

**CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JUNE 22, 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 7:01 P.M.

A. Pledge of Allegiance

B. Interactive Technology: Councilmember DiGruttolo will participate via Interactive Technology

C. Roll Call

Present. Mayor Labadie; Councilmembers Sanschagrín, Gorham and DiGruttolo (via Zoom). City Attorney Enslin; City Administrator Nevinski; City Clerk/HR Director Thone; Planning Director Griffiths; Communications/Recycling Coordinator Wilson and Public Works Director Morreim.

Absent: Councilmember Maddy

D. Review Agenda

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

Motion passed 4/0.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda and asked if there were any questions.

Councilmember Sanschagrín requested that for item 2.E., there has been some confusion among residents about who qualifies. He went onto the website, and further down it states that only residents on the municipal water qualify. There are concerns from residents who did not know that and bought water-efficient appliances. He suggested making it as clear as possible in any communication as to which households qualify.

Councilmember DiGruttolo stated that she has a question about item 2.G. She asked Ms. Thone to explain it so she can better understand how it works. She noted that there are three City Staff members serving as election judges, and it seems odd that the person setting the rate for election judges' pay and responsible for recruiting will also be a separately paid election judge. She asked for the wording and clarification on how to handle questions, as she does not understand it herself. City Clerk/HR Director Thone pointed out that this year is a little different because some legislation was passed that requires even deputized staff, which is what the City Staff is, to be trained as election judges to be qualified to perform certain duties. She noted that she is Shorewood's election administrator and deputizes Shorewood staff to perform election duties in-house, in a non-partisan manner. Election judges are recruited to primarily staff the precincts, and certain tasks that require party balance with one person from each major party to ensure fairness. She

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explained that issues arose during the 2024 election, where county deputized staff were performing some duties, and it sparked legislation that changed the process for this year. In 2026 to perform certain duties, even deputized staff must be trained as election judges. They declare their party to be able to do the party balance duties. Staff also serve as the absentee ballot board, along with other election judges. There is a wide variance in what falls under the deputized staff and the election judge roles. She added that the city staff does not work as election judges in the precincts; that is all done by recruited election judges.

Councilmember DiGruttolo asked whether the Staff was not being paid separately, but rather for duties being performed by salaried City Staff. City Clerk/HR Director Thone noted that she was correct – they are not “paid” as election judges separately but rather perform these duties as part of their city jobs. The new legislation simply requires them to be “trained election judges” as well as trained as deputized staff. Councilmember DiGruttolo confirmed that city staff are not receiving additional pay as election judges. City Clerk/HR Director Thone confirmed they are not.

Sanschagrín 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. Planning Commission Meeting Minutes**
- D. Claims List**
- E. 2026-2028 Water Efficiency Grant Program, Adopting RESOLUTION No. 26-38, “Resolution Approving 2024-2026 Water Efficiency Rebate Grant Program Funds from Metropolitan Council Environmental Services.”**
- F. Resolution Denying a PUD Concept Plan at 25485 State Highway 7, Adopting RESOLUTION NO. 26-35, “A Resolution Denying a PUD Concept Plan for the Property Located at 25485 State Highway 7.”**
- G. Resolution Appointing 2026 Election Judges and Absentee Ballot Board, Adopting RESOLUTION NO. 26-39, “A Resolution Appointing Election Judges and Establishing Absentee Ballot Board.”**
- H. Add 1.0 FTE Engineering Technician to the 2028 Budget**

Motion passed 4/0.

3. MATTERS FROM THE FLOOR

Todd Murrtha, 25650 Maplewood Court, stated that he was present to speak about Watton Ponds. He noted bringing to the Council's attention a serious problem with the record filed in the appeal of the decision requiring the environmental assessment worksheet (EAW) for the Watton Ponds project. The Court of Appeal makes its decision based on the record that was available to the Council. Unfortunately, the record filed with the Court of Appeal does not appear to contain all the information provided to the Council and discussed by it in reaching its decision. He pointed

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out that it matters because the Court is not going to decide whether it agrees with the Council's decision; the Court decides whether the Council's decision was reasonable based on the information before the Council. In other words, the Court can judge the Council only by evaluating the record it receives, which it assumes is the same record the Council had. He stated that the problem is that important parts of the record appear to be missing and were not filed with the Court of Appeals. He gave the example that the record contains agenda packets, but those packets do not include all the materials provided to the Council before the February 23 meeting. He shared that he submitted a detailed letter regarding the EAW, which provided extensive factual support for why the developer's claimed EAW exception did not apply. The letter was provided to the Councilmembers prior to the meeting, and they discussed its contents during the deliberation. He added that the letter itself was not included in the record, even though his cover letter stated that it should be entered into the public record for the Council's discussion of the matter. He stated that even more troubling, the transcript provided to the Court as part of the record omits the discussion that occurred during Matters from the Floor. Residents were not allowed to speak during the Council's discussion of the EAW itself; their only opportunity to present information was during Matters from the Floor. He added that residents provided extensive factual information, observation, and analysis that supported the EAW. That entire discussion appears to be missing from the transcript that was filed with the Court. He noted that residents were erased. The effect of the omissions is significant; much of the factual support for the Council's decisions seems to have disappeared from the record. He emphasized that when the Court reviews the decision, it will not know what information is missing; it will not second-guess the record. The Court will see a record that contains less evidence supporting the Council's decision than was actually presented to the Council. In other words, the current record does not fully reflect the basis for the Council's decision and incorrectly suggests that the Council may not have had a basis for the decision. He pointed out that the Council voted to require an EAW after reviewing information from Staff, developers, experts, and residents. If the materials the Council reviewed and relied on are absent from the record, the Court is not seeing the same case the Council saw. He shared that the practical impact is significant; the City may lose a legal case, not because of any issues with the City's conduct, but because the City's team failed to present an accurate picture of the Council's actions. He explained that it should concern the Council regardless of their position on the EAW. The issue is whether the Council can properly rely on its team to represent it in its decisions. He added that this is much bigger than Watton Ponds; it goes to the very authority of the Council. He shared that the outcome in this matter may come down to not what the Council did or how the Council voted, but to administrative activities undertaken in the background. In effect, it is not the Council that decides this issue, but the person preparing the record. He shared that the failure to have a complete record creates the impression that each of the Councilmembers did not act with proper care and diligence and made important decisions willy-nilly, without bothering to understand the facts. He stated that it is an unjustified and unfair stain on the record of this Council, given the deep and extensive work the Council put into evaluating and judging the EAW request. He recalled that the Council had to decide whether part of the development was within 300 feet of an adjacent wetland, and every bit of factual information about it had been removed from the record. The Council's decision on that looks like it was just made up. He stated that he was not sure, from the Council's perspective, whether that decision was made up, but when it comes to what the Court of Appeals will see, that is exactly what they will be told. He encouraged the Council to review the filed record and determine whether it accurately reflects the information presented to the Council before it made its decision. If it does not, the City's legal position is unnecessarily weakened because evidence supporting the Council's decision is not being presented to the Court. He pointed out that Gravity Investment's position from the beginning was that the Council made all kinds of decisions without any factual basis. In this case, having a public filing by the Council's team that supports the

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narrative that the City Council acted without basis must hurt. He noted that the Council needs to decide whether that is what they want posterity to see and to believe forever that this is how the Council makes its decisions.

Councilmember Sanschagrin asked that the records be checked to make sure that everything was included. He asked whether the City would still be timely in providing more to the record. City Administrator Nevinski stated the questions would be raised with the attorney.

Glenn Geissinger, 6140 Mill Street, stated that he has lived there for 38 years and has had two wells. The well that was existing when he first moved in, and then another well had to be drilled because the first one went dry. He noted that he supported installing the water main along Mill Street to ensure he would have reliable water. He shared that he had questions but assumed that he would not get any answers.

Mayor Labadie stated that this is correct, as this part of the meeting is not interactive. However, the Mill Street project will be discussed at length. She encouraged him to stay for that portion of the meeting.

Daniel Bruzzone, 6110 Mill Street, stated that he is Mr. Geissinger's neighbor and has lived at that address for about four years. He noted that he is present in support of the water main. He noted that there are a few issues for discussion that he hoped the Council would get to this evening. He shared that he received a survey to gauge interest in light of the additional costs Chanhassen is assessing. He stated that he did not fill in the survey because he did not feel he could, given the way the questions were phrased, which left him too uncertain. The first question on the survey was: would he still support the project? He noted that he is standing before the Council and strongly in favor of the project. He added that the reason and the amount of the costs are unclear to homeowners along Mill Street. He lives on two and a half acres and does not know where the connection from the house to the street would be. He asked why both Shorewood and Chanhassen are applying a fee for what seems like the same work. He inquired whether Chanhassen's decision to assess a fee would include performing some of the work, potentially eliminating the need for Shorewood to charge the fee. He explained that, based on the math, the fees would range from \$10,000 to \$75,000, which is a huge difference in the cost of attaching his house to the City water. He shared that he has seen some materials about the City providing financing for the options, but there is no information about over what time period, at what interest rate, or what the terms would look like. In theory, he is very much in favor of the project, but there needs to be more information on the costs and what the project would look like to answer the survey questions. He stated that many along Mill Street have gravel driveways, including himself, and there has been a lot of discussion about directional drilling, but he does not know if he can dig a trench. There seem to be many options to consider, but it may be too early in the process to know which will be feasible for the City. He noted a lack of clarity but overall support, despite not filling in the survey.

Barry Brown, 6050 Burlwood Court, stated that, since a \$20,000 invoice from Bolten and Menk for the Shorewood Lane Ravine Project was on the agenda, he thought he would discuss it. He explained that the City project is 17-15 and that he wanted to raise awareness of it. Since November 2021, Bolten and Menk has invoiced the City 36 times for \$149,475. He shared that funding for Bolten and Menk comes from two sources: the street reconstruction fund (ST2306) and a \$50,000 grant from Hennepin County. While reviewing the Council meeting minutes from several years ago, he wanted to raise a few questions and make a request. He added that he is not at the meeting to oppose fixing the ravine; that is for the Council to decide. His concerns are

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about cost, funding, and the project's progress through the Council. Here is what the record shows: the City has tracked the ravine since 2014. When it was first budgeted, the figure was around \$300,000. The most recent estimate is between \$640,000 and \$805,000. He added that he understood why, as piping the channel was not permitted, and that the design had shifted over the years to a Gambian Basket, which was also not permitted. The design is now towards soft armoring of the Watershed District. He shared that engineering realities are changing, but a project that grows from \$300,000 to potentially \$800,000 deserves a clear public accounting of how it got there. He shared that his second concern is how the funding has come together, because the entire plan depends on stacking outside money on top of the City tax dollars. Over the past two years, the Council authorized grant applications to several sources: the MPCE Stormwater Resiliency Grant, the League of Minnesota Cities Grant, the Hennepin County Opportunity Grant, and a Hennepin County Cost Participation Request. He added that the meeting minutes also mention MnDOT, MSA State Aid covering 55 percent of the cost. He can only confirm from the records that the City accepted a \$55,000 Hennepin County Opportunity Grant in March of 2025, but he cannot find the outcome of the others. He stated that he would like the Staff to put the answer to his questions on the record. He asked whether the MPCE and League of Minnesota Cities grant application had been awarded, denied, or withdrawn. He asked whether Hennepin County Cost Participation Requests had come through. He also asked what the current funding breakdown for the project is today: how much from grants, how much from State aid, and how much from Shorewood taxpayers. He stated that his third point is about the process. Almost every Council action on the project, from grant authorization, grant acceptance, and cost participation requests, was approved on the Consent Agenda. In a single bundled motion, with no separate discussions. He pointed out that, individually, each step may have been routine, but taken together, the steps add up to a project costing three-quarters of a million dollars. There has been very little public airing. He added that the last time there was substantial discussion was in August 2023, on a 12-year project. He requested that, before any more money is spent on designs and research, the Council put the project on a regular agenda as a standalone item. This will allow the Staff to walk everyone through the design, the total cost, and the funding sources, bringing daylight to the final decisions the Council will make. He appreciated that the item is a project request and addresses potential problems. He noted that it is potential because 14 years ago the project was also a potential problem, so it is unknown if it is a real big problem right now.

Mike Bedford, 6025 Mill Street, stated that he has lived there since August 2000 and has been a resident for 50 years. He shared that he is at the meeting about the Mill Street project, which has been in discussions for 15 years. At the last second, the City is throwing in City water. He is not for the City water at \$30,000-\$60,000. He shared that he has his own well, which is great and used daily. He stated that he is not a fan of the City water being thrown into the project at the last second. He has a well, but does not have the funds. He shared that a Hennepin County Commissioner is present at the meeting. The City negotiated with Hennepin County because trees and landscape were lost. The city settled for pennies on the dollar. He noted that he cannot hire a landscape company to replace what he had. Now, the City is talking about doubling those funds to pay for City water. He shared that he would not do that, and there are plenty more people who should speak on the issue as well.

Burt Kottke, 6040 Mill Street, stated that he is not opposed to the Mill Street water main if most of the residents on the road want it. He shared that in two weeks, there would be the 250th anniversary of the Country, which is we the people, not a few. He knows all of the neighbors. He shared that the cost is ridiculous, and many people he has spoken with who could not attend the

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meeting were astounded by it. He stated that communication with the City is terrible; communication with the County is better. He shared that the city cannot even get the garbage day correct.

David Anderson, 6035 Mill Street, stated that he is not 100 percent against the water main project, but it is out of this world expensive. He noted that he plans to have his house for generations to come. He does not plan to sell the house, so the idea of having fresh water would be great. He shared that he did not like the notes from Excelsior stating that residents needed to boil their water. He does not want to deal with that and would rather deal with the bad well that he has. He asked whether the City would provide water of good enough quality. He shared that if the math was done and with what is being proposed, he could have 15 wells for that price. The project has to be affordable. He stated that the residents would pay for the project, and then if they do not hook up, it would still run to their house, and a monthly fee would be charged for nothing. He stated that he would not use the city water, but for future families that will live there, he would love to have the City water available. He shared that the project needs to be revisited. He stated that he is in construction and knows what it costs to install an eight-inch waterline; they were not charged for the connection. He pointed out that the Council should rethink it and make it affordable, and most people will say that might work.

4. GENERAL BUSINESS

A. Presentation by County Commissioner Edelson

Hennepin County Commissioner Edelson stated that she represents 16 cities. She has attended many City Council meetings, and Shorewood is the first to allow people to speak from home. She thanked the City for that and noted that it is a kind gesture. She shared that Hennepin County was established in 1852, before Minnesota became a State. There are 45 cities in the County, 1,300,000 residents, 8 Fortune 500 companies, 607 square miles, and 11 watershed districts. She shared a word cloud with many of the things that Hennepin County does. Many things are done in the County. HCMC is under Hennepin County, so when 911 is called, dispatch is handled in the County, and the call is sent to Excelsior Fire or South Lake PD. If an ambulance is needed, both respond. Hennepin EMS is responding to Shorewood. She thanked the Mayor when she first came on, saying that response times have improved because there is now an EMS station in Shorewood. She highlighted that every public pool in Hennepin County is inspected, as is every restaurant. She noted that the County collects property taxes and the City pays for everything. She noted that the adopted 2026 budget is \$3,150,000,000, pointed out that 35 percent of revenue comes from property taxes, and showed a pie chart of all sources. She showed a pie chart of expenditures and highlighted that health and human services are about 50 percent of the budget. She shared that the \$3,150,000,000 budget does not include the hospital. The hospital is a separate \$1,750,000,000 entity, and a board is being hired with a company to help fill the seat. She shared a chart showing revenue sources and the increase in reliance on property taxes in recent years, which the County needs to address. There are now monthly budget meetings to make sure things are being cut as they go. The trend line cannot continue, as people will be priced out of their homes. She pointed out that Federal funding has declined, while State funding has fluctuated. The service fees shot way up because of the Real ID. She shared the expenditures chart. The County had been in the news for the upward trend in public safety budgets, with some of her colleagues saying the County should not be funding public safety; she disagreed. The sheriff plays a very important role in Hennepin County in ensuring the safety of the cities. The County has a jail, and she explained that if there is room, people have to be put in, and the sheriff is not in charge of how long they stay. She added that costs are going up, but

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the County has statutory authority to provide public safety. She noted that the health budget has increased dramatically due to shifts in certain areas. She pointed out that the capital improvement program has declined because when there is not a lot of money, investment goes down. She presented the 2026 Federal cuts: \$8,000,000 from SNAP and \$2,800,000 from terminated grants. She explained that, with a SNAP Error Rate of 8.9 percent (Hennepin County), the Federal government wants Error Rates to be at 6 percent, so the difference between the two is about \$20,000,000. The County has asked the Federal Administration for more time, as 45 other states also have an Error Rate above six percent.

Councilmember Sanschagrin asked what the Error Rate is. Ms. Edelson explained that there is a MET system through which people apply for food assistance, and the error rate is the difference between what people report their income as and what actually appears in the MET system.

Ms. Edelson shared about HUD and that there would be \$12,000,000 in cuts for 2027. The Federal government is stating that there are too many people on this. Research shows that when people are housed, there are fewer ER visits, so the County is very challenged by this anticipated cut. She shared that about \$40,000,000 needs to be cut from Medicaid. She noted that the State and Federal governments mandate 75 percent of what the County does, but the County has been cut in terms of funding. She explained that residents in Shorewood saw a property tax increase of about eight 8.6 percent. State Law shows that when homes are worth more, people will pay a larger share of the pie. She explained that the State government saved the Hennepin County Medical Center. The levy last year for Hennepin County was a 7.79 increase, and four points of that were specifically for the hospital. She pointed out that Hennepin County is allocating \$9,000 per city for early voting and will continue to work on how to support cities during elections. She shared that a few things have opened in the County: the Youth Crisis Stabilization Center and the New Public Safety Headquarters in Plymouth. She pointed out Shorewood projects that the County has: County Road 19 Preservation, Sunset Drive Roadway Reconstruction, and Mill Street Pathway Project.

Councilmember Sanschagrin asked how the funding with the hospital works. Ms. Edelson stated that she wished the hospital would be self-funded, but there has been a subsidy. The County subsidized the hospital for \$40,000,000 every year. Last year, the County took over as the hospital board because there were concerns about the possibility of having to close or cut \$100,000,000 in projects. She noted that she would like to see a hospital district that would keep HCMC intact while being part of a State subsidiary. Historically, the State provided funding for the hospital. She noted that the path forward is not just relying on Hennepin County taxpayers.

Councilmember Sanschagrin noted that one of the complaints he hears from residents is the property tax bill. He asked Ms. Edelson to elaborate a little on what the County is doing to eliminate costs. Ms. Edelson stated that the County is holding monthly meetings to review mandated versus non-mandated services and to review every single contract. The County has 9,100 employees, so much of the budget goes to staffing. She noted that the County is looking to reduce costs by eliminating contracts. She acknowledged that the upward trend in property taxes is unacceptable.

Councilmember Gorham thanked the Commissioner for coming and noted that he is amazed at the breadth of topics that she needs to be an expert on. He stated that the city recently bagged their Flock camera, and the County has some of them; the city has concerns around the provider and the general nature of the camera. He asked if the Commissioner had heard of any similar issues in other cities or on County roads. Ms. Edelson stated that she has heard about Flock

cameras at other council meetings. She noted that, regarding Flock cameras and what the County has, it is typically cities that install them, and she could check with the sheriff's department to see whether the County has them.

Councilmember Gorham pointed out that one of the charts showed the Federal contributions starting to dwindle and that will probably not change. He asked what the latest is about the Blueline. Ms. Edelson shared that the Southwest Light Rail runs through District 6 and will hopefully open up in 2027. She is on the financial team monitoring that. Blueline will be running through North Minneapolis, Brooklyn Park, and Brooklyn Center. She shared that with that project, if there is Federal funding, every single one of the councilmembers supports the Blueline. She stated that if the funding stops, then she will fight against the project. The funding comes from a sales tax that was passed.

Councilmember DiGruttolo asked how many of the cities in the County are served with less than 50 percent municipal water. She pointed out that it is a problem in Shorewood and is trying to understand whether other cities are facing it as well. Ms. Edelson stated that in the lake communities, it is a challenge. Mound is not municipal water. Edina, Minnetonka, and Hopkins all have municipal water. She clarified that the County does not get involved in city functions such as municipal water. She pointed out that Mill Street is a County project, but adding City water onto that would be a City issue. She noted that she would have to check each city.

Mayor Labadie stated that several years ago, the Highway 7 group received funding to form a traffic management organization comprising 10 cities, including Shorewood, 5 school districts, and 2 counties. She shared that funding for the traffic management organization is ending, and the group has agreed to join the Southwest Corridor Transportation Coalition. She noted that the reason for staying together as a group is that all the cities feel they have a stronger voice together, and that joining the existing coalition provides some momentum. She shared that she has been attending some meetings on behalf of Highway 7. She wanted to talk to the Commissioner down the road about getting Hennepin County representatives at the meetings. She shared that Highway 7 is scheduled for repaving in 2029, but people are worried about safety. If, in the next twelve months, funding can be obtained for safety improvements, MnDOT has given the green light to roll them into the pavement projects. She hopes to bring together some Hennepin County Commissioners to advocate as a group. She shared that there is bipartisan support, but it needs more funding. Ms. Edelson stated that she would love to attend a SWTC meeting. She stated that Highway 7 is a State road, but there must be a way to find an option. Mayor Labadie shared that the coalition is trying to think outside the box and explore other avenues. Ms. Edelson pointed out that the 494 Commission may be a good place to find information and that it has a funding mechanism.

B. 5850 Boulder Bridge Ln Conditional Use Permit

Planning Director Griffiths presented on the 5850 Boulder Bridge Lane Conditional Use Permit (CPU) as found in the Agenda Packet.

Councilmember Sanschagrín asked to see the map showing the proximity of the Brynmawr Place neighborhood to the Applicant. Planning Director Griffiths shared a photo and noted where the Brynmawr Place neighborhood is. He pointed out where the garage would be built and that there is a distance to the northern property line, then a 40-foot common area, and then the homes, which are a distance from the line. He added that the distance between the garage and the property line is about 125 feet, though it can technically be as close as 50 feet.

Sanschagrin moved, Gorham seconded, and the resolution was adopted. 26-34, "A Resolution Approving a Conditional Use Permit for an Attached Garage that Would Result in Greater than 1,200 Square Feet of Accessory Buildings, Located at 5850 Boulder Bridge Lane."

Motion passed 4/0.

C. 6145 Club Valley Rd Variance

Planning Director Griffiths presented on the 6145 Club Valley Road Variance as found in the Agenda Packet.

Councilmember Sanschagrin stated that he thought he had read that if Shorewood had the same code as other cities, those cities would not require a setback variance because the City could redefine the front. Planning Director Griffiths noted that it was a different application. He has not worked in a city that does that, but that is a zoning tool that is out there. The variance is the only channel to process this request. In a conversation with the City Attorney, there are some ideas to make the request more streamlined in the future.

Councilmember Sanschagrin asked, from Planning Director Griffiths' perspective, what the purpose of the setbacks is, given their current configuration. Planning Director Griffiths stated that it is tough to say exactly why. Historically, in Shorewood, setbacks have been established to push everything to the center and back of the property. He added that this is a unique neighborhood and that the lot has an odd configuration. The home could have been larger or built farther back, but for whatever reason, it was built right at the 40-foot setback, leaving a lot of room on the other side.

Councilmember Gorham asked whether the house is currently compliant with setback requirements. Planning Director Griffiths stated that it is. Councilmember Gorham asked whether the argument for the variance is that the garage could be built south of the property. Planning Director Griffiths stated that, in the Staff Report, the Applicant has outlined how they believe the request meets the review criteria. They are looking at whether the request is reasonable; the construction of a third-stall garage is fairly typical. They are also looking at whether it is a unique situation or self-created; the Applicant argues that something could be built elsewhere, but the space is needed in a particular location. He shared that the Applicant argues the setbacks do not align with the home's functional use. Councilmember Gorham asked if that is an argument that Planning Director Griffiths agrees with. Planning Director Griffiths stated that he agrees with it. Councilmember Gorham asked whether Planning Director Griffiths agrees that the project is unique because of the house's siting. Planning Director Griffiths explained that the uniqueness lies in the fact that it is not a typical lot; the home's functional orientation does not match the technical definition of each yard in the City Code. Historically, the Council has approved variances in similar situations. Ultimately, the City Council could find otherwise.

Councilmember Gorham asked about the argument for the functional placement of the home. Planning Director Griffiths suggested imagining how the house would look from the street. Every part of the house faces Club Valley Road; the front is the side. He added that there is a mismatch between what the City Code defines as the setback and how the home was actually built on the lot.

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Mayor Labadie stated that it is a unique situation and that she liked that four neighbors said they had no problem with the garage. She felt it was a proper use of a variance. Councilmember Sanschagrín agreed and saw no issues.

Sanschagrín moved, Gorham seconded, Adopting RESOLUTION NO. 26-37, “A Resolution Approving Variance to Reduce the Required Rear Yard Setback from 40 Feet to 27 Feet on Property Located at 6145 Club Valley Road to Accommodate Construction of a Garage Addition.”

Motion passed 4/0.

D. 23120 Summit Ave Variance

Planning Director Griffiths presented on the 23120 Summit Avenue variance as found in the Agenda Packet.

Mayor Labadie pointed out that the practical difficulties test of a reasonable, unique situation versus self-created and essential character has all been addressed.

Councilmember Gorham stated that in this case, the front is the front. Planning Director Griffiths stated that it is correct. Councilmember Gorham stated that everyone deserves a third stall, but in this case, it feels self-created. He added that it is not like the other one, where a person could argue that the home is oriented incorrectly. He asked what the setback is supposed to be. Planning Director Gorham stated 35 feet. Councilmember Gorham asked whether the Applicant is now compliant. Planning Director Griffiths stated that it is. He stated that the City Council could reasonably find otherwise because the criteria are open to interpretation. He shared that the analysis the Applicant provided hinges largely on the fact that there are many similar situations in this area. He argued that it would be difficult to find a home on Summit Ave that meets the setback requirement, and the Applicant provided a map to support their narrative. He explained that the Applicant is hinging their review criteria on the lot's slope and shape, which are preventing other locations from being used. Councilmember Gorham stated that when buying a property on Summit Avenue, there will be unique situations, and not everyone will be able to obtain a variance.

Councilmember Gorham stated that the lot is a front-facing lot that is encroaching on the front setback for a third stall. This is what setbacks are for. Every decision is a chance to get it right. He would be voting no.

Councilmember Sanschagrín asked to see the pictures of the house. Planning Director Griffiths stated that the ones in the packet were not in his presentation.

Councilmember Sanschagrín asked what the distance is. Planning Director Griffiths noted that the Applicant is requesting 22.7 feet, whereas 35 feet is required.

Councilmember Sanschagrín asked what is on the south side or the bottom of the house. Planning Director Griffiths shared the location of the property line and noted that Summit Avenue runs farther south due to additional right-of-way. There is a street there. Councilmember Sanschagrín noted that the garage would be pushing up against a street rather than another property. He added that he is in favor.

Councilmember DiGruttolo stated that she is generally in favor. She asked what the con is of putting the garage within the 35-foot setback. Planning Director Griffiths stated that, as with any variance application, there is obviously a reason for the rule. Setbacks are established in the Zoning Code to set community standards, protect property values, and preserve public safety. He stated that it could be argued that the 35-foot setback is critical to doing those things, and the Council could consider that. Staff's perspective is that there are many other situations in this area without an established setback, in addition to the other points. There is nothing negative about the City. He added that an argument could be made that the adjacent property owners would be impacted in some way, but none have come forward to voice concerns. Councilmember DiGruttolo clarified that the purpose of the setbacks is for standardization. Planning Director Griffiths explained that setbacks are not just for standardization; as with any Zoning Code, they serve a purpose. He stated that, in this case, there is a neighborhood where the rule did not seem to be applied consistently in the past.

Mayor Labadie stated that this is a unique situation because it is a steeper-graded part of the City and significantly limits the buildable areas on the site. The fact that other properties have been allowed to do something similar makes it an essential character of the area, and it is reasonable given the topography.

Mayor Labadie asked, with four councilmembers present, what happens if there is a tie vote. City Administrator Nevinski stated that if there is a tied vote, then the motion is tied and therefore fails.

Sanschagrín moved, Labadie seconded, Adopting RESOLUTION NO. 26-36, "A Resolution Approving Variance to Reduce the Required Front Yard Setback from 35 Feet to 22.7 Feet on Property Located at 23120 Summit Avenue to Accommodate Construction of an Attached Garage."

Motion passed 3/1 (Gorham).

E. Curbside Organics Recycling

Communications/Recycling Coordinator Wilson presented on the Curbside Organics Recycling and Ordinance 13 as found in the Agenda Packet.

Councilmember Sanschagrín asked whether, under the open hauler system, another truck would come through. Mr. Wilson stated that he thinks it would be another truck; trash is not collected the same as organics. Councilmember Sanschagrín asked if there are specially designed trucks for this. Mr. Wilson shared that maybe there will be by 2030.

Councilmember Sanschagrín asked which option would be most cost-effective overall. Mr. Wilson noted that, based on feedback from other cities and the City's representative at Hennepin County, who works with recycling, the reason for the two cities in the open haul system is that the other cities switched because they could negotiate better prices as a city. Councilmember Sanschagrín stated that he would personally prefer fewer trucks on the streets. Mr. Wilson explained that is one advantage of going with the city organizing it. In theory, there would be fewer trucks.

Mayor Labadie shared that, as money has been going into the infrastructure and roads, fewer trucks make sense. She stated that if the whole City is negotiating one price for the City and there is a set term, then she could not see why the City would not get a good price. In theory, this would

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be the most cost-effective for residents because negotiations can be done in bulk, just like with recycling. She would support option one.

Councilmember DiGruttolo stated that she is leaning towards option one, with the city organizing the program. She asked for any feedback to gauge what the majority of homeowners prefer. If the City has not sent anything, she asked whether there would be a way to send a communication explaining both options, including the pros and cons of each. She shared that in Shorewood, there are libertarian-leaning people who want more control and say. Others do not care as long as it is cheap. Mr. Wilson stated that there has been some outreach through the Citywide survey, but a higher participation rate would be needed to understand the numbers better. The Recycling Committee and other volunteers have gone out to different neighborhoods to ask people about the organic drop sites. He added that this is why this process was started now to understand what residents are interested in. The education component of that program will be required, and everyone will have to pay for it, which will allow people to make a better decision about it.

Councilmember DiGruttolo shared that the education needs to be done sooner rather than later. She added that it should include ballpark numbers for the cost of each option. She agreed that, given the amount of money put into roads, she would like to see fewer trucks. However, many people want to make their own choices, but she would like to get a sense of what residents think.

Councilmember Gorham stated that feedback indicates that an organized City collection is preferred. He asked how that feeds into the timeline draft. Mr. Wilson explained that the draft would need to be updated slightly to reflect the timing better and provide a more refined version. He added that there is a great group of volunteers through the Recycling Committee who would be willing to get the feedback.

Councilmember Gorham asked if there is a pilot program for one option or the other. Mr. Wilson stated that the pilot program was implemented on a phased-in basis to identify which neighborhoods have greater interest or engagement in the program and to help determine what the Citywide rollout would look like. He noted that everyone would have to be charged for it, so then maybe there would need to be funding to help offset the costs.

Councilmember Gorham stated that it feels really early since this would not happen until 2030. There are three and a half years of planning, and it feels too early to decide between the two options. The survey will certainly help.

Councilmember DiGruttolo noted that the City does not have to wait until 2030; work should begin in 2029, leaving the City with only a year and a half of planning. There is a lot for the City to have to do. Mr. Wilson explained that the verbiage may state that the program is offered to everyone, but the resident must call to get a cart.

Councilmember Sanschagrín noted that the Council would like more information from residents through the survey and discussions. Mayor Labadie noted that she is leery of surveys because the wording of questions can skew the results. She would support getting resident input at the City events. She agreed with engagement but thinks there would be better ways. She asked whether the Council preferred one option over the other. She added that the Council would like more resident input before one of the options is picked.

F. Mill Street Watermain Project

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Public Works Director Morreim presented on the Mill Street Watermain Project as found in the Agenda Packet. City Administrator Nevinski stated that if the Council decides to move ahead with the amended Joint Power Agreement (JPA), that is fine. However, if the Council decides not to move ahead with it, the Staff would like the Council to add a motion to rescind City project 24-07.

Mayor Labadie stated that one of the residents had earlier raised a question, as the discussion had just started. She asked how long the Council has been discussing the possibility of installing water lines in the area. Public Works Director Morreim stated that this discussion has been ongoing since 2022, when Hennepin County scoped. Part of those scoping conversations during the planning phase were done with the Council at that point.

Mayor Labadie asked how long ago the City learned that Chanhassen was less cooperative than the City had hoped. Public Works Director Morreim shared that it was about three days after it was approved that the City communicated to Chanhassen that it was approved, and Chanhassen communicated the connection fees. That was for 25 properties, plus a few that were not in the service area. Mayor Labadie shared that it was about a month ago. Public Works Director Morreim explained that it was in the middle of April and that the Staff immediately started looking at whether water rates could be considered. The Staff moved on from that option because the water rates would have been elevated to the point where it would not have been a good option for other residents. He noted that, in a new development, in Chanhassen and most cities, the houses would pay for the water main, the services, and then the City fees. For each house in a new development, utility installation costs range from \$40,000 to \$60,000. For Chanhassen, the connection fee is around \$20,000.

Mayor Labadie stated that at the last meeting, Councilmember Gorham asked her to reach out to the Chanhassen mayor to discuss this at the mayor-to-mayor level. She did reach out to the mayor, and the mayor confirmed the numbers from her staff to the City Staff. Going from one mayor to the next did not change anything. She noted that the City has been discussing water hookups for years, but Chanhassen only recently requested the additional hookup fees. She added that the city would not be in this position if the many Councils before this one had had the foresight to put in the water at the same time as the sewer. She stated that this decision requires a majority vote. She explained that in the past, this project has been discussed at numerous Council meetings, and two Councilmembers have expressed a desire not to proceed with it. She asked if the opinions of the Councilmembers remained the same. Councilmember Sanschagrín shared that he agrees with the earlier residents' sentiment about sticker shock over the costs, and that a request was made to lower them, but there is no way to do that. He did not understand why it is so expensive to put pipe in the ground. He wondered if any other solutions would be more cost-effective. He suggested the neighborhood organize a local well. He asked what the cost was. Public Works Director Morreim stated the cost is \$800,000. He pointed out that part of the issue is that some properties on Mill Street are 200 feet from the front of the lot, so some of the increased cost reflects that.

Councilmember Sanschagrín stated that nine residents said they are not interested in connecting. He asked if Chanhassen is hooked up to the city water. Public Works Director Morreim stated that there is an interconnect. They are not connected to the City water system.

Mayor Labadie stated that she did not want to misinterpret. Councilmember Sanschagrín stated he is not in favor of this.

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Mayor Labadie asked Councilmember DiGruttolo. Councilmember DiGruttolo shared that her opinion has not changed and, in fact, this makes things even worse. A small number of residents would be compelled to shoulder an inequitable share of the risk. She asked, with the Staff being so confident that this is a great saving and a great idea, whether it would be possible to use some of the money in the reserve fund to pay for the project. She added that the risk of future demand should be borne by residents who have stated they do not want it. Public Works Director Morreim stated that the terms of the JPA do not reflect how the Council would want to fund the project. He noted that if the Council wants to supplement the Chanhassen fee for residents, that is a decision that the Council can make. He suggested that the water utility is providing considerable support to the project. Even if every resident connected, that would not cover the cost of the project. He shared that there are more benefits than just the resident connecting, which is why it was decided to move on with the project previously. If residents do not connect, then there is no payment.

Councilmember Gorham asked why there is a Chanhassen connection fee and a Shorewood one. Public Works Director Morreim stated that both are for the water system's infrastructure. Chanhassen's fee is for the conveyance, treatment, and storage. Shorewood's is similar in that it is for the conveyance, the service, and more of the maintenance side.

Councilmember Gorham stated that if the City is saying it will cost \$10,000, then why could the City not carve out of the \$10,000. Public Works Director Morreim stated that this would be an option. Still, the City would have to pay for the 15 residents outside the service area, any additional residents outside this area, and any lot splits. The City would have to pay 56 percent of the hookup fee. Councilmember Gorham asked why the full amount is going to Chanhassen when the lots are in Shorewood. Councilmember Sanschagrín stated that the theory is that this costs \$10,000, which did not cover the costs.

Councilmember Gorham stated that the City should reduce the fee to make this work. So that the City is not squandering an opportunity for a legacy project that could open water to the entire area beyond Highway 7. Mayor Labadie agreed that she tries to make decisions based on the generational aspect. The issue of whether to install water in this portion of the City affects not only current homeowners but future homeowners as well. The fact that this may not be done again for 30 years makes her a little sick. She pointed out that it is unfortunate that this came up with Chanhassen. The issue before the Council is not about playing with numbers or percentages; it is whether the JPA will be approved with Chanhassen and whether to move forward with installing a water main.

Councilmember Gorham stated that he is not negotiating; he is proposing something and wants to hear what others think. Mayor Labadie stated that she thinks the Staff needs an answer tonight. Councilmember Gorham stated that he is not going anywhere. Mayor Labadie shared that the Council cannot negotiate with itself. Councilmember Gorham stated that the City would reduce its \$10,000; the Council could make that decision. Mayor Labadie pointed out that it would be very different from every other water project that has been done in the city. She wants the project to happen, but she does not think the Council is in a position to be creative. Councilmember Gorham stated he wanted to hear the other Councilmembers say no to the proposal. Councilmembers DiGruttolo and Sanschagrín stated they would be a no.

Councilmember Sanschagrín pointed out that the \$10,000 does not even come close to covering the costs, and if part of that were directed to Chanhassen, it would make it even worse. Mayor Labadie stated that nothing will get cheaper in this project. She noted that there is no meeting of

the minds, and that is okay because everyone has an opinion. She asked for a motion to approve the JPA with the City of Chanhassen.

Gorham moved, Labadie seconded, Approving the Amended Joint Powers Agreement with the City of Chanhassen.

Motion failed 2/2 (Sanschagrín, DiGruttolo).

Mayor Labadie stated that she wants residents to walk away feeling heard. This is a big issue, and all of the Council had the residents' best interests at heart. There was no meeting of the minds on the issue.

City Administrator Nevinski suggested that a motion be made to rescind City Project 24-07. He stated that it would be helpful to have clarity on whether the project should move forward.

City Attorney Enslin stated that it would not necessarily be indicative of a feeling one way or another about the decision that was made, but rather that, without the motion on the rescission of the prior project approval, there would be an outstanding Council ruling that has no way of being effective.

Sanschagrín moved, DiGruttolo seconded, Rescinding Approval of City Project 24-07.

Motion passed 4/0.

G. Discussion of Proposed Changes to the Excelsior Fire District JPA

City Administrator Nevinski presented on the Proposed Changes to the Excelsior Fire District JPA as found in the Agenda Packet.

Councilmember Sanschagrín asked how the amendment works. He asked if it replaces the JPA or if it is a separate document. City Administrator Nevinski explained that the letter from Deephaven indicated it would delete a section and replace it with something different, which could be kind of messy. He noted that the document is old enough and that there should be some cleanup. He envisioned that if the District went through the process, it would be a full rewrite.

Mayor Labadie shared that she is strongly opposed to taking bits and pieces of the JPA out of the JPA for amendment because one city is unhappy with how a provision applies to them. Any modification should be entertained and treated as a fair game at the same time. She added that doing that is a big process and that now is not the right time to do it.

Councilmember Sanschagrín asked if now is not the right time because things in the organization might change, and that would be redoing the agreement anyway. Mayor Labadie shared that it is several-fold. It is dangerous to nitpick one item at a time, and second, things could change. As discussions with the Board progress, many different items will need to be addressed. She added that the timing is wrong.

Councilmember DiGruttolo shared that she is not opposed to examining the JPA, but right now is not the right time. Especially since Councilmember Maddy is not present to answer questions, she added that the District is in transition with leadership as well. Therefore, the Fire Chief cannot help rewrite the JPA, which is critical to have them in on the discussion.

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Councilmember Gorham asked why Deephaven would get two votes. Mayor Labadie stated that is what Deephaven is proposing. There is no reason Deephaven should get two votes.

Councilmember DiGruttolo stated that if Shorewood and Deephaven had two votes, the former Fire Chief would still be in place, which is what she read in the document. She added that there is a huge amount of frustration. This discussion should not be happening without Councilmember Maddy.

Councilmember Sanschagrín commented that some of the language, such as "serving at the pleasure of the Board," does not reflect the right spirit. The Board is serving the community and the cities. The language undermines the organization's collaborative spirit. Mayor Labadie noted that it supports the idea that many things may need to be reviewed in the JPA.

Mayor Labadie stated that the Staff is seeking the Council's feedback for Councilmember Maddy. She would oppose the proposed changes. Councilmember Sanschagrín agreed that things should be delayed or postponed. Councilmembers Gorham and DiGruttolo agreed.

Mayor Labadie pointed out that the information would be sent to Councilmember Maddy, who was away due to a family emergency.

5. STAFF AND COUNCIL REPORTS

A. Staff

Public Works Director Morreim shared that the water main repair on the agenda at the last meeting will take place in the coming days.

Planning Director Griffiths reminded that the July Planning Commission meeting has been canceled; the next meeting is on August 19. The meeting was canceled in part because over 300 pieces of feedback were received on the Code updates. He noted that the Staff is still working hard on the Comprehensive Plan update and has had conversations with the Chamber of Commerce and local businesses, and is gearing up for the next pop-up event. The survey is still live, and a mailing will be sent to everyone's home with the next utility bill in July. He pointed out that there are over 100 responses on the survey. He shared that he will reach out to the Council later this summer with more opportunities to participate.

City Clerk/HR Director Thone shared that over 60 election judges will be trained this week. There was really strong recruitment, and he had to turn off the recruitment mechanism; there is now a waitlist for election judges. She added that this Friday, June 26, is A/B voting, and the City will be accepting drop-offs. On July 24, early voting begins. She stated that July 14 through 28 is candidate filing, and there are two open seats in this year's election.

City Administrator Nevinski stated that Park Tours are on June 23 at Freeman Park. He noted that, after speaking with the Police Chief, the contract with Flock cameras has been terminated, effective at the end of the year. He added that he does not know the schedule for moving things. He stated that last week, the Council received an email about the Highway 7 Regional solicitation. He noted that Shorewood has been asked to serve as the applicant because many cities and organizations are involved. He added that he spoke with MnDOT's State Aid Coordinator to find out what it means to be the applicant in the process. He shared concerns about time and workload obligations for the city. He learned that this process is common, with cities becoming applicants

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quite a bit, to the point that there is a template for transferring the funds to MnDOT. He added that the one thing that is not figured out is the local match consideration that could come with the Regional solicitation. He added that they were not successful in bonding dollars, and there have been conversations with MnDOT about possibly restructuring some of the financing so that some of the MnDOT dollars could become the local match. He noted that if this is successful, then that gives some clout and credibility to go back to the Legislature. There is potential for momentum to build. The worst-case scenario would be that, if there is no local match, the decision may be made not to move forward with the project. He stated that if the Council has concerns about the City being the applicant, let him know now, as the application is due Thursday.

Mayor Labadie stated she has no concerns.

Councilmember Sanschagrín asked if it impacts how costs are shouldered. City Administrator Nevinski stated that, because all of the cities have put money into funding the application, thinking holistically and pursuing State or MnDOT funding is the most logical solution. There is a good case to be made there. He noted that there may be a cost-share policy that MnDOT has. He added that there are funds in the CIP to address any cost-share obligations that might arise. He pointed out that things are very big-picture, and if the funding comes to fruition, MnDOT may delay the project to allow time for additional work.

B. Mayor and City Council

Councilmember Gorham noted that he has some updates from the LMCC executive committee. He shared that year-to-date revenue is slightly above projections due to video-on-demand production work, like Planning Commission meetings. He added that current projects indicate the LMCC will be financially viable in the near future. He stated that candidate forums for this year's election will not be offered due to staff capacity constraints and the lack of a studio facility. He noted that it seems like a rite of passage to run for election.

Councilmember DiGruttolo appreciated Public Works Director Morreim for all of the hard work that went into the Mill Street project and the information in the packet. She shared that she received a lot of positive feedback from the last meeting on Flock; residents felt the Council was respectful and tried to be balanced.

Councilmember Sanschagrín stated that he would be on Parks Commission tours tomorrow. He asked for more historical information on the Shorewood ravines project. City Administrator Nevinski stated that it has been discussed at Staff and that they would be happy to provide an update.

Mayor Labadie shared that she attended the last meeting of the Southwest Corridor Transportation Coalition, and at this point, the group is just attending and not participating much. The group that has historically done work on Highways 5 and 12 is interested in helping with Highway 7. She stated she attended the Christmas Lake Homeowners' Association annual meeting. The Association is very well organized. The meeting lasted two hours. There was an agenda; all the head committee members of the 15 committees spoke, and it was a great meeting. She stated that the SLMPD meeting began with the Chief's performance review. There are several issues on the board, one being the budget. She noted that the funding formula is based on population, and Shorewood's has increased while some other cities' have decreased. Shorewood will now fund 52 percent of the police budget based on the formula. She shared that the other unfortunate news is that the SLMPD has major capital expenditures that need to be

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made. She stated that there has been a discussion of going out on bond. The SLMPD is still figuring out health insurance costs. The next SLMPD meeting is on July 8. She explained that the JPA for the SLMPD requires mayors to serve on the coordinating committee. The operating committee is the city administrators or directors of each city. She noted that Greenwood does not have a city administrator, and the mayor is insisting that he serves on both committees, which has raised concerns amongst other mayors. An attorney was hired to give an opinion, and they agreed that it needs to be two separate people. She shared that at the last meeting, Greenwood was told that two people were needed for the two different committees, and Greenwood refused. The coordinating committee voted 3-1 that the Greenwood mayor would not serve on both committees. She shared that the League of Minnesota Cities conference is on June 24, 25, and 26, with registration still being accepted. There is an additional mayors' seminar due to requests from mayors.

6. ADJOURN

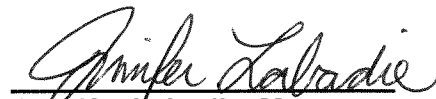
Sanschagrin moved, Labadie seconded, adjourning the City Council Regular Meeting of June 22, 2026, at 10:00 P.M.

Motion passed 4/0.

ATTEST:



Sandie Thone, City Clerk


Jennifer Labadie, Mayor