

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JULY 28, 2025

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
7:00 P.M.

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Labadie called the meeting to order at 7:00 P.M.

A. Pledge of Allegiance

B. Roll Call

Present. Mayor Labadie; Councilmembers Maddy, Sanschagrín, Gorham, and DiGruttolo; City Attorney Shepherd; City Administrator Nevinski; City Clerk/HR Director Thone; Planning Director Griffiths; Communications and Recycling Coordinator Wilson; and Finance Director Schmuck

Absent: None

C. Review Agenda

Sanschagrín moved, Gorham seconded, approving the agenda as presented.

Motion passed.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

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

A. City Council Work Session Minutes of July 14, 2025

B. City Council Regular Meeting Minutes of July 14, 2025

C. Approval of the Verified Claims List

D. Water Assessment Agreement – 23622 Smithtown Road, Adopting RESOLUTION 25-066, “A Resolution Approving and Adopting a Special Assessment.”

E. Codification of Supplement S-20, Adopting ORDINANCE 623, “An Ordinance Enacting and Adopting the 2024 S-20 Supplement to the Code of Ordinances for the City of Shorewood, Minnesota.”

Motion passed.

3. MATTERS FROM THE FLOOR

Dale Newberg, 26960 Beverly Drive, stated that they have lived on Beverly Drive for thirty-five years and have been on a private well the entire time. He outlined the five thousand dollars they have spent over that time for well maintenance and repairs. He explained that they have had their water tested multiple times and have found it to be of high quality. He explained that they do not want to have fluoride or other chemicals added to their water. He stated that he was here to express his concerns and disapproval of the City's proposed water assessment programs. He gave a brief overview of his thoughts on the program, proposed fees, and the requirement for water hookup, upon sale of a home, when there is City water access in the street. He suggested that if the City wanted to incentivize residents to hook up to City water, they should find a carrot to use, and not a stick, and shared examples.

Barry Brown, 6050 Burlwood Court, stated that at a recent Work Session meeting, Councilmember DiGruttolo had spoken of communication with residents. He suggested that one of the things the City could do was for entities that come to the City, such as the new cable companies, to insist on public access to a communications person or project manager, as part of the contract. He explained that for many of the City projects, there is no clear person for residents to communicate with. He noted that for a recent mill and overlay project near Shorewood Oaks, the assumption by the residents was that it would be a simple process of grinding the street and covering it up again, but it turned into a much bigger project than expected. He shared examples of curbs being taken out, trees being removed from both right-of-way areas as well as private residential lots. He noted that he did not feel that it was fair that taxpayers were paying for tree removal on private properties. He explained that from a communications standpoint, these were things that the residents should be aware of and why the City was making these kinds of decisions. He referenced the mill and overlay process on Eureka Road and stated that he had never seen curbs in any of the proposals for that project, but they were installing curbs on the whole street. He stated that it would benefit the City to take a look at the last three to five years of estimates that the Council was getting from staff members, compared to what actually occurred.

Councilmember Maddy asked staff to respond, in the future, to the concern raised by Mr. Brown about the removal of trees from private properties.

4. REPORTS AND PRESENTATIONS

A. **South Lake Minnetonka Police Department 2026 Budget – Chief Justin Ballsrud**

Police Chief Ballsrud gave an overview of the proposed South Lake Minnetonka Police Department 2026 Budget. He explained that the current proposal is for a total increase of eight point four percent from the 2025 budget and highlighted a few things from the budget proposal and changes that were made in order to bring down the overall budget costs.

Councilmember DiGruttolo asked about subscriptions and memberships denoted in the budget.

Police Chief Ballsrud stated that these included things like their scheduling software, training trackers, Hennepin County Chiefs' Association, and the Minnesota Chiefs' Association.

Councilmember DiGruttolo referenced some of the items that were large increases, such as part-time salaries, subscriptions and memberships, and disability benefits.

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Police Chief Ballsrud stated that the jump in disability benefits was due to the estimate for the Family Leave Act. He noted that this was the Department's first year with the part-time records clerk, and also due to the elimination of the full-time CSO position, this included the increase for the part-time Evidence Tech position.

Councilmember Sanschagrín stated that Police Chief Ballsrud stated that the overall increase was eight point four percent, but at the bottom of the schedule, it appears to be just six point seven percent.

Police Chief Ballsrud explained that the eight point four percent was for the overall cost, and the six point seven percent factors in several grants and reimbursements that they receive from the State.

Councilmember Sanschagrín listed off some of the numbers in the schedule and explained that he was still confused by how the numbers worked.

Police Chief Ballsrud stated that, in looking at the 2026 budget proposal, he believed that there may be an error in the formula and explained that he would have to check on those numbers.

Councilmember DiGruttolo asked who was responsible for helping put the budget together and if the Department got help from one of the member cities.

Police Chief Ballsrud stated that the responsibility fell on him, as the Chief, and he used the Department Administrator, who handles finance and bookkeeping for the Department, to assist.

Councilmember DiGruttolo asked if it would be helpful for the member cities to share the services of their financial staff members to help the Department prepare the budgets.

Police Chief Ballsrud acknowledged that it could potentially be helpful and noted that, because this was his first year, he had reached out and gotten some help.

Mayor Labadie stated that the mayors from the member cities work well together and have discussed the budget numerous times. She stated that Greenwood Mayor Fletcher had worked quite a bit with Police Chief Ballsrud on the current budget.

Police Chief Ballsrud agreed and noted that the Operating Committee was the first people who had seen the proposed budget, which led to him making some of the decisions and some changes related to the budget.

City Administrator Nevinski explained that part of the conversations that the city managers from the JPA cities were having was how to better support the Chiefs because their training was in public safety, but they were being asked to do public safety, finance and HR duties as well. He stated that more conversations need to happen about these kinds of issues and consider whether those types of services should be provided by one of the member cities or through a contractual relationship with an outside agency.

Councilmember Sanschagrín stated that he appreciated this thought process and believed it was important for the cities to support the Chiefs.

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Councilmember DiGruttolo stated that she agreed and noted that the cities should be sharing their staff resources.

Mayor Labadie noted they were taking steps in the right direction, and both the Coordinating Committee and the Operating Committee, along with Chief Ballsrud and his staff, had spent a lot of time on the budget this year. She reminded the Council that this item was meant to have an interactive discussion regarding the budget, and the Council was not being asked to vote on the budget tonight.

Councilmember Gorham stated that seeing how everything breaks down, by city, would be helpful to see within the summary. He referenced the proposed overall increase of one hundred ninety-five thousand five hundred forty-three and explained that he would like to be able to see how they got to that number.

City Administrator Nevinski explained that what Councilmember Gorham was referencing was the cover memo for tonight's meeting, and he did not know if Chief Ballsrud had seen that. He noted that what was provided to the Council today came out of the July 23, 2025, meeting related to budget changes. He explained that they would plan to bring back more details when it comes back for formal budget approval.

Councilmember Maddy stated that in looking at the spreadsheet, some of the percentages show an increase of two hundred percent, but the dollar amount is only about ten thousand dollars, and another line item for wages that increased about one percent, but was a much larger dollar figure. He suggested that the next version have a column that indicates the new difference in the actual dollar amount so they are able to more easily see where the inflationary pressures are landing.

Councilmember Sanschagrín stated that in past Council meetings, they had noted that the Excelsior costs did not have overhead baked into their salaries and asked if the new budget took that into account and included an adjusted rental rate that would cover those costs.

Police Chief Ballsrud stated that it did not and would require time and discussion, because Excelsior owns and provides supplemental equipment for that program.

Councilmember DiGruttolo stated that she would like to see more information on the repairs and maintenance. She stated that the proposed increase was significant and asked if these were things that could be forecast out, and noted that this was one of the reasons she had brought up the possibility of providing additional expertise from the cities for planning purposes in order to become more predictable.

Police Chief Ballsrud stated that one of the reasons for the larger increase in repairs and maintenance was due to the vehicle leases and repairs for the building.

Mayor Labadie asked for an explanation of the instances related to the squad cars that caused this line item to be a bit higher.

Police Chief Ballsrud gave an overview of some of the instances that happened and explained that some of them were not foreseeable. He explained that the vehicle involved in the officer-involved shooting was in the possession of the BCA for almost a year while they conducted their investigation, and then it was in the body shop getting fixed for several months, which meant they were down a vehicle. He shared examples of current vehicles, mileage, breakdowns that required

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towing, and the desire for reliable vehicles, which was why they were looking to get away from leasing vehicles and move back towards ownership.

Mayor Labadie noted that the Council had indicated some things that they would like more information on and invited Police Chief Ballsrud to come back to a future Council meeting to present more details related to the proposed budget for 2026.

Councilmember Sanschagrín explained that there was interest from the public in having more information about what kinds of things the Police Department was up to.

Police Chief Ballsrud stated that they have a strong social media presence, but some people are not on social media. He noted that many cities have a Public Relations Department that handles this kind of outreach, but explained that the Police Department does not have the budget for this type of staff member and has been relying on current staff members. He explained that he handles the Department's webpage, which was not something he went to school for, and has had to teach himself how to do updates.

5. PARKS

6. PLANNING

7. ENGINEERING/PUBLIC WORKS

8. GENERAL/NEW BUSINESS

A. Recycling RFP

Communications and Recycling Coordinator Wilson reminded the Council that the City's current contract with Republic would end on December 31, 2025. He outlined the RFP details, including the different scenarios of single-sort recycling and organic material collection. He explained that the City received four proposals through this process, the community survey that had been conducted, and explained that, at a minimum, staff was looking to enter into a single-sort recycling contract and were recommending moving forward with Waste Management (WM). He stated that staff was also looking for direction from the Council on whether they want to pursue a curbside organics recycling program.

Councilmember Sanschagrín asked why staff was recommending moving forward with WM.

Communications and Recycling Coordinator Wilson explained that their proposed costs were the lowest, their references were positive, liked their education and outreach that was presented, and also their proposed sustainability measures.

Councilmember DiGruttolo explained that she had looked at Suburban Waste and WM and noted that she liked Suburban Waste a bit better than WM. She stated that Suburban Waste had increased their pricing year over year, but by 2030, it was only a ten percent increase total, and for WM, they raised their pricing a total of seventeen percent for the same period. She stated that another thing she liked about Suburban Waste was that they had local people for calls, with no call center, and asked if the references were what had tipped the scales in favor of WM from a staff level.

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Communications and Recycling Coordinator Wilson acknowledged that the feedback from references was a big piece of tipping the scales in favor of recommending WM. He stated that his understanding was that there were also local contacts with WM, as well as an app for people to use.

Councilmember Sanschagrín asked if Suburban Waste also had an app.

Communications and Recycling Coordinator Wilson explained that he was not sure and stated that information on an app was not included in the proposal from Suburban Waste, but was included for WM.

Councilmember Sanschagrín stated that the community survey information seemed to indicate that people were in favor of providing organics collection.

Communications and Recycling Coordinator Wilson stated that the City had received mostly positive comments about this on the survey, but they did receive a few phone calls from residents who did not want to be charged for organics.

Councilmember DiGruttolo clarified that she would support moving forward with WM, even though, in her review, she had slightly preferred Suburban Waste over WM. She noted that one potential drawback to Suburban Waste was that they had not had a municipal contract before. She stated that she was definitely in favor of providing curbside organics collection.

Mayor Labadie stated that she would be in favor of starting a pilot program for curbside organics collection so they can see how it goes in the City.

Councilmember Gorham stated that moving forward with WM seemed like it would be fine.

Councilmember Sanschagrín explained that he would support either WM or Suburban Waste, and noted that his reasons were similar to what was shared by Councilmember DiGruttolo.

Mayor Labadie stated that she could also support either WM or Suburban Waste, but was leaning more towards WM due to their lower cost.

Councilmember DiGruttolo reminded the Council that by the end of the contract term, WM's price increases would be higher than Suburban Waste's would be.

The Council discussed potential contract terms/lengths, when the City would go through the RFP process, possible future negotiation options, customer service expectations, and experience with the companies that had submitted RFPs.

Councilmember Maddy stated that Suburban Waste had been great to work with in the past for him, but acknowledged that WM can do most of the same things. He stated that Suburban Waste has had good customer service for a long time and was trying to push into the municipal market, but explained that he did not want to use taxpayer dollars to help them. He noted that if it could be a net or similar cost, he would lean towards them. He reviewed the recycling costs compared to the organics costs and noted that the organics look like they will cost forty dollars per month per user, and also put another truck on the roads. He stated that he did not think the City was ready, until they are forced, to have a truck, because the hauling is so much more expensive, which was why he was shying away from supporting organics collection right now. He stated that

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between Suburban Waste and WM, he would lean towards the lowest bidder that offers similar service.

DiGruttolo moved, Sanschagrín seconded, to Direct Staff to Negotiate a Contract for Curbside Recycling with WM.

Motion passed.

DiGruttolo moved, Labadie seconded, to Direct Staff to Develop a Schedule and Process to Implement a Curbside Organics Collection Program.

Councilmember Sanschagrín noted that Councilmember Maddy had expressed concerns about proceeding with this and suggested the Council discuss this.

Councilmember Gorham stated that he liked the idea of curbside organics collection but was worried about the overall pay structure.

Communications and Recycling Coordinator Wilson gave an overview of the pay structure that would charge everyone for this service, regardless of whether they used it or not, due to the ordinance, which is similar to recycling. He noted that currently, cities with a population of ten thousand people were required to have organics collection, and cities above five thousand had the choice of having an organics drop-off site or a curbside program. He stated that in the new 2022-2042 Solid Waste Management Plan, which indicated that curbside pickup would be a requirement for cities above five thousand people, at some point.

Councilmember Maddy asked which governing body managed that requirement.

Community and Recycling Coordinator Wilson explained that this came from the MPCA and briefly reviewed some of the other requirements included in this upcoming change.

Mayor Labadie noted that residents have spoken up at Matters from the Floor regarding problems with the drop-off sites.

Councilmember Maddy explained that he did not think there was a net benefit if only ten to twenty percent of the residents were causing a truck to go onto almost every City street, and did not see the net benefit.

Mayor Labadie stated that to use the drop-off sites, residents need to sign up for a code to gain access and asked how many residents had the code.

Communications and Recycling Coordinator Wilson stated that there were currently one hundred sixty-three households who were signed up.

The Council discussed contamination at the drop-off sites, fear of vandalism if they unlocked access to the drop-off site, upcoming mandates about organics collection, not knowing when those mandates would be put into place, and the desire for a cost-benefit analysis before a decision is made.

Mayor Labadie stated that, based on the discussion, it appeared that the majority of the Council was not ready to move forward with curbside organics pickup at this time. She asked staff to

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bring back information to the Council related to the items they had expressed concerns about in their discussions.

Motion failed 2/3 (DiGruttolo and Labadie – Aye, Gorham, Maddy, and Sanschagrín – Nay)

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

Finance Director Schmuck explained that the City had sent out an RFP to six entities for auditing services in addition to posting it on the City's website and the League of Minnesota Cities' websites.

City Clerk/HR Director Thone stated that they had final interviews earlier today for the Administrative Assistant position and would be making a recommendation to the Council at the August 11, 2025, meeting.

City Administrator Nevinski stated the consultant for the Highway 7 Coalition had been reaching out to the communities and school districts to try to get some baseline information. He noted that work is starting on developing the Coalition study. He stated that the City had been scoping out audio/video equipment and noted that they try to purchase various equipment at separate times to spread out the overall costs. He explained that they had to cancel Safety Camp because there was not enough interest from the community. He stated that the mill and overlay project was underway and hoped that paving would take place sometime next week. He referenced the comment made during Matters from the Floor related to the removal of trees and explained that the Council had approved a change order in May for the removal of trees, particularly ash trees. He stated that the rationale was that when those trees eventually die and fall, it would likely be within the public right-of-way and would have to be dealt with in an emergency fashion.

Councilmember Sanschagrín asked if this included trees that were wholly within private property.

City Administrator Nevinski stated that if a tree was close to the right-of-way line, going to impact the right-of-way, or was an ash tree, and if the homeowner wanted it removed, they would remove it as part of this project, as a proactive step.

Councilmember DiGruttolo asked how many trees would be removed.

City Administrator Nevinski stated that there were about seventy trees throughout the entire project area that would be coming down.

Councilmember Sanschagrín asked if the City was staying within its budget.

City Administrator Nevinski stated that, to his knowledge, they were staying within the budget. He stated that he will discuss the concern raised about the tree removals with Public Works Director Morreim and City Engineer Budde.

B. Mayor and City Council

Councilmember DiGruttolo asked about the process of adding topics to Council meetings for discussion.

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City Administrator Nevinski stated that there is no clear process at the moment, but there was one laid out within the draft Bylaws, slated for discussion in September. He stated that the proposed process was along the lines of a Councilmember bringing up a topic and, if there was support from the Council that this topic was worth further discussion, then the Council could direct staff to add it to a future agenda.

Councilmember DiGruttolo listed a few examples of things that she would like to see brought back for further discussion by the Council.

Councilmember Sanschagrín stated that he would like to see things have a tentative date attached to them.

City Administrator Nevinski explained the reasons that he would not attach a tentative date to these kinds of future discussion items.

Councilmember Sanschagrín suggested adding an agenda item for City Council tentative meeting topics as a placeholder, with a list of items, so the Council could discuss priorities. He noted that he had attended the Park Commission meeting and gave an overview of their discussion topics.

Councilmember Maddy stated that the EXFD Relief Association bumped up their retirement formula because its investments were doing well. He gave an overview of the EXFD budget, staffing, lack of grant funds, and direction the EXFD Board had given related to delaying some proposed hires and permission to sell a seldom-used truck. He explained that they needed to purchase SCBA equipment this year, which they had hoped to receive grant funding for, but instead had ended up making the budget look bad.

Mayor Labadie stated that four of the five mayors from the member cities had attended the recent EXFD Board meeting to express their concerns about the proposed 2026 budget. She encouraged the Council to do some research and make sure they were informed about the EXFD before they were asked to make a decision, and noted that she did not see how they would be able to make cuts to the budget. She stated that if the Council had specific questions, she would encourage them to reach out to Chief Mackey or Councilmember Maddy, who was the current chair of the EXFD Board.

Councilmember DiGruttolo explained that, as a former military officer, she was frustrated by Mayor Labadie's statement and explained that she would never let all of her military vehicles or equipment expire at the same time. She asked why there had not been a plan for ten percent of this equipment to be replaced each year and expressed frustration about the circumstances and possible competence of the decision makers in this situation.

Councilmember Maddy explained that many EXFD Boards before the current Board had decided not to hold the member cities' money and would take it as it came, but noted that the current Board was working to change that approach to do the kinds of things Councilmember DiGruttolo had mentioned and plan for these types of things.

Councilmember Sanschagrín asked if there may be other assets that could be liquidated.

Councilmember Maddy stated that they are planning to sell some of the old hoses to a group of Wisconsin farmers. He noted that they had also made some smaller cuts, but had asked Chief

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Mackey to try to find more possible cuts. He stated that he had gotten multiple letters from the firefighters stating that they were not happy about the decision to sell the truck. He stated that the EXFD had made a decision to hire a firm to make a long-term CIP plan for all of their equipment and facilities.

Councilmember DiGruttolo expressed frustration with the fact that both the Chief and the Assistant Chief were not around on the Fourth of July and stated that she would like the full Council to have a better handle on things related to the EXFD. She noted that, in her opinion, if she were giving out grades, things with the EXFD were currently at a C- and should be better than that.

Councilmember Maddy noted that they had a special EXFD meeting in a few weeks to discuss the budget.

Mayor Labadie stated that this meeting was open to the public and noted that if more than two of the Councilmembers were interested in attending, it would have to be noticed.

Mayor Labadie stated that she attended the Chaska Fishing with Friends event and a meeting hosted by Senator Stewart regarding Highway 7. She noted that there is a potential project in Chanhassen that could affect the Highway 7 project in Shorewood and gave a brief description of this proposal.

10. ADJOURN

Maddy moved, Sanschagrín seconded, Adjourning the City Council Regular Meeting of July 28, 2025, at 8:48 P.M.

Motion passed.

ATTEST:



Sandie Thone, City Clerk


Jennifer Labadie, Mayor