwater issue. Planning Director Griffiths stated that the City has seen development on much steeper slopes than this parcel, such as Summit Avenue, and cautioned that the City did not have enough information to make a detailed decision. City Engineer Budde noted that the stormwater issues can be solved to meet the City's requirements.

Councilmember Sanschagrín stated that if this is approved tonight, he wanted to make sure that they paid very close attention to that during the next phase of the process.

Councilmember Gorham stated that a benefit of a PUD is that it opens up natural areas, and with the grading that will be necessary, it seemed like it would be intrusive to the site, and this was using the open space to carve out a lot, which seemed fundamentally opposed to the PUD approach.

Mayor Labadie asked Planning Director Griffiths what the next step in this process would be. Planning Director Griffiths stated that if this request were approved, the applicant would need to make an application to the City for a PUD development and final stage plan, which would include very detailed grading and stormwater management plans. He stated that they would also need to request a rezoning as well as a minor subdivision and outlined the City's process for those to also flow through the Planning Commission before the Council. He stated that there would be a lot more work necessary before anything could happen and reminded the Council that this was the concept stage, where they were looking for approval of their conceptual layout before they spent time and money on the detailed analysis.

Councilmember Gorham cautioned that the premise and motivation behind this application were to bring an influx of cash to the HOA.

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Councilmember Sanschagrín stated that it would be helpful to look at the minutes from the original PUD. Planning Director Griffiths explained that the minutes from the meeting just say that the Council discussed the PUD and it was approved.

Councilmember Maddy stated that there are plenty of other situations where the City did not have records and were just working with what they had. He stated that this is a conforming lot split and did not understand what the controversy would be, and reminded the Council that this was a concept plan.

Councilmember Gorham explained that he understood it was a conforming lot, but had trouble with the premise of the PUD creating this open space, and now they are coming back to carve out a portion of it to sell it.

Councilmember Maddy stated that if the density was changing to more than two units per acre, this would be a different conversation.

Mayor Labadie explained that she agreed with Councilmember Maddy that the parameters have been met by the applicant to get through this stage of the process, which is the concept stage.

Councilmember DiGruttolo stated that she agreed with what Councilmember Gorham had tried to articulate, that when this was originally designed, the intent was one thing, and now it is something different.

Councilmember Sanschagrín stated that he was leaning towards the concerns described by Councilmember Gorham related to the original intent of the PUD. He explained that he was concerned that this would be working against the original intent of the PUD and also about the potential water issues, which should weigh into this process.

Councilmember DiGruttolo stated that she agreed, especially if the intent of the subdivision was to raise money for the HOA.

Councilmember Maddy asked City Attorney Shepherd if the Council should be debating the reason the applicant wanted this lot split or just the issue at hand with the concept plan application. City Attorney Shepherd stated that they should not be debating the reason the applicant wanted to sell the lot and encouraged the Council to look at the application before them and whether it meets the City's standards and requirements of the Code. He noted that this would also amend the PUD, and that was a choice the Council had, regardless of what may have happened in the 1970s.

Councilmember Sanschagrín stated that they would be amending a PUD that the City did not have. City Attorney Shepherd explained that they knew that they were carving out a piece of the land that was part of the underlying PUD and parcel that would be subdivided off and developed separately. He stated that the Council was talking about the concept plan that had been presented to them.

Mayor Labadie asked City Attorney Shepherd if the intent of the original HOA is irrelevant to the current PUD concept plan application. City Attorney Shepherd suggested that the Council go with what they know and agreed that in a perfect world, they would have more information on the PUD approval from 1970, but they do not have that. He stated that what they know is that this PUD concept plan shows an array of townhomes with some extra land, similar to an outlot and stated

that what the Council was being asked to consider was whether they were comfortable carving out a piece of the land because the PUD can exist without this chunk of land.

Councilmember Gorham asked what the Council's discretion was in that scenario because PUDs generally had some give and take. City Attorney Shepherd stated that this was a legislative and zoning decision, so they do have some latitude.

Mayor Labadie asked Planning Director Griffiths to describe the character of the neighborhood. Planning Director Griffiths gave a brief overview of the surrounding neighborhood.

Councilmember Gorham stated that if it was not for the clustering of the buildings, this parcel would not have been able to be built on and asked Councilmember Maddy could divorce the PUD from the lot.

Councilmember Maddy stated that if they cut the proposed piece out, it would still meet all of the City's current requirements for density, and subdivision is a property right they should have.

Maddy moved, Gorham seconded, Adopting RESOLUTION NO. 25-059, "A Resolution Approving a PUD Concept Plan for the Tingewood HOA Common Area Located at Parcel ID - 3511723110072."

Motion passed.

C. Impervious Surface Definition City Code Amendment
Location: City-Wide
Applicant: City of Shorewood

Planning Director Griffiths reviewed the background of the importance and goal of having the impervious surface requirement and explained that the proposed definition was based on the DNR's model ordinance for what constituted impervious surface. He noted that the Planning Commission held a public hearing on this item with no comments being shared and had unanimously recommended approval.

Councilmember Gorham noted that the Tonka United tournament scheduled for last week was cancelled due to the recent rain, except for the games on turf, which highlighted the difference in what they were trying to do with water retention.

Gorham moved, DiGruttolo seconded, Adopting ORDINANCE 622, Amending Shorewood City Code Chapter 1201 Zoning Regulations to Update the Definition of Impervious Surface.

Motion passed.

7. ENGINEERING/PUBLIC WORKS

A. Approve Plans and Authorize Bidding for SE Area Water Improvement, City Project 24-08

City Engineer Budde explained that the City had been planning to do improvements and repairs to the SE Area Well for quite a while and reminded the Council that they had approved something

earlier this year that preordered some of the materials for this project, because of the lead times necessary. He stated that this project had been approved by the Minnesota Department of Health and was ready for bids and explained that, if approved, staff would open bids in mid-July and come back to the Council for award of the bid at their July 28, 2025, meeting, with construction slated for September through December. He reviewed the estimated total project costs, which were about thirty-five thousand dollars over budget, and described the two alternatives that had been added to the bidding process, but noted that neither of them would have to be done.

Councilmember DiGruttolo asked how this was thirty-five thousand dollars over budget. City Engineer Budde explained that it was estimated to be over budget by that amount.

Sanschagrín moved, Gorham seconded, Adopting RESOLUTION NO. 25-060, “A Resolution Approving Final Plans and Specifications and Authorizing Bidding for the SE Area Water Improvements Project; City Project 24-08.”

Motion passed.

B. Authorize Preparation of Final Plans and Specifications for Galpin Lake Trail Project, City Project 25-01

City Engineer Budde shared background and financial considerations regarding the City’s pursuit of a pedestrian connection in this area. He reminded the Council that the city was awarded a grant through the Safe Routes to School (SRTS) and gave an overview of the proposed plans to build one segment of the trail. Staff recommends approval to authorize the preparation of the plans and specifications for this project.

Councilmember Maddy asked if the lift station was still there. City Engineer Budde explained that the Met Council has abandoned the lift station as part of the larger project happening in the area and was no longer needed.

Councilmember Sanschagrín asked if MnDOT was aware of this project. City Engineer Budde stated that they were aware of it and had essentially given the City the funds for it. He gave a brief description of some of the conversations that have been happening related to this area and the MnDOT project slated for their 2029 pavement preservation project.

Councilmember Sanschagrín stated that the diagram looks like it spills over a bit into Excelsior. City Engineer Budde confirmed that it spilled into Excelsior, but they have written a letter of support for this project.

Sanschagrín moved, DiGruttolo seconded, Adopting RESOLUTION NO. 25-061, “A Resolution to Prepare Final Plans and Specifications for Galpin Lake Trail Project; City Project 25-01.”

Motion passed.

8. GENERAL/NEW BUSINESS

A. Appoint Commissioners

City Clerk/HR Director Thone explained that the City Council held interviews for the Planning Commission vacancy at their earlier Work Session meeting.

The Council discussed the candidates and their support for what various candidates could bring to the table in serving the city, and reviewed language in the code about finding people from the islands to serve.

Sanschagrin moved, Labadie seconded, Adopting RESOLUTION NO. 25-062, “A Resolution Appointing Will Ruoff as a Planning Commissioner.”

Motion passed.

B. Data Practices Policy Annual Review (formerly Consent Agenda item 2.D.)

Councilmember Sanschagrin explained that he had pulled this item from the Consent Agenda because it was important to show transparency and was worth a discussion. He stated that he had asked questions of City Clerk/HR Director Thone prior to the meeting about the number of requests received, which was 207 in 2024 and 91 requests so far in 2025. He asked how the city handles situations where the requests are less than one hundred pages, and if it was handled differently when they received electronic copies.

City Clerk/HR Director Thone stated the charges are the same whether it was electronic or paper copies at .25 per page if under 100 pages.

Councilmember DiGruttolo asked why they were the same charges. City Clerk/HR Director Thone explained that the intent is that the staff time put into data requests is the same, regardless of the medium in which it was provided.

Councilmember DiGruttolo explained that she had a bit of an issue with the proposed charges and stated that the Council, at their off-site meeting, expressed that transparency was one of their top three goals. She stated that the cost of being transparent and giving people access to data would be a disincentive and could be perceived as oppressive.

City Clerk/HR Director Thone stated that she is happy this has come to discussion because there seems to be some misconceptions surrounding data requests. She gave an overview of the types of data requests that were received in 2024/2025 and how long it took to turn them around. She noted that in 2024, the city had only charged \$185 for all data provided to data requesters and explained that most of the requests were completed at no charge. The majority of paying requesters are private businesses using the data for their respective business purposes, not residents. She stated that so far in 2025, the city had charged only a total of \$35.00 for data requests and reiterated that most the requests were not from residents. She noted that the number of requests has gone down because much of the data is available on the city website. She explained that the types of larger requests are for employee salary data or rental/building permits/licenses and come from businesses, attorneys, or realtors. The statute allowing cities to charge for the data is reasonable considering most of them are turning around and using the data to make money.

Councilmember DiGruttolo suggested that they update the policy to have up to a certain dollar amount free for residents and another rate for non-residents or businesses. She explained that she would like to make this as frictionless as possible for residents to get access to data.

Mayor Labadie asked City Attorney Shepherd if the city was following the State statutes relating to data requests. City Attorney Shepherd stated that the current policy does follow State statute and explained that he would have to look into the idea raised by Councilmember DiGruttolo about splitting things between residents and non-residents.

Councilmember Sanschagrín asked City Clerk/HR Director Thone to describe what has been done to make data available. City Clerk/HR Director Thone gave a brief overview of the ways that the city has worked to make more data available, such as the website, and the agenda software that would be in place later in 2025.

Mayor Labadie asked if there was a way residents could come into City Hall and see the data without there being a cost. City Clerk/HR Director Thone stated that all data requests can be inspected for free at City Hall.

Councilmember DiGruttolo noted that the State statute says that the city 'may' require the requester to pay the costs for the data, and not 'must'.

Sanschagrín moved, Gorham seconded, Adopting RESOLUTION NO. 25-057, "2025 City Data Practices Policies."

Motion passed.

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

Public Works Director Morreim noted that they were doing a lot of turf management in the parks and open spaces and are almost done flushing sewers for the year. He stated that they were planning to begin doing some buckthorn removal in Freeman Park.

City Engineer Budde stated that the mill and overlay project had just started with some tree clearing on Eureka and Wild Rose and was also coordinating with the County on the Mill Street watermain project.

Finance Director Schmuck explained that they were continuing to work through the budget schedule.

City Clerk/HR Director Thone stated that the city had received seventy applicants for the Administrative Assistant position, which will not close for another week. She stated that they had also received 28 applications for the LEO position and would interview seven candidates beginning tomorrow. She noted that the new City Planner, Aaron Osowski, will begin on June 30, 2025. She explained that on the advice of the State and County, the city had removed all of the City Council candidate information, including addresses and phone numbers, from the website out of caution.

Planning Director Griffiths stated that the July Planning Commission meeting had been cancelled because there were no applications to be reviewed. He stated that staff was working through a number of the water options that the Council had given direction on and anticipated that those

would be brought back before them in July. He noted that they were also beginning the zoning audit project with the consultant next week.

City Attorney Shepherd noted that he would be at the upcoming League of Minnesota Cities conference.

City Administrator Nevinski stated that the SLMPD Board had approved the Chief's employment contract last week.

B. Mayor and City Council

Councilmember Gorham thanked everyone for their hard work on the water discussion because he knew a lot of work had gone into it. He explained that he would be unable to serve as the Council Liaison at the June 24, 2025, Park Commission meeting and asked if anyone could fill in for him.

Councilmember Sanschagrín stated that he was able to attend the Park Commission meeting.

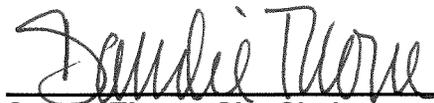
Mayor Labadie stated that she and City Administrator Nevinski had attended the Minnetonka Superintendent luncheon with the area mayors and administrators, where they reviewed the district budget for the coming year. She attended the Campfire Minnesota Beach Waterfront Grand Re-opening. She expressed appreciation to the SLMPD for sending an officer to be outside of Representative Myers' house. She noted that she met with Representative Myers earlier today about some potential issues where Shorewood may need legislative help. She stated that Senator Johnson Stewart would also be holding a meeting with the area's mayors.

10. ADJOURN

Maddy moved, Sanschagrín seconded, Adjourning the City Council Regular Meeting of June 23, 2025, at 9:48 P.M.

Motion passed.

ATTEST:



Sandie Thone, City Clerk



Jennifer Labadie, Mayor