

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JUNE 8, 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 7:00 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; Director of Public Works Morreim; Park and Recreation Director Czech; and City Engineer Budde

Absent: None

C. Review Agenda

Sanschagrín moved, DiGruttolo seconded, and the agenda was approved as presented.

Motion passed 5/0.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

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

A. City Council Regular Meeting Minutes

B. City Council Special Closed Minutes

C. Excelsior Fire District Board Minutes

D. Claims List

E. Freeman Park AED Donation, Adopting RESOLUTION NO. 26-33, "A Resolution Accepting the Donation of an AED and Mounted Cabinet for the Freeman Park South Concession Stand."

Motion passed 5/0.

3. MATTERS FROM THE FLOOR

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Barry Brown, 6050 Burlwood Court, stated that since the City will begin reviewing the 2027 budget, it should also begin considering AI tools. Mass adoption of AI is underway, and generative AI will peak in the United States by 2028. He noted that other cities nearby are already embracing AI. The League of Minnesota Cities has published its second set of guidelines as of April 2026. He urged the Council to form an AI task force before the City falls behind or has too many silos. The task force will help to formalize an AI policy, including ethical guidelines, fairness, privacy, and accountability. He added that the plan is to formalize this with the Flock systems, but it should be expanded to all systems. He shared that the Road AI cameras used by the Public Works Department should be considered, as some have the same issues as Flock. He stated that the task force should identify and force-rank future AI needs, focusing on productivity, cost savings, and risk abatement. He shared that there were a couple of ways the Council could consider using AI in the City: in general, maintaining institutional knowledge, with turnover in top-level positions being a problem in Shorewood, such as in director positions and water main hook-ups. He explained that in engineering, Bolten and Menk use AutoCAD Civil 3D; for road design, AI-language-assisted models can dynamically integrate GIS data, street mapping, and historical information while conforming to Shorewood's construction standards and guides. This can proactively catch errors before contracts are signed and groundbreaking occurs. He added that requests for bids containing hundreds of detailed specifications can be generated in minutes, rather than hours of billable time. For the finance department, AI can automatically capture code and process vendor invoices, reduce audit preparation time from days to minutes, and create financial simulation models that more accurately predict future revenue and expenses, thereby eliminating the need for some consulting contracts. In the Planning Department, AI can automatically rewrite city zoning code to coincide with the changes to the city's comprehensive plan, and AI could also rewrite the confusing language and the redundancies that are currently in the zoning codes. He shared that, for the City Clerk, simply producing meeting minutes for the City Council and Commission meetings can reduce costs by up to 75 percent. He added that data requests that take hours for the Staff to gather could be done in minutes. None of the items could be done without human oversight or approval. He noted that AI will save time and money if properly implemented. He urged the Council to form an AI policy and identify and prioritize future AI needs before the City falls behind.

Andrew Daly, 35 Water Street, thanked the Council for taking the measures to cover the Flock cameras. He noted that Shorewood was not alone in covering the cameras; there is a growing list of many other cities as well. He explained that he reviewed the audit attached to the meeting agenda, and there is no audit of the actual searches conducted in Shorewood, as seen in many other cities' audits. Unless this is tied to an active investigation, the search queries should be included in the audit. He added that is where a majority of misuse may be occurring by other agencies, potentially including immigration enforcement in the community. He noted that he and everyone else at the meeting expected the South Lake Minnetonka Police Department (SLMPD) to follow its internal policies correctly, and it is good to see that they are. He shared that the real question that should have been uncovered is who, when, and why outside agencies searched SLMPD cameras. He mentioned Flock's recent terms of service change, on February 16, that can be found on the website: "Customer hereby grants Flock a limited, nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to A) use and disclose customer data to provide the Flock services and B) use customer data to support and approve Flock's products and services." He shared that the new, broader language allows Flock to use all of its surveillance data to build its business, particularly the Flock Nova Platform, under the slogan "Search once, see everything." Discovered via a demo on the Flock Nova Platform, Flock tries to compile as much data as possible about individuals, including vehicles, social media accounts, physical addresses, emails, IP addresses, Social Security numbers, and even advertising IDs used to identify users

across apps and more. He noted that those are all real data points from a real demo that can be linked to someone, but without full access to the live platform, it is hard to know if Flock is running in production. He encouraged a Flock representative to refute the claims fully, but has, in the past, dropped out of news stories. He shared that, going back to the recent terms of service change, Minnesota statute requires ALPR data not tied to an active investigation to be destroyed in 60 days. Flock's default retention period is 30 days, but adding the perpetual, irrevocable license language means that even after the data is supposedly deleted from the customer-facing system, Flock retains the legal right to use the data indefinitely for product improvement. He shared that Flock's marketing claim, "Customers own 100 percent of the data," is technically not contradicted but amounts to misleading framing. Ownership is meaningless, aside from increased liability, once the person has already granted a perpetual license to Flock for all uses. He shared that the damage is already being done in Shorewood, and the City needs to get the other cities in the SLMPD up to speed on this, especially given the clash with existing Minnesota laws. He stated this is a clear loophole that allows Flock to retain the data indefinitely.

George Greenfield, 24715 Yellowstone Trail, stated that in connection with the Flock discussion, he would like to read into the record the Fourth Amendment of the United States Constitution. The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated. He added that there are no special circumstances or extenuating circumstances, and it is an absolute regulation. He shared that the technical details are irrelevant, with Flock clearly being unconstitutional and should be out of the City.

4. GENERAL BUSINESS

A. Excelsior Fire District Presentation

Interim Fire Chief Basinger shared that a second Battalion Chief, Troy Walsh, has recently been onboarded. He shared that Troy Walsh is in charge of emergency management and also does IT for the Fire District. The new second Battalion Chief started in late March and is now up to speed on the 24/7 rotation. He added that, in combination with the first Battalion Chief, two-thirds of the shifts are covered, which has provided tremendous coverage for the EFD through the duty officer program and has taken a huge burden off the paid on-call officers as well. He added that there is always an experienced officer on duty, no matter when a call comes in. He shared that part of the 24/7 budget proposal is bringing on a third Battalion Chief to complete the three-battalion rotation. He shared that the EFD has about 43 members and is looking to hire five members to run the academy in the fall. There continues to be strong interest from both untrained firefighters and other firefighters looking to pick up extra work. He reminded the Council that the 2026 budget was a large increase because the EFD needed new SCBAs. The SCBAs consist of the actual pack itself and the air bottle on the back. He added that the DOT regulates the bottle itself, which has a 15-year lifespan, so it must be replaced every 15 years. He shared that the group demoed the three major SCBA manufacturers, and they liked the simple, basic pack. The EFD went with a lighter frame and a smaller bottle lasting only 30 minutes, compared to the previous 45 minutes. He shared that it is misleading because 30 minutes is for sitting at a table, not for doing anything and breathing normally. Part of the reason for switching to a smaller bottle was to reduce the weight and bulk carried around. The other part was that, in learning about the physiological strain firefighting puts on firefighters, the industry is relying on having more people to spread the workload on scenes. He noted that less is being asked of individual firefighters due to physiological strain and efforts to keep them healthier. He shared that the identification has been upgraded to glow-in-the-dark, as visibility can be very difficult, but it is very important. He

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explained that the new compressor should be in shortly, and along with it would be the designated gear washer that the packs can go in, which decontaminates the carcinogens and soot and extracts them from all of the gear that cannot be put in a normal washer.

Councilmember DiGruttolo thanked Interim Fire Chief for his service to the community. She asked how the new SCBAs work. She noted that it does not seem possible to fight a fire in less than 30 minutes. Interim Fire Chief Basinger explained that all riding positions in the apparatus have their own packs with bottles, and spare bottles will be carried to the scene. He shared that the firefighters will go in and work for 12 to 20 minutes, depending on how hard they are working, then come up and take a breather. After that, they will get a new bottle and go back to work, but the standard in Hennepin County is two cycles due to the strain. Councilmember DiGruttolo asked whether it would be possible not to replace all of the SCBAs at the same time. She noted being worried last time because everything expired on the same day, and if there were a supply issue, the EFD would be down operationally. Interim Fire Chief Basinger shared that there was a conversation had asking how to break this cost up so that it is not such a massive lump sum every 15 years. He explained that an issue that is run into is that the National Fire Protection Agency regulates the packs, and that if the packs were replaced on a different cycle, then there may be some packs that meet the code and some that do not. He added that even though they stayed with the same company, none of the things in the packs are compatible with the previous packs. He stated that the EFD would continue to look into ways to get ahead of the massive cost every 15 years.

Councilmember Sanschagrín appreciated the inclusion of the administrative report in the packet. He noticed that false alarms were up compared to last year and that there is a cost associated with that. He asked if something was causing those false alarms to increase more than double. Interim Fire Chief Basinger shared that part of the message is that the National Fire Reporting Incident System has changed to a new system, so the way calls are recorded and documented has also changed. Some of the numbers might not be a direct comparison. He shared that the EFD is investigating false-alarm calls. Typically, if the call is to a place of residence and is not followed by a business call, each municipality may authorize the fire department to charge for multiple alarms on the same issue. He shared that it is tracked and followed up on by the Fire Marshal.

Councilmember Sanschagrín asked if the EFD is still doing a lot of work around senior living homes. Interim Fire Chief Basinger stated that they are.

B. Discussion of ALPR (Flock) Audit

Chief Ballsrud stated that Lieutenant O'Keefe was also present, actively involved in the audit process, and had greater knowledge of it than others. He stated that they were there for any questions.

Mayor Labadie noted that the 2026 ALPR Audit was in the Agenda Packet, along with the Minnesota Statute relating to the audit and the compliance confirmation letter from the State.

City Administrator Nevinski added that ALPRs in Minnesota are required to meet certain statutory standards and undergo an audit every two years to ensure the department meets those standards. In April, the SLMPD completed the audit and was found to comply with the standards. He noted that the audit is rather quick and succinct, so that questions could be asked of the Chief

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and Lieutenant, and they could then provide an update on next steps regarding the Flock cameras.

Councilmember Sanschagrin asked about the requests that have been made for the Flock data and requested that the SLMPD has made to other agencies. Chief Ballsrud clarified that an audit log is available to administrators for active users. Currently, the SLMPD is only sharing data with one other agency with which it has a data-sharing agreement: another west metro city. He noted that since he took over as Chief, access has been further restricted. At no time have there been any agreements with Federal Agencies. He shared that when the discussion began in the fall, no out-of-state agencies were allowed to see the SLMPD data. It was learned that the best practice is to have a written shared agreement, and until that was received, the SLMPD eliminated others' ability to see their data.

Councilmember Gorham asked if there was more to the audit than what was shared. Chief Ballsrud explained that this was the first audit of the SLMPD system, and the SLMPD learned that it was not all-encompassing as they had thought it might be, but that is the standard. He pointed out that the data is retained for only 60 days, so only a limited amount can be reviewed. Lieutenant O'Keefe shared that the audit process is standard. The police department administrator conducted an online screen share with the auditor to review everything; this is a sample of the available data. Many agencies use the auditor throughout the metro. He noted that, as far as meeting all the statutory requirements, the auditor must review them. He shared that he is not sure what the product would look like from a competitor auditor. Councilmember Gorham asked if the sampling falls within the State's requirements. Chief Ballsrud explained that this is the industry standard because looking through every single one would take a long time.

Councilmember Gorham asked what the auditor would be looking at if much of the information is gone. Lieutenant O'Keefe explained that the auditor follows a step-by-step process. The auditor reviews user settings, as detailed in the executive summary, and the specifics of the actions taken to ensure the system meets compliance requirements. He added that the auditor reviews all the settings to ensure they are consistent with the policy and the statute.

Councilmember Gorham asked how the SLMPD would know that the requests over the years are not in violation of anything. Chief Ballsrud pointed out that it is a challenge with everything the SLMPD does as a department, because the information is criminal justice information. He shared that, for the SLMPD, there are over 10,000 license plate queries per year, and there is no way to know 100 percent that it is being done without violating anything. He added that the SLMPD hires, backgrounds, and trains people; there are policies and State law, and at some point, there has to be trust that things are being done correctly. If there were reason to believe that people are not doing things correctly, audit logs would be reviewed, and an investigation could be conducted. He added that there are too many to say that every single query is legitimate or not.

Councilmember DiGruttolo thanked the police officers for their service and noted that the balance between safety and security is delicate. She asked what the other JPA cities are thinking and how they are talking about Flock. Chief Ballsrud stated that other cities are talking about Flock. He recently spoke with Tonka Bay, and they are increasingly concerned. He shared that AI is an emerging technology with many benefits, but there also have to be controls in place. He added that law enforcement is slow to develop technology, but there are reasons for that. An AI policy is being developed for the SLMPD. He shared that there are certain considerations because some data cannot be entered into AI in accordance with Chapter 13 data practices. Reports cannot be generated through AI; proofing a report is possible, but it must be very specific about

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what can be included. He stated that the SLMPD believes technology is important to examine and engage with, but that this must be done with community comfort in mind. He shared that at the National Academy, in talking with others about Flock, there is a mixture of support and agencies that have dropped Flock. This is a nationwide issue.

Councilmember DiGruttolo stated that her concern is less with SLMPD misuse or abuse; policies can change, the Federal government could change a policy, and the law could require that all data be shared. Many residents are pointing out that there is an illusion of control over the data because of the statutes, but that could change. She noted that there is not much benefit to having Flock. Chief Ballsrud noted a mix of support and concern from the other JPA cities. There is support for the tool, but there is concern about the company itself. He added that Flock representatives have spoken with them, but there is no detailed information about what is going on with their servers. He shared that he has heard of support for the tool, but is using a different vendor. He noted being open to that idea, as there are other vendors, but the SLMPD is under contract with Flock, and options are being explored to end that contract or not proceed.

Councilmember Gorham agreed that there is strong public sentiment about Flock. In doing a cursory review of Flock, there are many constitutional violations. He noted that the Compliance Confirmation Letter does not function independently as a trust-building document. He stated that the audit capability is important and should show the output and how we prove that the Flock is safe, but this is not included in this letter. Chief Ballsrud shared that when an officer makes a query, the SLMPD knows who did it, the date, the license plate, the reason, and, if applicable, a case number. Councilmember Gorham stated that he is not alleging any malfeasance; an audit was performed, but the document itself cannot vouch for it. He asked what sort of software and AI camera are used to provide output to the people and the government, showing that they are doing it lawfully. Chief Ballsrud stated that the information is private, making it difficult to include in a report.

Mayor Labadie noted that the Council was shocked by the audit's lack of content. She understood that the SLMPD did not create the document and that the data is not available forever. She asked about the positions of Greenwood and Excelsior. Chief Ballsrud shared that Greenwood has had some discussion, but there is a mixture of concern and support, with them being more supportive. Excelsior has had some concerns raised at Council, but also support.

Mayor Labadie stated that, at the Coordinating Committee level, there have been discussions about concerns regarding the company Flock itself. She noted that if anyone on the Council would like to present additional options to the Coordinating Committee beyond Flock, they could do so. Councilmember DiGruttolo shared that she has not heard of any real benefits to having cameras. Chief Ballsrud stated that the cameras are a valuable tool that has proven their value nationwide. The cameras have helped to locate missing and endangered people and violent criminals. That does not happen a lot with the SLMPD, but there have been some significant arrests. He pointed out that the cameras are a force multiplier, being that the police cannot be everywhere at once.

Councilmember Sanschagrín noted that the report was labeled "Executive Summary" and asked whether there was more to it. Lieutenant O'Keefe stated that the SLMPD had not received. Councilmember Sanschagrín asked if Chief Ballsrud or Lieutenant O'Keefe was aware of any agencies that failed the audit. Chief Ballsrud stated that he was not aware of any, but that could be on the Secretary of State's website.

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Councilmember Maddy asked what the subscription fee was per camera. Chief Ballsrud stated that it was \$3,000 per camera per year. Councilmember Maddy asked what the Chief's vision is for the future with Flock and other camera options. Chief Ballsrud explained that other companies have stationary cameras, other agencies have cameras mounted on vehicles, and technology has evolved to the point where it can be built into in-car camera systems. There is a cost to it. He added that the cameras in the vehicles were installed in 2015 and at the end of their life. He would like to continue to explore the squad cameras as an option.

Mayor Labadie pointed out that the department is not seeking any specific actions and asked whether there were any other questions. City Administrator Nevinski asked if there was a direction for the Mayor to bring back to the SLMPD board.

Councilmember DiGruttolo stated that she would like to hear what the other cities are thinking regarding Flock. Mayor Labadie reiterated that Tonka Bay is having a more thorough discussion, Greenwood has already discussed it and is not willing to give it up, and Excelsior is looking at it from the perspective of being more downtown.

Councilmember DiGruttolo asked if the bag was still on the camera. Chief Ballsrud stated that it is. There were some challenges with the company deactivating the camera, with all the cameras going down and then coming back up. He pointed out that the SLMPD did not feel that the off button on the Flock end was necessarily working.

Councilmember Maddy asked whether, if Shorewood does not want the camera, it could be moved to another city, since it is already being paid for. Chief Ballsrud stated that it could be done. Ultimately, they wanted to get to the point where the audit was completed and presented to the Council. He added that if the Council directs the camera's redeployment, the SLMPD would proceed from there. Councilmember Gorham stated that he is not ready to proliferate a system that he inherently disagrees with.

Mayor Labadie stated that, as a former prosecutor, he believes that any shred of evidence obtained helps strengthen the case. However, she does think that Shorewood has reservations about Flock. She noted that she would like the SLMPD to explore the feasibility of exiting the Flock contract early and what that would entail. She pointed out that residents have raised serious concerns, but there is also a budgetary component to the line of thinking. Shorewood has 50 percent of the SLMPD budget, so the cost of the Flock to Shorewood is \$6,000 per year. Councilmember DiGruttolo agreed and pointed out that getting half of the money back is better than getting none. Mayor Labadie stated that it does not need to be a termination, but could be information to the Coordinating Committee, which could be brought back to the individual cities.

Mayor Labadie stated that she would present to the Coordinating Committee that Shorewood would like to try to get out of the Flock camera contract early if possible. She would inform the Council as things went along. She added that it does provide strong evidence, but it is not just her opinion. Chief Ballsrud agrees that Flock is a useful tool, but the SLMPD wants to ensure it uses technology most people are comfortable with, and that is not happening with the current vendor.

C. Report by Commissioner Hirner on the April 28 & May 19 Park Commission Meetings

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Commissioner Hirner shared that at the April meeting, the Commission reviewed the Parks Commission handbook, which had not been reviewed in at least five years. The Commission was happy with the changes made to the handbook. He noted that the Commission discussed that, within the handbook, if something could be found on the website, it should be included in any City documents, and that the City should look into doing so. The reason is that it helps residents find what they need. He added that, at the April meeting, the Park Commission also discussed the off-season use of the Cathcart Rink as a dog park. The Commission is excited to see what that will look like going forward. He noted that Park and Recreation Director Czech has spent a lot of time looking at what other cities are doing with their hockey rinks. He pointed out that it has been helpful to know that others are also looking at the hockey rinks and how to use them in the summer. He stated that, for the May meeting, the Commission was looking at the Cathcart tennis and basketball courts, including refinishing and resurfacing. He shared that there was a lot of discussion because of the root damage, there were many good ideas, but the recommendation to the Council was delayed until the Commission can do park tours in June. During the park tours, the Commission will review the courts to determine the best option for them and make them safe. He stated that lastly, the Commission discussed the SeeMyLegacy Software. The Commission is excited about what the City can do with the software and the different ideas that emerge from its use.

Councilmember Sanschagrin asked whether there was any discussion about the timing of painting the hockey rink. Commissioner Hirner explained that the Commission had not yet discussed the timing, but is thinking it will be at the end of the season. The question is whether any upgrades to the off-leash dog area are needed and whether they would align with the painting timeline. Park and Recreation Director Czech noted that the church across the street from Cathcart is working to organize volunteers to paint the boards. M Carlson Painting is willing to donate paint for the project. Many things are in the works, and an official date will be announced for the project.

D. SeeMyLegacy Program

Park and Recreation Director Czech presented on the SeeMyLegacy Program as found in the Agenda Packet.

Mayor Labadie stated that she loves the program.

Councilmember DiGruttolo asked who runs the program, the Staff or the organization that is being paid the \$2,500. Park and Recreation Director Czech stated that there would be a dedicated customer support person to help the City get up and running and be onboarded. If there is a specific campaign, then the organization would build the webpage. He noted that for all the tracking and such, he would be the one to approve and confirm the sponsors. There is a Staff approval process for sponsors. He added that the Staff time would be significantly less than it is right now with the current event sponsorship. He spoke with the Parks and Rec Manager for Prior Lake, who uses the program, and he stated that the memorial bench side of things is much more seamless. Prior Lake also informed him that sponsorship has increased slightly, but nothing significant to attribute to the program.

Councilmember DiGruttolo asked how many requests for memorial benches the City receives. Park and Recreation Director Czech stated that in the last year, the City has had six or seven requests, and two went in last year. There were five or six that did not end up going, one that will go in at Freeman, and another that is waiting on pricing. He shared that the process is long and confusing. Councilmember DiGruttolo asked if the program would do all of the work. Park and

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Recreation Director Czech explained that there will be work on the Commission's end to identify priority pre-approved locations, but once that is set, the person will sign up, and then the bench will be ordered and installed.

Councilmember DiGruttolo asked whether the organization handles all funding and money collection. Park and Recreation Director Czech stated that the payment is processed online, and the City will then remit it to Finance. Councilmember DiGruttolo asked if the organization takes a percentage fee. Park and Recreation Director Czech noted that there were just transaction fees on credit cards. The organization does not get a percentage of the money; they get the yearly fee.

Commissioner Hirner explained that the program is like any other software; the initial setup must be completed as part of the process. The program standardizes the approach. He added that instead of having everything defined for each request, everything will be defined as part of the process, and someone will be able to put their bench in specific locations. He stated that all the work and time spent today will be standardized by the program. The decision to donate a bench can be made; the Staff will approve it, and the bench can be installed.

Councilmember Gorham asked how the program would determine the cost of a concrete pad. Park and Recreation Director Czech stated that it would be done on the City's side. Commissioner Hirner shared that, with the same bench, the same type of pad would be needed. All that information is predefined. He added that, from a resident-experience perspective, the program will be fabulous rather than frustrating. Councilmember Gorham asked where the frustration comes from. Commissioner Hirner noted that frustration comes from time. He explained that there was a bench that went into Freeman, which had been discussed for six months. That is not a great experience for the residents. Councilmember Gorham stated that there would still be six months of talking through the location. Commissioner Hirner shared that at that point, the Commission did so because nothing had been predefined. Now, the Commission will predefine all the locations on a map. He added that the entire conversation would be handled on the front end.

Councilmember Sanschagrín asked if Civics Plus has a competitive program. Park and Recreation Director Czech noted that Civics Plus does not. At the moment, if there is an event, then the City can create a program in Civics Plus for people to sign up; those are one-off things. He added that the garden program is in Civics Plus and can be signed up for. As for a memorial program, there is nothing in Civics Plus. Councilmember Sanschagrín asked if there was any integration with Civics Plus. Park and Recreation Director Czech stated that the two are separate, but with the SeeMyLegacy website, another website could be embedded. He explained that on the City's website, there could be a dedicated memorial bench webpage, so users do not have to leave the site.

Councilmember Maddy stated that the donors initially pay for the bench and the pad. He asked who maintains the bench. Park and Recreation Director Czech stated that the City would maintain the bench. Councilmember Maddy asked what would happen if the City no longer wanted to have the program. He pointed out that the benches would be removed, or the organization could upcharge to preserve the family members' legacy. Park and Recreation Director Czech shared that the City would continue to maintain all the information. The City would have to find a different way to keep the memorial bench program going. He added that the benches and physical things are the City's. He explained that in other cities, he has seen that for 10 years the city will maintain the bench, and then, if it is beyond repair, it is removed. The city will contact the donor and ask

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whether they would like to donate another bench or have the bench removed. Councilmember Maddy asked whether the ten-year verbiage for donors is something the City has. Park and Recreation Director Czech shared that it is not done yet, but it would be part of the program's initial rollout. Councilmember Maddy shared that if the City were to have that, he would support the program.

Councilmember Gorham asked about the cost of a bench and concrete pad. Park and Recreation Director Czech stated that the cost for the pad, bench, plaque, and labor is between \$3,000 and \$4,000.

Park and Recreation Director Czech clarified that the memorial bench is not a revenue stream. He added that the benches are adding an amenity in the park, and the cost of donating a bench covers the City's costs. Councilmember Sanschagrín asked if the maintenance costs are included in the donation. Park and Recreation Director Czech stated that it is included, but the bulk of the cost is general installation.

Councilmember Gorham stated that the City is paying \$2,500 a year to have maybe two benches installed. The City is paying to enable an easier, customer-friendly interface, and will force the City to plan where benches should go. He noted that the program was expensive for two or three benches a year. Commissioner Hirner noted that the program began with memorial benches but now allows the City to develop other programs. He shared options such as memorial trees or sponsored pavers, all of which are available on the platform. Councilmember Gorham pointed out that he understands, but there is a cost that has to be weighed.

Labadie moved, Sanschagrín seconded, Approving the quote for implementation of the SeeMyLegacy platform in the amount of \$1,999. Motion passed 4-1 (Gorham).

E. Watermain Repairs

Public Works Director Morreim presented on the watermain repairs as found in the Agenda Packet.

Councilmember Sanschagrín asked if there is a way to measure how much water is leaking. Mr. Morreim stated that there is not. Water is on the street when it is not raining. He noted that the City does not have intermediate meters. He noted that the leak is slow enough that there is not a river on the road, so it is not significant right now. There is a risk that it could become a larger leak and an emergency in the future. He added that the quotes received are lower than they would be if the leak were an emergency.

Councilmember Sanschagrín asked what causes the leaks. Mr. Morreim stated that the biggest reason for the leaks is that Shorewood was built on a marsh, and most of the pipes are ductile iron, which corrodes over time. Councilmember Sanschagrín asked whether a repair would involve replacement or patching. Mr. Morreim explained that it depends. The last water main leak at Smith Town: a big patch was put over the leak and bolted down. He noted that sometimes it is the bolts on a water main valve. Councilmember Sanschagrín asked if the companies already know how they will fix the leak. Mr. Morreim stated that the companies already know. Most excavation companies are in business because of water mains in cities.

Councilmember Gorham stated that the quote calls for backfilling with on-site materials or materials provided by Shorewood. He asked if there was a stockpile ready for use. Mr. Morreim

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shared that there is material ready for use. He added that all the water main repair work is done; the company does all the digging, and the City handles traffic control, hauling material out, and hauling material in. He added that the company handles all compaction. The City does all of the paving. Councilmember Gorham asked whether the materials come from another business and are paid for separately. Mr. Morreim stated that it was correct. Councilmember Gorham asked where the money to pay for that comes from. He explained that the quote is for \$15,660, but the City provides certain materials. Mr. Morreim explained that there is approximately \$1,000 worth of material for each excavation. There is a significant amount for watermain repairs in the budget, and that depends on the year if all of the money is utilized.

DiGruttolo moved, Labadie seconded, Approving the quote from Digrite Excavating in the amount of \$15,660 to perform the identified watermain repairs. Motion passed 5/0.

F. Mill Street Watermain Project

Public Works Director Morreim presented on the Mill Street Watermain Project as found in the Agenda Packet.

Mayor Labadie pointed out that the Staff is looking for direction. It is not something that is being voted on. She added that time is of the essence to reduce potential costs down the road. She pointed out that the underlying motion months ago to proceed with the project passed 3-2, with Councilmembers DiGruttolo and Sanschagrín voting no. She asked whether the information about additional costs had changed the Councilmembers' votes. Councilmember Sanschagrín stated that it makes his vote a harder no. Councilmember DiGruttolo shared that the project was justified based on cost savings and future water service to communities, but there are no cost savings now. She added that taxpayers who do not benefit from the project will still have to bear that cost at even higher rates.

Councilmember Gorham noted that the decision would be tough. He asked what Chanhassen's motivation is for not having Shorewood cancel the water main. Mr. Morreim stated that they do not care if Shorewood backs out.

Councilmember Maddy stated that the idea is to charge a one-time fee for a one-time expense: public accounting. He noted that Shorewood wants to temporarily use the pipes that are already in the ground and then pay Chanhassen revenue water. He added that Chanhassen will take its water, generate revenue from it, and also require Shorewood to contribute to Chanhassen's capital costs. He stated that if the money could be refunded when Shorewood disconnects and reconnects to its own system, he would be willing to entertain the idea. He could not see why Shorewood would be paying for Chanhassen's infrastructure temporarily. Mayor Labadie agreed. She pointed out that this is a different set of circumstances than when the vote was originally done. She added that this is not being a good neighbor.

City Engineer Budde explained that to provide a functional water main system, a couple of components are involved. Conveyance is just one piece, the pipes in the ground; there are also the wells, the treatment of the water at a treatment facility, and the storage of the water in the water tower. Those are all costs that Chanhassen has invested in. He added that it is part of some of those costs.

Councilmember DiGruttolo asked whether there was any insight into why Chanhassen suddenly decided to charge the fees. She added that the City has been talking about this for over two

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years. Councilmember Maddy asked whether Chanhassen still intends to charge the City for the water used. Councilmember Sanschagrín shared that Chanhassen intends to charge rates the same as those for Chanhassen residents. Originally, the contract was for bulk-rate water charges. Mr. Morreim stated that the rates are in a higher tier but remain within the rate structure. He noted that there is one volume of water per meter, and then the City bills its customers. He added that there is a separate conversation about billing in a different way that would actually benefit Shorewood properties.

Councilmember Sanschagrín asked whether anyone in the City has committed to connecting to the water. Mr. Morreim stated no one has paid \$10,000 to Shorewood. City Administrator Nevinski stated that there is some interest. He noted having a phone call today with interest, but when asked if they wanted to hook up, the resident stated they were thinking about it. He did not have exact numbers. City Engineer Budde stated that, going back to the survey results, it was split into thirds: a third said they were kind of interested in hooking up sooner but with no commitment; another third liked the idea of having water available; and some did not want water available. He added that he has received calls from two residents who could potentially connect. He stated that he has also received calls from others in the City who would like the opportunity to have water, but this project would not serve them.

Councilmember Maddy asked how much the City stands to gain by partnering with the County to bury the pipe that is not yet needed. City Engineer Budde stated that \$200,000 was the estimated cost savings of doing so in conjunction with the Trail Project. Councilmember Maddy noted that most of those savings would be canceled out by Chanhassen demanding the fees. Mr. Morreim shared that it would depend on how the Council wants the fee paid. The Staff's recommendation is to spread the costs among the properties. If the City can get the residents to pay for it when they connect, there would be no upfront fee to Chanhassen. The resident would only have a fee to Shorewood, and then Shorewood would pay Chanhassen. Councilmember Maddy asked if Chanhassen would keep the money when Shorewood disconnects down the road. Mr. Morreim explained that there is probably no situation in which the City would receive a refund.

Councilmember DiGruttolo pointed out two reasons to do this. One being the sunk cost of \$100,000. Two, this is part of the plan for the future, but no residents are buying into the plan.

Mayor Labadie stated that in her mind, the first time the matter was voted on, it felt irresponsible not to approve the project. She shared that now the facts have completely changed. She recognized that without doing this, it would be a long time before the neighborhood would have water available. She noted that Councilmember Sanschagrín stated that the cost savings will be eaten up. Councilmember Maddy stated that if the City wants this done, bonding will be required in the future to ensure it is done right.

Councilmember Gorham explained that if this were any other issue, he would want to escalate it to the mayor; this seems like an appropriate immediate step to discuss the fact that the cities are partners. He noted that if the Council is changing direction, the community needs to know what happened. He asked how this would be communicated to residents, as the opportunity to do so is dwindling. He added that he would be upset if this happened and that there was no option to state the residents' opinions. City Administrator Nevinski stated that it is a great point. That was not something the Staff had focused on, because the focus was on potential solutions. He added that there was a strong focus on making it easier for residents to commit. He pointed out that he did not know if there was a downside to waiting another week to see what the City can come up with in Chanhassen. There may be something palatable that could work. He asked if the Council

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has guidelines for the route that would be helpful for the Staff to know, so that they can be told to go to Chanhassen.

Mayor Labadie noted that she is frustrated. She liked Councilmember Gorham's idea of speaking with the mayor. She noted that they worked well together in the past. The mayor of Chanhassen is on the Highway 7 coalition, and even though Chanhassen's frontage on Highway 7 is smaller, the mayor has been a good team player. However, the Chanhassen City Council meets on the same nights as the Shorewood City Council. She noted that she could chat with the mayor, but she is one voice. Councilmember Gorham asked if Chanhassen discussed this in their council meeting. Mayor Labadie stated that she did not know if they have, Chanhassen's end of the project is happening no matter what. Councilmember Gorham suggested that this decision was made in the Chanhassen engineering department. City Administrator Nevinski stated that Chanhassen was following policy and its city manager form of government, which operates a little differently. He added that Chanhassen's council expects the staff to deal with these things, which is his guess.

Councilmember DiGruttolo asked if there is a possibility for additional fees. She asked the Staff if they had seen anything like this happen before. City Engineer Budde stated that he had not, and this blindsided the Staff. He noted that the City reached out to Chanhassen three years ago about connecting, largely for engineering questions. He shared that updating the agreement was not discussed until it was stated that Shorewood would move forward with the project.

Mayor Labadie respected that notifying residents is important, but no one has followed up. She pointed out that if 30 residents wanted to connect, then that would be a different story.

Councilmember Maddy asked how long the City would have before it would be necessary to start buying pipes. Mr. Morreim stated that at the next meeting, a decision would be needed because materials would need to be ordered. Shorewood is scheduled to begin work on the water main portion of the project. He noted that the Staff can reach out to the residents if that is what the Council wants to include in the decision-making process at the next meeting.

Councilmember DiGruttolo stated that it makes sense to let residents know that if nothing is done now, it will be a long time before they have access to water. She pointed out that maybe the thing to get residents to commit. She added that she may be persuaded if things cannot be done for a long time. City Administrator Nevinski shared that the opportunity to put in the pipe now exists because the road is ripped up, and it will not be ripped up for a long time. City Engineer Budde explained that the County is investing a significant amount of money to adjust the roadway alignment and add a trail, so there will be maintenance projects, but no opportunity to dig up. There will be additional costs because the trail will need to be dug up and replaced.

Councilmember DiGruttolo shared that she would be more inclined to support the project if residents were going to hook up. If a few were convinced, it might tip the balance in favor of doing it. Councilmember Gorham stated that he is not trying to leverage urgency or panic, but rather that the City has been talking about doing this, and now it is all falling apart.

Mayor Labadie stated that the last time Councilmember Gorham said something along the lines of "the time is now." She agreed with that statement, but the circumstances have changed dramatically.

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Councilmember Maddy explained that he has a lot of trouble temporarily paying for Chanhassen's infrastructure.

Councilmember Sanschagrin asked how many properties there are. City Engineer Budde noted that there is potential for 25 connections. Councilmember Sanschagrin asked about the other properties that are connected to other service areas. City Engineer Budde stated that there are three that are not counted in the 25. Councilmember Maddy noted that there are a few large, subdividable parcels. Mr. Morreim mentioned that the subdividable parcels at the south end would not be developable if they required water. Councilmember Maddy asked how much it would cost to run a pipeline from the east side system to that section. City Engineer Budde stated that it is more expensive to run to the east side because the pipe would have to go through Radisson Road, which is very challenging from a right-of-way perspective. Councilmember Sanschagrin stated that the property has the most to gain from this, because otherwise it is not subdividable.

Mayor Labadie stated that the Council is feeling doubtful about this. She asked whether the ideas suggested would make a difference. Councilmember Gorham asked about a meeting of the mayors. Mayor Labadie shared that since this is a city manager-type situation, the manager would be able to make changes regardless of the timeframe. She pointed out that one conversation may not sway anything. Councilmember Maddy stated that if the conversation did not sway anything, that would give the Council impetus to put the matter to bed. Mayor Labadie stated she is willing to have the conversation, but is not optimistic. She asked why Chanhassen would give up the fees. Councilmember Maddy stated that it would be just for water revenue.

Mr. Morreim shared that, based on a conversation with the Chanhassen Public Works Director, if Chanhassen forgoes the connection fee, they will be looking for a significant increase in the water usage rate. Councilmember Maddy asked whether that would be at the retail rate or the bulk rate. Mr. Morreim explained that \$9.07/1000 gallons is the commercial and industrial rate that Chanhassen has. Councilmember Maddy asked if that is substantially more than the residential rate. Mr. Morreim stated that it would depend on how much water is used. He added that currently the City is paying a few dollars less than \$9.07 and was hoping for even less. However, that conversion may not even happen if Shorewood is looking to eliminate the connection fee. That is his opinion. Councilmember Maddy stated that Chanhassen can justify that through water sales, but he does not see the point in connection fees.

Councilmember Gorham asked whether the request seemed in good faith. Mr. Morreim stated that Chanhassen is living within its policies and fees. Councilmember Gorham pointed out that policy is not math-driven. Mr. Morreim added that it is a unique situation. Chanhassen is trying to live within the framework of what it has. Councilmember Gorham stated that charging Shorewood an exorbitant usage rate does not appear to be policy-driven. City Engineer Budde stated that there was a conversation about options, and the usage fee was one option. Ultimately, Chanhassen wants to make its money back and is flexible about how it does so.

Councilmember Maddy asked what money is being spent on Shorewood. City Engineer Budde stated treatment, well, maintenance of the pipes. Councilmember Maddy noted that it should be revenue, not operating costs. Mr. Morreim stated that each city operates and sets its own fee. According to Chanhassen, part of the connection fee includes capital costs for production, conveyance, treatment, and storage.

Councilmember Gorham stated that a portion of operational costs is already included in the normal rate. He asked why Shorewood's would be doubled. Mr. Morreim mentioned that it is a

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separate conversation that the Staff is looking to have with Chanhassen to reduce water usage rates among currently connected residents, potentially. Councilmember Gorham stated that Public Works from both cities have met. He added that this rate is at a ridiculous level, and Shorewood would be paying into the operational pot. Mayor Labadie asked whether those points had already been made at the staff level. City Administrator Nevinski shared that in the last conversation, Chanhassen is looking to recover some of the costs through connection fees for everything in the system. He added that is how Chanhassen does things. He noted that Chanhassen seemed to understand what Shorewood is trying to do, and that there is an opportunity to explore some options. He added that there has not been a full analysis of the options. He shared that it may be best to try to come to some options, knowing this may not happen again for a long time. There is not much to lose by trying, since it can then come back to the Council.

Councilmember Gorham explained that Chanhassen is charging for capital costs, and the usage fees should be for operations. He added that Chanhassen is throwing a policy at Shorewood and not considering the big-picture relationship between the cities. That is why it should be escalated to the mayor, because, relationally, it may not matter to Chanhassen's Public Works Director. Councilmember Maddy pointed out that, ideally, this is a temporary agreement.

Councilmember DiGruttolo asked whether there is a number the Council would be comfortable moving forward with the agreement. She noted that it is silly for the Staff to go and negotiate if there is no concrete number. Councilmember Maddy stated that he is concerned that operating costs are being paid with one-time fees. Councilmember DiGruttolo noted that it is bad accounting, but that is on Chanhassen. She added that the Council should have a number; she is a no-vote no matter what.

Councilmember Maddy stated that Shorewood pays the hookup fees and the water it uses. Mayor Labadie agreed. Councilmember Maddy pointed out that, down the road, if Chanhassen has a problem, Shorewood can help out, providing Chanhassen with redundancy. Mayor Labadie stated that it is the ideal situation. She noted that she would chat with the mayor of Chanhassen.

Mr. Morreim asked whether there is direction on how to communicate with the residents along this water main. Councilmember DiGruttolo noted that there would be no time to react. Mayor Labadie stated that the decision will have to be made at the next meeting. Councilmember DiGruttolo stated that it would not hurt to give the 25 households the information. Councilmember Gorham stated that sending the resident what they missed would be a good idea. Councilmember Maddy shared that he is hopeful that future Councils can provide water to residents within 35 years. Councilmember DiGruttolo felt people did not realize it could take a long time. She shared that many people are justifying not hooking up because they still have time and do not realize that this could not happen for a long time.

Mayor Labadie stated that a decision would be made at the next meeting.

5. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

i. Response: Duane Laurila, Matter from the Floor

City Administrator Nevinski stated that he has nothing to present. The Council had no questions beyond the memo presented in the Agenda Packet.

ii. Spring Cleanup 2026 Recap

Mayor Labadie asked the Council if there were any questions relating to the information in the Agenda Packet. The Council had no questions.

iii. Upcoming Tentative Agenda Topics

Mayor Labadie shared that things were similar to the last meeting. She asked for Council questions.

Councilmember DiGruttolo asked about the City Administrator's Annual Review. She asked if this could be done more formally. City Administrator Nevinski shared that he has spoken with Ms. Thone, and there will be something more formal.

Park and Recreation Director Czech shared that the baseball tournament went well and that no noise complaints were received. He added that the Minnetonka Baseball Association (MBA) had postcards that invited the neighbors to the games and offered a free concession item with the postcard.

Councilmember DiGruttolo shared that two people complained to her about the parking issue. Many people were running over the no-parking signs. Mr. Czech stated he did not receive complaints. No-parking signs are posted, and the MBA does the best they can. However, as with anywhere, people cannot be controlled.

Mayor Labadie asked whether MBA has an agreement with the parents in which both parents work specific volunteer shifts. Mr. Czech shared that he is unsure of the volunteer structure, but there are parent volunteers.

City Administrator Nevinski asked if the complaints came from within the park or on residential or side streets. Councilmember DiGruttolo explained that her neighbors with children who play baseball said parking was hard to come by and chaotic, with people parking everywhere. She noted that if people cannot follow signs in the parking lot, then that is an MBA issue. Councilmember Sanschagrin stated that the MBA may need to coordinate the parking. City Administrator Nevinski shared that the Staff will work with MBA to talk through the issue for next year.

Mayor Labadie stated that Tonka United had problems in the past, and the City worked with them, and they went to the parent volunteer parking. She added that there should not be parking on Eureka. Councilmember Gorham explained that during Tonka Splash, there is a strong group of parent volunteers.

Mr. Czech noted that Tonka Splash is Friday through Sunday, with games at Freeman. He added that the City is partnering with Tonka United, and there will be a viewing party on Friday for Team USA in the World Cup at Eddy Station. FIFA licensed the event. He explained that park tours of Freeman and Cathcart were on June 23 and are open to the public. The tours will start at 6:00 P.M. He shared that Safety Camp registration is tracking really well, and Staff is hopeful about filling the 40 registrations. Working with Community Education has been a success.

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Public Works Director Morreim shared that many trees are being removed, and many trees are being planted. He shared that the contractor went through Freeman Park and that several dead ash trees by the south playground have been removed and will be removed. Public Works is receiving many calls from residents about dead ash trees. The Staff will review the trees to determine whether it is the City's responsibility, and there is a list of over 100 trees to be removed. There will be another quote package coming to the Council in July, with more in the fall and winter. He added that in the winter, City Staff will be used to remove the trees. The priority is dead trees. Freeman has had 50-plus new trees planted, and more spots will be found. He shared that there are three seasonal employees currently working. Public Works is cutting a lot of grass. He added that fiber is being put in. T-Mobile is generally done, but they are putting some fiber in private roads. Midco is everywhere in the area, but will not have that on the side of trucks as they contract out. He stated that a third company could be coming in on the east side.

Councilmember Gorham asked about the fiber sticking out of the ground at homes and what happens next. Mr. Morreim explained that the conduit is run first, and then the fiber is pulled through it. He noted that generally, the companies are good about restoring the grass after the process with seeding and black dirt. He stated that if there are issues or complaints, call Public Works. Councilmember Gorham shared that they did a good job on the lawn, but there is still wire sticking out. He asked how the service would come to the house. Mr. Morreim stated that the company would try to be as non-invasive as possible.

City Shepherd noted that he would not be at the next meeting and someone else from his office would be there in his place.

City Administrator Nevinski stated that the Comprehensive Plan survey is still up. He encouraged the Council to get everyone to chime in. He stated that fireworks were on for the Fourth of July. There will be no bands, but there will be food trucks.

Councilmember Sanschagrin asked how many people had responded to the survey. City Administrator Nevinski stated that he did not know and would follow up with Planning Director Griffiths.

B. Mayor and City Council

Councilmember Maddy shared that the Excelsior Fire District operating committee is stepping up and taking the lead on the search for a new fire chief and policy revisions. He added that there was a discussion about creating an administrative position to help the fire and police with HR, accounting, and communications. If there is success with an interim administrator, then staffing may be adjusted. He shared that Deephaven requested some modifications to the joint powers agreement. City Administrator Nevinski shared that Deephaven hired its city attorney to review the joint powers agreement and suggest changes. The significant suggestion was that Deephaven and Shorewood would each get two votes, which did not sit well with other cities. He noted that it would be brought back to the Council in an upcoming meeting. There is concern from the board about opening the joint powers agreement because of all that would accompany it.

Councilmember DiGruttolo asked whether that is the same issue discussed last time. Mayor Labadie noted that this was a fire, and that was the police.

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Mayor Labadie shared that, for the SLMPD, the mayor's dual roles were a problem, which was presented to the Council, and the Council voted unanimously to support the mayor in both roles. She noted that there was a board meeting on Wednesday where the issue would come up. She pointed out that the SLMPD is different from the EFD board, especially on Monday. She would update the Council after the coordinating committee.

6. ADJOURN

Maddy moved, Sanschagrín seconded, Adjourning the City Council Regular Meeting of June 8, 2026, at 9:30 P.M.

Motion passed.

ATTEST:



Sandie Thone, City Clerk


Jennifer Labadie, Mayor