CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JULY 27, 2026

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 7:10 P.M.

A. Pledge of Allegiance

B. Roll Call

Present. Mayor Labadie; Councilmembers Maddy, Sanschagrin, Gorham, and DiGruttolo; City Attorney Shepherd; City Administrator Nevinski; Planning Director Griffiths; Director of Public Works Morreim; and Finance Director Schmuck

Absent: None

C. Review Agenda

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

Motion passed 5/0.

2. CONSENT AGENDA

Councilmember DiGruttolo stated that in 2025 the City budgeted zero dollars for the sale of the City's capital assets. She noted that the City received $123,000 in 2025. Next year, the City is selling equipment with a listed value of $28,000 but is also showing zero revenue for that year. She asked if that is her mistake in reading the budget. Finance Director Schmuck shared that these items are sold at auction with a minimum bid, and the City has never budgeted for those line items. It could be something that the City could do, but those are unknown revenues. She added that the money made goes back into the capital funds and will not be specifically related to line items. The City does not budget a balance fund for those funds and does not levy a project expense for those funds in the future, so usually just looking at year-over-year revenue and expenditures and remaining fund balance is what is done in the capital funds balance.

Councilmember DiGruttolo asked if the $123,000 could go to the $280,000 dump truck. Finance Director Schmuck stated that the money goes into a fund, but is not specific to a line item. The money goes into the overall budget in the fund across the ten-year time frame.

Councilmember DiGruttolo pointed out that in the past, Public Works Director Morreim had mentioned that certain money was being used and would offset the cost of a new vehicle. Finance Director Schmuck explained that the cost-benefit analysis is provided to help explain why certain things are being bought, justifying the new purchase.

Mayor Labadie stated that for Item 2.B. in the regular meeting minutes from July 13, 2026, at the end under Council comments, when she was providing a summary of the SLMPD Coordinating Committee, she incorrectly stated that different cities proposed having a councilmember in that role and that Greenwood rejected it. She noted that it would be more accurate if the minutes reflected that Greenwood proposed that a city councilmember serve in that role. Over the past year-plus of discussions, the proposal has been rejected by the different member cities.

City Attorney Shepherd explained that the clarifying comment will be in the meeting's record but could not be included in the record from the last meeting.

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

A. City Council Work Session Minutes

B. City Council Regular Meeting Minutes

C. Claims List

D. SE Area Water Improvements, Adopting <u>RESOLUTION NO 26-46</u>, "A Resolution to Approve and Accept Improvements & Authorize Final Payment for SE Area Water Improvements; City Project 24-08."

E. Summary of Administrator's Review

F. Declaration of Surplus Items **** agenda stated a motion to adopt the resolution, but no resolution is provided in the agenda.***

Motion passed 5/0.

3. MATTERS FROM THE FLOOR

Mayor Labadie noted that Item 4.B. is a public hearing, so if anyone had comments about it, they could hold them until that Item came up in the Agenda.

No one wished to address the Council.

4. GENERAL BUSINESS

A. Presentation – SLMPD 2027 Budget

Chief Ballsrud, South Lake Minnetonka Police Department (SLMPD), stated that he would be presenting the proposed 2027 budget for the SLMPD. He noted that the budget is not insignificant and the big issue is that there was a recalibration of the Joint Powers funding formula, which went from five years to three years. He shared a slide that highlighted the cost to every city using the new funding formula. He stated that he would pause for questions as the calculation was a bit convoluted.

Councilmember Sanschagrin asked who does the calculations. Chief Ballsrud stated that he did the calculations and the others checked the calculations. He added that Mayor Fletcher checked the work and helped develop the spreadsheet and formulas.

City Administrator Nevinski stated that this was something that was established when the communities went to arbitration. A three-judge panel established the baseline and then allowed for adjustments to be made as population, tax capacities, and incidents. Incidents are how much activity a certain community is generating, or Incident Call Reports (ICR). He added that all of those are factors that go into determining the financial allocation. A few years ago, things shifted from a five-year look back to a three-year look back.

Councilmember Sanschagrin asked what factors pushed it up for Shorewood. Chief Ballsrud stated that all three factors did. He noted that calls for service do not include traffic stops. In looking at Shorewood's numbers, calls for service average 2,500. In 2025, there were 2,748 calls, and the call average for the three years before that was 2,295, so there was an increase. He shared that tax capacity went up across all four cities. He added that Shorewood had some population growth, along with Tonka Bay. He pointed out that Tonka Bay took a substantial hit in this year's budget as well.

Councilmember Gorham stated that counting the population and the ICRs is the same thing, because the City will have more ICRs as there are more people. It seems like the City is getting penalized for having a large population twice. Chief Ballsrud pointed out that is what a three-judge panel decided. Councilmember Gorham stated that he is not trying to litigate it, more or less complaining.

City Administrator Nevinski pointed out that tonight was scheduled as a presentation as to what is happening with the SLMPD budget so that the Council can ask questions. The Staff will ask for more formal approval at the next meeting, and the Fire Chief will be present to give a presentation on the fire budget as well.

Councilmember DiGruttolo asked if it is every three years that the cities look at the formula. City Administrator Nevinski stated that is correct; that is when the numbers are reviewed and reallocated.

Councilmember Sanschagrin asked if that number is an average of the three years. City Administrator Nevinski stated that is correct. Chief Ballsrud added that the numbers on the left side of the slide are different than what is currently budgeted because that was under the previous five years.

Mayor Labadie noted that the board has been discussing the budget at numerous meetings and Councilmember Sanschagrin has been attending the budget meetings as well. She shared that several things have changed substantially beyond the funding formula. One of those was the health insurance and the numbers that went along with that because things were required to be changed based on legislation that came out of the State this year.

Chief Ballsrud stated that it is a contractual year. So the SLMPD is at the end of a three-year contract, and there is some ground to make up in the next year. There is a tentative agreement with a six percent increase, with years past being eight or even higher. He shared that overall for full-time salaries, there would be a 13.2 percent increase. One of the increases is adding back in the eighteen officer, which is not an addition; it was approved in 2022, and in the last two years, because of budgetary constraints, two positions were lost. He noted that in 2026, the SLMPD will be short an officer position for all 52 weeks of the year. Many are utilizing the Family Leave Act, which has left the department shorthanded. He stated that along with maintaining competitive wages, the SLMPD has fallen behind neighboring agencies in healthcare coverage, so what was asked by the union groups was not obtainable. He added that there is not an agreement with the union yet, but the SLMPD has increased the contribution to healthcare coverage to be a little more competitive. He shared that some of the agencies around the SLMPD have gone up to 100 percent coverage for the officers and their families, which is not feasible for the SLMPD. He shared that, to get the numbers back to where they were a few years ago for officers, the SLMPD has not participated in the Drug Task Force since 2024 and will not be able to do so until fully staffed.

Councilmember DiGruttolo asked what the impact is of not having the eighteenth police officer. Chief Ballsrud shared that there has been a resurgence in fentanyl and methamphetamine in Hennepin County. Councilmember DiGruttolo asked if that is happening in the SLMPD district. Chief Ballsrud stated not in great volumes, but there was a period where, in roughly two years, there were about seven overdose deaths in the area. That led to the SLMPD getting involved in the Drug Task Force. He added that when the SLMPD is not fully staffed, it is the quality-of-life complaints they cannot get to, such as e-bikes and noise complaints; if there are arrests, then some officers would be tied up for a while. It is hard to handle all of the calls and be responsive when people are expecting the police department to be.

Councilmember DiGruttolo stated that she is asking about the eighteenth officer, because she would rather spend the money to get the healthcare as close to 100 percent as possible rather than getting another officer. She noted that she did not know the math and does not want to compromise the service, but pointed out that it would be something to think about. Chief Ballsrud shared that some of the ways that the SLMPD can offset not being fully staffed are to use money for overtime, which in turn costs more and causes burnout. One of the officers recently came back from paternity leave, and everyone else was thrilled because that shift is no longer shorthanded, with others working extra calls or having time off. He added that the overtime budget for the SLMPD is rather small and has gone down.

Councilmember DiGruttolo asked if it would be possible to hire an officer for the summer. Chief Ballsrud noted that it is very difficult with the Minnesota POST Board to hire part-time officers who are licensed. Some agencies have had luck, but it can be a challenge to get people to work in the summer. He explained that ideally, if the State had a pool of licensed police officers that all agencies could pull from, that would be wonderful. The reality is that the State licensing does not allow for that.

Councilmember Sanschagrin stated that health insurance benefits are over $100,000 of the increase in the budget. He asked if there would be an opportunity to look for other service providers to get a better bid. Chief Ballsrud explained that the SLMPD uses a brokerage, and to keep the numbers in budget, the SLMPD is switching from a tiered system to an age-based system. He pointed out that for himself and his family, it will have a bigger impact, but for the younger officers, it will help lower the cost and their out-of-pocket as well. He added that at some point it may be more advantageous to use the tiered system.

Chief Ballsrud shared that one of the items in his special projects list is that the SLMPD is behind the times when it comes to the employee tracking list, policy list, and field training tracking. The policy manual consists of several Word files that, over the last five years, the SLMPD has been updating, organizing, and converting to PDF files. There is no way to organize, search, or access the documents from the streets. He shared that when looking for accreditation, he learned about a company called PowerDMS, which helps organize and make policies accessible in the Cloud, makes them viewable online, and makes them searchable as well. The company also has a way to put a policy in place, have employees sign off on it, and test it to ensure each employee has read and understands the policy. He noted that PowerDMS also has a Hire-to-Retire Management, which the SLMPD does not currently have, and that it is a true working document that will be beneficial, especially for the field training officers. This would allow the SLMPD to search for specific items and provide a better way to track and organize training. There is also a scheduling and time management component to the suite. He noted this is something that the SLMPD has now, but with the suite it will all be in the same place. He explained that many other chiefs like the program, but it is not a free expense. He shared the quote on a slide and noted working with the provider to get the bill reduced by $2,000, so the bill would be $17,000 for the first year.

Councilmember DiGruttolo asked how the cost would work in the following years for the program. Chief Ballsrud explained that it is a three-year subscription and the price is fairly locked in. The cost would be the same for the first and third year, and the second year there would be little reduction in the cost.

Councilmember DiGruttolo asked if this was part of the $60,000 under the special projects part in the budget. Chief Ballsrud stated this would be $19,000 of the special projects, as there are other items in there as well. Councilmember DiGruttolo noted being curious what else is in the special projects. Chief Ballsrud stated that the program is the only change from previous years, so the special projects information he would have to get for the Council. He added that some of the costs could be moved to other areas, but he would have to get the specifics.

Councilmember DiGruttolo asked if there are tradeoffs for the program. Chief Ballsrud stated that the program is replacing two other subscriptions that the SLMPD has. One is scheduling, which is around $1,500 to $1,700 a year. The other is the employee tracking, which is about $2,500 per year. Councilmember DiGruttolo stated that the cost would be $20,000 and is reducing it by $5,000, so the cost is about $15,000. Chief Ballsrud agreed. He noted that risk management and all employees having access to current policies are part of the accreditation process with the Minnesota Chiefs. This has been a five-year project, and he feels like the progress is not happening. This would help to organize and streamline the process.

Councilmember Sanschagrin asked about a line item taken out for locks. Chief Ballsrud stated that the electric Knox Box was taken out. He noted that the SLMPD is always working to lower costs, such as lowering trash service today. He added that many things in the budget are out of his control. He pointed out that also new to this budget was the Fourth of July, which the SLMPD is billing each city for service instead of $1 per resident. The cost to Shorewood for 2026 was $3,909.83 and is based on a six percent increase for next year.

Councilmember Gorham asked about the numbers on the screen and if that was just for Shorewood. Chief Ballsrud shared that the left is total and the right is total but not broken down, so Shorewood would be 52.08 percent. He noted that instead of trying to figure all of it out right before the fireworks, the SLMPD was asked to think about it now and include the numbers in the budget for next year.

Chief Ballsrud went into the capital projects for 2027. He noted the roof leaks and pointed out that a more substantial one is above the Fire Department's lounge, and the PD also has one. The estimated repair cost is about $70,000 between the two roofs, with the PD's half being $35,000. He shared that another project is the Uninterrupted Power Supply (UPS) battery backup system for the building. The Police Department and the Fire Department are also the emergency operations center for the community, and the building is designed with a battery backup system to support the HVAC system, the door lock system, and critical components until the generator kicks in. The system failed in December of 2024, and the SLMPD tried for several months to fix it, but the company that made it is no longer in business. Krause-Anderson provided a rough estimate of $ 140,000 to $150,000, but it may be possible that the battery was oversized and the size may be reduced. This would not be known until more bids are received.

Councilmember DiGruttolo asked if the other $75,000 to pay for it comes from the Fire Department. Chief Ballsrud noted that to be correct. He added that, given how tight things were last year, the SLMPD did not want to include the cost in last year's budget.

Chief Ballsrud shared that for vehicle leases and purchases, there are two vehicles slated to be purchased for next year. He shared a visual to go along with this and noted that hopefully this would be the last big year. In looking at the bottom of the visual, the lease payments and purchases start going down after 2027 and will be out of the leases. After things are paid down, then the SLMPD will be back to buying and not dealing with payments on the vehicles.

Councilmember DiGruttolo asked if that would increase the insurance a lot. Chief Ballsrud stated no.

Councilmember Sanschagrin asked how much of the cost is the two new vehicles. Chief Ballsrud stated that the two new vehicles would be roughly $116,000 total. Councilmember Sanschagrin asked why the capital plan and vehicle leases grow so much. Chief Ballsrud noted that the battery backup system and the roof repair are both included under that line. He added that the Record Management System (RMS) was going to be end-of-life three years ago, but was allowed to continue. The SLMPD knows about this but has not picked a vendor, along with the consortium they are in, and is currently looking at the next steps. This is likely not to happen in 2027, so those funds were removed from the budget and are part of the reason for getting the budget down five percent. The estimated cost for the new RMS is $150,000 to $200,000; the two vendors being considered are not in Minnesota yet, but hopefully will be by the end of the year. He stated that the mobile radios in the squad cars have a serviceable life span that ends in September of 2025, but the radios still work. This will eventually have to be replaced. He shared that the in-car camera systems and body-worn cameras are over twelve years old and are towards the end of their life, with technology changing quite a bit. The SLMPD is looking for a new vendor and is looking at using the Cloud for storage and access. That would be a ten-year lease and something that is being looked at for 2028.

Councilmember DiGruttolo asked if, for the RMS, the $250,000 would be the total cost or would there be a subscription cost as well. Chief Ballsrud shared that there would be ongoing maintenance costs, which are usually about 30 percent of the initial cost, which is usually per user. The current RMS system is about $25,000 to $30,000 per year. He added that the new systems will have current technology and will add some features that the SLMPD does not currently have, such as built-in analytics. Councilmember DiGruttolo stated she would like the cost to be closer to the $150,000, especially with the 30 percent, because the cost should not be more than what is already being paid. Chief Ballsrud noted that the RMS is the backbone of the PD, because that is the in-house file system. The SLMPD would love it if the current system could still be used, but that is not possible, so we will have to move on to something else.

Councilmember DiGruttolo asked if there would be a way to combine the RMS and the PowerDMS. Chief Ballsrud noted that there is a potential for it, but until the vendor is known, there has to be something in between.

Chief Ballsrud shared future capital expenses that have been worked on with Fire: the building camera system, with much of the system not working; the shingle roof; asphalt and concrete work; and $10,000,000 in deferred maintenance over the next five to ten years. Fire and Police are still looking at those numbers and are hoping to do more in a bond, with all the cities exploring that. He wanted to put those expenses on Council's radar and hoped for no more water intrusion.

Councilmember DiGruttolo asked if the SLMPD has a Capital Improvement Plan (CIP) or a reserve fund. Chief Ballsrud stated that the SLMPD does have some reserves but not much. The audit was good. He added that things had been going downward, but now things are coming back up. He shared that other reimbursements included $46,600, which was a CD at Bridgewater Bank, and the auditor recommended moving everything into one banking institution. So of the money in the CD, $25,000 was put back into the budget to try to minimize the impact. He stated that he does not have enough reserves to put into the budget and is being conservative with the money. He added that being short-handed this year, there may be money left at the end of the year to add to the reserves and increase those for the upcoming years.

Councilmember DiGruttolo asked if the SLMPD generates any revenue from fines. Chief Ballsrud stated that all fines go to the city where they occurred.

Councilmember DiGruttolo noted that last year, the SLMPD noted struggling because there was no finance person, and it was discussed to collaborate with the other cities to try to get someone. She asked if the SLMPD is still interested in exploring that. Chief Ballsrud shared that the SLMPD is fortunate that those things can be done with the staff, but at the same time, he thinks that long-term all of those things can be looked at.

Councilmember Sanschagrin stated that across the board grants seem to be going down. He asked if that is because of the State budget. Chief Ballsrud noted that the money comes in and then is distributed across the board. There is a grant that is used to cover a full-time officer, and he is optimistic that will happen, but has not received any word one way or the other.

Councilmember Sanschagrin asked what forfeitures are. Chief Ballsrud stated that typically forfeitures either come for a drug arrest or a significant DWI arrest. This has become frustrating, as the County is giving the vehicle back in situations where it typically would have been a forfeiture.

Mayor Labadie stated that the Chief would be presenting at all of the councils. She thanked the Chief for his service.

B. Assessment Hearing for 5815 Club LN Hazardous Building Demolition Costs

Planning Director Griffiths presented on the assessment hearing as found in the Agenda Packet.

Mayor Labadie asked if City Attorney Shepherd would like to add anything. City Attorney Shepherd shared that there is a motion for all of the filing fees and attorneys' fees associated with the hazardous building action that has recently been filed in the district court, but has not been taken up yet. That number for the fees is about $41,000. He added that there has been a lot of motion practice in this case, even after the City received the court's motion to remove the building. There has also been another $4,600 in attorney fees related to a contempt action that had to be filed to get the matter resolved. It is expected that the court will rule on this matter in the future, totaling another $47,600.

Mayor Labadie opened the Public Testimony portion of the Public Hearing at 8:05 P.M.

Jeremy Riedel, 5815 Club Lane, stated that he has not been involved in the court proceedings leading up to the meeting. His brother, Josh, and Josh's wife, Lauren, have been involved in those matters and made the decisions throughout the process. He noted being at the meeting to understand the City's assessment and learn how it was determined. He shared that his brother is unable to attend because he is out of state. He shared that the situation has taken a tremendous financial and emotional toll on the family. The family has invested significant time, money, and effort to address the issues and navigate the process. He added that the family understands the City's responsibility to protect the community and respects that responsibility. At the same time, the family hopes that the family's circumstances, efforts to cooperate, and hardships have also been taken into consideration. He noted that his purpose in attending the meeting was to listen and understand the City's concerns and find a fair and reasonable path forward. He shared that the family had also been told that the City had received other estimates for the tear down which they had never seen. He was told there were five different estimates to tear down the house, but the family has never seen those. He asked the meeting be pushed back 30 days so those estimates can be provided to the family for assessment. The family feels that the $67,000 is pretty high to tear down a house.

Mayor Labadie closed the Public Testimony portion of the Public Hearing at 8:08 P.M.

Planning Director Griffiths shared that, with respect to the bidding process used, the original project was reviewed at the July 14, 2025 Council meeting, and ultimately a contract was selected. He noted that he did not have the exact bid figures with him, but he believed three quotes were received and the contract with Bollig and Sons was the lowest responsible bidder. This bid was very fair and the lowest that was received that addressed the full scope of the project. He noted that the contract with Bollig and Sons could have been more money, but the court's decision allowing the City to demolish the whole structure reduced the costs significantly. He shared that from Staff's perspective, the City did bid this project competitively, and that was entered into the public record and reviewed and adjudicated by the court. The work has been completed, and this is the reason for the meeting.

Mayor Labadie asked that although things had been entered into the record a year ago, if the homeowner would like to see a copy of the competitive bids, could those be provided. Planning Director Griffiths stated absolutely.

Gorham moved, Maddy seconded, Adopting <u>RESOLUTION NO. 26-44</u>, "A Resolution Adopting Assessment for Hazardous Building Abatement Completed by the City of Shorewood for the Property Located at 5815 Club Lane."

Motion passed 5/0.

C. Pavement Management Plan Update

Public Works Director Morreim presented the updated Pavement Management Plan (PMP) as found in the Agenda Packet.

Councilmember DiGruttolo asked about Vine Hill: if all three cities are taking the MSA, then why is Shorewood taking the lead on this street? Public Works Director Morreim stated that Shorewood has the majority of the project on the southern portion, so it is taking the lead. For the northern portion, the plan is for Minnetonka to take the lead and may use the same consulting engineer to maintain continuity.

Councilmember DiGruttolo asked if Shorewood is doing a sidewalk on the southern part of Vine Hill. Public Works Director Morreim stated that is correct. He noted that the sidewalk is being done as palatable as possible, and he knows that it is not great. He has told some residents that the sidewalk is in the condition that is hoped for when it will be replaced in two years, and the City is trying to get the sidewalk to work for a few years.

Councilmember DiGruttolo stated that it is her understanding that the way the PMP works is that the City is only supposed to do 3.8 miles of road every year. Public Works Director Morreim explained that the funding was broken up over 25 years; right now, the City is in a mill and overlay period. That came out to about $1,000,000 per year, and is being done every other year. So in 2026, there is $2,000,000, and then there would be an inflationary increase each year, so the 2027 project is slightly more than $2,000,000. He added that the goal behind that is that essentially every street is milled and overlaid within 25 years. Councilmember DiGruttolo pointed out that 2026 is over six miles of road. Public Works Director Morreim pointed out that staff is a little aggressive with the lengths of the streets; however, staff is conservative based on what was paid last year on the mill and overlay project. The project will be large in number, and some of the streets will be added on, so that the street could be removed in the initial bidding process if there is not a budget for them. The streets would then get pushed to 2029.

Councilmember Gorham asked if St. Albans is one of the roads. Public Works Director Morreim stated that St. Albans would be done on the south shore through the lookout area. The map is showing the incorrect thing right now, but the PMP reflects the correct part of the road. Councilmember DiGruttolo asked about the rating of 63 for St. Albans. Public Works Director Morreim shared that portions of the road are okay, but other portions are not good. He gave an example of the rating for Yellowstone as well and that there are wide-ranging pavement indexes.

Councilmember Sanschagrin asked if the rating is an average. Public Works Director Morreim stated that the rating is an average of the entire street segment.

Councilmember Gorham stated that there seem to be some streets that are terrible in certain segments but are not projected to be in the projects. Public Works Director Morreim explained that some of the streets are looked at for maintenance. He added that for some of the streets, there may be a lot of cracking but not as many homes on the street, so there is not a lot of traffic volume. That would be potentially something that could be added to a mill and overlay project fairly easily.

Councilmember DiGruttolo stated that Manor Road only has one home on it, is rated 91 percent, but a large amount of money is being spent on it. Public Works Director Morreim pointed out that there may only be one home on it, but there is a lot of traffic, especially for Shorewood residents. He noted that Manor Road is at 72 percent and is a long stretch with part of the road being okay, but the part the City is looking to partner with Greenwood on is not in as great of condition.

Councilmember DiGruttolo asked if Greenwood's soil boring test came back and if the project is going ahead. Public Works Director Morreim stated that the project is planned for 2028; Greenwood wanted the project this year, but Shorewood said no.

Councilmember DiGruttolo asked about Galpin Lake Trail and why the City is not waiting until the Highway 7 projects are over. Public Works Director Morreim stated that the City has the grant funding for the project and sees it as a priority. The project is scheduled for 2029 and would not address anything outside of where the City is constructing; it would just be pavement work. In the corridor study plans and recommendations, there was a double roundabout at Oak Street; if that truly did happen, then that would affect the trail that is planned to be built. He added that it is not part of the 2029 project, but something that would happen 10 to 15 years from now. Councilmember DiGruttolo noted that it is really expensive to do a trail. Public Works Director Morreim agreed that when a trail is constructed per foot, it gets expensive. He added that going south on Galpin Lake, staff is looking at different options there, such as more on-street options to keep the cost down. There has not been a lot of public engagement done on that project.

Public Works Director Morreim continued his presentation on the PMP as found in the Agenda Packet.

Councilmember Sanschagrin stated that he realized some of the worst rate streets are not included, such as Rampart Court, Division Street, and Elmer Creek Circle. He asked if the roads are gravel roads now. Public Works Director Morreim noted that he would have to look; a few of those streets have been discussed, and the maintenance level on those streets is still low. Sometimes the ratings get lower because of cracking, and if there is not a lot of traffic, then the cracking is not as big of a factor. If conditions worsen on those streets, then they may get moved up. He added that is why it states subject to change. Councilmember Sanschagrin asked if these roads can be visually assessed. Public Works Director Morreim shared that, to be correct, especially the streets that are lower in the rating.

Councilmember Sanschagrin asked if there is a lot of resident input on the streets. Public Works Director Morreim shared that the City has not, but the PMP has been out for a year and a half, so he is not sure many are looking at it. Ultimately, the Staff is just trying to stay on top of things and be consistent with the ratings. The map shows that they try to group things, as that is better for the pricing if projects are closer together.

Councilmember DiGruttolo asked if the Council would take a vote without Councilmember Maddy. Mayor Labadie noted that legally there is a quorum. If there is a tie, then we will call him back in. City Administrator Nevinski stated that he would ask Councilmember Maddy to come back in to keep things simple.

DiGruttolo moved, Labadie seconded, Adopting RESOLUTION NO. 26-45, "A Resolution to Approve the Updated Pavement Management Plan and Implement its Recommendations into Future Budgets and Capital Improvement Planning."

Motion passed 5/0.

D. Pavement Sealing Contract

Public Works Director Morreim reviewed the Pavement Sealing Contract as found in the Agenda Packet.

Councilmember Sanschagrin asked how new the technology is. Public Works Director Morreim stated that the technology is at least a decade old. This product has been used in several cities around; St. Michael has used the product in several projects for years. He added that this product is seeing better benefits and longer lasting effects than the other product used previously. He explained that this product is recommended to reseal again in year four, and then done.

Sanschagrin moved, DiGruttolo seconded, Adopting RESOLUTION NO. 26-43, "A Resolution Approving 2026 Pavement Sealing Quotes."

Motion passed 5/0.

5. STAFF AND COUNCIL REPORTS

A. Staff

Public Works Director Morreim stated that he did not prepare much for the meeting because there was a water main break right before the meeting. Staff is busy with sewer cleaning, which is an annual thing, and is done for a fifth of the City. The back truck that is shared with Tonka Bay and Excelsior is utilized for the project. He noted that stormwater catch basin cleaning is being done with the new sweeper. Lawns are being mowed by the seasonal, which will be done in the middle of August.

Finance Director Schmuck shared that Staff is working on the audit, the budget, the CIP, the long-term management plan, and training with the new Senior Accountant. Notifications were sent out for unclaimed property allocations to the State, and a few people have replied, which has been nice to get those off the books. She added that information is being compiled about delinquent utilities.

Planning Director Griffiths noted that the August Planning Commission meeting was moved to August 18 because of Night to Unite. He will have material to hand out at Night to Unite. With that, Staff is spending a significant amount of time on the Comprehensive Plan update. The first push for engagement has happened with the online survey, and Staff is figuring out details for a big push for engagement in the fall. He shared that the municipal boundary agreements between Shorewood and Tonka Bay have been moving forward and were approved by the State. Staff is working through a Comprehensive Plan and Rezoning

Amendment to get those parcels officially in the City, so that will be at the August Planning Commission meeting and on the September Council agenda. He shared that City Clerk/HR Director Thone left a whole page of updates. He highlighted elections: the PAT test was done on July 21 for voting machines, there were three residents in attendance, and early voting began on July 24, and there have been 27 voters. There have been two dropped-off ballots during the absentee voting process. Voting will be open on August 8. He added that the City is still accepting school supply donations for the Resource West back-to-school program through Augst 13; 44 donations have been received so far.

City Administrator Nevinski gave an update on Highway 7 and regional solicitation. Chanhassen became the applicant because of the ADA transition plan; the City does not have that, but it may be something to consider in the future. He noted that there was confirmation that the Metropolitan Council has accepted the application.

B. Mayor and City Council

Councilmember DiGruttolo noted that while out canvassing at Silver Lake, the residents were concerned about the runoff that is building up in the lake and is causing lots of different issues. She asked for information on that so that residents could be informed of what is going on. She added that there were residents at the park and they were discussing the planned trail that is no longer planned. She asked if there would be a better way to get the information out to people.

City Administrator Nevinski stated that if Councilmember DiGruttolo has contact information, then she can send it to him and Staff would reach out. Councilmember DiGruttolo stated that she did not have that, but thought to pass it on, so maybe a different way to share information could be thought of.

Councilmember Gorham shared that some residents had reached out to him about Covington Road hydrant access. He noted that work had been done along the road and there were a few issues: hydrant access and sidewalk obstructions. Public Works Director Morreim shared that staff has been actively cleaning up. The cleanup has happened twice this year. He shared that the hydrant was visible because it has a six-foot flag. He shared that the area is notorious for having vegetation, and the City tries to cut things back as much as possible without removing it all and still having barriers. He noted that if anything gets sent to the Council, to send it on to him so they can take care of it.

Councilmember Sanschagrin shared that many on the Council have received an email about a resident on Manor Road, about being harassed by juveniles on e-bikes. He was informed that the harassment continues. The resident has asked if there is a way to send a communication among residents that encourages parents to watch what their young adult children are doing. The resident has pictures, but the juveniles are wearing masks. He asked if there is anything that could be done on the internet or via email to help raise awareness. City Administrator Nevinski stated that he is not sure what the right tactic is to take in this situation. He did speak with the Police Chief about the issue. The police are actively involved and aware of the situation. A lot is going on with the situation.

Mayor Labadie stated that as a resident, if they are ever feeling afraid or not safe, the City encourages getting SLMPD involved.

Councilmember Maddy shared that the Fire Board passed its preliminary budget. That came in at about a three percent increase. Fire is not sure that they need the UPS for the whole building, but that is being figured out.

Mayor Labadie stated that the concert was canceled due to the poor air quality. For anyone interested, it may or may not be rescheduled, and keep an eye on the City website. She attended the SLMPD budget meeting that came before the Council today. She added that Councilmember Sanschagrin attended the meeting on behalf of the City of Shorewood. She shared that the SWCTC meeting took place, which is the group that the City is loosely involved with regarding Highway 7. The group is helping to organize a meeting with House Representatives, Senators, and candidates. She pointed out that she and the City Administrator met with Minnetrista and Representative Ann Johnson Stewart regarding Highway 7. There is a scramble to get funding for safety improvements that could be incorporated and piggybacked into the 2029 restoration project, with time being of the essence.

6. ADJOURN

Maddy moved, Sanschagrin seconded, Adjourning the City Council Regular Meeting of July 27, 2026, at 9:02 P.M.

Motion passed.

ATTEST:

Sandie Thone

Sandie Thone, City Clerk

Jennifer Labadie

Jennifer Labadie, Mayor