

MINUTES

**1. CONVENE CITY COUNCIL WORK SESSION MEETING**

Mayor Labadie called the meeting to order at 5:30 P.M.

**A. Roll Call**

Present. Mayor Labadie; Councilmembers Labadie, Callies, Maddy, Sanschagrín, and Zerby; City Administrator Nevinski; Parks and Recreation Manager Czech; City Clerk/HR Director Thone; Planning Director Darling; Director of Public Works Morreim; City Engineer Budde; and Finance Director Schmuck

Absent: None

**B. Review Agenda**

**Zerby moved, Maddy seconded, approving the agenda as presented. Motion passed 5/0.**

**2. BUDGET 2025**

City Administrator Nevinski stated that this would be the first discussion of the proposed 2025 budget for the City. He introduced Tessa Beuning from Abdo and explained that staff was looking for feedback from the Council on the proposed budget items. He stated that this would be brought back before the Council on September 9, 2024, for additional discussion and the preliminary levy would need to be accepted by the end of September.

Tessa Beuning, Abdo, explained that she had been working with the City for the last eight months as they have been transitioning to a new Finance Director. She gave an overview of the following areas: budget assumptions; General Fund Reserve recommendations and policies; General Fund balance and impact of proposed transfers; reviewed the General Fund Revenue and Expenditures; reviewed other City funds; property valuations and tax levies; and outlined the estimated residential and commercial tax impact.

Councilmember Callies asked about the Shorewood Community and Event Center and asked for the rationale of this now being shown on the levy.

Ms. Beuning stated that they had done that in order to keep it consistent with how the other fund sources were coming in.

Councilmember Maddy stated that the biggest line item was for Public Safety and asked if they were working with some older proposed public safety numbers in her report because the information that was included later in the packet was different than her presentation.

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City Administrator Nevinski explained that the packet had the actual budgets from the Departments which show their increases and their operations. He stated that what Ms. Beuning was showing was how the overall Public Safety budgets change, relative to the City's budget.

The Council discussed the schedule and dollar amounts for various equipment replacement plans as well as water usage projections and differences in years where there are drought conditions.

Councilmember Zerby asked if City staff had a communications plan for getting this information out to the residents.

City Administrator Nevinski stated that they have put information out on the Finance page of the website, have put information in the newsletter, and will continue to put additional information on the website and noted that people can also sign up for e-mails.

Councilmember Zerby suggested that this information be added to the front page of the website. He asked if Abdo had anything similar to the feedback tools that engineering had used for projects that made it easy for people to comment on specific projects that would be used to help explain the budget.

Ms. Beuning stated that they have budget presentations that they can do for residents to help understand the process but do not have a tool like Councilmember Zerby is describing.

City Administrator Nevinski stated that he appreciated Councilmember Zerby's suggestions and could try to add some of them to the process.

Councilmember Callies asked what someone would click on the website for the budget information.

City Administrator Nevinski explained that you would start by clicking on Government, then City Departments, then Finance, and finally the tab that says City Budget.

Councilmember Zerby stated that was a lot of places to click in order for people to find the budget information and suggested that they find a way to reduce that in order to make it easier for residents.

Councilmember Callies referenced the Preliminary Budget memo and stated that one of the things she noticed was that there were a number of bullet points related to contractual services under almost every department. She stated that she would like to know what some of those contractual services were and gave the example of Administration whose contractual services increased by six thousand dollars.

City Clerk/HR Director Thone stated that those contractual services would include things like the minute taking and NeoGov and noted that she could share that budget detail with the Council.

Mayor Labadie explained that they have another meeting immediately following this meeting and suggested that they try to wrap up their comments and questions related to the budget.

Councilmember Sanschagrín stated that an overall comment he had was that sometimes when you take a 'conservative' approach, you end up biasing the budget in a certain way which is what he believes may have built up their general reserve funds. He stated that he would encourage

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staff to tighten things up a bit and try to be as accurate as they can, rather than just taking a conservative approach. He stated that he would also like to get feedback from staff for things like what they can do to improve things, for example the Water Fund, in order to increase revenue or reduce the costs, even though that goes beyond the budgeting process.

Mayor Labadie noted that this had been a large part of the Council's discussion at their most recent retreat and suspects it would continue to be a conversation for many years on how the City can improve the various Enterprise Funds.

Councilmember Sanschagrín asked if the budget included anything for tree removal or investments in potential traffic calming speed signs.

Ms. Beuning stated that under the Park Maintenance budget, there are costs under contractual services relating to buckthorn removal.

Public Works Director Morreim stated that there was also tree removal in the contractual services for Public Works. He noted that traffic calming signs will probably require a bit of a larger discussion because they can be quite expensive but explained that they had been actively working with the SLMPD to put out the speed monitoring device.

Councilmember Callies asked about funding for contractual services for buckthorn removal and compared what was budgeted in 2024 with what they have actually spent.

Public Works Director Morreim explained that there were fifty thousand dollars of the contractual costs reimbursed through the DNR and there was also a seventeen thousand dollar match and noted that none of the matching funds had been spent the previous year.

Councilmember Callies asked what feedback and suggestions the Council was supposed to give to staff.

City Administrator Nevinski stated that staff was looking for feedback on things like the seven-and-a-half percent levy and whether there was anything that they were seeing in the budget that they had questions or concerns about or if there were any specific initiatives that they wanted to ensure were funded.

Councilmember Zerby stated that he has always encouraged trying to 'squeeze more out of the rock' and would challenge staff to try to find areas that they could trim and present those alternatives to the Council.

Councilmember Callies stated that she agreed and noted that, for example, she did not realize that the City had a drone and asked who used it.

Planning Director Darling stated that the drone is used by the Building Official for roof inspections rather than going up on every roof.

Councilmember Callies asked about the additional legal fees for the prosecution retainer.

City Administrator Nevinski stated that for prosecution services, those fees are proposed to go up and has been told that some of that has to do with what has been happening coming out of the

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pandemic because there is more activity and also with the way Hennepin County is processing cases.

Councilmember Maddy stated that when this is published, he felt that most people did not understand how tax levies work and suggested that the City should include a narrative that explained those numbers.

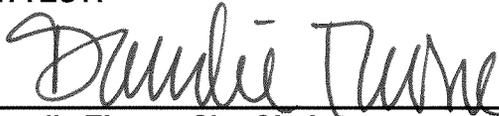
Councilmember Sanschagrín stated that he felt it would be helpful to highlight what has been done to increase productivity and reduce costs, such as the software investments.

Mayor Labadie stated that she would also like to see them get the budget put together in a way that the average resident is able to look at it and understand it without having to have a finance degree.

**3. ADJOURN**

**Maddy moved, Sanschagrín seconded, Adjourning the City Council Work Session Meeting of August 12, 2024, at 6:31 P.M. Motion passed 5/0.**

**ATTEST:**

  
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**Sandie Thone, City Clerk**

  
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**Jennifer Labadie, Mayor**