CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
AUGUST 10, 2026

City of Shorewood

5755 COUNTRY CLUB ROAD
CITY HALL COUNCIL CHAMBERS
7:00 PM

For those wishing to listen live to the meeting, please go to shorewoodMN.gov/CityCouncil for the meeting link. Pursuant to MN Statute 2024, Section 13D.02, subdivision 4, members may participate in the meeting by interactive technology.

AGENDA

1. CONVENE CITY COUNCIL MEETING

A. Pledge of Allegiance

B. Roll Call

Mayor Labadie	______
Councilmember Maddy	______
Councilmember Sanschagrin	______
Councilmember Gorham	______
Councilmember DiGruttolo	______

C. Review and Adopt Agenda

2. CONSENT AGENDA

The Consent Agenda is a series of actions which are being considered for adoption this evening under a single motion.

Motion to approve items on the Consent Agenda & Adopt Resolutions Therein:

A. City Council Work Session Minutes

B. City Council Regular Meeting Minutes

C. June 30, 2026 Park Commission Park Tours Meeting Minutes

D. Claims List

E. Annual City Code Supplement S-21/Ordinance 632

F. Dissolution of the Southshore Senior Partners

G. Resignation of Streets Supervisor

3. MATTERS FROM THE FLOOR

This is an opportunity for members of the public to bring a matter related to the governance of the City of Shorewood to the attention of the City Council. If the matter relates to a topic that is identified on tonight's agenda as a public hearing, please hold your comments until the public hearing is opened. The full rules for this forum can be found on the agenda table in back and on the City's webpage. Anyone wishing to address the Council should raise their hand, or if attending remotely, please use the “raise hand” function on your screen and wait to be called on. Please make your comments from the podium and identify yourself by your first and last name and your address for the record. Please limit your comments to five minutes. No discussion or action will be taken by the Council on this matter. If requested by the Council, City staff will prepare a report for the Council regarding the matter and place it on the next agenda.

4. GENERAL BUSINESS

A. Presentation of Hwy 7 TMO Study

B. Report by Commissioner Sylvester on the July 28 Park Commission Meeting

C. Presentation of Excelsior Fire District Draft 2027 Budget

D. Excelsior Fire District 2027 Budget

E. SLMPD 2027 Budget

5. STAFF AND COUNCIL REPORTS

A. Staff

i. Engineering Staffing and Consultant Transition Update

ii. Tentative Upcoming Agenda Topics

B. Mayor and City Council

6. ADJOURN

City of Shorewood

City Council Item 2.A.

Title/Subject: City Council Work Session Minutes
Meeting Date: August 10, 2026
Prepared By: Sandie Thone, City Clerk/ HR Director

Attachments

1. 07.27.2026 WS Meeting Minutes (002)

Background

07-27-26 City Council Work Session Minutes

Strategic Alignment

Organizational Strength & Good Governance

- Sound and strategic record keeping of government activities lead to comprehensive long-term planning, principled, data, and stakeholder-driven decisions, and a culture of continuous improvement.

Budget Impact

Minute preparation costs vary based on length of meeting and level of detail.

Action Requested

Simple majority vote is required.

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION MEETING
MONDAY, JULY 27, 2026

5755 COUNTRY CLUB ROAD
COUNCIL CHAMBERS
5:30 P.M.

MINUTES

1. CONVENE CITY COUNCIL WORK SESSION MEETING

Mayor Labadie called the meeting to order at 5:32 P.M.

A. Roll Call

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

Absent: None

B. Review Agenda

Sanschagrin moved, DiGruttolo seconded, approving the agenda as presented. Motion passed 5/0.

2. DISCUSSION

A. Budget Work Session #3: 2027-2036 Capital Improvement Plan

Finance Director Schmuck reviewed the memo as found in the Agenda Packet.

Mayor Labadie noted that there would be a hard stop at 6:45 P.M. so there would not be technology issues again. She asked that if the Council was referring to a specific document, to name that and the specific page.

Councilmember Sanschagrin asked whether moving the antenna lease funds into the water fund would result in the City adjusting the associated utility rates. Finance Director Schmuck stated that some of the increases were larger than what was planned in the Long-Term Financial Management Plan, so that is bringing it back into a balanced budget and will be able to reduce some of the future rate increases. She added that the Staff is in the process of updating the Long-Term Financial Management Plan, but there are a lot of moving parts, so the Staff is trying to get the budget part and the CIP components established. The Staff will have a better handle on all of that before discussing the fees at the August 24 Council meeting.

Councilmember DiGruttolo asked how the City gets to having a budget that is a flat budget with a percent increase or decrease every year, so people can look at the budget and know what to expect. She added that she knows this is only the CIP, but a ten percent increase is a lot, especially given that last year water and sewer went up significantly. Finance Director Schmuck noted that is what the Staff was trying to gather during the goal-setting session as to what the Council wanted to see. The budget includes some changes that the Staff is proposing going forward, but if the Council wants a status quo budget, then staffing or antenna lease can be taken out. She added that there are some things that the Staff is recommending that are positive overall, but if the goal is to have a flat budget or a certain percentage, then it is easiest to have that ahead of time. She noted that the Staff did not receive any specifics out of the goal-setting session, so Staff is just trying to look at all of the pieces and offset things. In looking at the levy, the operating levy within the general fund was reduced by $65,000. She added that there was discussion about cost of living and benefits, which are a set amount now and in the future. City Administrator Nevinski noted that the ten percent in the budget is not where the Council wants to be, but in going through the budget, the Staff has run into some policy questions. Without the questions answered, this is where the Staff is at with the budget right now. He added that the meeting is intended to focus on the CIP, but the levy and overall budget information is included so the Council can see where the budget is at.

Councilmember DiGruttolo asked if she missed when the Staff sent the policy questions. She admitted that she is very frustrated because she is not sure when the right time is to ask for the presentation of different options, such as staying status quo, increasing by a few percent, or what things would look like if the Council gets everything they ask for. She asked when the conversation should come in about the different options. Finance Director Schmuck stated she was sorry for Councilmember DiGruttolo's frustration. The April 27 work session was a goal-setting session where the Staff asked certain things. She noted that it was indicated in general that a double-digit levy increase was not palatable, but there was no consensus on bringing forth a certain percentage levy. At the June 23 meeting, the Staff brought forth the personnel costs and what it would cost to stay at status quo for that, along with the one new request. She noted that all of the different pieces pull together to make the levy; the Staff is showing all of the different pieces and the extra things that would add to the budget. She added that the Staff is trying to bring forward a whole budget, but until all of the pieces are in place, that cannot be done. Councilmember DiGruttolo stated that to do that in the hour meeting in April, the Council did not even have the budget yet; they were guessing what would be in there. She did not know that the City would be getting a $280,000 dump truck. She asked how she would know what the City would be getting and to consider those things. Finance Director Schmuck shared that the ten-year CIP had the dump truck in the 2027 column, so it was shifted forward but has been part of the long-term plan, the CIP, and all of last year's budget discussions. She stated that the City tries to develop policies and plans that are included in a Long-Term Financial Management Plan so that Staff has data-driven decision-making to make decisions along with the Council. Councilmember DiGruttolo stated that when the conversations take place, many times the Council is told that no decisions are being made; this is just a discussion. She asked when the conversations are supposed to take place that really dig deep into the numbers. She stated that seeing what the trade-offs are would be really helpful to the residents and the Council to help drive decisions. Finance Director Schmuck explained that last year, when the City was establishing the 2026 budget, the whole water connection program was part of all of the conversation, and it was decided that the $200,000 was the do-not-exceed number. That is in the 2026 budget and is being carried forward annually. Councilmember DiGruttolo pointed out that the number is in the budget as if it is the final number, but the Council has not voted on that number yet; it was just a not-to-exceed of $200,000. Everything shown is subject to change, but the numbers are being shown as if they have been voted on.

Mayor Labadie asked if Finance Director Schmuck could repeat the concept of the preliminary levy: that the levy can go down but it cannot go up, when the deadline is, and how that relates to the final budget. Finance Director Schmuck stated that tonight would be the night to discuss the $200,000 because it is in this year's CIP and it is a carry forward from 2026. She pointed out that the years can be seen in the middle number of the digits, showing the year that the project was established. That is how things are tracked from year to year. She shared that for the preliminary levy, Staff is taking all of the requests and establishing a preliminary levy, which right now is at a

10.2 percent increase. That preliminary levy number is required to be sent to the County by September 30 and then sent to the County. The County uses that number and applies it to the market value that the residents receive in the spring of the estimated appraised value of the property. The County will send out a preliminary estimated tax statement in November, so residents can see what all of the tax increases will look like. The final budget has to be established in December, and the final budget and levy have to be done by December 30. At that time, the budget can only be maintained or reduced; it cannot be higher than the number that was sent in September.

Councilmember Sanschagrin noticed that for some funds, Staff is reflecting a negative balance, and sometimes that is not reflected. He asked how those determinations are made on how much the fund balances are reduced. Finance Director Schmuck explained that the reserve policy was established in April of 2025. The different types of funds: the general, the special revenue, the capital project, and the enterprise, all have different ways that their reserve balance is measured. For the general fund, there is a 35 to 50 percent fund balance levy because, in the first six months of the year, there is no significant revenue within that fund; the revenue only comes when the City receives the tax proceeds from the County. For the special revenue funds, the Council has stated that they would like to strive to have the SCEC be 70 percent self-sufficient, and Staff is working toward that, but that is a hard goal to reach and the reason for establishing the task force. The capital projects fund has a minimal amount of next year's CIP activity and a maximum amount of the entire ten-year CIP. She stated that when the Long-Term Financial Management Plan was done, the levy increases were established to maintain it over the ten years and never fall short within the individual funds. Right now, some are falling short because that had not been the prior practice. For the enterprise funds, there is supposed to be 60 percent of the operating expenses, 100 percent of the debt service for the subsequent year, and 100 percent of capital activity for the next year. This is because the expenses will come out regardless because the City is bound by bond covenants and such.

Councilmember Sanschagrin asked to go through the water fund and look at the balances there.

Councilmember DiGruttolo asked what the actual purpose of the reserve fund is. Finance Director Schmuck explained that each fund has its own reserve. Councilmember DiGruttolo asked if the purpose of having reserves is just for emergencies or to pay the bills. Finance Director Schmuck stated that it is a cash flow for the subsequent years. Councilmember DiGruttolo asked if there was a general reserve fund that is not allocated. Finance Director Schmuck stated that there is no stand-alone reserve fund. She noted that she has heard someone say that there is a reserve fund of $20,000,000, but the cash balance at the end of June was about $1,700,000 across all the individual funds. She noted that at this time, Staff is trying to keep the reserves in line with the fund balance reserve policies.

Councilmember Sanschagrin stated that on page 77 of the Agenda Packet under Water Fund, the beginning net position is $7,600,000 for the 2026 budget. He asked if that is what the City is starting with. Finance Director Schmuck stated that is net position, not unreserved balances. To compare the reserve, the Council would look at the cash balance and convert it to show that activity. She added that this data was never provided before last year's budget. To her, the numbers are meaningful as an accountant; if the cash balance is more relevant to the Council's thinking, then the numbers can be changed. The water fund and the sanitary sewer fund should have about $1,500,000 in reserves on an ongoing basis. Councilmember Sanschagrin stated that it would be helpful to present the cash balance as well. Finance Director Schmuck shared that that information is all very detailed, whereas this is just a brief review; that information will be shown in the Long-Term Financial Management Plan that will come at the next work session.

Councilmember Sanschagrin noted that $7,600,000 is the starting position and the change in net position was $1,100,000, which led to a $6,500,000 ending net position, which is the beginning net position for 2027. He asked if the Mill Street project was included in the $1,100,000. Finance Director Schmuck stated that is correct and that it will be favorable because the Council denied moving forward with the water part, so the $700,000 will come off the $1,100,000. She noted that the budget itself has not changed.

Councilmember Sanschagrin stated that for stormwater the numbers are quite high. In recalling prior discussions on stormwater, he asked if the numbers include the value of assets. Finance Director Schmuck stated that is correct. Councilmember Sanschagrin asked how much cash represents the $5,800,000 of assets. Finance Director Schmuck shared that as of right now, whatever is in the system, the stormwater fund has $1,400,000. Councilmember Sanschagrin asked how much money is needed in there. Finance Director Schmuck explained about $1,500,000. Councilmember Sanschagrin asked what that is based on. Finance Director Schmuck noted that it is based on 50 percent of the subsequent years' operating, 100 percent of the subsequent years' debt service, and 100 percent of the subsequent years' capital. Then Staff looks at the ten-year long-term management plan to make sure that the reserves are evened out throughout that period to make sure the City is not falling short. She added that the rate analysis is based on those numbers to make sure there are sufficient rates to cover expenses in the future.

Councilmember Sanschagrin shared that he had asked separately for actual versus budget, and asked if those comparisons would be part of the next meeting. Finance Director Schmuck stated that when Staff finishes the 2025 audit, for which the City has filed an extension because of being short-staffed, the audit will be presented at either the August 24 meeting or the September meeting. The City received an extension from the State, Minnesota's Department of Revenue, and also received an extension from the Governor's Finance Association for a certificate of achievement program that the City applies for on an annual basis to make sure the City is not losing out on that.

Councilmember DiGruttolo requested to see on August 24 what the budget would look like if every single project was not funded. There should be options for things that could be delayed or pushed. She noted seeing the numbers with the Mill Street project out of the budget. Finance Director Schmuck noted that the Mill Street project is no longer in the budget, as that was a 2026 item, and what is being looked at is 2027 through 2036. Councilmember DiGruttolo asked if the numbers in the packet were correct. Finance Director Schmuck stated that the numbers are actual budget numbers and are correct; it is the budget that Council approved in December 2025.

Councilmember Sanschagrin noted that the numbers could be reduced. Finance Director Schmuck explained that if the Council would like Staff to bring forward a resolution to reduce the budget, that could be done.

Mayor Labadie shared that asking Staff what can be reduced is difficult for Staff to do. She gave an example of Public Works Director Morreim seeing the dump truck as a very necessary item, or it would not be included in the CIP. She suggested that if there is something that the Council would like to see reduced, then that can be brought to Staff to run the budget with or without certain items. Finance Director Schmuck shared that the other component of the CIP is that the City does not levy a certain amount of money for a specific project within the capital funds. Staff is trying to levy an even dollar amount across the ten-year Long-Term Financial Management Plan and the ten-year CIP to reduce the peaks and valleys. She shared that if the dump truck is not done this year, then the number is not proportionate. She pointed out that the equipment levy is only increasing from $60,000 to $275,000, but when Staff looked at the equipment fund, there was $367,000 worth of expenses. So even if the dump truck was removed, that is not proportionally specific to that item. It is to maintain the balance in that fund in the future. Mayor Labadie added that if the dump truck is taken out, then it has to be put in a subsequent year, and that is when the peaks happen.

Councilmember Gorham stated that in looking at the CIP, he does not see a flat line. He asked how that fits in. Finance Director Schmuck stated that is correct, but in looking at the levy amount, when the Long-Term Financial Management Plan is done, Staff laid out that a certain line item would increase by $60,000 each year in the future on the equipment fund. That is a set amount, and Staff increased the levy by $60,000 because that is how Staff projected it in the Long-Term Financial Management Plan to have that fund even out based on the CIP. When the CIP is reviewed for this year and the next ten years, Staff will update the Long-Term Financial Management Plan, and maybe the $60,000 going forward will be reduced or increased. That is unknown until it is put into the whole picture again of all the moving parts to see what the impact is going to be. That is why things are reviewed by the biggest ticket items in the future to see what the City can accomplish with where the City is at.

Councilmember DiGruttolo asked if Mayor Labadie was stating that the Council should prioritize instead of the Staff. Mayor Labadie suggested that if something caught the Council's eye as a red flag item, to let Staff know that and then Staff can explain why it is in there.

Public Works Director Morreim stated that Public Works stuff is a large chunk of the CIP. Last year, the City redid the equipment capital items fairly significantly; the items did not get added or removed but were adjusted around based on more of a replacement cycle. He noted that many of the items were set before his time; many things were put on a replacement cycle based on the year we have it. He shared examples of the dump truck and the mower and how they fit into the cycle. He added that Staff tries not to be too rigid in the cycle and will push things out, but that does not remove the cost. Many things have been removed and reviewed to see if they can be pushed back. He added that many of the items are for Public Works, and he understands that those are large expenses and that the City is trying to get the most out of the equipment because of the expenses. Mayor Labadie agreed that is what she meant in asking Staff as to why a specific item is on the budget in the way that it is. For example, in doing the park tours, one of the Commissioners asked about the Freeman Park playground, and it was explained that there comes a certain point where things are at the end of life and deemed not safe. She pointed out that the Council cannot make those calls; the Staff has to.

Councilmember Sanschagrin asked how critical the dump truck is. Public Works Director Morreim stated that the dump truck is critical. The City has four dump trucks, and this is one of the four. This one has a lot of maintenance on it and is old. The City's dump trucks break down and corrode. He added that municipalities that have a significant revenue source may be in the ten to twelve year range for equipment replacement. He noted that 15 years is average at best, and some cities that do not use the dump trucks much are in the 16 to 18 year range. He shared that there is a variety of ages in the current vehicles.

Councilmember Sanschagrin asked if the City is buying the dump truck outright or financing it. Public Works Director Morreim stated that the City purchases them. The dump truck is bought in parts.

Councilmember DiGruttolo asked what services do not get done if the City only has three trucks instead of four. Public Works Director Morreim shared that winter maintenance would be significantly affected. He shared that, to do things, it would go from four to six hours to eight to ten hours. Councilmember Maddy stated that for the winter plan, all the trucks are needed to do what is needed. Public Works Director Morreim shared that the City has five trucks, and the City has already combined them; the truck is being upfitted right now, and it has been a year-long process. He stated that they are already reducing, as that truck is replacing the water truck and a plow truck. There are six trucks right now, which are reducing down to five, with a dual-purpose truck.

Councilmember DiGruttolo asked if the City did not have the dump truck, what would not get done. Public Works Director Morreim stated that things would not get done, but they would get done differently. Finance Director Schmuck shared that it would take 20 percent longer. Public Works Director Morreim added that if another vehicle goes down, then things are affected even more, and this is something that has happened. If a truck goes down, then the older vehicles are being used more. He noted that it would be response time. This last year, there were events when not as many trucks were out because of staffing availability, and Public Works hears about that. If things are not cleared in five hours, then residents start to be heard from and road conditions are impacted. Councilmember DiGruttolo noted that this is information and data that the Council can use to make better-informed decisions, but that is not always given to the Council. Public Works Director Morreim stated that all of the things could be moved if the Council wants to, and all of the things will get done, but it will be much slower, and the level of service that the City provides will be affected on all of the items. The equipment purchases are not just a wish list; they are things the City uses, and they are important.

Mayor Labadie shared that those are the questions to be asking now, because Staff has the expertise to answer them and allows the Council to make the best decision.

Councilmember Gorham echoed what Councilmember DiGruttolo is saying. The Council gets the kitchen sink thrown at them, and then it is up to the Council to pick it apart. There are many items to do that with. He noted that the budget format does not seem as productive as it could be to get to where the Council wants to get to. He noted that the Council sees the CIP every year, but does not understand the context until that year. Finance Director Schmuck stated that Staff does stack it in the Long-Term Financial Management Plan, and the CIP is its own section within each of the funds. Councilmember Gorham stated that it is not altogether since it is unknown what the police will bring and ultimately what the levy is. Finance Director Schmuck pointed out that the executive summary of the Long-Term Financial Management Plan had all of the levies rolling up into what the levy would look like in the ten years if everything would stay exactly as it is.

Councilmember DiGruttolo stated that the Council may need a class on how to read things better since three Councilmembers do not seem to be understanding. It does not seem like a good way to communicate the information to the Council. She added that there must be a better way to do it so that everyone is getting the needed information. She noted that she feels like things are disjointed, and City Administrator Nevinski shared that things are done that way intentionally because that is the way it is designed. Still, when done that way, it creates a lot of confusion, and the Council is expected to remember everything. Finance Director Schmuck stated that the

Council has been working on the CIP and the budgets since May. The Staff is bringing forth the best things they are proposing as Staff. When the Long-Term Financial Management Plan and the budget are gone through at the August 24 meeting, she will try to explain how some of the details are a little more specific. She added that when the Long-Term Financial Management Plan was gone through, there were not a lot of questions or feedback, so she thought there was understanding. Councilmember DiGruttolo noted that no one is saying that Staff is not doing a good job. Still, Staff is telling Council that they are not getting the information from the Council, and the Council is saying that they are not getting the information from the Staff. The two are missing each other and not communicating as effectively as they could.

Public Works Director Morreim stated that Councilmember Gorham wanted to go through things line by line. He asked how the Council would propose to do that because there are six pages of CIP items and it would take a long time. Councilmember Gorham stated that it may need to be a different session. He would like to talk more about specific items on the list, and this way does not seem effective.

Mayor Labadie pointed out that this is not the way the City has always done it; this is about ten times more attention than it has ever been. She noted that it is refreshing to see things line item by line item and keeping in mind that the Council does have the ability to take things off. If there is a question about the $200,000 for the water, then that could be asked now. She asked if Council wants one really long session, like another retreat. This year, she is not sure how much time Staff has, as things need to continue progressing with the budget.

Councilmember DiGruttolo noted that the retreat would need to happen in April, because that is when Finance Director Schmuck got her direction to produce the budget. Finance Director Schmuck shared that April's work session was to get Council's goals and direction so staff could say, "This is the goal that is being met." Councilmember DiGruttolo asked what was taken away from that meeting and what guidance the Council gave staff. Finance Director Schmuck stated that Staff did not get a lot of direction despite asking specific questions about a target for a levy increase. There was never a consensus on some of those items.

Councilmember Gorham recalled that there was a preliminary number around ten. City Administrator Nevinski stated that it was 12. At the meeting, there was discussion about what some of the bigger things were that were coming and what Council's take was on some of those things. There was not a lot of direct or specific feedback, but there was conversation about what was on the table. Council provided that a double-digit increase is a lot. He added that in working on the budget, Staff knows that they are not there with the overall budget. Staff has put together the draft of the budget based on different plans that have been in the CIP. He shared that the things in the budget do not all have to happen this year; Council can decide that certain items are not needed. He noted that it is hard when things are in the abstract, so April was a rather abstract conversation. Now things are much more tangible; feedback from the public has happened, and this is where things start to happen, and the Council will see certain things. Staff has taken everything and boiled it down to this: if it is not working, then it can be changed, but this is how cities go through the budget process. He understood that trying to remember everything is difficult, and that government finance is different, so if Staff needs to spend time on training, that could be done earlier in the year to better prepare for the discussions.

Councilmember DiGruttolo stated that she does not need training on that; rather, she needs training on the Long-Term Financial Management Plan, and then an explanation of what sensitivity analysis was done. She noted that back in April, the City did not know the police were going to ask for an additional $400,000. Now that it is known, where can the City find some tradeoffs to have the $400,000 in the budget? She added that not everything can be done and the City cannot continue to ask taxpayers to pay more. She pointed out that a slide was shown about houses in the $400,000 range, but she would venture that there are not a significant number under that. In her opinion, it would be more valuable and less disingenuous to find what the median home value is in Shorewood and then how much it increases. Mayor Labadie noted that number was included in the slide. Councilmember DiGruttolo asked what the median house value is. Finance Director Schmuck stated it is about $978,000. That is from the sales report that came from the County, and that was given to the Council as an attachment because it was so large.

Councilmember DiGruttolo asked that Staff remember that this is not Council's full-time job, so when Staff gives large documents, it is hard for the Council to remember everything. Mayor Labadie noted that the information was restated in the packet. Councilmember DiGruttolo stated that when the slide is brief, then the middle house should be the one to be briefed. Finance Director Schmuck shared that the majority of homes are not $970,000 homes. She added that the large expensive lake shore homes are offsetting the $400,000 homes to make the median so much higher. The average home is not $900,000.

Mayor Labadie stated that the whole discussion needs to focus on the CIP, not the overall levy, the overall budget, or the overall median home. She noted that not a lot of direction has been given.

Finance Director Schmuck shared that there are some things in the budget to think about that are new to the budget, and Staff wanted to point them out. If the Council wants to offset some of the levy, then the Council can look at what Staff is proposing regarding these items; otherwise, the other items in the budget are status quo or significant line item reductions.

Councilmember Gorham asked how the antenna leases affect the levy. Finance Director Schmuck stated that the leases reduce the revenue in the general fund by $225,000. So Staff has found other savings within the general fund. She pointed out that the operating levy has been reduced by $65,000, which is above and beyond the $200,000 for the antenna rent. She added that the budget has been reduced by about $300,000. She shared that the personnel increase that was discussed prior is in the operating levy and the SCEC levy. She stated that if the Council wanted to have the 10.28% go down, then the Staff could either put the whole revenue back in and phase the transition over three years. Those are different discussions that the Staff would like to have at the August 24 meeting when discussing the budgets and the levies.

Mayor Labadie noted the few numbers that stood out to people, one being the $200,000 for the water hook-up program and one being the amount of the kitchen rehab for the SCEC. Finance Director Schmuck noted that the kitchen number is part of what the Council approved in November with the ten-year outlook that Krauss Anderson did. She explained that the $200,000 program was what was started with in 2025; the Council wanted to issue a carrot instead of a stick of incentive programs to be able to do this. It was asked if the City could incentivize in one year what could be handled, so different neighborhoods were targeted, and a mailing took place to try to start things in 2026. She pointed out that those savings would happen in the water fund, not in the levy.

Councilmember DiGruttolo noted that the Council approved things in November before knowing about the $400,000 for the police. So the Council may now say that the reality is that there are other bills and this is not a priority any longer. She asked that an offset be made instead of continuing to add to the budget. Finance Director Schmuck noted that there is the ability to do that. Councilmember DiGruttolo stated that when Finance Director Schmuck states that the Council approved something, then it sounds like it cannot be changed. Finance Director Schmuck noted that is why things are in the budget, but the Council has the right to change things. She is explaining why things are the way they are.

Mayor Labadie noted that a total resolution was not reached about the CIP part of the budget; however, the budget will continue to come back to the Council. She asked how Council wanted to handle things going forward. She added that even after the preliminary budget is set, items can be removed. City Administrator Nevinski asked if there is general direction that the Council would like to give Staff.

Councilmember DiGruttolo stated she would like to see the offset, and with the reduction, she would like to know what is not going to get done. Without that data, it is hard for the Council to make an informed decision.

Councilmember Sanschagrin noted that one potential candidate could be the Manor Road project, which is budgeted for $500,000 and only serves one resident. Finance Director Schmuck pointed out that the road projects are not project levy specific. Those levies are a steady levy to fund the reserves. Just because a road project would be taken out, there is no street levy, and there would be no offsetting levy for that.

Mayor Labadie remembered two years ago when the City had the large Mill and Overlay project; the City was still adding and subtracting roads in the spring of the year. Things can go up and down as long as it is within the amount. She asked Councilmember Gorham specifically what he was thinking.

Councilmember Gorham asked when the next budget meeting is. City Administrator Nevinski noted that there is a meeting scheduled for August 10 where the Council will talk about the SCEC and what will happen there. He noted that the Council will need to decide what to do with the SCEC. He added that an item could be bumped to talk about the CIP more if needed. On August 24, the Council needs to talk about the audit and the Long-Term Financial Management Plan. On September 14, the Council will be discussing the preliminary levy, and that could go one more meeting, but things get really tight.

Mayor Labadie stated that, to provide Staff some direction, the Council had talked about keeping the levy at 12 percent or less. She asked if it would be helpful for Finance Director Schmuck to label how much needs to come out to get to ten percent, and so forth down to a smaller percentage. That might be helpful to decide whether something is cut, and whether it even makes that much of a difference. Councilmember Maddy pointed out that Finance Director Schmuck does not have control over half of the budget. Finance Director Schmuck stated that police, fire, and personnel have been established by existing policies for years.

Councilmember DiGruttolo stated that 12 percent is not even close to the realm that she wants to see. She added that ten is still high; the maximum she would consider would be eight percent, but even that is still too high. She noted that last year the Council stated that they would get things down to six or seven percent. She shared that she would like to see what the City would have to do to offset the bump in the police budget. She also would like to know if things are cut, what the impact to residents would be.

Finance Director Schmuck asked what the consensus among the council is for the percentage of increase for the levy. Councilmember DiGruttolo stated that for her it is eight percent. Mayor Labadie stated that for her, she does not have a hard number; she wants to know, to get to a certain number, what would need to be cut and what the impact would be. She added that she is not sure everyone ran promising tax cuts either. That question is very difficult for her to answer.

Councilmember Gorham noted that the point is to have the conversation transparently. The Council does not want to raise taxes, but to reduce them; certain services would go down. Mayor Labadie noted that the new process does have more transparency, but there is always room for improvement as the years go on. Things have really improved from where things were. She noted that the Council did not get through the CIP and would probably need another session.

Finance Director Schmuck shared that it would be a $190,000 reduction in the existing budget to get to eight percent. Staff will request that department heads review the budget, identify what can be reduced, and determine the offset of that change.

Mayor Labadie shared that if Staff is doing something like that, then Staff also needs to indicate to the Council that things will still be needed down the road, such as the dump truck not being needed now but will be needed in the future. She added that things will never be cheaper and that needs to be kept in mind.

Councilmember Gorham stated that once the percentage became double digits, then the default should be going to department heads to see what can be done.

Councilmember Maddy asked if the Council could agree that if services are not being expanded, then just core inflation is the target. Councilmember DiGruttolo added that she would love that. Councilmember Maddy asked to give Staff direction. Councilmember DiGruttolo asked that the increase would be predictable. The increase would always be in a band between five and seven percent. She gave the example of the playground equipment and not replacing all of it or getting something cheaper, then Staff can tell the tradeoffs.

Mayor Labadie noted that enough direction has been given, but there has been direction that the discussion needs to continue. Finance Director Schmuck recommended that the Long-Term Financial Management Plan discussion not happen at the August 24 meeting if this many items are going to change; it is not beneficial to update the whole document. City Administrator Nevinski stated that Staff will talk about the schedule and how things will be impacted.

Sanschagrin moved, DiGruttolo seconded, Adjourning the City Council Work Session Meeting of July 27, 2026, at 7:03 P.M. Motion passed 5/0.

ATTEST:

____
Jennifer Labadie, Mayor

____
Sandie Thone, City Clerk

City of Shorewood

City Council Item 2.B.

Title/Subject: City Council Regular Meeting Minutes
Meeting Date: August 10, 2026
Prepared By: Sandie Thone, City Clerk/ HR Director

Attachments

1. 07.27.2026 CC Reg Meeting Minutes (002)

Background

07-27-26 City Council Regular Meeting Minutes

Strategic Alignment

Organizational Strength & Good Governance

- Sound and strategic record keeping of government activities lead to comprehensive long-term planning, principled, data, and stakeholder-driven decisions, and a culture of continuous improvement.

Budget Impact

Minute preparation costs vary based on length of meeting and level of detail.

Action Requested

Simple majority vote is required.

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

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

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Labadie called the meeting to order at 7:10 P.M.

A. Pledge of Allegiance

B. Roll Call

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

Absent: None

C. Review Agenda

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

Motion passed 5/0.

2. CONSENT AGENDA

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

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

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

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

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

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

A. City Council Work Session Minutes

B. City Council Regular Meeting Minutes

C. Claims List

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

E. Summary of Administrator's Review

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

Motion passed 5/0.

3. MATTERS FROM THE FLOOR

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

No one wished to address the Council.

4. GENERAL BUSINESS

A. Presentation – SLMPD 2027 Budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Motion passed 5/0.

C. Pavement Management Plan Update

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Motion passed 5/0.

D. Pavement Sealing Contract

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

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

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

Motion passed 5/0.

5. STAFF AND COUNCIL REPORTS

A. Staff

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

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

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

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

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

B. Mayor and City Council

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

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

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

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

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

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

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

6. ADJOURN

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

Motion passed.

ATTEST:

____
Jennifer Labadie, Mayor

____
Sandie Thone, City Clerk

City of Shorewood

City Council Item 2.C.

Title/Subject: June 30, 2026 Park Commission Park Tours Meeting Minutes
Meeting Date: August 10, 2026
Prepared By: Mitchell Czech, Park/Rec Director

Attachments

1. 06.30.2026 Park Tours Meeting Minutes

Background

Approved minutes from the June 30, 2026 Park Commission Park Tours Meeting. Minutes were approved by the Park Commission during the July 28, 2026 Park Commission Meeting.

Strategic Alignment

Organizational Strength & Good Governance

• Sound and strategic record keeping of government activities lead to comprehensive long-term planning, principled, data, and stakeholder-driven decisions, and a culture of continuous improvement.

Accepting the Park Commission Meeting Minutes ensures the Council is informed on discussions, recommendations, and decisions made by the Commission. This helps ensure alignment between the Council and Commission.

Budget Impact

Minute preparation costs vary based on length of meeting and level of detail.

Action Requested

A motion to accept the minutes from the June 30, 2026 Park Commission Park Tours Meeting.

Simple majority vote is required.

CITY OF SHOREWOOD **6000 EUREKA ROAD**
PARK COMMISSION MEETING **FREEMAN PARK**
TUESDAY, JUNE 30, 2026 **6:00 P.M.**

MINUTES

1. CONVENE PARK COMMISSION MEETING

Chair Hirner convened the meeting at 6:04 p.m.

A. Roll Call

Present: Chair Hirner, Commissioners Bahneman, Stern, and Sylvester; Mayor Labadie; Parks & Recreation Director Czech

Absent: Commissioner Garske

2. APPROVAL OF MINUTES

A. Park Commission Meeting Minutes of May 19, 2026

Sylvester moved to approve the minutes of the May 19 2026 meeting. Bahneman seconded the motion. Motion carried 4-0.

2. PARK TOURS

A. Freeman Park

Items that were discussed on the tour:

<u>Eddy Station</u>
- Fix gap between concrete pads on south side of pavilion, lots of mud from downspout and people walking
- Questions regarding performed maintenance on interior mechanicals
- Exposed wire on the South door inside of Eddy Station (likely from Verkada access control installation)
- Women's restroom handle needs repair

<u>Fields 4, 5, 6</u>
- Fields look great!
- Weeds growing on warning track

<u>Plaza/Monument Area</u>
- Lettering on the plaque is starting to lose color

<u>North Playground</u>
- Discussion regarding engagement and process for 2027 replacement
- Discussion of shadow planting trees surrounding the playground

<u>Soccer Fields</u>

- Uneven playing fields were discussed
- Potential to add fence northwest corner to prevent balls from going to Smithtown Ponds
    - Staff has not received complaints from Tonka United regarding either issue
- Recycling bins frequently blow over – investigate long term solutions

Trail System
- Flooding of trails in wooded area remains an issue
    - Long term solutions discussed. Pave more trails (if allowed) or add material to the trails
- Gravel trails are getting packed down, causing wet/muddy conditions

Volleyball Court
- Noted they are in better condition than years past – some weeds remain
- Recurring issue of bees nests in the corners of the sand

Picnic Shelter
- Picnic table is damaged and bent
- Grill needs to be straightened up – leaning backwards
- Rust is starting to show on the posts -discussed potentially painting to prevent rust and increase longevity
- Potential to stain underside of roof to increase longevity was mentioned

South Playground
- Some weeds coming through woodchips
- Additional woodchips needed at the entrances to create level entry
- Concern of cars parking in front of the trail entry by playground – potential for "no parking between signs" on each side of trail

Fields 1, 2, 3
- Fields look incredible – Minnetonka Baseball Association contributions were discussed
- Field 1 fence replacement project turned out great
- Overgrowth on trail leading to the fields from Shorewood Oaks causing a blind corner for bikers
- Fill needed for divot off trail by portable restroom located by the concession stand
- Mud and tire marks from cars turning around/parking at turnaround location by field 2/3
- Trees hovering fenceline in outfield of field 2 that need to be trimmed

Other

- Discussed adding “blind corner” signage to turn leading to the dirt baseball parking lot
- Request to investigate if drainage stream that flows to Smithtown Ponds can be cleared out to prevent future drainage problems
- Trim overhead branches on trail system
- Request for markers along park boundaries to signify parkland vs. private land

B. Cathcart Park

Items that were discussed on the tour:

<u>Hockey Rink</u>

- Discussed off-leash dog pilot program
  - Commissioner Sylvester noted she visited a variety of rinks that are used as dog parks throughout the metro – Cathcart Park resembles those locations with minimal changes needed
  - Grass is beneficial for this use
- Discussed board repairs and painting project for this year
- Discussed replacement of fencing on ends with netting
- When boards are painted, portable restroom fence needs to be included

<u>Playground</u>

- Overgrowth of weeds and thistle in swing area
  - Park Maintenance weeded the area recently, growth is hard to control
- Briefly discussed scheduled playground replacement

<u>Tennis Court</u>

- Surface is cracked
- Signs on both entrances to court need replacement
- Tennis backboard needs to be painted and adjusted
- Tennis net needs replacement

<u>Basketball Court</u>

- Basketballs get stuck in the south net – replace with netting that allows balls to easily pass through
- When court is replaced, dying tree at center court should be removed
- When court is replaced, consider adding a small pad with a bike rack
- When court is replaced, consider paving underneath hoop as well to ensure even surface

- Adjustable height rims would be a valuable addition in the future
- Consider adding gravel under the hoop in the short term to flatten

<u>Baseball Field</u>

- Bent metal on ends of player benches and caps that need to be replaced

i. Cathcart Park Tennis Court Resurfacing

The Park Commission conducted a site inspection of the tennis court to evaluate existing conditions and discuss options for an upcoming resurfacing project. Commissioners reviewed several cracks throughout the court surface, including multiple areas exhibiting noticeable heaving, which is believed to be caused by root growth from nearby trees. Staff explained the resurfacing process, including crack repairs, surface preparation, and application of new court coatings. It was noted that with a resurface, existing cracks will reappear as hairline cracks within a year or two, and gradually worsen over time. Within 5-7 years, existing cracks will likely return to their current state.

It was noted that resurfacing the courts would improve playability and extend the useful life of the facility for approximately 5–7 years. The Commission commented that extending the life of the court, along with the use that it will receive over time, is a quality investment into the park. However, commissioners recognized that resurfacing is a temporary solution and does not address the underlying structural issues contributing to cracking and heaving. A full replacement will need to be planned for in future years.

Commissioners reviewed the quotes provided within the packet. Commissioner Sylvester expressed excitement that staff's recommendation was ATE Recreation, as she noted from their website they completed the courts at Minnetonka High School that look great.

Commissioner Sylvester moved to recommend approval of the quote from ATE Recreation in the amount of $15,984.60 to the City Council for the resurfacing of the Cathcart Park Tennis Court. Commissioner Bahneman seconded the motion. Motion carried 4-0.

7. ADJOURN

Commissioner Stern moved to adjourn the Park Commission Meeting of June 30, 2026 at 8:10 p.m. Commissioner Bahneman seconded the motion. Motion carried 4-0.

City Council Item 2.D.

Title/Subject: Claims List
Meeting Date: August 10, 2026
Prepared By: Dalton Kraay, Senior Accountant

Attachments

1. Payroll 07-27-2026
2. Payroll 07-27-2026 AP
3. Council 08-10-2026

Background

Council is asked to verify payment of the attached claims. The claims include compensation, operational or contractual expenditures anticipated in the current budget, or otherwise approved by the Council. Funds will be distributed following approval of the claims list.

Claims for Council Authorization:	
Payroll 07-27-2026	$69,427.28
Payroll 07-27-2026 AP	$57,572.98
Council 08-10-2026	$68,876.09
Total Claims: Checks & ACH	**$195,876.35**

Strategic Alignment

Fiscal Responsibility

- Implement best practices to support sound financial management
- Maintain stable and predictable finances over the long-term

Budget Impact

The expenditures have been reviewed and determined to be reasonable, necessary, and consistent with the City's budget.

Action Requested

Motion to approve the claims list as presented.
Simple Majority is required.

Clearing House

Distribution Report

User: DKraay@shorewoodmn.gov
Printed: 07/27/2026 - 2:31PM
Batch: 00027.07.2026

City of Shorewood

Account Number	Debit	Credit	Account Description
700-00-1010-0000	0.00	69,427.28	CASH AND INVESTMENTS
700-00-2170-0000	69,427.28	0.00	GROSS PAYROLL CLEARING
	69,427.28	69,427.28	
Report Totals:	69,427.28	69,427.28	

Accounts Payable

Computer Check Proof List by Vendor

User: DKraay@shorewoodmn.gov
Printed: 07/28/2026 - 11:55AM
Batch: 00004.07.2026 - PR-07-27-2026

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 12	AFSCME MN COUNCIL 5 - UNION DUES			Check Sequence: 1	ACH Enabled: True
	PR Batch 00002.07.2026 Union Dues	216.30	07/27/2026	700-00-2182-0000	PR Batch 00002.07.2026 Union Dues
	Check Total:	216.30			
Vendor: 5	EFTPS - FEDERAL W/H			Check Sequence: 2	ACH Enabled: True
	PR Batch 00002.07.2026 FICA Employee Portio	6,437.07	07/27/2026	700-00-2174-0000	PR Batch 00002.07.2026 FICA Employee I
	PR Batch 00002.07.2026 Medicare Employer Po	1,505.45	07/27/2026	700-00-2174-0000	PR Batch 00002.07.2026 Medicare Employ
	PR Batch 00002.07.2026 FICA Employer Portio	6,437.07	07/27/2026	700-00-2174-0000	PR Batch 00002.07.2026 FICA Employer I
	PR Batch 00002.07.2026 Medicare Employee Pc	1,505.45	07/27/2026	700-00-2174-0000	PR Batch 00002.07.2026 Medicare Employ
	PR Batch 00002.07.2026 Federal Income Tax	8,801.00	07/27/2026	700-00-2172-0000	PR Batch 00002.07.2026 Federal Income T
	Check Total:	24,686.04			
Vendor: 6	HEALTH PARTNERS-MEDICAL			Check Sequence: 3	ACH Enabled: True
	PR Batch 00002.07.2026 Health Insurance-HSA	415.51	07/27/2026	700-00-2171-0000	PR Batch 00002.07.2026 Health Insurance-
	PR Batch 00002.07.2026 Health Insurance - CoF	79.01	07/27/2026	700-00-2171-0000	PR Batch 00002.07.2026 Health Insurance
	PR Batch 00002.07.2026 Health Insurance-HSA	315.30	07/27/2026	700-00-2171-0000	PR Batch 00002.07.2026 Health Insurance-
	Check Total:	809.82			
Vendor: 11	MINNESOTA DEPARTMENT OF REVENUE			Check Sequence: 4	ACH Enabled: True
	PR Batch 00002.07.2026 State Income Tax	4,634.34	07/27/2026	700-00-2173-0000	PR Batch 00002.07.2026 State Income Tax
	Check Total:	4,634.34			
Vendor: 869	MINNESOTA UNEMPLOYMENT INSURANCE			Check Sequence: 5	ACH Enabled: True
	PR Batch 00002.07.2026 MN PAID LEAVE PRI	878.99	07/27/2026	700-00-2190-0000	PR Batch 00002.07.2026 MN PAID LEAV
	Check Total:	878.99			

Invoice No		Description	Amount	Pmt Date	Acct Number	Reference
Vendor:	2	MISSION SQUARE RETIREMNT-302131-457			Check Sequence: 6	ACH Enabled: True
		PR Batch 00002.07.2026 MissionSq-Flat Amour	3,768.85	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 MissionSq-Flat A
		PR Batch 00002.07.2026 Mission Sq-Flat Amou	122.47	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 Mission Sq-Flat A
		PR Batch 00002.07.2026 MissionSq-ER2	295.25	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 MissionSq-ER2
		PR Batch 00002.07.2026 MissionSq-ER	636.76	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 MissionSq-ER
		Check Total:	4,823.33			
Vendor:	665	OPTUM BANK			Check Sequence: 7	ACH Enabled: True
		PR Batch 00002.07.2026 HSA-Optum Bank-Ber	1,735.20	07/27/2026	700-00-2183-0000	PR Batch 00002.07.2026 HSA-Optum Ban
		PR Batch 00002.07.2026 HSA-Optum Bank-Em	561.22	07/27/2026	700-00-2183-0000	PR Batch 00002.07.2026 HSA-Optum Ban
		Check Total:	2,296.42			
Vendor:	9	PERA			Check Sequence: 8	ACH Enabled: True
		PR Batch 00002.07.2026 MN-PERA Deduction	6,676.37	07/27/2026	700-00-2175-0000	PR Batch 00002.07.2026 MN-PERA Dedu
		PR Batch 00002.07.2026 MN PERA Benefit Em	7,703.52	07/27/2026	700-00-2175-0000	PR Batch 00002.07.2026 MN PERA Benef
		Check Total:	14,379.89			
Vendor:	1091	VOYA FINANCIAL			Check Sequence: 9	ACH Enabled: True
		PR Batch 00002.07.2026 Deferred Com-Voya	427.87	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 Deferred Com-Vo
		PR Batch 00002.07.2026 Deferred Com-Voya	1,622.60	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 Deferred Com-Vo
		PR Batch 00002.07.2026 Deferred Comp-Voya-I	762.00	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 Deferred Comp-V
		PR Batch 00002.07.2026 Deferred Comp-Voya-I	2,035.38	07/27/2026	700-00-2176-0000	PR Batch 00002.07.2026 Deferred Comp-V
		Check Total:	4,847.85			
		Total for Check Run:	57,572.98			
		Total of Number of Checks:	9			

Accounts Payable

Computer Check Proof List by Vendor

User: DKraay@shorewoodmn.gov
Printed: 08/05/2026 - 8:29AM
Batch: 00001.08.2026 - Council-08-10-2026

City of Shorewood

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: UB*00524	A & G Business Services LLC			Check Sequence: 1	ACH Enabled: False
	Refund Check 006879-000, 4840 Ferncroft Dr	24.10	02/14/2023	631-00-2010-0000	
	Refund Check 006879-000, 4840 Ferncroft Dr	24.09	02/14/2023	621-00-2010-0000	
	Refund Check 006879-000, 4840 Ferncroft Dr	56.22	02/14/2023	611-00-2010-0000	
	Check Total:	104.41			
Vendor: 1575	All Truck & Trailer Parts			Check Sequence: 2	ACH Enabled: False
098P49726	Truck Sensors	772.85	08/10/2026	101-32-4221-0000	
	Check Total:	772.85			
Vendor: 112	AMERICAN LEGAL PUBLISHING CORPORATION			Check Sequence: 3	ACH Enabled: False
52373	Codification of 2025 Ordinances to City Code	7,123.86	08/10/2026	101-11-4400-0000	
52421	Online City Code Update - Supplement S-21	702.00	08/10/2026	101-13-4400-0000	
	Check Total:	7,825.86			
Vendor: 1412	ARVIG			Check Sequence: 4	ACH Enabled: True
26-Jun	Internet and Phone Services - June 2026	880.96	08/10/2026	101-19-4321-0000	
	Check Total:	880.96			
Vendor: 1509	BLUE NET INC			Check Sequence: 5	ACH Enabled: True
63874	IT Data Import for Finance Department- Not Inc	150.00	08/10/2026	101-15-4321-0000	
	Check Total:	150.00			
Vendor: 136	CENTERPOINT ENERGY-GAS			Check Sequence: 6	ACH Enabled: True
7945688-5Jul26	5735 Country Club Rd - July 2026	54.99	08/10/2026	201-00-4380-0000	
8650180-6Jul26	20630 Manor Road - July 2026	21.00	08/10/2026	101-52-4380-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	75.99			
Vendor: 915	CINTAS CORPORATION (Formerly HUEBSCH)			Check Sequence: 7	ACH Enabled: False
4277449676	SCEC Mat Maintenance - July 2026	70.90	08/10/2026	201-00-4400-0000	
4277449722	City Hall Mat Maintenance - July 2026	189.14	08/10/2026	101-19-4400-0000	
	Check Total:	260.04			
Vendor: 1658	Creekview Construction			Check Sequence: 8	ACH Enabled: False
4858	Full Escrow Refund - 4840 Ferncroft Drive Perr	20,113.50	08/10/2026	880-00-2200-0000	
	Check Total:	20,113.50			
Vendor: 166	EARL F. ANDERSEN			Check Sequence: 9	ACH Enabled: False
0143482-IN	Road Signs for Islands	113.45	08/10/2026	101-32-4250-0000	
	Check Total:	113.45			
Vendor: 186	FERGUSON WATERWORKS, LLC. No.2518			Check Sequence: 10	ACH Enabled: False
0566574	Meter Parts	218.86	08/10/2026	601-00-4265-0000	
0567647	Swivel Couplings	213.85	08/10/2026	601-00-4245-0000	
	Check Total:	432.71			
Vendor: 211	HAWKINS, INC.			Check Sequence: 11	ACH Enabled: True
7515889	Water Treatment Chemicals	2,050.22	08/10/2026	601-00-4245-0000	
	Check Total:	2,050.22			
Vendor: 1384	HD SUPPLY FORMERLY HOME DEPOT PRO			Check Sequence: 12	ACH Enabled: False
9251696355	SCEC Garbage Bags	126.80	08/10/2026	201-00-4245-0000	
	Check Total:	126.80			
Vendor: 216	HENNEPIN COUNTY RECORDER'S OFFICE			Check Sequence: 13	ACH Enabled: False
Res. 26-34	Recording Fees - 5850 Boulder Bridge LN CUP	46.00	08/10/2026	880-00-2210-0000	
Res. 26-36	Recording Fees - 23120 Summit Ave Escrow Pas	46.00	08/10/2026	880-00-2210-0000	
Res. 26-37	Recording Fee - 6145 Club Valley Rd Variance E	46.00	08/10/2026	880-00-2210-0000	
Res. 26-44	5815 Club LN Recording Fees	46.00	08/10/2026	101-24-4400-5815	

Invoice No		Description	Amount	Pmt Date	Acct Number	Reference
		Check Total:	184.00			
Vendor:	1308	HI-LINE INC.			Check Sequence: 14	ACH Enabled: False
3334378		Brake Cleaner	124.20	08/10/2026	101-32-4245-0000	
		Check Total:	124.20			
Vendor:	1659	Hoffman Filter Service, L.L.C.			Check Sequence: 15	ACH Enabled: False
100978		Oil Filter Removal	75.00	08/10/2026	101-32-4221-0000	
		Check Total:	75.00			
Vendor:	1515	KATH FUEL OIL SERVICE CO.			Check Sequence: 16	ACH Enabled: True
11754		Fuel for Trailer	1,456.06	08/10/2026	101-32-4212-0000	
12285		Fuel for Trailer	1,759.44	08/10/2026	101-32-4212-0000	
		Check Total:	3,215.50			
Vendor:	1595	LaPointe Utilities Inc			Check Sequence: 17	ACH Enabled: False
Jul26-ROW		Permit #321025, 317955, 321733, 325373	8,000.00	08/10/2026	880-00-2205-0000	
		Check Total:	8,000.00			
Vendor:	1660	Amy Lievers			Check Sequence: 18	ACH Enabled: False
11/2024 Unclaim		Unclaimed Election Judge Pay	240.00	08/10/2026	101-14-4107-0000	
		Check Total:	240.00			
Vendor:	436	MARK HODGES MEDIA PRODUCTIONS			Check Sequence: 19	ACH Enabled: True
07272026		Videography Services - Mark Hodges for May-Ju	225.00	08/10/2026	101-11-4400-0000	
		Check Total:	225.00			
Vendor:	325	ON SITE SANITATION-TWIN CITIES			Check Sequence: 20	ACH Enabled: True
0002109434		Finance Charge	1.38	08/10/2026	101-32-4400-0000	
		Check Total:	1.38			
Vendor:	903	PERRILL			Check Sequence: 21	ACH Enabled: True
266471		ROWay Web App	50.00	08/10/2026	631-00-4400-0000	
266471		ROWay Web App	50.00	08/10/2026	611-00-4400-0000	

Invoice No		Description	Amount	Pmt Date	Acct Number	Reference
266471		ROWay Web App	50.00	08/10/2026	101-32-4400-0000	
		Check Total:	150.00			
Vendor:	336	PITNEY BOWES BANK INC PURCHASE POWER			Check Sequence: 22	ACH Enabled: True
26-Jul		Ink for the Postage Meter	152.98	08/10/2026	101-13-4200-0000	
		Check Total:	152.98			
Vendor:	864	QUALITY FLOW SYSTEMS, INC.			Check Sequence: 23	ACH Enabled: True
51440		Installation of Lift Station VFDs	5,257.00	08/10/2026	611-00-4400-0000	
		Check Total:	5,257.00			
Vendor:	873	COURT QUEEN			Check Sequence: 24	ACH Enabled: False
11/2022 Unclaim		Unclaimed Election Judge Pay	112.00	08/10/2026	101-14-4107-0000	
		Check Total:	112.00			
Vendor:	1324	SAFE-FAST INC.			Check Sequence: 25	ACH Enabled: True
INV328535		Utility Marking Paint	63.00	08/10/2026	601-00-4245-0000	
INV328535		Utility Marking Paint	126.00	08/10/2026	631-00-4245-0000	
INV328535		UtilityMarking Paint	63.00	08/10/2026	101-32-4245-0000	
		Check Total:	252.00			
Vendor:	355	SHRED-N-GO _446138			Check Sequence: 26	ACH Enabled: True
201969		Shred Services - City Hall - July 2026	93.60	08/10/2026	101-19-4400-0000	
		Check Total:	93.60			
Vendor:	360	SOUTH LAKE MINNETONKA POLICE DEPARTMENT			Check Sequence: 27	ACH Enabled: True
4th of July 202		4th of July Detail	3,909.83	08/10/2026	101-21-4400-0000	
Q1 & Q2 2026		1st & 2nd Qtr Overtime Court	3,528.84	08/10/2026	101-21-4440-0000	
		Check Total:	7,438.67			
Vendor:	1181	SPLIT ROCK MANAGEMENT, INC.			Check Sequence: 28	ACH Enabled: True
101119		City Hall Cleaning Services - August 2026	502.00	08/10/2026	101-19-4400-0000	
		Check Total:	502.00			

Invoice No		Description	Amount	Pmt Date	Acct Number	Reference
Vendor:	1548	TERRACE CONSTRUCTION, INC.			Check Sequence: 29	ACH Enabled: False
5860		Escrow Release - 25305 Park Lane Permit # 586	2,325.00	08/10/2026	880-00-2200-0000	
		Check Total:	2,325.00			
Vendor:	829	TOP GEAR, INC.			Check Sequence: 30	ACH Enabled: False
75235		Safety Camp Helmets	381.50	08/10/2026	101-53-4443-0000	
		Check Total:	381.50			
Vendor:	1348	TOSHIBA AMERICA BUSINESS SOLUT			Check Sequence: 31	ACH Enabled: True
450-0104647-000		Printer/Copier/Scanner Lease	146.97	08/10/2026	101-32-4400-0000	
		Check Total:	146.97			
Vendor:	1635	United States Postal Service			Check Sequence: 32	ACH Enabled: False
Q3		USPS Postal Permit	120.00	08/10/2026	601-00-4208-0000	
Q3		USPS Postal Permit	140.00	08/10/2026	631-00-4208-0000	
Q3		USPS Postal Permit	140.00	08/10/2026	611-00-4208-0000	
		Check Total:	400.00			
Vendor:	391	US BANK - CORPORATE TRUST SERVICES			Check Sequence: 33	ACH Enabled: True
8267090		Acct#0131232NS GO Series 2021A	436.74	08/10/2026	321-00-4720-0000	
8267090		Acct#0131232NS GO Series 2021A	73.63	08/10/2026	601-00-4720-0000	
8267090		Acct#0131232NS GO Series 2021A	58.67	08/10/2026	631-00-4720-0000	
8267090		Acct#0131232NS GO Series 2021A	5.96	08/10/2026	611-00-4720-0000	
8267285		Acct#0178271NS GO Series 2023A	71.52	08/10/2026	631-00-4720-0000	
8267285		Acct#0178271NS GO Series 2023A	92.29	08/10/2026	601-00-4720-0000	
8267285		Acct#0178271NS GO Series 2023A	66.91	08/10/2026	611-00-4720-0000	
8267285		Acct#0178271NS GO Series 2023A	344.28	08/10/2026	322-00-4720-0000	
		Check Total:	1,150.00			
Vendor:	405	WESTSIDE WHOLESALE TIRE & SUPPLY			Check Sequence: 34	ACH Enabled: True
988358		Tires	661.10	08/10/2026	101-52-4221-0000	
		Check Total:	661.10			
Vendor:	408	WM MUELLER & SONS INC			Check Sequence: 35	ACH Enabled: True

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
325972	Asphalt Patch Material	275.73	08/10/2026	101-32-4250-0000	
326040	Asphalt Patch Material	273.91	08/10/2026	101-32-4250-0000	
326218	Road Fill Material	140.52	08/10/2026	101-32-4250-0000	
326459	Road Fill Material	33.00	08/10/2026	101-32-4250-0000	
	Check Total:	723.16			
Vendor: 411	XCEL ENERGY, INC.			Check Sequence: 36	ACH Enabled: True
51-4531711-9Jul	5755 Country Club Road	12.60	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5590 Covington Road	2.46	08/10/2026	101-19-4380-0000	
51-4531711-9Jul	5755 Country Club Road	0.91	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5755 Country Club Road	10.91	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5755 Country Club Road	6.30	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	20630 Manor Road	11.23	08/10/2026	101-52-4380-0000	
51-4531711-9Jul	5755 Country Club Road	34.84	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5755 Country Club Road	7.24	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	25800 State Highway 7	17.90	08/10/2026	101-52-4380-0000	
51-4531711-9Jul	21382 Highway 7	50.63	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5705 Christmas Lake	32.71	08/10/2026	611-00-4380-0000	
51-4531711-9Jul	5755 Country Club Road	82.85	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5500 Old Market Rd	23.84	08/10/2026	601-00-4398-0000	
51-4531711-9Jul	5500 Old Market Rd	57.76	08/10/2026	601-00-4398-0000	
51-4531711-9Jul	5755 Country Club Road	4.81	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	20465 Radisson Rd	121.06	08/10/2026	611-00-4380-0000	
51-4531711-9Jul	20630 Manor Road	6.60	08/10/2026	101-52-4380-0000	
51-4531711-9Jul	5755 Country Club Road	1,453.67	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	25800 State Highway 7	12.65	08/10/2026	101-52-4380-0000	
51-4531711-9Jul	5505 Radisson Ent	11.00	08/10/2026	611-00-4380-0000	
51-4531711-9Jul	5755 Country Club Road	720.25	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5755 Country Club Road	94.54	08/10/2026	101-32-4399-0000	
51-4531711-9Jul	5755 Covington Rd	1,338.43	08/10/2026	601-00-4398-0000	
51-4531711-9Jul	20615 Radisson Rd	8.70	08/10/2026	611-00-4380-0000	
51-4531711-9Jul	5655 Merry Lane	34.35	08/10/2026	101-52-4380-0000	
	Check Total:	4,158.24			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Total for Check Run:	68,876.09			
	Total of Number of Checks:	36			

City of Shorewood

City Council Item 2.E.

Title/Subject: Annual City Code Supplement S-21/Ordinance 632
Meeting Date: August 10, 2026
Prepared By: Sandie Thone, City Clerk/ HR Director

Attachments

1. Ordinance 632 Supplement S-21

Background

On November 22, 2004, Council adopted Ordinance 409 which approved the Municipal Code Book codification provided by American Legal Publishing Corporation and the League of MN Cities. Twenty supplements have been completed since the initial codification.

The process of reviewing and incorporating changes to the City Code is called codification. An ordinance is a formal law adopted by the City Council that establishes, amends, or repeals local rules within the city's authority. Once adopted and published as required, an ordinance becomes part of the city's official legal framework and is enforceable as city law. All ordinances that are approved are incorporated into the City Code on an annual basis. Council-approved ordinances are incorporated into the official code document at the City Clerk's office, and the online representation of the Code is updated. Ordinances adopted after the annual codification process are kept in the City Clerk's Office as approved, as not yet codified ordinances, and are available on the city website as well.

American Legal Publishing serves as the City's codifier and online host of the web version of the City Code. The twenty-first supplement (S-21) to the City Code contains Ordinances 612 through Ordinance 631. Ordinance 632, if so adopted, shall take effect upon publication in the city's official newspaper.

Strategic Alignment

Good Governance: Codification is an important good governance practice because it maintains the City Code as an accurate, organized, and accessible record of the City's adopted laws. Regularly incorporating approved ordinances into the official code promotes transparency, supports consistent interpretation and enforcement, and ensures that residents, businesses, elected and appointed officials, staff, and legal advisors can rely on a current and comprehensive source of local regulations.

Budget Impact

Codification of ordinances into the official City Code is performed once per year and is budgeted for in the Administration Contracted Services budget. S-21 Supplement does not exceed budgeted funds.

Action Requested

Motion to approve Ordinance 632 Codification of Ordinances Supplement S-21 to the Shorewood City Code, provided by American Legal Publishing Corporation. Motion, Second, and Majority required.

CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

ORDINANCE 632

AN ORDINANCE ENACTING AND ADOPTING THE 2025 S-21 SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF SHOREWOOD MINNESOTA

American Legal Publishing Corporation has completed the Twenty-first Supplement to the Code of Ordinances of the City of Shorewood, which contains ordinances up through and including Ordinance 631 enacted since the prior supplement; and it is the intent of the City of Shorewood to accept these updated sections, as outlined in Supplement S-21, available for review and inspection at City Hall and on the City's website in its entirety.

NOW THEREFORE the City Council of the City of Shorewood, Minnesota, ordains:

> **Section 1.** That the 21st supplement to the Code of Ordinances of the City of Shorewood as submitted by American Legal Publishing Corporation of Cincinnati, Ohio, is hereby accepted.
>
> **Section 2.** This ordinance adopting the 2025 S-21 Supplement to the Code of Ordinances shall take effect upon publication in the City's official newspaper.

ADOPTED BY THE CITY COUNCIL of the City of Shorewood, Minnesota, this 10th day of August 2026.

____
Jennifer Labadie, Mayor

ATTEST:

____
Sandie Thone, City Clerk

City of Shorewood

City Council Item 2.F.

Title/Subject: Dissolution of the Southshore Senior Partners
Meeting Date: August 10, 2026
Prepared By: Mitchell Czech, Park/Rec Director

Attachments

1. Dissolution of the Southshore Senior Partners Letter

Background

The South Shore Senior Partners (SSSP) is a non-profit organization that has partnered with the City for a number of years and operate out of the Shorewood Community & Event Center (SCEC). The SSSP is dedicated to encouraging seniors aged 55+ in maintaining a healthy and active lifestyle. Their programs provide seniors with time to socialize and participate in a variety of recreational and learning opportunities. They rent space at the SCEC and rely on contributions, fundraising, and membership to fund operations.

Representatives from the South Shore Senior Partners (SSSP) presented to the City Council at the September 22, 2025, meeting to provide an overview of the organization and discuss several ongoing challenges. These challenges included declining volunteer participation, increasing volunteer burnout, and funding constraints. SSSP representatives indicated that the long-term sustainability and viability of the organization were uncertain, and change would be needed in the next 1.5-2 years.

On July 14, 2026, the SSSP Board informed the City that they will be dissolving it's 501(c)(3) status effective December 31, 2026. The attached letter outlines their plans for the remainder of 2026, which involves continuing operations as normal through the end of the year, delivering a final newsletter in September, and ceasing operations on December 31. They also provide valuable context on the history of their organization and senior programming at the SCEC, along with current programming taking place today.

The City is currently in the final stages of an ongoing facility operational analysis of the SCEC that is being conducted by ISG. Staff notified project team members from ISG of the dissolution notice, and recommendations for how the City can proceed with senior programming will be included in the operational scenarios that will be presented to the Council.

Staff would like to recognize the Southshore Senior Partners and their incredible commitment to providing quality programming to the senior community. The SSSP has been a tremendous asset to the City of Shorewood and surrounding communities for a number of years. Their contributions have positively impacted the lives of many, and their efforts will be greatly missed.

Strategic Alignment

Organizational Strength & Good Governance

- Strategic and comprehensive long-term planning
- Principled, data, and stakeholder-driven decisions
- Culture of continuous improvement

The dissolution of the SSSP presents an opportunity to the City to transition senior programming and services to a more sustainable model that is aligned with City goals and resident needs. Timing of the dissolution fits well into the ongoing facility operational analysis which allows for recommendations to be incorporated into operational scenarios.

Budget Impact

The loss of the SSSP will have a fairly significant budget impact that will be accounted for in the operational scenarios of the facility analysis being conducted by ISG. For many years, the City has hosted senior programming provided by the SSSP at the SCEC with minimal cost to the City. The SSSP paid the City $600 per month for use of the space between the hours of 8:30am - 3:30pm, Monday - Thursday, and 8:30am - 12pm, Friday, year round. If the City continues with providing senior programming, staff time will need to be allocated to oversight, implementation, and marketing of senior programming. The City would also need to investigate options for front desk support of the SCEC, including answering phones, greeting guests, room setup/teardown, and general cleaning and maintenance duties.

Full budgetary implications will be provided in greater detail in the report from ISG to the City Council.

Action Requested

A motion to accept the notice of dissolution of the Southshore Senior Partners, effective December 31, 2026.

Simple majority vote is required.

From: Theresa Zerby
To: Marc Nevinski; Mitchell Czech; Jennifer Labadie
Cc: Tena Brandhorst
Subject: Dissolution of the Southshore Senior Partners
Date: Thursday, July 16, 2026 7:28:26 AM

Southshore Senior Partners
Board of Directors
July 14, 2026

City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

Subject: Notice of Dissolution and Transition of Southshore Senior Partners

Dear City Council and Administration,

On behalf of the Board of Directors of Southshore Senior Partners, I am writing to formally inform the City of Shorewood that our organization will be dissolving its 501(c)(3) status effective December 31, 2026.

As we navigate this transition, we want to assure the city that our financial obligations will be fully honored; we have prepaid our rent through June of 2027. However, please be advised that following our dissolution on December 31, 2026, we will no longer staff a receptionist to answer phones or manage the front desk.

To ensure our members are fully informed, our final newsletter will be distributed at the end of September 2026. This publication will outline and cover all scheduled activities through the end of the calendar year.

Honoring Our Foundation and Visionary Leadership

As we look back on our history, we would be remiss not to deeply honor the vision of Jan Gray. Her profound understanding of the need to help seniors navigate the aging years was the guiding force behind this organization. This building would simply not have been built, nor would it have served our community so exceptionally well over these last 30 years, if it were not for her tireless vision.

We are deeply saddened by her recent loss. We strongly encourage the city to find a meaningful, lasting way to honor her immense contributions to our community so that her legacy continues to inspire future generations.

A Community Asset Worth Preserving

We are well aware that there is always a loud, vocal minority that looks strictly at the bottom line and measures everything solely by money spent. However, this facility and its programs represent a vital community resource that Shorewood is incredibly fortunate to have.

The true value of this space was proven in 2008, when the entire community showed up in shared anger and disbelief upon learning the city was considering selling the building. It is incredibly easy to tear something down; but creating something of lasting, human value takes true vision and a dedicated commitment to serving every member of our community. We urge the city leadership to maintain that vision.

Our Legacy and Hope for the Future

Our core belief has never wavered: seniors deserve a welcoming, vibrant environment to gather with their peers and engage in meaningful activities. While Southshore Senior Partners is coming to a close, it is our sincere hope that the city will carry this torch forward by continuing to support and host the vital programs our members rely on.

Ongoing Weekly Activities & Groups:

- Woodworking
- Card Crafting
- Quilting, Knitting, and Crocheting
- Beading
- Mahjong, Bridge, and Bingo
- Card Sales
- Senior Exercise
- Cribbage
- Mani-Pedi
- Dementia Support Group

Essential Annual Events:

- The Shining Stars Luncheon: A special event honoring and celebrating the seniors in our community who are over the age of 80.
- AARP Tax Preparation: A crucial seasonal service that offers free, trusted tax assistance to local seniors.
- The Veteran's Day Luncheon: A meaningful community gathering held in proud collaboration with the Clarence Clofer American Legion.

We are deeply grateful for the years of partnership with the city and for the privilege of serving the seniors of our community. We are available to discuss how we can best coordinate a smooth transition for the space, the annual events, and the ongoing programs over the coming months. We would encourage the city to form a senior advisory committee that we would be happy to participate in to help with the future programming for the senior community.

Thank you for your time, understanding, and continued support of our local seniors.

Sincerely,

Theresa Zerby
Secretary
Southshore Senior Partners

City of Shorewood

City Council Item 2.G.

Title/Subject: Resignation of Streets Supervisor
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments

Background
Chris Heitz, the Public Works Streets Supervisor, has submitted his resignation. Mr. Heitz has accepted a full-time position as the Assistant Fire Chief with the Mound Fire Department, where he has served as a firefighter and officer for many years. We are excited for Mr. Heitz to have this career opportunity, but he will be missed.

Following review of the position and any recommended changes, Staff will bring a future item to Council authorizing the posting the position.

Strategic Alignment
Organizational Strength & Good Governance

- Culture of continuous improvement — The advancement of staff, even outside of the organization, reflects positively on the City's culture and strength. Review of positions when transitions occur promotes organizational reflection and improvement.

Budget Impact
No direct costs, but employee transitions impact efficiency and productivity for a period of time.

Action Requested
Accept the resignation of the Public Works Street Supervisor, Chris Heitz.

City of Shorewood

City Council Item 4.A.

Title/Subject: Presentation of Hwy 7 TMO Study
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments

1. Executive Summary Hwy 7 TMO
2. Final Report - Hwy 7 TMO

Background

The City of Shorewood, on behalf of the communities and school districts (the "corridor communities") along Trunk Highway 7 (Hwy 7) from approximately I-494 to the western Hennepin County boarder, received a legislative grant in 2024 to study the development of a transit management organization (TMO) to formally collaborate on implementing a shared vision for the corridor. Following an RFP process, the corridor communities selected SRF to complete the study. SRF worked with the corridor communities from August 2025 to May of 2026 to explore common interests and priorities, review organizational options and evolutions, and analyze potential organizational costs. At this time, the corridor communities have decided it is most cost-effective to participate in the Southwest Corridor Transportation Coalition. The SWCTC has successfully advanced improvements for Hwy 212 and Hwy 5. The corridor communities intend to continue to meet periodically to discuss Hwy 7.

Kevin Julie and Becky Alper from SRF lead the study and will present a summary at the Council meeting.

Strategic Alignment

Functionally & Financially Sound Infrastructure

- Plans to finance infrastructure improvements, maintenance, and replacement — Working collaboratively with other agencies along the Hwy 7 Corridor is a critical step to advancing the planning, funding and construction of safety improvements along Hwy 7.

Budget Impact

None

Action Requested

Motion to receive the Hwy 7 Transportation Management Organization Study.

Highway 7 TMO Study – Executive Summary

Highway 7 Corridor

Creating safer communities for the residents, students, and visitors along the Highway 7 Corridor from Minnetonka to St. Bonifacius

Prepared for:

City of Shorewood

Prepared by:

SRF Consulting Group | Smart Mobility Associates | Toole Design Group

May 2026 | SRF Project No. 18960.00

www.srfconsulting.com

3701 Wayzata Boulevard, Suite 100 | Minneapolis, MN 55416-3791 | 763.475.0010

Equal Employment Opportunity/Affirmative Action Employer

Highway 7 is a vital east-west corridor across the State of Minnesota. Within the Twin Cities metro, it serves several communities in the region's fast-growing counties of Hennepin and Carver, with more than 50,000 vehicles traveling the highway daily. This high traffic volume has contributed to increased risk for roadway users, whether traveling by vehicle, foot or bicycle. Safety is a growing public concern.

The 18-mile corridor from St. Bonifacius to Interstate 494 serves ten municipalities, two counties, and five school districts. Over the past decade, fatal and serious injury crashes have grown. In 2024 alone, there were five fatalities from crashes along this segment of Highway 7, with many more serious injuries recorded. The recognition that this section of Highway 7 has elevated risk factors prompted MnDOT to conduct a corridor safety study with intersection-by-intersection recommendations for safety enhancements. Concurrently with this study, stakeholders from nine cities and five school districts have formed a coalition to align on safety improvement needs and ensure sufficient funding to complete corridor capital projects.

Participating Cities	Minnetonka, Deephaven, Greenwood, Excelsior, Shorewood, Chanhassen, Victoria, Minnetrista, St. Bonifacius
Participating School Districts	Minnetonka Public Schools (ISD 276), Eastern Carver County Schools (ISD 112), Westonka Public Schools (ISD 277), Hopkins Public Schools (ISD 270), and Waconia Public Schools (ISD 110)

With support from the Minnesota State Legislature, these stakeholders commissioned a study of strategic solutions that included examination of a Transportation Management Organization (TMO). This study was conducted from June 2025 to May 2026 by an expert team led by SRF Consulting Group with support from Smart Mobility Associates and Toole Design Group. It included monthly steering committee meetings, individual community listening sessions, technical presentations by MnDOT and the consultant team, engagement with TMOs inside and outside Minnesota, and safety and corridor coalitions within Minnesota. This included additional analysis and engagement with the I-494 Corridor Commission, the Southwest Corridor Transportation Coalition, and the Minnesota Transportation Alliance.

Addressing the needs of the Highway 7 Corridor calls for a coordinated and enduring effort among stakeholders. Together, they established the following Mission and Vision statements to guide their work.

Mission and Vision

Adopted Mission

To create a safer Highway 7 for everyone in the corridor by reducing crashes, easing congestion, and building a culture of awareness that connects communities and strengthens daily life.

Adopted Vision

A thriving Highway 7 corridor where safety drives opportunity.

Key Findings

The consensus of the Highway 7 Safety Coalition stakeholders is a three-phase approach to coalition development, safety programming, and possible TMO formation. The immediate needs of the communities are capital project priority alignment and securing sufficient funding to complete recommended safety improvements along the corridor through the 2029 MnDOT repaving project plan. At the same time, these partners recognize the opportunity to expand safety programming and communications as a secondary priority, and travel demand management (TDM) services as a potential future phase. Both require capacity that the communities do not currently have available.

Meanwhile, timing for the communities to establish a recognized and regionally-funded TMO are uncertain. Currently, the communities do not qualify for TMO Congestion Mitigation and Air Quality (CMAQ) Improvement Program funding under existing Met Council standards established in a 2010 Met Council study. Due to changes in the TMO environment in the Minneapolis-St. Paul metro area, this funding formula may soon come under review.

Because of these circumstances, assessed priorities, and overall funding availability from the coalition communities, this report creates a phased roadmap to pursue community safety priorities with an evolving organizational structure / increasing formality as resources become available and need for inter-community coordination grows. One model for this evolution is the I-494 Corridor Commission, which followed a similar arc over four decades. What started as an informal roadway coalition evolved into a formal Joint Powers Agreement entity pursuing shared roadway enhancement goals, and later added a TMO function to align transportation corridor demand with available capacity.

Coalition Priorities

Three priorities emerged from stakeholder engagement, ranked by urgency and near-term feasibility:

PRIORITY 1: CAPITAL PROJECTS — ALIGNMENT AND FUNDING

This is the coalition's most urgent work. MnDOT has committed approximately $48 million to the 2029 resurfacing project, but the study team estimates that approximately $11 million in additional safety improvements, recommended in MnDOT's corridor study, that are not yet funded. These include modifications at Christmas Lake Road, Highland Road, Highway 41, and Wildwood Road. Closing this gap is the coalition's most important near-term task. Members have decided to align on a shared project priority list, advocate together through the Southwest Corridor Transportation Coalition (SWCTC) and the Minnesota Transportation Alliance, and coordinate a unified legislative push for the 2027 bonding session. A joint application to the Metropolitan Council's Regional Solicitation for federal safety infrastructure funds should also be pursued in the near-term.

PRIORITY 2: SAFETY PROGRAMMING AND COMMUNICATIONS

The next priority is coordinated safety programming, monitoring and evaluation: supporting enforcement activities with the police-led Highway 7 Safety Coalition; developing joint safety education campaigns near schools; sharing crash data across member agencies; and communicating the coalition's work to residents, corridor stakeholders, regional leaders, and elected officials. This priority is aligned with a Vision Zero framework: a data-driven commitment to eliminating fatal and serious injury crashes through engineering, enforcement, education, and advocacy. This priority requires increased funding capacity, formal agreement between cities, and a dedicated staff. Phase 2 of the roadmap will illustrate how to execute this priority when communities are ready to do so.

PRIORITY 3: TRAVEL DEMAND MANAGEMENT / TMO OPERATIONS (FUTURE)

Travel demand management (TDM) programs aimed at improving mobility, reducing congestion, and lowering vehicle emissions through more efficient use of existing transportation networks. Safety is a byproduct of this work: reducing the share of trips conducted in single occupancy vehicles (SOVs) typically results in improved safety outcomes. This is a potential future phase dependent upon funding availability and demonstrated need. Due to the corridor’s current employment density as well as highly limited available alternatives to driving along, the corridor is not immediately ready for a robust TDM program. As the corridor grows and as the Met Council updates its regional planning framework through the Imagine 2050 process, conditions for TDM programming that align with the Highway 7 Corridor may emerge. Phase 3 of this roadmap addresses how the coalition could pursue TMO designation when those conditions are met.

Three-Phase Roadmap

Phase 1 — Informal Safety Coalition & SWCTC Participation (Now)

Regular coalition meetings; Modest funding commitments; alignment on capital project priorities for the 2029 MnDOT project and 2027 bonding session; Southwest Corridor Transportation Coalition (SWCTC) and Minnesota Transportation Alliance advocacy participation; joint Regional Solicitation grant application with modest one-time consultant support. No formal legal organization required.

Phase 2 — Formal Organization through Joint Powers Agreement (Future)

Formalize the coalition through a Joint Powers Agreement (JPA). The staffed organization executes safety programming and communications, maintains capital project advocacy, and monitors the evolving Met Council TMO framework. Conceptually functions as a Vision Zero implementation coalition. **Phase 2 start date unspecified**

Phase 3 — Addition of TMO Capabilities (Future)

As the Corridor evolves, the future Met Council CMAQ distribution criteria takes shape, and additional funding opportunities arise, the coalition may pursue formal TMO designation. This will enable the coalition to add capacity, including staff and contracted support, who can provide new services, such as TDM programming and stakeholder outreach, as well as expanding its existing safety and advocacy work. **Phase 3 start date unspecified**

Highway 7 TMO Study – Final Report

Highway 7 Corridor

Creating safer communities for the residents, students, and visitors along the Highway 7 Corridor from Minnetonka to St. Bonifacius

Prepared for:

City of Shorewood

Prepared by:

SRF Consulting Group | Smart Mobility Associates | Toole Design Group

May 2026 | SRF Project No. 18960.00

Table of Contents

1. Executive Summary 2
2. Introduction 6
3. Background 8
4. Steering Committee & Stakeholder Engagement 25
5. Peer Review Research 27
6. Organizational Model Review 35
7. Highway 7 Capital Project Review 41
8. Highway 7 Coalition Workplan 42
9. APPENDICES 61

1. Executive Summary

Highway 7 is a vital east-west corridor across the State of Minnesota. Within the Twin Cities metro, it serves several communities in the region's fast-growing counties of Hennepin and Carver, with more than 50,000 vehicles traveling the highway daily. This high traffic volume has contributed to increased risk for roadway users, whether traveling by vehicle, foot or bicycle. Safety is a growing public concern.

The 18-mile corridor from St. Bonifacius to Interstate 494 serves ten municipalities, two counties, and five school districts. Over the past decade, fatal and serious injury crashes have grown. In 2024 alone, there were five fatalities from crashes along this segment of Highway 7, with many more serious injuries recorded. The recognition that this section of Highway 7 has elevated risk factors prompted MnDOT to conduct a corridor safety study with intersection-by-intersection recommendations for safety enhancements. Concurrently with this study, stakeholders from nine cities and five school districts have formed a coalition to align on safety improvement needs and ensure sufficient funding to complete corridor capital projects.

Participating Cities	Minnetonka, Deephaven, Greenwood, Excelsior, Shorewood, Chanhassen, Victoria, Minnetrista, St. Bonifacius
Participating School Districts	Minnetonka Public Schools (ISD 276), Eastern Carver County Schools (ISD 112), Westonka Public Schools (ISD 277), Hopkins Public Schools (ISD 270), and Waconia Public Schools (ISD 110)

With support from the Minnesota State Legislature, these stakeholders commissioned a study of strategic solutions that included examination of a Transportation Management Organization (TMO). This study was conducted from June 2025 to May 2026 by an expert team led by SRF Consulting Group with support from Smart Mobility Associates and Toole Design Group. It included monthly steering committee meetings, individual community listening sessions, technical presentations by MnDOT and the consultant team, engagement with TMOs inside and outside Minnesota, and safety and corridor coalitions within Minnesota. This included additional analysis and engagement with the I-494 Corridor Commission, the Southwest Corridor Transportation Coalition, and the Minnesota Transportation Alliance.

Addressing the needs of the Highway 7 Corridor calls for a coordinated and enduring effort among stakeholders. Together, they established the following Mission and Vision statements to guide their work.

Mission and Vision

Adopted Mission

To create a safer Highway 7 for everyone in the corridor by reducing crashes, easing congestion, and building a culture of awareness that connects communities and strengthens daily life.

Adopted Vision

A thriving Highway 7 corridor where safety drives opportunity.

Key Findings

The consensus of the Highway 7 Safety Coalition stakeholders is a three-phase approach to coalition development, safety programming, and possible TMO formation. The immediate needs of the communities are capital project priority alignment and securing sufficient funding to complete recommended safety improvements along the corridor through the 2029 MnDOT repaving project plan. At the same time, these partners recognize the opportunity to expand safety programming and communications as a secondary priority, and travel demand management (TDM) services as a potential future phase. Both require capacity that the communities do not currently have available.

Meanwhile, timing for the communities to establish a recognized and regionally-funded TMO are uncertain. Currently, the communities do not qualify for TMO Congestion Mitigation and Air Quality (CMAQ) Improvement Program funding under existing Met Council standards established in a 2010 Met Council study. Due to changes in the TMO environment in the Minneapolis-St. Paul metro area, this funding formula may soon come under review.

Because of these circumstances, assessed priorities, and overall funding availability from the coalition communities, this report creates a phased roadmap to pursue community safety priorities with an evolving organizational structure / increasing formality as resources become available and need for inter-community coordination grows. One model for this evolution is the I-494 Corridor Commission, which followed a similar arc over four decades. What started as an informal roadway coalition evolved into a formal Joint Powers Agreement entity pursuing shared roadway enhancement goals, and later added a TMO function to align transportation corridor demand with available capacity.

Coalition Priorities

Three priorities emerged from stakeholder engagement, ranked by urgency and near-term feasibility:

PRIORITY 1: CAPITAL PROJECTS — ALIGNMENT AND FUNDING

This is the coalition's most urgent work. MnDOT has committed approximately $48 million to the 2029 resurfacing project, but the study team estimates that approximately $11 million in additional safety improvements, recommended in MnDOT's corridor study, that are not yet funded. These include modifications at Christmas Lake Road, Highland Road, Highway 41, and Wildwood Road. Closing this gap is the coalition's most important near-term task. Members have decided to align on a shared project priority list, advocate together through the Southwest Corridor Transportation Coalition (SWCTC) and the Minnesota Transportation Alliance, and coordinate a unified legislative push for the 2027 bonding session. A joint application to the Metropolitan Council's Regional Solicitation for federal safety infrastructure funds should also be pursued in the near-term.

PRIORITY 2: SAFETY PROGRAMMING AND COMMUNICATIONS

The next priority is coordinated safety programming, monitoring and evaluation: supporting enforcement activities with the police-led Highway 7 Safety Coalition; developing joint safety education campaigns near schools; sharing crash data across member agencies; and communicating the coalition's work to residents, corridor stakeholders, regional leaders, and elected officials. This priority is aligned with a Vision Zero framework: a data-driven commitment to eliminating fatal and serious injury crashes through engineering, enforcement, education, and advocacy. This priority requires increased funding capacity, formal agreement between cities, and a dedicated staff. Phase 2 of the roadmap will illustrate how to execute this priority when communities are ready to do so.

PRIORITY 3: TRAVEL DEMAND MANAGEMENT / TMO OPERATIONS (FUTURE)

Travel demand management (TDM) programs aimed at improving mobility, reducing congestion, and lowering vehicle emissions through more efficient use of existing transportation networks. Safety is a byproduct of this work: reducing the share of trips conducted in single occupancy vehicles (SOVs) typically results in improved safety outcomes. This is a potential future phase dependent upon funding availability and demonstrated need. Due to the corridor’s current employment density as well as highly limited available alternatives to driving along, the corridor is not immediately ready for a robust TDM program. As the corridor grows and as the Met Council updates its regional planning framework through the Imagine 2050 process, conditions for TDM programming that align with the Highway 7 Corridor may emerge. Phase 3 of this roadmap addresses how the coalition could pursue TMO designation when those conditions are met.

Three-Phase Roadmap

Phase 1 — Informal Safety Coalition & SWCTC Participation (Now)
Regular coalition meetings; Modest funding commitments; alignment on capital project priorities for the 2029 MnDOT project and 2027 bonding session; Southwest Corridor Transportation Coalition (SWCTC) and Minnesota Transportation Alliance advocacy participation; joint Regional Solicitation grant application with modest one-time consultant support. No formal legal organization required.

Phase 2 — Formal Organization through Joint Powers Agreement (Future)
Formalize the coalition through a Joint Powers Agreement (JPA). The staffed organization executes safety programming and communications, maintains capital project advocacy, and monitors the evolving Met Council TMO framework. Conceptually functions as a Vision Zero implementation coalition. **Phase 2 start date unspecified**

Phase 3 — Addition of TMO Capabilities (Future)
As the Corridor evolves, the future Met Council CMAQ distribution criteria takes shape, and additional funding opportunities arise, the coalition may pursue formal TMO designation. This will enable the coalition to add capacity, including staff and contracted support, who can provide new services, such as TDM programming and stakeholder outreach, as well as expanding its existing safety and advocacy work. **Phase 3 start date unspecified**

Detailed step-by-step roadmaps for executing each phase transition are provided in Section 7 - Coalition Workplan.

2. Introduction

Overview of the Study

This report presents the findings, analysis, and recommendations of the Highway 7 Corridor TMO and Safety Coalition Study, commissioned by the City of Shorewood, Minnesota. The study was funded through a $200,000 legislative appropriation in the 2023 Minnesota Transportation Bill and represents the culmination of an eight-month planning process conducted from June 2025 through May 2026.

The study was motivated by a convergence of conditions: five fatalities on the corridor in 2024; an active MnDOT corridor planning study identifying capital improvements; growing community concern about pedestrian safety near schools; and a shared desire among local governments to coordinate their advocacy in a sustained, organized way. The legislative appropriation specifically called for study of a Transportation Management Organization, but stakeholder engagement quickly revealed that safety infrastructure and capital funding — not TDM programming — were the primary community priorities. This report's recommendations reflect that finding honestly while preserving the TMO horizon as a long-run aspiration.

Study Purpose and Scope

The City of Shorewood issued a Request for Proposals in early 2025. The scope called for the study team to: synthesize MnDOT corridor study findings and the 2022 Road Safety Audit to prioritize capital projects; engage corridor communities through listening sessions and steering committee meetings; research peer TMOs, corridor commissions, and safety coalitions; evaluate organizational and governance options; identify funding mechanisms; and develop a 24-month coalition workplan.

The geographic focus is Highway 7 from the Hopkins Crossroad in Minnetonka to Wildwood Avenue in St. Bonifacius — approximately 18 miles of trunk highway traversing Hennepin and Carver Counties. The corridor passes through or adjacent to nine municipalities and five school district service areas, encompassing communities that range from dense suburban Minnetonka (population ~53,700) to small lakeside cities like Tonka Bay (population ~1,500).

Study Team

SRF Consulting Group led the study, with Project Manager Kevin Jullie, PE providing primary client coordination and technical oversight. Deputy Project Manager Becky Alper (SRF) brought direct TMO operational experience, having served on staff at both Move Minneapolis and Move Minnesota — two of the five Metropolitan Council-designated TMOs in the region. This firsthand knowledge of TMO governance, CMAQ funding processes, and Met Council criteria was essential to grounding the study's organizational recommendations.

Smart Mobility Associates (Principal Jonathan Hopkins) contributed national TMO expertise. Hopkins chairs the Association for Commuter Transportation's national TMO Council and has worked with employer transportation programs across the country, providing comparative perspective on how TMOs form and evolve in different market contexts. Toole Design Group (Principal Chris Bongorno) contributed organizational development and TDM strategy expertise, with particular focus on corridor coalition governance structures and phased implementation planning.

Study Participants and Stakeholders

The study engaged a broad cross-section of corridor stakeholders. City participants included Minnetonka, Deephaven, Greenwood, Excelsior, Shorewood, Chanhassen, Victoria, Minnetrista, Tonka Bay, and St. Bonifacius. School district participants included Minnetonka Public Schools (ISD 276), Eastern Carver County Schools (ISD 112), Westonka Public Schools (ISD 277), Hopkins Public Schools (ISD 270), and Waconia Public Schools (ISD 110).

External partners engaged during the study included the I-494 Corridor Commission, the Southwest Corridor Transportation Coalition (SWCTC), the Minnesota Transportation Alliance, MnDOT West Area, Hennepin County, and Carver County. Marc Nevinski, City Administrator for Shorewood, served as the primary client contact throughout the study.

Study Process and Key Activities

The study followed a structured sequence of activities from June 2025 through May 2026:

- Nine individual listening sessions were conducted with city and school district representatives between July and August 2025, providing one-on-one context for each stakeholder's priorities, concerns, and constraints.
- Technical research was conducted in parallel, synthesizing MnDOT's corridor study, reviewing peer TMOs and corridor commissions nationally and in Minnesota, and analyzing the draft Joint Powers Agreement assembled by the project team.
- Ten Steering Committee meetings were held from September 2025 through April 2026, providing the forum for stakeholders to review findings, debate options, and build consensus around recommendations.
- Technical presentations by MnDOT West Area and the consultant team informed the Steering Committee's deliberations on capital project priorities and the funding gap.
- Engagement with the I-494 Corridor Commission, SWCTC, and Minnesota Transportation Alliance provided real-time perspective on advocacy opportunities and regional funding frameworks.

This report is the culmination of that process.

3. Background

Corridor Context & Conditions

Highway 7 is a vital east-west corridor across the State of Minnesota. Within the Twin Cities metro, it serves several communities in the region's fast-growing counties of Hennepin and Carver, with more than 50,000 vehicles traveling the highway daily. This high traffic volume has contributed to increased risk for vehicles, pedestrians and cyclists, and safety is a growing public concern.

The 18-mile corridor from St. Bonifacius to Interstate 494 serves ten municipalities, two counties, and five school districts. Over the past decade, nine people have lost their lives in a crash on Highway 7; 29 have suffered a life-altering serious injury (Source: MnCMAT 2016-2025 Crash Data). In total, 1,191 crashes have occurred, equating to almost one crash every three days.

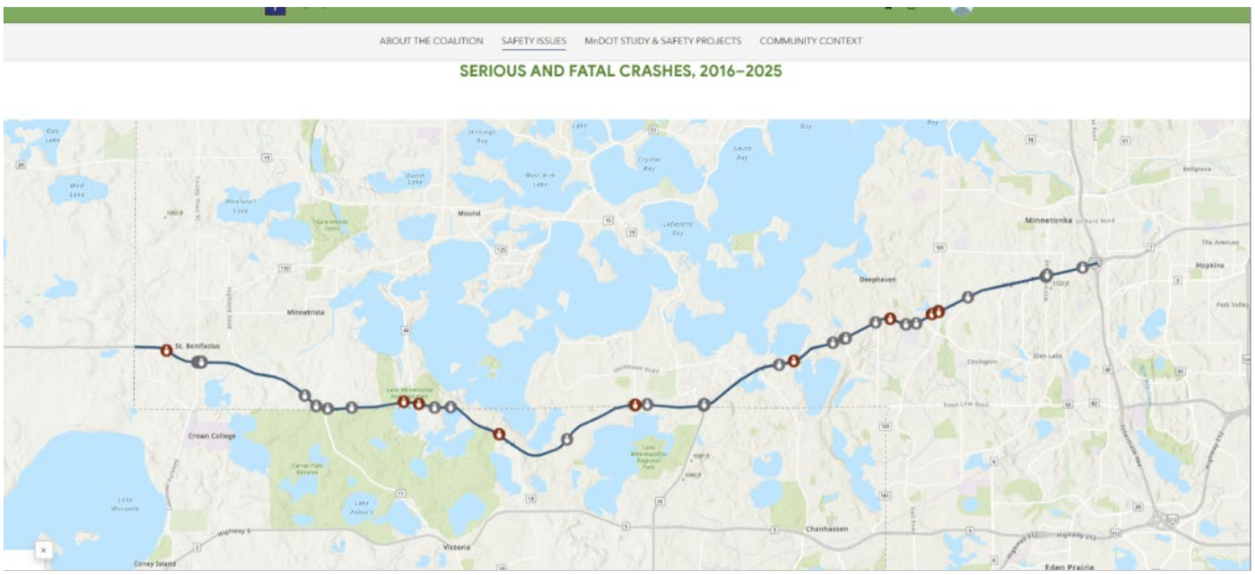

Figure 1 Serious and Fatal Crashes, 2016-2025

Numerous schools dot the rolling landscape surrounding Highway 7, including campuses like Minnetonka High School and Excelsior Elementary School, which are directly adjacent to the roadway (See Figure 2. Several districts serve student populations on either side of the highway, creating challenges and safety concerns for families and children who must cross Highway 7 multiple times each day. School districts operate daily school buses which navigate on and across Highway 7 to bring students to school.

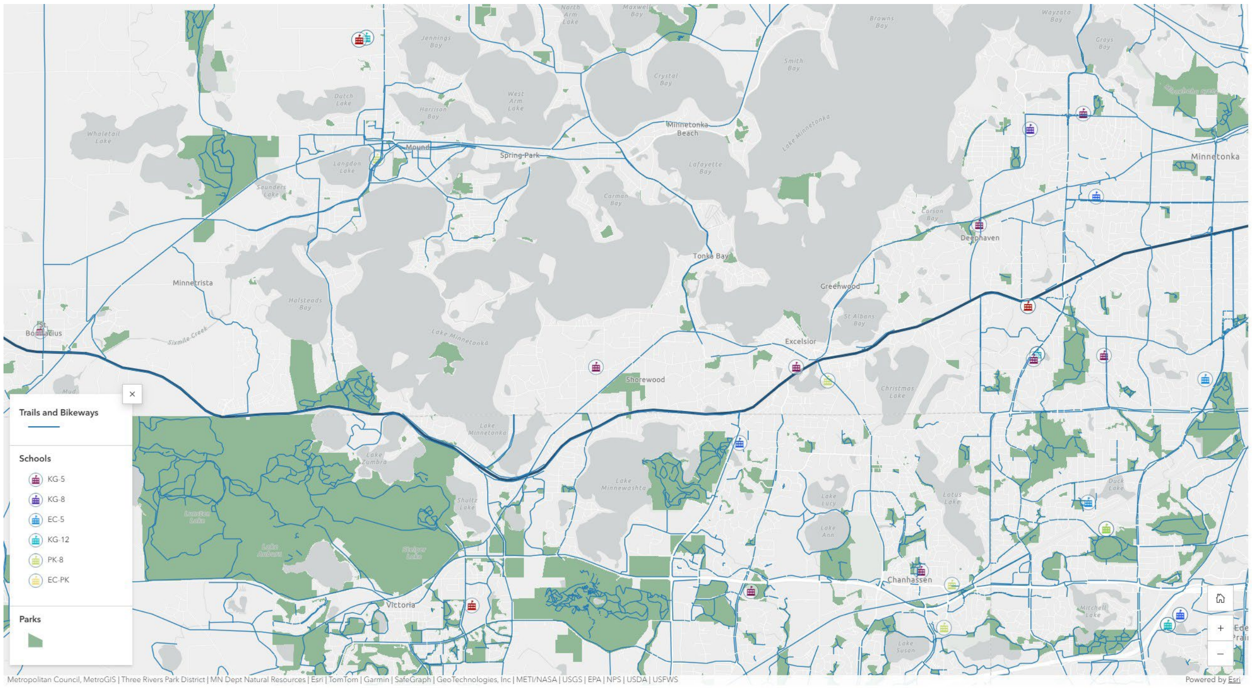

Figure 2. Schools and parks adjacent to Highway 7

Thousands of residents, commuters and visitors use Highway 7 to get to work, access shopping, and meet friends and family every day. Addressing the needs of the Highway 7 Corridor calls for a coordinated effort of many partner agencies and organizations. Work is already under way on charting a path to a safer and more efficient corridor, including the initiatives highlighted below.

MnDOT Planning Study

MnDOT recently completed a planning study for the 18-mile stretch of Highway 7 from St. Bonifacius to Hopkins, aimed at understanding travel experiences of those walking, biking and driving the corridor, identifying the needs in the study area, and informing future transportation safety and mobility improvements on Highway 7. The study has equipped local agencies and other stakeholders with the data and resources to identify opportunities to improve safety, mobility, and access. In coordination with local partners and informed by community input, the study provides a data-driven foundation to guide future investments and improvements along the corridor and was the subject of an extensive public engagement process that helped to hone study needs, focus, and recommended improvements.

The study identified three primary needs:

- Safety for all users
- Mobility with reliable travel for drivers and transporting goods
- Walkability and bikeability

Figure 3 MnDOT Highway 7 Planning Study Area

The community engagement process confirmed that people want safer roads, fewer crashes, less congestion, and improved options for walking and biking. MnDOT is using the recommendations from the study to inform the design of a pavement resurfacing project planned for 2029 from the Hennepin/Carver County line in St. Bonifacius to Christmas Lake Rd. in Shorewood/Greenwood. The Highway 7 stakeholder group reviewed the study recommendations alongside the evolving scope of the 2029 capital project to understand the gap and create a list of projects to advocate for. Additional detail on this evaluation and recommended next steps is included in Section 6 - Highway 7 Capital Projects Overview.

Highway 7 Safety Coalition (Law Enforcement)

The safety coalition in this report is not the first effort to improve safety along this corridor. In 2024, the South Lake Minnetonka Police Department formed the Highway 7 Safety Coalition, secured a $450,000 MnDOT Safe Road Zone grant, deployed AI-assisted distracted driving camera enforcement technology along the corridor, and led a coordinated multi-agency response involving law enforcement from multiple corridor jurisdictions. The program concluded June 30, 2025.[1]

During and after the program, there was marked reduction in the most severe safety incidents. The corridor went a full year without a fatality in 2025 following the enforcement coalition's mobilization. The effort reinforced the perception that multi-jurisdictional collaboration will be the key to improving conditions on the Highway 7 corridor.

---

[1] Highway 7 Road Safety Coalition, https://shorewoodmn.gov/628/Highway-7-Road-Safety-Coalition, accessed May 2, 2026.

Insight: While safe design is critical for creating enduring safety advances along the corridor, safety programming can play a significant role as well. A comprehensive effort to achieve safe outcomes along the corridor can benefit from harnessing all available tools to achieve the Coalition's vision. This includes capital improvements, safety programming, and perhaps in the future, modeshift.

State / Regional Studies

Three recent studies with relevance to the Highway 7 TMO Study include:

- 2010 Met Council TDM Study
- MnDOT 2025-2029 Strategic Highway Safety Plan - Metro Region Report
- June 2025 SE Minnesota TMO Feasibility Study
- MnDOT Emissions and VMT Impact Assessment and Offset Plan Procedure)

These three studies cover historic and current precedent for TMO funding, current planning around safety on Minnesota highways, and a peer regional effort to examine TMO feasibility.

STUDY: METROPOLITAN COUNCIL TDM EVALUATION AND IMPLEMENTATION STUDY (2010)

Prepared by: Metropolitan Council Transportation Division | Published: August 2010 | 84 pages

Purpose and Context

The Metropolitan Council commissioned this study to create a structured, transparent framework for selecting, funding, and evaluating Transportation Demand Management (TDM) programs across the Twin Cities region. At the time of publication, the region had four active TMOs: the Downtown Minneapolis TMO, St. Paul Smart Trips, Anoka County TMO, and 494 Commuter Services. The study was intended to guide Congestion Mitigation and Air Quality (CMAQ) Improvement Program funding allocation for TDM programs into the foreseeable future and remains the foundational policy document governing TMO eligibility and funding in the Twin Cities.

Key Findings

1. Employment Density is the Core Criterion for TMO Eligibility

The study established employment density as the primary metric for determining where TDM investments are appropriate. Citing national land use research (Cervero 1988; Frank and Pivo 1994), the study concluded:

- A minimum of 10 employees per net acre is the baseline threshold for suburban employment centers, at which point workers meaningfully shift toward alternatives to driving alone.
- Centers must also have at least 25,000 total employees to be a viable TDM market.
- Downtown areas like Minneapolis and St. Paul require a higher threshold of 50 employees per acre with 50,000+ workers, but already exceed this.

Critically, the study noted that at the 10-employee-per-acre threshold, the shift away from solo driving is modest — less than 2% VMT reduction from density alone — making active TDM programming (not just density) essential to achieve meaningful mode shift.

2. TMO Formation Criteria

The study produced a formal TMO Success Indicator matrix evaluating potential new TMOs across four domains. "High" indicators represent the most favorable conditions:

Category	High (Ideal)	Medium	Low
Traffic	Existing & growing congestion	Emerging congestion	No/minimal congestion
Employment	>50,000 employees	25,000–50,000	<25,000
Activity Center	Widely recognized	Locally known	Undefined area
Economic Dev.	High, with access challenges	Some opportunity	Stagnant
Core Champion	Identifiable, existing	Potential group	None
Multiyear Funding	Guaranteed long-term	Short-term commitments	No commitments

3. CMAQ Funding Structure

The study recommended three tiers of CMAQ TDM funding: regional baseline services (rideshare database, vanpool marketing); baseline local TMO funding for ongoing outreach; and competitive project grants for pilots. A new TMO seeking CMAQ funding must be screened by Metropolitan Transportation Services (MTS) against the formation criteria above before receiving any allocation. CMAQ funding is fully allocated to existing TMOs, meaning a new organization cannot access this funding stream without either (a) existing TMOs expanding their service areas or (b) the Met Council updating its distribution framework.

4. Scoring Criteria for New TMO Applications

The study established a 100-point scoring rubric for CMAQ grant applications. The highest-weighted single factor (20 points) is whether the applicant area has 10+ employees per acre and at least 25,000 total employees. Transit infrastructure (HOV lanes, frequent service, bike/ped facilities) earns another 20 points. VMT reduction and cost-effectiveness account for 30 points combined.

Why This Study Matters for Highway 7

This 2010 study is the policy foundation that directly explains why Highway 7 does not currently qualify for TMO designation or CMAQ funding. It is the document the Metropolitan Council's Metropolitan Transportation Services (MTS) uses to evaluate TMO eligibility and it has not been formally updated since publication.

Four specific implications for Highway 7:

- The 10-employee-per-acre threshold is the hard barrier. Highway 7 is a predominantly residential corridor with commercial nodes; no section currently meets this criterion. The study confirms this is not an arbitrary rule but reflects evidence that density below this threshold produces minimal mode-shift behavior.
- The 25,000-employee minimum is also unmet. Even in Minnetonka, where employment is highest along the corridor, the Highway 7 corridor itself does not concentrate this volume of workers in a contiguous area.
- The study's "core champion" and "multiyear funding commitment" criteria, which are both rated as the most critical for financial sustainability, are areas where Highway 7 actually scores well. The coalition has identifiable champions and a clear willingness to commit to collaboration.
- The Imagine 2050 process is the most likely vehicle for updating these 2010 criteria. If the Met Council revises its employment density thresholds to reflect suburban safety corridors, mixed-use growth, or access equity goals, Highway 7's position could change materially. The coalition's Phase 1 and Phase 2 work builds the organizational credibility to make that case.

STUDY: MN 2025-2029 STRATEGIC HIGHWAY SAFETY PLAN - METRO REGION REPORT (2025)

Prepared by: Minnesota Department of Transportation | Published: July 2025 | 18 pages

Purpose and Context

This regional report is part of Minnesota’s ongoing effort to advance roadway safety through the 2025–2029 Strategic Highway Safety Plan (SHSP), the state’s comprehensive, data-driven framework to reduce traffic-related deaths and serious injuries. The report serves as both a policy guide and a call to action, focusing on crash trends and safety priorities within the eight-county Metro Region to help inform local strategies and initiatives. The SHSP sets a bold statewide target of reducing annual traffic fatalities to 225 or fewer by 2030, and achieving this goal requires localized action. This report presents key crash data for the Metro Region, identifies contributing factors, and provides insights into where targeted interventions may have the greatest impact.

Key Findings

1. Speed and Inattention Constitute the Highest-Priority Focus Areas

The study evaluated 20 focus areas that contributed to crashes and found that vehicle speed and driver inattention were ranked highest, based on the following criteria:

1. **Quantitative Analysis** — A strong association with fatal and serious injury crashes
2. **Qualitative Data** — Consistently and broadly cited as a top concern by stakeholders
3. **Expert Opinion** — Considered by safety experts to be among the most important factors in crash occurrence

Multiple factors, including culture, roadway design, and enforcement, influence the behavior change that results in slower speeds.

2. Metro Region Priority Focus Area Strategies and Tactics

The Metro Region's top five focus areas by crash numbers are:

- Intersection
- Lane departure
- Impairment
- Unlicensed drivers
- Speed

Strategies and tactics for each of these focus areas, as well as "inattention," were developed as part of the SHSP and are included as an appendix to this report. The list highlights best practices from the "Safe Systems" approach, which prioritizes proactive strategies and shared responsibility among engineers, educators, enforcement, emergency responders, policymakers, and the public. It includes:

- Physical changes to roadways and intersections
- Updating planning procedures and policies
- Strengthening law enforcement tools with relation to impaired and inattentive driving
- Increasing public awareness campaigns
- Improving data collection methods and capacity
- Expanding the use of technology to support speed monitoring and enforcement

Why This Study Matters for Highway 7

The SHSP findings and recommendations are relevant to the Highway 7 TMO Study because of the group's emphasis on safety outcomes along the corridor. Regional and statewide efforts to reduce traffic fatalities and serious injuries emphasize a collaborative approach to data collection & analysis, communication, education, enforcement, planning, and capital project implementation. The work of the Highway 7 stakeholders should be coordinated with Minnesota Toward Zero Deaths (TZD), the state's cornerstone traffic safety program, to most effectively utilize available programs and resources.

STUDY: SOUTHEAST MINNESOTA TMO FEASIBILITY STUDY (2025)

Prepared by: Alta Planning + Design, CEDA, SEH for SE MN Together | Published: June 2025 | 26 pages + 7 appendices

Purpose and Context

SE MN Together, a regional coalition of community leaders and institutions across 11 counties in Southeast Minnesota, commissioned this feasibility study to determine whether a TMO could improve transportation access for workforce, healthcare, education, and quality-of-life purposes across a geographically dispersed rural region. The study was funded by the Minnesota Legislature and completed in June 2025 — one year before the Highway 7 study — making it a directly comparable recent peer effort in Minnesota.

Key Findings

1. The SE MN Feasibility Framework

The study evaluated TMO feasibility across four domains, all of which have Highway 7 parallels. They were:

1. **Area Characteristics** — reviewing demographic, economic, and land use factors that influence travel behavior and transportation needs
2. **Transportation Challenges** — identifying current barriers to access and service gaps for workers, residents, employers, and institutions
3. **Stakeholder Commitment** — assessing interest, capacity, and leadership from regional partners to champion and sustain a TMO
4. **Organizational and Financial Viability** — evaluating funding mechanisms and the feasibility of a multi-year, regionally supported TMO

SE MN Finding	Highway 7 Parallel
The region is feasible for a TMO despite low employment density because the primary challenge is access and coordination, not commuter trip reduction. SE Minnesota is seeking to grow and coordinate transportation options to better meet residents' needs. Areas for long-term collaboration include unified legislative advocacy, joint grant-writing, and data-sharing	Highway 7 faces a similar mismatch: the corridor's need is safety and capital advocacy, not suburban commuter TDM. Both studies confirm that TMO criteria built for employment-dense urban areas don't map cleanly onto these corridors. Opportunities in the Highway 7 corridor include unified legislative advocacy, joint grant-writing, and data sharing.

2. A Non-Traditional TMO Model

The SE MN study explicitly departed from the traditional employment-center TMO model. Instead of carpooling and commute-alternatives programming for dense office parks, the proposed SE MN TMO focuses on:

- Coordinating 40+ fragmented transit providers operating in silos across 11 counties
- Building a regional transportation information hub with centralized trip planning
- Promoting transit ridership (which dropped 56% post-COVID and has not recovered)
- Creating a unified advocacy voice for transit investment at the legislature

This is a fundamentally different mission from the Twin Cities TMOs (I-494 Commuter Services, Move Minneapolis), which focus on employer outreach and mode shift. SE MN's model is closer to a transit coordination and access coalition — which is also closer to what Highway 7 actually needs.

3. Hosted Organizational Model

Rather than forming a new standalone nonprofit or JPA, the SE MN TMO will operate as a program within the Southeast Service Cooperative (SSC), a pre-existing regional nonprofit. SSC provides HR, IT, accounting, and office space in exchange for an administrative fee, dramatically reducing startup burden. The TMO Program Manager reports to an Executive Committee of 7–9 members, with a broader Advisory Board and working groups below.

For SE MN, hosting within an existing organization was more practical than a JPA because no single local government desired to serve as fiscal agent across 11 counties.

4. Economic Benefits Analysis

The study quantified the economic value of the region's existing transit systems, finding that in 2023, five public transit agencies generated approximately $29 million in societal benefits including healthcare access savings, reduced vehicle costs, and reduced reliance on public assistance. The average cost-benefit ratio across the five systems was 1.4:1 (every $1 invested yields $1.40 in returns). If ridership returned to pre-pandemic levels, annual benefits could exceed $64 million.

This economic framing, presenting transit as an investment with measurable ROI — is a model the Highway 7 coalition could adapt for safety infrastructure advocacy. Instead of transit ridership ROI, the coalition's economic case would center on crash cost avoidance (FHWA estimates average crash costs of $78,900 for injury crashes and $1.75 million for fatal crashes).

5. Stakeholder Champion Model

The SE MN study emphasized that early TMO success depends heavily on identifiable regional champions. SE MN Together served as the primary champion, with Mayo Clinic and transit providers as key secondary supporters. The study found that the coalition's track record of successful prior collaboration accelerated trust-building significantly.

Why This Study Matters for Highway 7

The SE MN study is the closest contemporary Minnesota peer to the Highway 7 effort. Both are legislature-funded feasibility studies for non-traditional TMO contexts, both found that the traditional employment-density criteria don't fit their corridors, and both concluded that a phased, coalition-based approach is the right path forward. The key difference is mission: SE MN is focused on transit access and coordination; Highway 7 is focused on safety infrastructure and advocacy.

Four specific implications for Highway 7:

- The SE MN study validates the phased approach. Neither study found that jumping immediately to a fully-staffed TMO with CMAQ funding was feasible. Both recommend building organizational credibility first, formalizing governance second, and pursuing TMO designation as a longer-horizon goal contingent on external conditions.
- SE MN's embrace of the hosted model is an alternative to a formal JPA in their 11-county context. Along the Highway 7 corridor, finding a partner for all cities to engage and coordinate with can be beneficial. The closest analog to this is perhaps the Southwest Corridor Transportation Coalition.
- The economic benefits framing is directly transferable. Just as SE MN used a cost-benefit ratio to make the case for transit investment, Highway 7 should develop a comparable analysis quantifying the economic cost of crashes on the corridor — lost productivity, emergency response, property damage, healthcare — to strengthen the future funding asks.
- The unified advocacy voice function is the most directly applicable SE MN TMO activity to Highway 7's Phase 1 work. The SE MN TMO's fourth priority — creating coordinated legislative messaging and toolkits so that all partners speak with one voice — is precisely what Highway 7 needs for its 2027 bonding campaign. The SE MN study's roadshow and resolution-adoption model provides a tested template.

MNDOT 2025–2029 STRATEGIC HIGHWAY SAFETY PLAN

Metro Region Report

July 2025 | Minnesota Toward Zero Deaths / MnDOT

Overview

The 2025–2029 Strategic Highway Safety Plan (SHSP) is Minnesota's federally required, data-driven roadmap for reducing traffic deaths and serious injuries statewide. Adopted August 1, 2025, and led by MnDOT in partnership with the Departments of Public Safety and Health, it updates the prior 2020–2024 SHSP, which was built on over two decades of Toward Zero Deaths (TZD) work. The Metro Region Report is one of eight district-level companion documents that localize the statewide plan's data, focus areas, and strategies for the Twin Cities metro — the eight-county region of Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and

Washington Counties. Highway 7 runs through two of these counties (Hennepin and Carver), making this report directly applicable to the corridor's safety priorities and funding arguments.

Metro Region at a Glance (2018–2022 Baseline Data)

Metric	Metro Region
Fatal crashes in Metro Region	**729**
Serious injury crashes in Metro Region	**3,399**
Share of statewide fatal crashes	**38%**
Share of statewide serious injury crashes	**48%**
Statewide fatality reduction target (by 2030)	**225 or fewer per year**
Metro TZD program launched	**2008**

Statewide Goal and Context

The SHSP sets a bold statewide target of reducing annual traffic fatalities to 225 or fewer by 2030 — a significant reduction from recent years, as traffic deaths have been rising after a period of sustained decline. The Metro Region accounts for nearly half of all statewide serious injury crashes and 38% of fatalities, underscoring the outsized importance of metro-area interventions to achieving statewide goals.

The plan's guiding framework is the Safe System Approach, which distributes responsibility for safety across five elements:

- Safe Road Users — behavior change, education, licensing
- Safe Speeds — appropriate speed limits and design
- Safe Roads — roadway design that minimizes crash severity
- Safe Vehicles — vehicle technology and standards
- Post-Crash Care — rapid emergency medical response

The Speed and Inattention Umbrella

The SHSP identifies speed and inattention as the top two overarching priorities — both statewide and in the Metro Region — based on three criteria: quantitative prevalence in crash data, consistent citation by stakeholders, and expert consensus. These are treated as an "umbrella" over all other focus areas, meaning every other strategy should be understood in the context of slowing drivers down and keeping them focused. Highway 7's fatal crash history — head-on collisions, angle crashes, pedestrian deaths — is directly consistent with this framing.

Metro Region Top Five Focus Areas

Ranked by number of fatal and serious injury crashes (2018–2022):

Rank	Focus Area	Key Context
1	Intersections	2,393 KA crashes — by far the highest. Equity focus area. Includes crashes involving pedestrians and bicyclists at intersections.
2	Lane Departure	1,411 KA crashes. Includes run-off-road and head-on crashes — directly relevant to Highway 7's fatal crash types.
3	Impairment	1,003 KA crashes. Equity focus area. Includes alcohol and drug-impaired driving.
4	Unlicensed Drivers	954 KA crashes. Equity focus area. Includes suspended, revoked, and never-licensed drivers.
5	Speed	940 KA crashes. Equity focus area. Inattention strategies also included in Metro report because of statewide umbrella priority.

Notable Metro-specific pattern: Intersections and Lane Departure account for a higher share of Metro KA crashes than the statewide average (26% vs. 22% for intersections; 20% vs. 12% for lane departure). Pedestrian crashes also have a higher Metro share relative to statewide. These patterns align directly with Highway 7's crash history.

Metro Regional Stakeholder Priorities (2024 TZD Workshop)

At the 2024 Metro TZD Regional Workshop, participants were asked to identify their top crash focus areas. Results closely track the data-driven rankings:

Stakeholder Top Priorities (Votes)	Data-Driven Top 5
1. Speed (most top-1 votes)	1. Intersections
2. Inattentive Drivers	2. Lane Departure
3. Intersections	3. Impairment
4. Pedestrians	4. Unlicensed Drivers
	5. Speed

Key Strategies and Tactics by Focus Area

The Metro Region report's Appendix provides specific strategies and tactics for each focus area. Highlights most relevant to Highway 7:

Intersections

- Redesign high-risk intersections to eliminate critical conflict points — roundabouts, J-turns, and restricted movement intersections cited as highly effective
- Improve lighting, signing, and pavement markings at intersections with crash history
- Prioritize pedestrian/bicycle infrastructure (RRFB, pedestrian hybrid beacons, leading pedestrian intervals)
- Facilitate coordination among state, regional, and local agencies for intersection HSIP funding (Strategy 3.3 — directly applicable to coalition's Regional Solicitation strategy)
- Pursue speed safety cameras and red light cameras at intersections through legislation

Lane Departure

- Rumble strips, edge line markings, and clear zones at high-risk locations
- Enhanced curve treatments: chevrons, lighting, appropriate radius, high-friction surface treatment
- ITS technologies: sequential dynamic flashing chevrons, speed warning signs for curves
- Support Advanced Driver Assistance Systems (ADAS) as vehicle-level countermeasure

Speed

- Develop a comprehensive Speed Management Action Plan involving State Patrol, local enforcement, and engineers
- Assess and potentially expand pilot speed safety camera program (Highway 7's AI-assisted camera pilot is directly relevant here)
- Design roadways with speed-reducing factors: reduced lane widths, raised medians, radar feedback, transverse markings

- Strengthen penalties for repeat speeders; explore Intelligent Speed Assistance
- Sustained public communications on speeding consequences

Impairment

- Increase DWI saturation patrols at high-risk locations identified by the OTS DWI Dashboard
- Expand Drug Recognition Experts in counties without coverage
- Pursue ignition interlock for all DWI offenders including first-timers (legislative action)

Inattention (statewide umbrella — included in Metro appendix)

- High-visibility enforcement campaigns with paired public education
- Strengthen criminal penalties for distracted driving causing severe injuries/death
- Promote employer policies prohibiting device use while driving
- Telematic monitoring pilot program for real-time driver feedback

Equity Dimension

The 2025–2029 SHSP explicitly elevates equity as a cross-cutting theme. Four of the five Metro focus areas (Intersections, Impairment, Unlicensed Drivers, Speed) are designated Equity Focus Areas. The statewide data shows:

- Areas with high poverty rates have 3.9 times as many fatal and injury pedestrian crashes per square mile as high-income areas
- Majority-BIPOC areas have nearly 9 times as many fatal and injury pedestrian crashes per square mile as majority-white areas

These findings reinforce the importance of pedestrian safety investments — including near schools — as both a safety and equity priority. Highway 7 communities with lower-income households or higher proportions of students accessing the corridor on foot have a strong equity-grounded argument for federal and state safety funding.

Relevance to the Highway 7 Safety Coalition

Application	How It Connects to Highway 7
Federal Funding Eligibility	HSIP applications must demonstrate connection to the SHSP. Coalition's unfunded gap projects (Wildwood Ave, Old Market Rd, Vine Hill Rd, County Rd 44) are directly alignable with SHSP intersection and lane departure strategies, which is a stated scoring criterion.
Roundabout and Access Management Priority	The SHSP's top intersection strategy — eliminating critical conflict points via roundabouts and restricted movement intersections — directly validates MnDOT's recommended improvements at four

Application	How It Connects to Highway 7
	unfunded Highway 7 locations. The coalition can cite SHSP alignment in its bonding ask.
Speed Safety Camera Precedent	The SHSP calls for assessing and expanding the speed safety camera pilot. South Lake Minnetonka PD's AI-assisted camera on Highway 7 is precisely this kind of pilot — the coalition can point to SHSP alignment and the Minnesota Daily's April 2026 coverage of results as evidence.
Vision Zero / Safe System Alignment	The SHSP's Safe System Approach is essentially the engineering and policy underpinning of Vision Zero. The coalition's Phase 2 Vision Zero adoption aligns with — and can reference — the SHSP framework, strengthening grant applications and legislative testimony.
Pedestrian Safety at Schools	Pedestrian hybrid beacons and high-visibility crosswalk markings at school crossings are specifically cited as highly effective tools. The County Road 101 situation (1,000 students crossing daily) meets the SHSP's criteria for priority intervention.
Local Coordination Strategy	SHSP Strategy 3.3 for Intersections explicitly calls for coordination among state, regional, and local agencies using District Safety Plans and County Road Safety Plans to prioritize HSIP funding. The Highway 7 coalition is exactly the kind of multi-jurisdictional structure this strategy envisions.

Why This Study Matters for Highway 7

The MnDOT Metro Region SHSP Report is an active policy instrument that directly governs HSIP funding eligibility in the corridor's two counties. Coalition projects at the four unfunded intersections align precisely with the plan's top Metro focus areas (Intersections, Lane Departure) and its most strongly supported tactics (roundabouts, restricted movement intersections, pedestrian beacons). Citing the SHSP explicitly in Regional Solicitation applications and in the 2027 bonding package strengthens the coalition's credibility and links its local ask to the state's official safety framework.

STUDY: MNDOT EMISSIONS AND VMT IMPACT ASSESSMENT AND OFFSET PLAN PROCEDURE (2026)

Prepared by: Minnesota Department of Transportation | Published: April 2026 | 43 pages

Purpose and Context

This procedural document implements Minnesota Statute 161.178, Transportation Greenhouse Gas Emissions Impact Assessment, which requires MnDOT to evaluate the vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions impacts of highway capacity expansion projects before they can enter the State Transportation Improvement Program (STIP) or a metropolitan planning organization's Transportation Improvement Program (TIP). The Procedure is intended for use by MnDOT staff, Minnesota cities and counties, and their consultants who are planning and designing capacity expansion projects. It establishes a standardized four-step process — applied at both initial scoping and final design — for calculating induced VMT, estimating GHG emissions, and developing an Offset Plan to mitigate any identified impacts. The Procedure was first issued in April 2025 and updated in April 2026.

Key Findings

1. Capacity Expansion Triggers the Requirement

A project triggers the Assessment requirement if it meets three conditions: it is located on a Minnesota Trunk Highway; it qualifies as a major highway project (estimated cost of at least $15 million in the metropolitan highway construction district); and it adds lane miles or creates a new grade-separated intersection. Projects that do not meet all three conditions are exempt and need only document that determination.

2. Four-Step Assessment Process

The Procedure establishes a four-step process applied at scoping (Initial Assessment) and again at final design (Final Assessment):

- Step 1 — Determine whether the project meets the statutory definition of a capacity expansion project.
- Step 2 — Calculate the project's induced VMT impact using either an elasticity-based calculation or a Metropolitan Planning Organization travel demand forecast model. MnDOT recommends the elasticity calculation as the primary method, with elasticity factors ranging from 1.0 for interstates within a Metropolitan Planning Area to 0.3–0.6 for rural non-interstate highways.
- Step 3 — Estimate the project's GHG emissions impact using MnDOT's Carbon Emissions Tool (CET), which converts VMT to cumulative CO_2 equivalent emissions over a 20-year project life.
- Step 4 — Develop an Offset Plan identifying funded projects or programs that reduce VMT and GHG emissions by at least as much as the expansion creates. The Legislature identified ten eligible offset categories, including transit expansion, active transportation infrastructure, transportation demand management, traffic operations improvements, land use changes, and natural systems investments.

3. Validation and Approval Requirements

Before a capacity expansion project may enter the STIP or TIP, the completed Assessment and Offset Plan must be reviewed by a GHG Impact Assessment Technical Advisory Committee (TAC) and endorsed by the Commissioner of Transportation. For projects within a Metropolitan Planning Area, the applicable MPO must also review and endorse the project. Initial Assessment packets must be submitted at least 60 days before draft TIPs or STIPs are scheduled for consideration; Final Assessment packets must be completed within 90 days of determination of the preferred alternative.

Why This Study Matters for Highway 7

The recommended improvements from the MnDOT Highway 7 Planning Study — particularly the new grade-separated interchanges proposed in Segment 2 at Co. Rd. 101 and Williston Road, and the grade separations at Vine Hill Road and Tonkawood Road — are the category of improvements most likely to trigger the requirements of this Procedure. Before any of these projects can be programmed in the TIP or STIP, an Emissions and VMT Impact Assessment and Offset Plan must be completed and validated. This creates both a compliance obligation and a strategic opportunity: the Coalition’s advocacy for TDM programming, active transportation infrastructure, and transit service improvements along the corridor are all recognized offset categories under Minnesota Statute 161.178. Positioning the coalition’s Phase 2 and Phase 3 work as offset-eligible activities could create a funding pathway that links capital project advancement to multimodal investment.

4. Steering Committee & Stakeholder Engagement

Stakeholder Listening Sessions

Nine individual listening sessions were conducted with city and school district representatives in July and August 2025. These one-on-one conversations allowed stakeholders to speak candidly about their communities' priorities, concerns about corridor safety, and views on organizational structure — before any group dynamics had shaped those views. The sessions were invaluable for surfacing both the shared priorities and the community-specific concerns that shaped the study's recommendations.

Key themes from these sessions included:

1. There is universal emphasis on safety outcomes from one end of the corridor to the other and communities are united around improving safety for the whole corridor.
2. Action in the near-term is important, as many community members feel that there has been planning for years with little follow-through on actions and results.
3. Clear and consistent communication with corridor stakeholders to inform, educate and raise awareness with a unified voice is important.
4. There is interest in maintaining access to local communities throughout the corridor.
5. This study can provide a second set of eyes on the results of MnDOT's Corridor Study.
6. This is a willingness to work as a group toward advancing shared priorities
7. Across the corridor, there are differing levels of community and geographic overlap with Highway 7 that may impact the level of attention and/or investment on future efforts.

Steering Committee Composition and Structure

The Highway 7 TMO Study Steering Committee was established in summer 2025 to guide the study and build coalition relationships among corridor communities. The Steering Committee served as both a technical advisory body for the study — reviewing corridor priorities, research findings, and organizational options — and as a model for the governance structure of the future coalition.

Active Steering Committee participants included both elected and administrative representatives from the following public agencies:

- City of Shorewood
- City of Minnetonka
- City of Greenwood
- City of Minnetrista
- City of Chanhassen
- City of Victoria
- City of St. Bonifacius

The cities of Deephaven, Excelsior, and Tonka Bay were engaged throughout the process, but their participation was limited. Likewise, the Hopkins, Minnetonka, Eastern Carver County, Westonka, and Waconia school districts were engaged, but participated on a limited basis.

The Steering Committee met 10 times from September 2025 through May 2026 with a focus on confirming shared priorities and strategies for pursuing desired outcomes on the corridor. Topics of discussion included:

- MnDOT Highway 7 Study Outcomes
- Corridor Communications Plan
- Mission and Vision
- Peer Agency Review
- Organization Structure
- Program Areas
- Workplan Development
- Regional Coalition Alignment
- Funding & Resource Development

The multi-jurisdictional nature of the group demonstrated the buy-in across the study area and the need to weigh options and make decisions as a group of interested parties. These are traits the coalition will need to build upon and sustain to be successful in the future.

5. Peer Review Research

This study examined the feasibility of establishing an organization that will help communities along the Highway 7 corridor address concerns about the area's evolving transportation and safety challenges. This section outlines various peer agency approaches to organization structures that support collaborative efforts across community partners to advance safety and mobility improvements. The first set of organizations focuses on transportation management organizations (TMOs) in the Twin Cities region. The second set highlights regional corridor coalitions / commissions. The third covers safety coalitions with a variety of backgrounds. The organizational models these examples represent will be further explored in Section 5.

Transportation Management Organizations (TMOs)

Transportation Management Organizations (TMOs) – known interchangeably as Transportation Management Associations (TMAs), but referred to as TMOs throughout this report – are formed to coordinate and manage transportation services and initiatives within a defined geographic area. They have wide-ranging interests, but most often focus on congestion mitigation, air quality improvement, and mode shift through various TDM strategies. Their primary audience is usually comprised of employers and employees, providing workplaces and workforce commuters with a range of alternatives to drive-alone commutes. However, they have also been successful in working with developers, property managers, resident populations, and school travelers of all ages.

In the Twin Cities region, TMOs serve a critical role in promoting regional transportation services provided by Metro Transit and others while convening and advocating on behalf of local/regional stakeholders. Their work is typically supported by federal Congestion Mitigation and Air Quality (CMAQ) funding and other supplemental state DOT funds targeted at specific programs or services that promote alternatives to drive-alone trips. They may also benefit from funding that addresses specific transportation safety issues, especially as they relate to non-driving travel modes like walking and bicycling. TMOs are also critical in regular measurement of transportation behaviors and outcomes, often through annual or biannual surveys and other data collection and reporting efforts.

Three unique TMOs currently serve specific activity centers and geographies in the Twin Cities region. The following section provides a brief overview of Move Minnesota, Anoka County Commute Solutions, and I-494 Corridor Commission Commuter Services.

MOVE MINNESOTA

Move Minnesota is a 501(c)(3) nonprofit organization that serves as the TMO for the entire City of St. Paul. The organization has been working in this capacity since 2017 after the merger of two organizations that focused, collectively, on transit, bicycling, walking, and ridesharing. A separate, subsidiary, 501(c)(4) organization – Move Minnesota Action – was established in 2021 to enable the organization to actively lobby and campaign for mission-critical political issues and candidates.

Mission: Move Minnesota leads the movement for an equitable and sustainable transportation system that puts people first.

Move Minnesota's core programs include the following:

- Marketing and event support for Car-Free MSP and other related efforts
- Site plan review for developments in the City of St. Paul
- Support for developers in creating and implementing TDM plans
- Local outreach campaigns around mobility priorities
- Student/school transportation outreach and support
- Environmental, health, and social justice coalition building
- General advocacy for mission-supportive policies and programs

Move Minnesota staff includes between two to three full-time positions dedicated fully to TMO and between 11 to 13 for the combined effort with Move Minnesota Action. The Board of Directors includes 10 members with a variety of roles and areas of expertise within the St. Paul community. The 501(c)(3) organization's annual budget has varied between $450,000 - $550,000 in recent years and is dedicated to a mixture of staff salaries and programming. Revenue is secured through both formula and competitive CMAQ funds – equaling roughly 80% of the budget – as well as contracts for specified services with partner agencies like the City of St. Paul and the Minnesota Department of Transportation.

Lessons for Highway 7

Move Minnesota's emphasis on advocacy across both nonprofit branches of the organization has produced results, including policy and infrastructure changes on a local and neighborhood level, as well as statewide. They have been successful in building the coalitions necessary for those efforts to reach decision makers at all levels of government, but also individuals within the communities they serve. The two-part nonprofit approach to Move Minnesota's organization structure may be relevant to a Highway 7 collaborative seeking to pursue both local programming and broader advocacy for safety and mobility outcomes throughout the corridor.

While the heavy reliance on CMAQ funding in the organization's budget may not be an option for Highway 7, Move Minnesota's ability to generate contracts for specific services may be an avenue a Highway 7 organization can use to pursue mission-based activities and support staff capacity.

ANOKA COUNTY COMMUTE SOLUTIONS

Commute Solutions is a TMO working to reduce congestion and improve air quality by promoting transportation options in Anoka County. The TMO was established in 2004 as a program of the County's Highway Department. It was moved within the Transit Unit around 2015 when the Transportation Division was created. The TMO's organization structure has remained roughly the same over the past 20 years, with some variation in the scope of activities as regional TDM goals and local community needs have evolved.

Mission: Anoka County Commute Solutions is dedicated to achieving reductions in traffic congestion, improving mobility and air quality, and educating employers and their employees about transportation options.

Commute Solutions' core programs include the following:

- Employer outreach and programs to encourage non-drive-alone trips
- Bike to Work Week activities
- Awareness and incentive programs to encourage mode shift
- Tabling events to reach those in need of transportation options
- Resident outreach, including emphasis on residents near transit corridors
- Coordinated regional efforts to reduce single-occupancy vehicle trips
- Transit education, outreach, and promotions

Commute Solutions staff is embedded within the County's Transit Unit and includes two individuals whose role is focused on TMO activities. There is no dedicated board of directors or other governance structure unique to the TMO. The Anoka County model is, therefore, different from the previous two examples, where an Executive Director and dedicated staff, plus an independent board of directors or advisory board guide the work of the TMO. Likewise, the Commute Solutions budget is more difficult to parse out, as it is not separate from the County's Transportation Division. Revenues, however, are similar, in that 80 percent of the TMO's budget is comprised of CMAQ funds allocated by the Met Council. The remaining 20 percent is provided by Anoka County. Funds are allocated to staff and programming support, as with the other TMOs in this review.

Lessons for Highway 7

Commute Solutions provides an example of an approach that takes advantage of existing public agency staff who are well positioned for collaboration with other County departments. These entities can extend the reach and impact of the TMO to specific constituencies without requiring additional TMO resources. The County is also well-versed in managing federal funding allocations (like CMAQ) and offers long-term stability that may be more challenging to secure through an independent nonprofit model that is more reliant on grants and other revenue sources. Commute Solutions has also found success in focusing efforts along key transit corridors, as opposed to spreading itself thin across the entire county. If mode shift and congestion mitigation become a focus for the Highway 7 collaborative, they may also need to focus their efforts in a similar fashion in areas where non-driving options are most feasible.

I-494 CORRIDOR COMMISSION - COMMUTER SERVICES

Commuter Services is a TMO that functions as a program and outreach arm of the I-494 Corridor Commission. The Commission is a joint powers organization that was established in 1986 to address traffic congestion issues in the member cities of Bloomington, Richfield, Edina, Eden Prairie, and Minnetonka. The original focus was to expand I-494's capacity by adding lanes. The TMO was established in 2002 following engagement area commuters that revealed openness to non-drive-alone options and an increasing awareness that demand management and mode shift were necessary to addressing the corridor's transportation issues.

Mission: Commuter Services' mission is to mitigate traffic congestion and air pollution along the I-494 corridor by encouraging the use of alternative transportation options.

Commuter Services' core programs include the following:

- Employer outreach to 1,200 larger employers and multi-tenant office properties
- Direct work with commuters to understand and encourage non-driving options
- Resident outreach to targeted markets within the five member cities
- Twin Cities Telework promotion and resources for remote work options

Commuter Services began with just one staff member in 2002, adding a second in 2003. The TMO has since expanded to five full-time staff members. The TMO's Executive Director also serves as staff to the Corridor Commission. The Commission employs a lobbyist and is able to engage in lobbying activities as a joint powers organization. The Commission is governed by a board that includes representatives from each of the five member cities, the Minnesota Department of Transportation, the Metropolitan Council, and the private business community. The TMO does not have an independent board or other governing body. The most recent Commission/TMO budget includes roughly $830,000 in expenditures, just under half coming from CMAQ funds, just under 20 percent coming from member dues, and roughly one-third coming from a two-year State grant. Member dues are assessed at a rate of $.60 per resident in each member city and total more than $150,000 per year.

Lessons for Highway 7

Commuter Services and the I-494 Corridor Commission provide key insight for the Highway 7 Corridor, as the organization initially assembled around a shared challenge with a dedicated set of partner cities who were willing to formalize an agreement and commit funds to shared solutions. In the case of I-494, the challenge was traffic congestion along a busy stretch of highway with a high concentration of employers and commuters. However, the approach to addressing the challenge evolved over time from a "supply side" solution – increasing lane capacity – to include "demand side" solutions – TDM strategies through the TMO. In the Highway 7 Corridor, a similar approach could begin with a focus on traffic safety and evolve to include TDM and travel mode shift as development intensifies, bringing more vehicles to the area. A joint powers agreement between Highway 7 partners could be an effective vehicle for formalizing roles and responsibilities with a collaborative governance and funding approach that increases capacity and communicates solidarity to regional and state partners.

Corridor Coalitions / Commissions

Corridor commissions are collectives of independent jurisdictions formed to pursue agreed upon transportation objectives for a specific corridor. While safety may be one of their core objectives, they are typically more expansive in scope and may include an emphasis on roadway planning and design, vehicular capacity, transit service, real estate or economic development, or capital projects. It should be noted that the terms "commission" and "coalition" are used interchangeably by organizations in Minnesota and have no formal or codified difference. For the purposes of this review, the organizations in this section represent efforts that go beyond those of the safety coalitions described in the following section.

PEER EXAMPLES

The study team reviewed six existing Minnesota highway coalitions as peer organizations for the Highway 7 coalition. These organizations collectively illustrate the range of models available and the results achievable through coordinated corridor advocacy:

- Highway 55 Corridor Coalition (est. 2001) — A JPA-based coalition administered by SRF Consulting Group, advocating for improvements along Highway 55 from Minneapolis to Rockford. Has helped secure over $20 million in corridor improvements through legislative bonding and federal competitive grants.
- Highway 169 Corridor Coalition (est. 2009) — A JPA-based coalition focused on the US-169 corridor from the Twin Cities metro to Mankato. Provides capital project advocacy, legislative engagement, and member coordination across multiple counties and cities.
- MN-23 Coalition — Advocates for safety and capacity improvements along Highway 23, a rural/suburban corridor in central Minnesota. Organized around a shared highway shield identity, it maintains a focused legislative presence.
- I-94 Corridor Coalition — Focuses on the I-94 corridor connecting the Twin Cities to the Wisconsin border, coordinating advocacy across multiple counties and MnDOT districts.
- Red Rock Southeast Corridor Commission — A transit-focused corridor commission organized around the proposed Red Rock commuter rail corridor from Hastings to Saint Paul. Provides a governance model for corridor commissions with a transit orientation.
- Southwest Corridor Transportation Coalition (SWCTC) — A non-profit organization consisting of local governments, private businesses, individuals, and other interested parties that advocates for improvements to transportation in the southwestern Twin Cities Metropolitan Area, with a focus on Highways 212 and 5.


Baxter
Alexandria
Graham
Rock Creek
Milo
Glenwood
Morris
Harris
Saint Cloud
North Branch
Rockville
Saint Augusta
Saint Francis
Hegbert
Elk River
Wyoming
Ortonville
SAFETY COALITION
Six Mile Grove
New London
Nowthen
Irving
Otsego
Ramsey
Columbus
Scandia
Saint Michael
Dayton
Blaine
Hugo
Dassel
Maple Grove
Brooklyn Park
Grant
Whitefield
Independence
Plymouth
Corridor Transportation Coalition
Montevideo
Minnetrista
Minneapolis
Saint Paul
Woodbury
Freeland
Granite Falls
Brookfield
Chaska
Bloomington
Apple Valley
Cottage Grove
Palmyra
Rosemount
Lakeville
Minneota
Redwood Falls
RED ROCK SOUTHEAST CORRIDOR
Red Wing
US-169
Marshall
Sibley
Sharon
Northfield
Goodhue
Hope
Walnut Grove
Lake Hanska
Mankato
Deerfield
Pipestone
Des Moines River
Rochester
Windom

What Makes Corridor Coalitions Effective

The study team's review identified four consistent success factors across Minnesota's most effective highway corridor coalitions.

1. Persistent advocacy over multiple legislative cycles corridor coalitions that engage the Legislature in every bonding session, building relationships and credibility over years, outperform those that engage episodically.
2. Unified priority alignment — members that present a single ranked project list to legislators and MnDOT are more persuasive than those that lobby for individual jurisdiction priorities.
3. MnDOT study alignment — coalitions that frame their advocacy around MnDOT's own study recommendations, rather than independent wish lists, are more credible and more likely to succeed.
4. School district and county participation — coalition memberships that span city and school district lines demonstrate broad community support and unlock additional political relationships.

Lessons for Highway 7

Corridor coalitions / commissions emphasize advocacy and awareness efforts in the interest of affecting change in their service geography. As is the case along Highway 7, the end goal is most often to secure funding and implementation of one or more capital improvements along the corridor in the interest of safety, congestion mitigation, or other community mobility objective. Presentation of a “shared voice” or consensus view to decision-makers is of utmost importance, as corridor commissions seek to approach funding agencies and decision makers to secure resources and investment. While the formal commission approach may not be an immediate option for the Highway 7 partners, it may offer a near-term opportunity to formalize a partnership structure and responsibilities around common goals.

Safety Coalitions

Safety coalitions are collaborative efforts of community partners and stakeholders, who have come together to address traffic safety issues along a designated corridor or within another geographic area. These groups often arise after one or more high profile crashes or other safety incidents have occurred, or following a study that illustrates safety issues along the corridor. They may align with Vision Zero programs or other data-driven efforts that follow the Federal Highway Administration’s Safe System approach to roadway safety, with a goal of achieving zero roadway fatalities or serious injuries.

In Minnesota, there are examples of safety coalitions that are led by a local police department, as in the case of the Highway 7 Road Safety Coalition. Another common approach is an ad hoc leadership group, based on the availability of agency staff to support the effort, which is true of the Highway 12 Safety Coalition. The lead agency is often a determinant (or product of) the focus and scope of the coalition. In cases where roadway safety is the sole organizing objective of the group, a police department may be the lead agency. In cases where the safety effort extends to roadway capacity, access management, and other areas, a city or county engineer may be the lead. Statewide efforts, like the Minnesota Office of Traffic Safety's Toward Zero Deaths Safe Roads program, also exist and include regional coordination efforts that focus on issues specific to Minnesota sub-geographies.

The Highway 12 Safety Coalition is possibly the most directly relevant safety coalition precedent in Minnesota. Confronting what advocates called a 'Corridor of Death,' the Highway 12 coalition organized communities along a high-crash rural/suburban corridor, developed a unified advocacy voice, and successfully secured state funding for a concrete median barrier, rumble strips, and a grade-separated interchange. The coalition's success was built on consistent, data-driven messaging — framing each investment as an engineering solution to a documented safety problem — and persistent legislative engagement over multiple bonding cycles.

Safety programming and "tactical" interventions can be pursued by safety coalitions with existing pooled resources or through newly secured funding and capacity. Examples of programming include outreach, education, enforcement, safety evaluations, data collection, and other non-capital activities. Tactical interventions may include low-cost, quick-to-implement, and often temporary changes to streets or intersections that test or accelerate safety enhancements before decisions are made regarding permanent infrastructure investments.

Lessons for Highway 7

Safety coalitions often focus heavily on advocacy and awareness efforts, but can also play a valuable role in programming, data collection, and enforcement. As with corridor commissions, one of the key principles among these groups is presenting a "shared voice" or consensus view to decision-makers and the general public. Coalitions can amplify messaging around safety priorities and desired outcomes, which is valuable when attempting to reach key audiences or advocating at the regional, state or federal level for policy or programmatic changes, or for resources. Several Highway 7 partners have already made progress along these lines with the enforcement-focused Highway 7 Road Safety Coalition. Building from that effort to expand programming to include communication, education, and other safety initiatives may be a logical next step for this expanded partnership.

6. Organizational Model Review

The study team evaluated four organizational models applicable to the Highway 7 Corridor coalition: Safety Coalitions, Highway Coalitions / Commissions, Joint Powers Organizations (JPOs), and Transportation Management Organizations (TMOs). Each model has a distinct legal character, funding basis, governance structure, and programmatic scope that provide lessons for the Highway 7 partners. Understanding these models — and the Minnesota-specific context in which they operate — is essential to selecting the right structure for each phase of the Highway 7 coalition's development.

Safety Coalitions

As described in Section 4, safety coalitions are voluntary, multi-agency collaborations organized around a shared commitment to reducing crashes, fatalities, and serious injuries on a specific roadway or corridor. Unlike TMOs, they are not defined by TDM programming or employment density criteria — their mandate is safety advocacy, education, enforcement coordination, and capital project alignment. Safety coalitions can be more or less formal, depending on the priorities, capacity and involvement of the participating entities. Most often, they are loose affiliations of public and private interests that coalesce around a shared vision, mission, and values, but are not independently incorporated, staffed or funded. Agreements can be established among participating entities through memoranda of understanding (MOU) or similar documents that outline the group’s purpose, stakeholder roles, and any designated responsibilities or commitments amongst the group.

VISION ZERO AS A FRAMEWORK

The Vision Zero framework — a commitment originating in Sweden and now adopted by dozens of U.S. cities and counties — treats every traffic fatality as preventable and organizes a data-driven response around four 'Es': Engineering, Enforcement, Education, and Emergency response. Vision Zero implementation requires an official commitment resolution, a safety action plan identifying priority locations and interventions, and annual public progress reporting.

Adoption of a Vision Zero framework is recommended for the Highway 7 coalition's Phase 2 programming. It provides a nationally recognized structure for safety advocacy, strengthens competitiveness for federal Safe Routes to Schools (SRTS) and Safe Streets and Roads for All (SS4A) funding, and creates a clear accountability mechanism for communicating coalition results to member governments and their constituents.

ORGANIZATIONAL STRUCTURE OF SAFETY COALITIONS

Safety coalitions range from entirely informal — an email list and shared meeting cadence — to formal nonprofit with staff, budgets, and grant-receiving capacity. The informal model is appropriate for early-phase coalition work, when trust is being built and communities are aligning on shared priorities. The nonprofit model is appropriate when the coalition needs to receive funding, employ staff, or hold assets in its own name. This progression mirrors the phased roadmap recommended in the Workplan section of this report.

Specific Phase 2 safety programming activities include: shared pedestrian safety campaigns near schools coordinated across member districts; joint media engagement around crash data and advocacy milestones; coordinated applications for MnDOT enforcement grants; and a public-facing corridor safety dashboard tracking crash trends, project progress, and coalition advocacy results.

Key Takeaway for Highway 7

Safety coalitions are directly analogous to the current needs of the Highway 7 corridor. Assessing options to create a standalone safety coalition or join an existing coalition is critical to moving forward and can provide a pathway to early and sustained efforts across multiple phases of the coalition's evolution.

Highway Coalitions / Commissions

Minnesota has a well-developed tradition of highway corridor coalitions — multi-jurisdictional advocacy organizations that align local governments, counties, and regional stakeholders around a shared set of capital improvement priorities for a specific roadway. These organizations vary in legal structure, staffing, and scope, but share a common function: providing a sustained, credible, unified advocacy voice that individual communities cannot project on their own.

Much like the safety coalition model presented in the previous section, when extensive planning, capital projects or other significant financial or staffing considerations are in play, highway coalitions / commissions may pursue a nonprofit, joint powers agreement (JPA) or other model to establish more formal operating parameters, funding, etc. The JPA model is detailed further in the following section.

Most highway coalitions / commissions in Minnesota are led by city or county administrative, engineering or planning staff, whether through a formal agreement or loose understanding of organizational alignment. Consultant support is often solicited for ongoing administration of these groups, due to staff capacity limitations at the affiliated agencies and the need for additional planning or engineering expertise.

The Southwest Corridor Transportation Coalition (SWCTC) is a slight exception to this rule. As a nonprofit organization with dedicated staff, SWCTC has been effective in advocating for study, planning, and implementation of improvements to safety, capacity, and transit access along multiple highway corridors. The Coalition is recognized by local governments, MnDOT, and private businesses as the major organizer and coordinator of efforts to develop the corridor's highway system. Several Highway 7 Corridor communities are already SWCTC members, providing an immediate entry point for Highway 7 Coalition participation in regional advocacy networks through a proven organization. Alignment with SWCTC is one of the primary recommendations for the first phase of the Highway 7 Coalition Workplan.

THE I-494 CORRIDOR COMMISSION AS A MODEL

Among all peer organizations reviewed, the I-494 Corridor Commission offers the most complete and instructive model for the Highway 7 Safety Coalition's long-term evolution. Established in 1986 as an informal roadway coordination coalition among six cities, the Commission formalized through a JPA, added TDM programming as CMAQ funding became available, and grew into a full TMO over four decades. Its current annual budget of approximately $832,000 is funded through CMAQ ($379,000), member dues ($153,000), and state grants ($300,000). It operates the Commuter Services TMO, delivering carpool matching, vanpool support, transit passes, and bike commuting programs to I-494 corridor employers.

The Commission's evolution — informal coalition → JPA → full TMO — is precisely the arc recommended for Highway 7 in the Workplan's three-phase roadmap. In its second phase, the Highway 7 Coalition can look to adopt a formal JPA, establish affordable starting dues with clear, value-adding uses, communicate member value consistently, and gradually grow the coalition's capacity and areas of intervention at a pace that is comfortable to its members.

> **Key Takeaway for Highway 7**
>
> Minnesota's corridor coalitions / commissions provide both a clear model and a ready-made advocacy network for Highway 7. The SWCTC offers an immediate platform, while the I-494 Corridor Commission offers an example of a longer-term pathway. These coalitions, when administered effectively, can secure substantial support for capital improvements through sustained, credible, unified advocacy.

Joint Powers Organization (JPO)

A Joint Powers Agreement (JPA) under Minnesota Statutes Section 471.59 is the legal mechanism by which two or more governmental units — cities, counties, school districts, or other public agencies — may jointly exercise powers common to each of them. The resulting Joint Powers Organization (JPO) is a formal legal entity with the ability to hold assets, enter contracts, employ staff, receive grants, and sue and be sued in its own name. It operates under a governing board composed of representatives from member governments, maintaining direct accountability to elected officials. These agreements establish a unified body with clearly defined roles and responsibilities, as well as methods for collection of dues or other payments to support the work of the commission, and disbursement of these revenues to cover costs related to the group's purpose.

JPOS IN THE MINNESOTA TRANSPORTATION CONTEXT

The JPO, formed through a JPA, is the dominant organizational structure for Minnesota transportation coalitions. The I-494 Corridor Commission, the Highway 55 Corridor Coalition, the Highway 169 Corridor Coalition, the Red Rock Corridor Commission, and numerous transit project offices all operate as JPAs. This prevalence reflects both the legal clarity of the JPA structure under Minnesota law and the practical reality that inter-governmental transportation work in Minnesota is most naturally governed by the governments themselves, not by independent nonprofit boards.

The Highway 55 Corridor Coalition, administered by SRF Consulting Group, has helped drive over $20 million in corridor safety and capacity improvements since its formation in 2001. The Highway 169 Coalition, established in 2009, similarly delivers capital advocacy and project coordination through a JPA structure without TMO designation. These organizations demonstrate that a coalition without TMO status can achieve significant capital results through sustained, credible advocacy. This JPA approach is a feasible phase 2 capacity expansion pathway when stakeholders are ready for this next step.

GOVERNANCE STRUCTURE

A Minnesota JPA governing board typically consists of one appointed commissioner per member city or county, with school districts participating as voting or non-voting affiliate members. Quorum and voting thresholds are established in the JPA document. The board is subject to Minnesota's Open Meeting Law, requiring advance notice and public accessibility of meetings. Officers — Chair, Vice Chair, Secretary, Treasurer — are elected by the board, typically on two-year terms.

The draft JPA for the Highway 7 Safety Commission (Appendix D of this report) reflects this standard governance structure. Key governance decisions to be resolved by founding members include: whether school districts hold voting or non-voting affiliate status; the dues formula; the fiscal agent designation; the amendment threshold (simple or supermajority); and the withdrawal notice period.

ADVANTAGES OF THE JPA STRUCTURE FOR HIGHWAY 7

The JPA structure offers three specific advantages over nonprofit alternatives for the Highway 7 coalition. First, a 501(c)(3) nonprofit faces IRS limitations restricting lobbying an unsubstantial portion of annual expenditures — a significant constraint for an organization whose primary purpose is legislative advocacy for capital project funding. The JPA carries no such restriction. Second, nonprofits require an independent board of directors, whereas the JPA keeps governance accountable to elected officials and their designees. This may be a more appropriate structure for inter-governmental safety work. Third, the I-494 Corridor Commission's experience confirms that a JPA can be fully compatible with CMAQ funding, state grants, and comprehensive programming at full TMO scale, in the event TMO capabilities and funding should be added later.

DUES AND FINANCIAL SUSTAINABILITY

The JPA's primary revenue source is member dues, set by the governing board. Three dues formula options are analyzed in Section 7 of this report: per capita (population-based), highway frontage (corridor-proportional), and a hybrid combining both. The hybrid formula is recommended as the most equitable, as it distributes burden based on both corridor exposure and community size. At 2027 hybrid rates, combined city and school district dues are estimated at approximately $95,000 to $105,000 annually — sufficient to support a part-time coordinator and core operating costs.

Key Takeaway for Highway 7

The Joint Powers Agreement is the recommended legal structure for Phase 2 of the Highway 7 Coalition. It provides full legal standing without the lobbying constraints of nonprofit classification, keeps governance accountable to member governments, and is the proven structure for every major Minnesota corridor commission. A draft JPA is provided in Appendix D; it can be executed whenever member communities are ready to formalize.

Transportation Management Organizations (TMOs)

The multi-stakeholder, public-private partnerships described in the previous section offer an organizational model that most readily supports efforts to reduce single-occupancy vehicle trips and traffic congestion through TDM strategies and programming. Core TMO services include carpool and vanpool matching, transit pass programs, bike commuting support, telework facilitation, employer outreach, and commuter education. Nationally, TMOs emerged in the 1980s in response to suburban employment growth and the rising costs of congestion. Today, approximately 150 to 200 TMOs operate across North America, concentrated in metropolitan areas with strong employer bases, high-quality transit, and supportive public policy environments.

TMOs can exist within a range of organization structures, including standalone nonprofits, government agencies, or existing nonprofits (such as a chamber of commerce or business improvement district). They are typically governed by an independent Board of Directors composed of local agencies, business leaders, and community stakeholders, but may share a board with a parent agency if they are embedded. In these cases, a less formal “advisory board” or “task force” may govern and direct the TMO’s activities.

TMOs that are entirely independent have their own dedicated staff who administer the organization its core programs and services. These include provision and promotion of travel options and supporting the efforts of individual workplaces, employment districts, or other high volume trip generators (health campuses, universities, shopping centers, etc.) in providing and promoting travel options for their constituents. TMOs embedded within existing public agencies or other nonprofits may share staff to reduce overhead costs and take advantage of expertise in communications, marketing, economic development, or other practice areas that overlap with their mission.

As described in Section 4, the Twin Cities Metropolitan Area has a well-developed TMO ecosystem, shaped significantly by the Metropolitan Council's distribution of federal Congestion Mitigation and Air Quality (CMAQ) funds. Five TMOs are active in the state — four operating with full Met Council CMAQ designation, and one in development. Each reflects a distinct organizational model, geographic scope, and institutional character. Together, they demonstrate the range of structures through which TMO-style work can be organized in a Minnesota context.

METROPOLITAN COUNCIL TMO DESIGNATION AND CMAQ FUNDING

The Metropolitan Council administers federal CMAQ funds for the Twin Cities metropolitan area through a competitive Regional Solicitation process. TMO designation — formal recognition by the Met Council as an eligible TMO — is the gateway to CMAQ funding for TDM programming. The Met Council's TMO designation criteria were established in a 2010 study and are based primarily on employment density thresholds of approximately 10 jobs per net acre. This threshold reflects the Council's intent to focus TDM investment in areas where employer density creates sufficient commuter demand to justify programmatic investment.

CMAQ funding for TMOs in the Twin Cities typically runs $200,000 to $400,000 per year per designated organization, representing 40 to 80 percent of an individual TMO's operating budget. CMAQ funding is currently fully committed to the four operating TMOs. The Highway 7 corridor — which is predominantly residential with commercial nodes — does not currently meet the employment density threshold for TMO designation. This is not a permanent barrier, but it is the current reality, and it shapes the phased approach recommended in this report.

DIRECTION FOR THE HIGHWAY 7 COALITION

A full TMO designation, with Metropolitan Council CMAQ funding support, is not a realistic opportunity under current conditions. Met Council funding for TMOs in the region is limited primarily to CMAQ allocations for TDM programming, which is not the focus of the Highway 7 coalition in the near-term. There are examples across the United States of TMOs with significant safety programming and funding to support these efforts, but this would represent a shift within this region that will likely require additional time and advocacy.

That being said, there are opportunities for the Highway 7 corridor to add TMO programs and TDM services in the future, leading this option to be a potential organization structure for Phase 3, when the corridor's employment density and the Met Council's criteria align. At that point, the JPA (or other) structure can be amended to add TDM and other programming as an explicit function, expand board representation to include private sector employers and other beneficiaries of TMO services, and update staffing and budget accordingly. This transition will not require a significant structural overhaul: the JPA can grow into the TMO, as in the case of the I-494 Corridor Commission.

Key Takeaway for Highway 7

Minnesota's TMOs collectively demonstrate that there is no single correct organizational model. Structure should follow function and an evolution in program focus and organizational structure to support a TMO is possible in a future phase for the Highway 7 Coalition.

7. Highway 7 Capital Project Review

The recently completed MnDOT Highway 7 Study includes recommended enhancements for two segments of the 18-mile segment of the corridor, from St. Bonifacius to Hopkins. Segment 1 extends from the Hennepin/Carver County line in St. Bonifacius to Highway 41 in Shorewood. Recommendations in this segment focus on a series of roundabouts at key intersections to improve safety and traffic flow. Additional recommended enhancements include a median barrier between intersections and a multi-use trail along the length of the corridor.

Segment 2 extends from Highway 41 in Shorewood to the Baker Road interchange in Minnetonka. Recommendations for this segment include a series of roundabouts and grade-separated intersections, again, with a focus on safety and traffic flow. New interchanges, pedestrian bridges, and improved sidewalks and trails are also recommended along this segment of the corridor.

Study recommendations emphasized 11 improvement concepts at the following key intersections along the corridor:

- Wildwood Avenue
- County Road 92
- Highland Road
- County Road 11
- County Road 44
- County Road 13
- Minnewashta Parkway
- Trunk Highway 41
- County Road 19
- Christmas Lake Road
- Eureka Road

MnDOT has a planned pavement resurfacing project on Highway 7 in 2029 from the Hennepin/Carver County line in St. Bonifacius to Christmas Lake Road in Shorewood/Greenwood. The current project scope includes approximately $48 million in funding for Highway 7 maintenance and select infrastructure improvements, including enhancements to several of the intersections highlighted above.

These improvements stand to improve safety conditions at these locations and will benefit all travelers along the corridor. Roundabouts at County Road 92, County Road 13, and Minnewashta Parkway alone can significantly reduce the frequency and severity of angle crashes at three locations with documented safety problems. Trail connections and crossing enhancements respond to the community’s call for improvements to non-driving options by addressing gaps in the non-motorized network that has forced pedestrians and cyclists into conflict with automobile traffic.

Additional Opportunities & Advocacy Agenda

The Highway 7 Coalition and this project’s consultant team reviewed these recommendations and identified several additional priority improvements that warrant immediate attention. The resulting analysis found that an estimated $11 million in additional funding would enable MnDOT to construct recommended safety improvements at Christmas Lake Road, Highland Road, Highway 41, and Wildwood Road (see below). The cost estimate is based on the study team's review of MnDOT's corridor study recommendations and comparable project costs in the region. The actual cost will depend on design development, right-of-way requirements, and construction market conditions.

- Christmas Lake Road: Upgrade from current signalized intersection to a multi-lane roundabout
- Highland Road: Upgrade from current thru intersection with no north/south crossing to a ¾ intersection
- Highway 41: Upgrade from current signalized intersection to a multi-lane roundabout
- Wildwood Road: Upgrade from current thru intersection with no north/south crossing to a ¾ intersection

The Highway 7 Coalition has an opportunity to pursue additional funding commitments that can be added to the 2029 project scope through direct advocacy and competitive funding applications. Sources of funding include the Met Council Regional Solicitation, MnDOT Highway Safety Improvement Program (HSIP), MnDOT Local Road Improvement Program (LRIP), and federal sources like the Safe Streets and Roads for All (SS4A) and Better Utilizing Investments to Leverage Development (BUILD) programs.

Coalition leadership has already identified the 2026 Regional Solicitation as a priority and is collaborating to prepare an application. Part of this effort will include refining project details and cost estimates, while coordinating with MnDOT as its 2029 project recommendations and design development evolve. Consistent communication between the coalition and MnDOT will be critical to ensuring the greatest potential outcomes for all stakeholders along the corridor.

8. Highway 7 Coalition Workplan

This section outlines a two-year Workplan for the Highway 7 Coalition, aimed at addressing near-term priorities and actions. It is framed both in terms of time and organization stage, with an emphasis on steps that received the greatest level of support from project stakeholders over the course of the study.

Overview

The following workplan creates an adaptive framework to meet the needs of Highway 7 stakeholders for years to come. This workplan, divided into three phases, enables adaptation over time as the corridor context, safety conditions and funding environment evolve.

Program Plan

The Highway 7 Coalition's work began with the coalition building that this project embodied. Over the course of the next two years, the Coalition will focus on three primary workstreams or program areas that run throughout all phases, but evolve in scope and level of effort as Coalition capacity and corridor conditions change over time.

ORGANIZATIONAL OPERATIONS

Operations activities are essential to establishing and sustaining the Coalition's organizational health and functions across all phases. This begins with decisions around formal/informal organization structure (covered in more detail in the Section 7.3) and continues in the regular scheduling and facilitation of Steering Committee and future board meetings. Whether formal or informal, the Coalition will need to establish a practical and consistent routine that offers regular check-in points for key discussions and decisions. They may choose to nominate leaders and staff support from within their existing agencies, or contract with a third party for administrative and operational support.

Communications between the Coalition and its agency/funding partners will be critical during this time period, as well as between the Coalition communities and the broader set of community stakeholders. Effective communication protocols will help set the stage for successful advocacy efforts, as well as clear messaging with corridor residents, businesses, visitors, and other stakeholders. This communication can cover important corridor data, safety messaging, project updates, and more, as indicated in the StoryMap developed for this project. It will involve close collaboration among Coalition partners, as well as coordination with other agency partners like MnDOT and the Met Council.

In the future, the operations function may extend to formal dues collection, budgetary/fiscal management, and staff/contracting administration. Grant compliance and reporting may be the responsibility of voluntary leadership or, if contracted support is available, can be outsourced to a third party. This program function will likely be necessary early in the two-year Workplan, as the Coalition advocates and applies for funding to expand the scope of safety projects along the corridor. Future emphasis may include annual financial audits (required in Phase 2+) and annual reports; managing vendor contracts; and conducting annual assessments of coalition performance and readiness for phase transitions.

ADVOCACY

The Coalition convened around the need for safety improvements throughout the corridor. Physical changes that promote traveler safety quickly became the top priority for the group and regular discussion of upcoming capital projects being planned by MnDOT within the next five years were the central topic of multiple meetings. Capital project advocacy is, therefore, the coalition's core function in Phase 1 and is anticipated to remain central through Phase 3.

Key Workplan Activities include:

1. Maintaining a unified corridor capital project priority list;
2. Preparing and delivering legislative testimony for bonding sessions;
3. Submitting joint applications to the Regional Solicitation and other competitive grant programs;
4. Coordinating participation in Southwest Corridor Transportation Coalition (SWCTC) and Minnesota Transportation Alliance advocacy events;
5. Monitoring MnDOT project development timelines; and
6. Maintaining relationships with MnDOT, Hennepin County, and Carver County transportation staff.

Successful advocacy will yield more funding for priority projects along the corridor. Funding wins will lead to physical improvements and measurable safety outcomes that respond to community calls to action. These successes will solidify the Coalition's purpose and status, enabling the group to advance to future phases with greater support and partner buy-in.

SAFETY

With a mission and vision that center on safety outcomes, programming in this area must start on day one and expand as capacity allows across future phases. Examples of safety efforts can include:

- Share information across member agencies
- Pursue funding to complete necessary safety-related capital improvement projects
- Participate in any multi-agency safety events (likely led by others)
- Adopt Vision Zero resolution signed by Coalition members
- Launch pedestrian safety campaigns near schools
- Establish a public-facing corridor safety dashboard
- Coordinate media engagement around crash data and advocacy
- Develop a safety action plan for the corridor
- Support enhanced enforcement efforts to reduce speeding, red light violations, improper cell phone usage; and DUIs
- Develop Safe Routes to Schools (SRTS) plans and capital funding priorities
- Integration TDM programming as a health & safety tool

Leading with safety will resonate within partner communities and their constituencies. Successful programming in this area across all phases of the Coalition aligns well with the advocacy programming emphasis and stands to increase the partnership's reputation as an action-oriented effort that brings about immediate, impactful change for corridor stakeholders.

Organization Structure

This section provides a brief summary of the organizational structures available to the Highway 7 Safety Coalition and recommends a phased approach that matches structure to the coalition's evolving capabilities and needs. The right organizational form at each phase is the one that enables the coalition's work with the least administrative burden—not the most ambitious structure the coalition can imagine.

STRUCTURE COMPARISON SUMMARY

The following table summarizes the five organizational structures evaluated for the Highway 7 Safety Coalition.

Structure	Legal Standing	Legislative Advocacy	Govt Funding Eligibility	Recommended Phase
Informal Coalition	None	Unrestricted (as individuals)	Through lead agency only	Phase 1 ✓
501(c)(3) Nonprofit	Full	Limited (≤20% of expenses)	Easiest of nonprofit options	Not recommended
501(c)(4) Nonprofit	Full	Broad (up to 50% of activities)	Moderate difficulty	Not recommended
501(c)(6) Nonprofit	Full	Unrestricted	Most difficult of nonprofit options	Not recommended
Joint Powers Agreement	Full (governmental)	Unrestricted	Full governmental eligibility	Phase 2 & 3 ✓

RECOMMENDED PHASED ORGANIZATIONAL APPROACH

The Highway 7 Safety Coalition's recommended organizational structure evolves in three phases, each calibrated to what the coalition needs to accomplish and what its members are prepared to commit. This phased approach follows the arc of the I-494 Corridor Commission—which began as an informal roadway coalition, formalized through a JPA, and eventually added TMO programming supported by federal CMAQ funding—and parallels the path taken by Minnesota's other successful corridor coalitions.

PHASE 1 — Informal Safety Coalition (Structure: Informal Coalition, No Legal Entity)	
Mission	Capital project advocacy: align on priorities; secure 2027 bonding funding; apply to the Regional Solicitation
Legal Form	No formal legal entity. City of Shorewood acts as lead agency for financial transactions.
Governance	Steering Committee operating by consensus. Coordinator designated from Shorewood or Minnetonka staff, or contracted facilitator.
Budget	$30,000–$50,000
Key Catalyst	Coalition achieves Phase 1 milestone and members are ready to commit to ongoing dues and formal governance.

Phase 1 requires no formal government action. The Steering Committee operates by consensus; the City of Shorewood coordinates and serves as fiscal agent for any expenditures from the remaining legislative appropriation. This is the right structure because the coalition's most urgent work—aligning on capital project priorities and advocating together for the 2027 bonding session—does not require a legal entity. The informal structure eliminates organizational overhead and allows the coalition to act immediately.

The limitation of the informal coalition becomes apparent when the coalition needs to receive funding in its own name, employ dedicated staff, or hold assets. Those activities are Phase 2.

PHASE 2 — Formal Organization through Joint Powers Agreement (Recommended Structure)	
Mission	Capital advocacy (continued) + coordinated safety programming and communications under a Vision Zero framework
Legal Form	Joint Powers Agreement under Minnesota Statutes § 471.59. Draft JPA provided in Appendix D.
Governance	Governing board: one voting Commissioner per signatory city. School districts as full voting or Affiliate Members. Majority quorum. Minnesota Open Meeting Law applies.
Staffing	Part-time contracted coordinator initially ($20,000–$40,000/yr); grow to part-time or full-time Executive Director ($60,000–$90,000 FTE) as budget allows.
Budget	$75,000–$180,000/year (member dues + grants)
Key Catalyst	Members ready to commit to formal governance and ongoing dues; coalition has identified funding requiring a legal entity.

Phase 2 formalizes the coalition's work through a Joint Powers Agreement. The JPA is recommended over any of the nonprofit IRS classifications for three reasons specific to this coalition's context:

- Legislative advocacy is a core activity. The JPA imposes no restriction on legislative advocacy expenditures, whereas in a 501(c)(3), lobbying cannot be a predominant activity. For a coalition whose near-term purpose is securing $10 million in unfunded safety improvements through the Legislature, the 501(c)(3) lobbying cap is a structural mismatch.
- Government accountability is essential. The JPA keeps the governing board in the hands of appointed city and school district representatives, maintaining direct accountability to elected officials. Nonprofit board structures create governance that is independent of member governments—appropriate for a charity, but not for a coalition of public entities spending public funds.
- Minnesota's precedent is clear. The I-494 Corridor Commission (TMO), the Highway 169 Corridor Coalition, and the Highway 55 Corridor Coalition—all successful corridor organizations in the Twin Cities—operate as JPAs. Minnesota city and school district attorneys are familiar with this instrument. There is no need to introduce the additional complexity of IRS classification, Form 990 filing, and nonprofit compliance.

The Phase 2 mission is best described as a Vision Zero safety coalition in character—data-driven, committed to eliminating fatal and serious injury crashes, and deploying the four E's (Engineering, Enforcement, Education, and Evaluation)—though the coalition need not adopt "Vision Zero" as a formal title. See Section 7.2 for detailed Phase 2 implementation guidance.

PHASE 3 — Amendment of JPA to Add TMO Capabilities (Long-Term Aspiration)	
Mission	All Phase 2 activities PLUS Transportation Demand Management: employer outreach, carpool/vanpool, transit promotion, telework programs
Legal Form	Existing JPA amended to add TDM programming as an explicit function. No structural overhaul required.
Governance	Consider: board expanded to include private sector employer representatives (as the I-494 Commission does).
Staffing	Will require multiple full time staff as well as some support contracts
Budget	Over $300,000/year (CMAQ + expanded dues + grants)
Key Catalyst	Corridor meets Metropolitan Council employment density criteria (~10 jobs/net acre); CMAQ funding becomes available through expanded regional allocation or updated Met Council framework; local political support warrants expansion.

Phase 3 is the long-term organizational aspiration: a formally designated TMO with Metropolitan Council CMAQ funding and a full suite of TDM programming. The critical organizational insight is that Phase 3 requires no structural overhaul. The existing JPA is simply amended to add TDM programming as an explicit function, expand board representation to include private sector employers, and update staffing and budget structures accordingly. The JPA "grows into" the TMO—exactly as the I-494 Corridor Commission did.

The question of whether to shift to a nonprofit structure is likely to resurface when Phase 3 approaches. The study team's conclusion is that the JPA remains preferable for Phase 3 as well, for the same reasons as Phase 2. The I-494 Corridor Commission operates as a full TMO under a JPA—receiving CMAQ funding, employing TDM program staff, and serving private sector employers—demonstrating conclusively that JPA structure is fully compatible with comprehensive TMO programming and federal funding.

If congestion—rather than safety alone—becomes a dominant community concern as the western corridor grows, the case for TMO designation strengthens considerably. The Imagine 2050 regional planning process, currently underway at the Metropolitan Council, may update TMO employment density criteria; the coalition should monitor this process actively and participate in it through the Phase 2 coordinator role.

ORGANIZATIONAL EVOLUTION: THE I-494 TEMPLATE APPLIED TO HIGHWAY 7

The table below maps the I-494 Corridor Commission's organizational arc—from informal roadway coalition to full TMO over approximately 30 years—onto the Highway 7 coalition's recommended trajectory. Highway 7 need not take three decades; the path is better understood and the tools are more accessible. But the direction is proven.

Period	I-494 Stage	I-494 Legal Form	Highway 7 Parallel
1986–1990s	Informal roadway coalition; capital advocacy; no TDM programming	Informal, then JPA	Phase 1: Informal coalition; capital advocacy for 2027 bonding and 2029 resurfacing project
1990s–2000s	JPA matures; CMAQ funding added; TDM programming begins through Commuter Services division	JPA (operational)	Phase 2: JPA formed; Vision Zero safety programming; coordinator hired; safety communications
2000s–Present	Full TMO designation; $832K+ annual budget; 5 member cities; regional employer network	JPA (TMO-designated)	Phase 3: TMO designation if employment density and Met Council criteria align; full TDM programming added

Key Lesson from I-494: Structure Follows Purpose

The I-494 Corridor Commission did not begin with a vision of becoming a TMO. It began as a group of cities that needed to coordinate on a congested corridor. The JPA formalized what was already working. TDM programming was added when federal CMAQ funding made it possible. The Highway 7 coalition is following the same logic: start with what communities need most (capital project advocacy), formalize when the work requires it (JPA), and expand into TDM programming when conditions (corridor growth, Met Council criteria, CMAQ availability) make it viable. The organizational form should always serve the mission, not precede it.

Budget & Funding

The budget for the Safety Coalition, by phase, can be broken down by priority area. During Phase I, when there is no program staff, the budget is more explicitly assigned to priority areas for which contract support will likely be required to accomplish objectives that the cities do not have capacity to accomplish themselves. Once staff is hired, much of the budget is shifted to program staff which can take on areas such as policy engagement, safety programming, and later Transportation Demand Management activities within a future TMO. The below figure provides annual budget by priority area and funding sources.

CAPITAL PROJECTS

- Project Prioritization includes activities already complete to identify capital projects along the corridor that have broad support among all stakeholders.
- Engineering analysis includes activities to support project prioritization and grant pursuit.
- Advocacy/lobbying includes dues to existing corridor coalitions like SWCTC, materials for policy leader engagement, and hiring of outside representation if needed

SAFETY PROGRAMMING

- Safety Data includes compiling all information on the corridor related to safety incidents to support a Vision Zero type approach to safety.
- School Safety Programs includes any outreach and education activities in and around schools that improves safety of road users.
- Tactical Interventions includes any non-capital roadway changes that may calm traffic.
- Enhanced Enforcement includes efforts like the recently completed Highway 7 Safety Coalition emphasis patrols and activities (Police-led effort).

OVERHEAD

- Marketing & Communications includes distribution of information to stakeholder communities, as well as creation of collateral for the organization.
- Program Staff is the staffing in phases 2 and 3 that operates the entity.
- Operating Expenses includes funds for insurance and office materials. It is assumed that office space may be an in-kind contribution to the entity, in order to keep these expenses low.

- Grant Pursuit refers to in-house staff or contracted efforts to write and win grants for capital projects as well as safety coalition/TMO operations.

TDM/TMO

This section references Transportation Demand Management (TDM) objectives that would be ascribed to a future TMO function. TDM is primarily a congestion management tool, but also provides impacts for affordability and safety, as non-SOV travel modes typically create a safer roadway environment for all users than SOVs.

- Commuter Surveys provide a key analysis and measure of effectiveness for TMO operations. They typically gather commuters' modal choices as well as influencing factors. This information informs all strategies for use with the target population.
- Modeshift Programs include information, incentives (financial and otherwise), employer engagement and policy modification to achieve optimal roadway efficiency.
- School Travel Plans. Given school district participation in the coalition, plans to reduce SOV use by students is a tool to affect both congestion and safety, as students are a less safe driver demographic than other age groups.

FUNDING

There are three simple categories for funding in this report, as shown in Table 1 (Annual Budget by Phase). They include:

- Local Funds. A sustained effort to achieve the highest order safety objectives with both capital and programmatic impacts will require some level of local funding.
    - Phase I. During the informal coalition structure of Phase I, this can include informal collections from various municipalities and school districts. Funds during this phase would be used to pay for consultant preparation of grant applications in response to regional solicitations, for example. Not indicated in the Phase I budget are city funds used to pay for modest municipal membership fees for SWCTC.
    - Phase II & III. During Phases II and III, local funds are essential to hiring staff and conducting regular programming and operations. There are additional grants and funding available, but those in many cases require existing organic funding in order to be awarded. The steering committee concurred on a hybrid approach to calculating fees. The hybrid approach mixes centerline miles of Highway 7 and population as calculation factors, while enrollment is used as a guide for determining potential school district contributions.
- Outside / Grant Funding. Outside / grant funding can include any of the following:
    - Regional Solicitation. The Coalition can apply within the regional solicitation for award funding for capital, safety projects, and TDM efforts.
    - Legislative Set-Aside. Similar to the allocation that funded this study, the TMO could continue to pursue legislative set-asides for funding, but this route is not predictable and is unlikely to result in sustained funding.

    - TMO Membership Fees (Phase III). Some locations collect fees from member employers to support a TMA. Typically this is in exchange for the TMO supporting employers' regulatory requirements or provision of transportation services benefiting employers. TMO membership fees are not typical in Minnesota.
    - Other grants. It is possible to pursue an array of safety-related and other grants that may on occasion become available. These are typically in response to a very specific program and set of outcomes, and are most likely to be awarded to an organization of the type envisioned in Phase II or III.
- CMAQ Funding. This is a very specific federal program that is focused on efforts that improve air quality. Typically in the Twin Cities Metro, CMAQ funding is used in part to fund TMO operations, in accordance with Met Council guidelines outlined in their 2010 TDM Study (see Appendix A). Typically, CMAQ funding is $300,000 to $400,000 per year per TMO. Met Council guidelines currently require 10 employees per acre in order to award CMAQ funding for any areas outside of Downtown Minneapolis. However, we anticipate that the Met Council will reassess its CMAQ award approach and related criteria over the ensuing three years.

ANNUAL BUDGET BY PHASE		PHASE 1: Informal Safety Coalition		PHASE 2: Joint Powers Agreement		PHASE 3: JPA + TMO	
CATEGORY	PRIORITY	LOW	HIGH	LOW	HIGH	LOW	HIGH
Capital	Project Prioritization						
	Engineering Analysis	$ 12,000.00	$ 15,000.00				
	Advocacy/Lobbying	$ 8,000.00	$ 15,000.00		$ 20,000.00		$ 25,000.00
Safety Programming	Safety Data						
	School Safety Programs			$ 10,000.00	$ 10,000.00	$ 25,000.00	$ 50,000.00
	Tactical Interventions				$ 30,000.00	$ 25,000.00	$ 50,000.00
	Enhanced Enforcement					$ 25,000.00	$ 50,000.00
Overhead	Marketing & Communications			$ 10,000.00	$ 20,000.00		
	Program Staff			$ 50,000.00	$ 90,000.00	$ 200,000.00	$ 300,000.00
	Operating Expenses			$ 5,000.00	$ 10,000.00	$ 20,000.00	$ 20,000.00
	Grant Pursuit	$ 10,000.00	$ 20,000.00				
TDM/TMO	Commuter Surveys					$ 20,000.00	$ 20,000.00

	Modeshift Programs					$ 25,000.00	$ 25,000.00
	School Travel Plans					$ 10,000.00	$ 10,000.00
TOTAL		$ 30,000.00	$ 50,000.00	$ 75,000.00	$ 180,000.00	$ 350,000.00	$ 550,000.00

REVENUE BY PHASE	PHASE 1: Informal Safety Coalition		PHASE 2: Joint Powers Agreement		PHASE 3: JPA + TMO	
SOURCE	LOW	HIGH	LOW	HIGH	LOW	HIGH
Local Dues	$ 30,000.00	$ 30,000.00	$ 50,000.00	$ 100,000.00	$ 50,000.00	$ 50,000.00
Outside Funding/Grants		$ 20,000.00	$ 25,000.00	$ 80,000.00		$ 100,000.00
CMAQ Funding (TDM/TMO)					$ 300,000.00	$ 400,000.00
TOTAL	$ 30,000.00	$ 50,000.00	$ 75,000.00	$ 180,000.00	$ 350,000.00	$ 550,000.00

Measures of Effectiveness

The coalition should track progress against the following measures, reviewed annually and reported to member organizations and the public. These serve both internal decision-making and external communication of member value.

Measures of effectiveness will evolve with the coalition by phase, and differentiated by measures to demonstrate **performance** to the proposed strategy, and by measures that identify **outcomes** (success of the proposed strategy).

In general, measures can be divided into interest areas. Example interest areas and their measures of effectiveness can be found below.

Interest Area	Measures
Safety Outcomes	Annual crash count; fatal and serious injury crashes; trend vs. pre-coalition baseline (2024: 5 fatalities)
Capital Project Progress	Dollars secured for corridor safety improvements; number of projects funded; progress toward closing $10M gap
Coalition Engagement	Number of member organizations; Steering Committee attendance; city council and school board endorsements
Advocacy Activity	Legislative meetings conducted; SWCTC and MTA participation; grant applications submitted and funded
Safety Programming	Number of safety events; communications campaign reach; coordination activities with law enforcement coalition
Organizational Health	Budget vs. actuals; member dues collected; withdrawal notices received; new members added
Phase Progress	Current phase; readiness assessment for next transition; JPA adoption status; TMO criteria proximity (compared to Met Council guidelines)

These measures can be divided into phases of the effort, as shown in the following figure:

MEASURES OF EFFECTIVENESS		PHASE 1: Informal Safety Coalition		PHASE 2: Joint Powers Agreement		PHASE 3: JPA + TMO	
CATEGORY	**PRIORITY**	**PERFORMANCE**	**OUTCOMES**	**PERFORMANCE**	**OUTCOMES**	**PERFORMANCE**	**OUTCOMES**
Capital	**Project Prioritization**	Number and value of projects on performance list	Percent of cities signing onto a common priority list	Number and value of projects on performance list	Percent of cities signing onto a common priority list	Number and value of projects on performance list	Percent of cities signing onto a common priority list
	Engineering Analysis	Number of projects evaluated, Number of grant proposals supported	Percent of cities signing onto a common project priority list	Number of projects evaluated, Number of grant proposals supported	Percent of cities signing onto a common project priority list	Number of projects evaluated, Number of grant proposals supported	Percent of cities signing onto a common project priority list
	Advocacy/ Lobbying	Number of legislators engaged, Number of leg day participants	% of funding gap closed on priority projects; effective delivery timeline of safety capital investments by MnDOT	Number of legislators engaged, Number of leg day participants	% of funding gap closed on priority projects; effective delivery timeline of safety capital investments by MnDOT	Number of legislators engaged, Number of leg day participants	% of funding gap closed on priority projects; effective delivery timeline of safety capital investments by MnDOT
Safety Programming	**Safety Data**			Accuracy of annual safety data	Annual safety report.	Accuracy of annual safety data	Annual safety report.
	School Safety Programs			Number of students engaged, Number of schools participating	Number of student-involved collisions and injuries	Number of students engaged, Number of schools participating	Number of student-involved collisions and injuries
	Tactical Interventions			Number of interventions	Collisions, injuries, and fatalities at intervention locations	Number of interventions	Collisions, injuries, and fatalities at intervention locations
	Enhanced Enforcement			# enhanced enforcement events, % increase in enhanced enforcement activities, Number of travelers engaged by police	Automated/observed overspeed rates on corridor at pre-selected locations, DUI collision rates, Automated/observed red light violation counts	# enhanced enforcement events, % increase in enhanced enforcement activities, Number of travelers engaged by police	Automated/observed overspeed rates on corridor at pre-selected locations, DUI collision rates, Automated/observed red light violation counts
Overhead	**Marketing & Communications**			Number of newsletters, number of social media posts	Social media reach & engagement, Survey results on public program awareness	Number of newsletters, number of social media posts	Social media reach & engagement, Survey results on public program awareness
	Program Staff			Performance evals	Staff turnover	Performance evals	Staff turnover

	Operating Expenses			Budget & Performance to Budget	Number of cities & school districts pledging annual support	Budget & Performance to Budget	Number of cities & school districts pledging annual support
	Grant Pursuit	Grant applications submitted (capital), Grant applications submitted (operations)	Number of grant awards, Value of grant awards, Win rate	Grant applications submitted (capital), Grant applications submitted (operations)	Number of grant awards, Value of grant awards, Win rate	Grant applications submitted (capital), Grant applications submitted (operations)	Number of grant awards, Value of grant awards, Win rate
TDM	**Commuter Surveys**					Survey completion rate, Employer participation rate,	Annual or Biannual modeshift
	Modeshift Programs					Number of employees engaged, Number of employees participating, Number of employers engaged, Number of employers participating	
	School Travel Plans					Number of students engaged, Number of schools participating	

Action Steps & Timelines

The approach embraced by the steering committee in many ways parallels the evolution of the 494 Corridor Coalition. The current Highway 7 Safety Coalition is an informal coalition without a formal agreement or committed funding. This roadmap establishes how the coalition may evolve, as conditions dictate to ensure a safe environment for all users of Highway 7 as the corridor evolves.

While the coalition is currently within Phase I, there is no obligation for any parties to transition into a later phase. This roadmap simply creates the opportunity to advance the coalition arrangement when conditions and community consensus warrant.

PHASE 1 — Informal Safety Coalition (Structure: Informal Coalition, No Legal Entity)	
Starts	Currently Underway
Key Characteristics	Coalition cities engage of their own accord to pursue common objectives related to capital investments in Highway 7 safety improvements. The coalition is informal and meets as desired, and has no established budget. Most or all cities will participate in the Southwest Corridor Transportation Coalition. Coalition partners will collaborate on a Regional Solicitation with Shorewood operating as the lead on behalf of all coalition members.
Critical Milestone	Full funding received for needed safety capital improvements on the Highway 7 Corridor as indicated in the MnDOT Highway 7 Corridor Safety Study.
Revenue Sources	There is no established revenue source. Coalition members can informally agree to fund fractional portions of any a la carte costs that arise, such as contracting with a firm to complete a Regional Solicitation submission on their behalf.
Duration	1 year to Unlimited
Indicators that Phase II may be appropriate if…	If the informal coalition approach is unsuccessful in garnering necessary funding, and stakeholders feel a more coordinated approach is needed

	Or if coalition partners believe more programming and safety efforts are needed, regardless of the status of capital project funding

Transition: Upon formation and endorsement of a Joint Powers Agreement with the sufficient number of signatories to take effect.

PHASE 2 — Formal Organization through Joint Powers Agreement	
Starts	Execution of Phase II is an optional next step beginning upon execution of a JPA with a minimum number of signatories.
Key Characteristics	The Coalition becomes a formal organization with a budget and dedicated staffing or dedicated consultant support, organized to pursue policy, funding, and programmatic efforts in an aligned manner throughout the Highway 7 Corridor in a more robust manner than possible under the Phase I informal coalition.
Critical Milestone(s)	Securing of funding, onboarding of consistent staffing and establishment of programming to improve safety, in addition to any other activities as designated by the Coalition's Board
Revenue Sources	Likely local formula funding through a hybrid calculation, including centerline miles of Highway 7 and population as factors, or enrollment levels for schools. In addition, grant pursuit can continue in a more robust manner with staffing.
Duration	Undefined
Indicators that Phase III may be appropriate if…	Recognition that congestion is a major corridor issue Information that Met Council TMO designation and funding is plausible

Transition efforts begin with exploration with the Met Council of feasibility of TMO designation and receipt of CMAQ funding. If the Board becomes interested in this direction, Safety Coalition staff should be in regular engagement with the Met Council, and also be evaluating possible TMO activities that would benefit the corridor and its stakeholders.

PHASE 3 — Amendment of JPA to Add TMO Capabilities (Long-Term Aspiration)	
Starts	Upon designation and funding of the Safety Coalition as a TMO by the Met Council.
Key Characteristics	In addition to traditional safety programming, the organization takes on congestion reduction efforts that include regular engagement with employers, support of SOV-alternative transportation options, and policy leadership
Critical Milestone(s)	Securing of CMAQ funding through competitive process or long-term budget allocation from the Met Council; hiring of TDM staff; engagement of employers along the corridor
Revenue Sources	Same as Phase II, plus CMAQ funding allocated by the Met Council.
Duration	Undefined

9. APPENDICES

Appendix A: Peer Review Summary Memo

See separate Peer Review Summary Memo.

Appendix B: Preliminary Recommendations Memo

See separate Preliminary Recommendations Memo.

Appendix C: Draft Joint Powers Agreement

JOINT POWERS AGREEMENT (DRAFT EXHIBIT)

HIGHWAY 7 SAFETY COMMISSION

PRELIMINARY STATEMENT

This Joint Powers Agreement ("Agreement") is entered into pursuant to Minnesota Statutes § 471.59 by and among the following governmental units of the State of Minnesota (collectively, the "Cities"):

- City of Chanhassen
- City of Deephaven
- City of Excelsior
- City of Greenwood
- City of Minnetonka
- City of Minnetrista
- City of Shorewood
- City of St. Bonifacius
- City of Victoria

The Parties desire to jointly and cooperatively exercise powers common to each to improve safety, reduce crashes, ease congestion, and enhance quality of life along the Highway 7 corridor and surrounding areas (the "Corridor").

The Parties hereby establish a joint powers organization to be known as the **Highway 7 Safety Commission** (the "Commission").

ARTICLE 1: NAME

The joint powers entity created by this Agreement shall be known as the **Highway 7 Safety Commission**.

ARTICLE 2: PURPOSE, MISSION, AND VISION

2.1 Mission

To create a safer Highway 7 for everyone in the corridor by reducing crashes, easing congestion, and building a culture of awareness that connects communities and strengthens daily life.

2.2 Vision

A thriving Highway 7 corridor where safety drives opportunity.

2.3 Purpose

The Commission is created to:

- Improve safety outcomes along the Highway 7 corridor
- Reduce serious and fatal crashes
- Support coordinated corridor planning and capital advocacy
- Promote school and community traffic safety programs
- Encourage safe travel behaviors across all modes
- Coordinate funding strategies and legislative advocacy
- Support data-driven safety and mobility improvements
- Address corridor capacity as it relates to safety and mobility

The Commission shall not supersede the authority of any member City or school district.

ARTICLE 3. TERM

3.1 Effective Date

This Agreement becomes effective upon execution by at least three (3) Cities.

3.2 Duration

This Agreement shall remain in effect for five (5) years from the effective date.

3.3 Renewal

The Agreement may be renewed for successive five (5) year terms upon approval by resolution of a majority of member Cities at least six (6) months prior to expiration.

3.4 Sunset Review

At least one (1) year prior to expiration, the Commission shall conduct a formal review of its structure, funding, performance measures, and continued need.

ARTICLE 4. MEMBERSHIP

4.1 City Members

Each City executing this Agreement and contributing funding shall be a voting member.

4.2 School District Participation

The following school districts may participate:

- Minnetonka Public Schools (ISD 276)
- Eastern Carver County Schools (ISD 112)
- Westonka Public Schools (ISD 277)
- Hopkins Public Schools (ISD 270)
- Waconia Public Schools (ISD 110)

School districts may:

- Become full signatory Parties upon board approval; or
- Participate as non-voting Affiliate Members.

4.3 Affiliate Members

The Commission may designate additional public, nonprofit, or private entities as Affiliate Members. Affiliate Members may participate in discussions but shall not vote.

ARTICLE 5. POWERS AND DUTIES

Pursuant to Minn. Stat. § 471.59, the Commission may:

1. Analyze crash data and traffic safety trends.
2. Develop and recommend safety improvement strategies.
3. Advocate for capital improvements along Highway 7.
4. Implement safety programs, including school initiatives.
5. Conduct public education and awareness campaigns.
6. Coordinate enforcement and safety strategies.
7. Apply for and administer grants.
8. Enter into contracts necessary to fulfill its purpose.
9. Employ staff and retain consultants.
10. Develop legislative priorities consistent with law.
11. Coordinate with MnDOT, the Metropolitan Council, counties, and other agencies.

ARTICLE 6. GOVERNANCE

6.1 Composition

- Each City shall appoint one (1) voting Commissioner.
- Each signatory School District shall appoint one (1) voting Commissioner.
- Each Commissioner shall have one vote.

6.2 Alternates

Each Party may appoint one alternate.

6.3 Officers

The Commission shall elect:

- Chair
- Vice Chair
- Secretary
- Treasurer

Officers shall serve two-year terms.

6.4 Quorum and Voting

A majority of Commissioners constitutes a quorum.
Actions require a majority vote of members present unless otherwise specified.

6.5 Meetings

The Commission shall meet at least quarterly and comply with Minnesota Open Meeting Law.

ARTICLE 7. STAFFING

The Commission may:

- Employ an Executive Director or contract for equivalent services;
- Retain administrative support;
- Contract for professional services.

Employees shall serve under terms established by the Commission.

ARTICLE 8. FINANCIAL MATTERS

8.1 Annual Budget

The Commission shall adopt an annual budget.

8.2 City Contributions – Hybrid Formula

City contributions shall be calculated annually using:

(Frontage Miles × Frontage Rate)
plus
(City Population × Per Capita Rate)

2026 Rates

- Frontage Rate: $1,500 per centerline mile

Per Capita Rate: $0.25 per resident

2027 Rates

- Frontage Rate: $3,000 per centerline mile
- Per Capita Rate: $0.50 per resident

Rates shall be established annually by Commission resolution. In the absence of Commission action, rates shall adjust pursuant to Section 8.7.

8.3 School District Contributions

School district contributions shall be flat-rate annual dues based on Average Daily Membership (ADM), as reported by the Minnesota Department of Education:

- **Class I:** ADM less than 35,000 — $5,000 annually (2026)
- **Class II:** ADM 35,000 or greater — $10,000 annually (2026)

Rates shall increase annually in accordance with Section 8.7 unless otherwise modified by Commission vote.

8.4 Grants

The Commission may pursue federal, state, and other funding sources.

8.5 Financial Administration

Funds shall be expended consistent with Minnesota Municipal Contracting Law.
An annual financial report shall be provided to all Parties.

8.6 Measurement Standards

Frontage

Measured in centerline miles of Highway 7 within municipal boundaries using MnDOT GIS data as of July 1, 2025.

Frontage distances at ratification:

- Chanhassen — 1.88 miles
- Deephaven — 0.14 miles
- Excelsior — 0.86 miles
- Greenwood — 0.32 miles
- Minnetonka — 3.74 miles
- Minnetrista — 4.37 miles
- Shorewood — 2.50 miles
- St. Bonifacius — 0.96 miles
- Victoria — 2.12 miles

Population

Population shall be based on the most recent July 1 estimate issued by the Minnesota State Demographic Center. If unavailable at the time of calculation, the prior year's estimate shall be used.

School District ADM

ADM shall be based on the most recent official Average Daily Membership figures published by the Minnesota Department of Education.

8.7 Inflation Adjustment

Beginning with the 2028 budget year, and in the absence of Commission action, contribution rates shall increase annually by the twelve (12) month percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Midwest Region, as published by the U.S. Bureau of Labor Statistics.

ARTICLE 9: WITHDRAWAL

A Party may withdraw effective January 1 by providing written notice by October 1 of the preceding year. A withdrawing Party remains liable for obligations incurred prior to withdrawal.

ARTICLE 10. DISSOLUTION

The Commission may be dissolved upon written agreement of a majority of member Cities. Remaining assets shall be distributed proportionally based on the final year's contributions.

ARTICLE 11. INSURANCE AND LIABILITY

The Commission shall maintain liability insurance consistent with Minn. Stat. Chapter 466.
The Commission is a separate public entity.

ARTICLE 12. AMENDMENTS

This Agreement may be amended by written agreement approved by resolution of all member Cities.

ARTICLE 13. EXECUTION

This Agreement shall be executed by authorized officials of each City and any participating School District.

Appendix D: Local Funding Options

This appendix presents three approaches for calculating member city and school district contributions to the Highway 7 Safety Commission. Each formula has been evaluated for equity, administrative simplicity, and alignment with precedent from comparable Minnesota corridor coalitions.

Option 1: Per Capita (Population-Based)

Each city pays a flat rate per resident based on the most recent Minnesota State Demographic Center population estimate. This approach is simple to administer and easy for city councils to understand. It does not account for differences in Highway 7 frontage or each city's direct corridor exposure.

Example rate: $0.30 per resident (low) / $0.58 per resident (comparable to I-494 Corridor Commission 2024 rate)

Advantage: Familiar, transparent, and directly comparable to I-494 Commission precedent.

Limitation: Minnetonka's large population generates a disproportionately high share of dues relative to smaller corridor cities like Greenwood and Tonka Bay, regardless of corridor frontage or program benefit received.

Option 2: Highway Frontage (Corridor-Proportional)

Each city pays based on centerline miles of Highway 7 within its boundaries, as measured using MnDOT GIS data. This formula directly reflects corridor exposure and is intuitively defensible: cities with more highway frontage face greater safety risk and receive proportionally greater benefit from coalition advocacy.

Example rate: $2,000 per centerline mile (low) / $3,000 per centerline mile (high)

Advantage: Directly proportional to corridor risk and benefit; easy to verify using publicly available MnDOT data.

Limitation: May feel punitive to Minnetrista (4.37 miles) relative to its small population (~8,700 residents). Does not account for the number of residents benefiting from corridor improvements.

Option 3: Hybrid Formula (Frontage + Per Capita) — Recommended

The recommended formula combines corridor exposure (frontage) with population-based benefit (per capita), balancing the two considerations. This is the structure reflected in Article 8 of the draft Joint Powers Agreement (Appendix D). The hybrid formula was endorsed by the Steering Committee as the most equitable approach.

2026 Introductory Rates: $1,500 per centerline mile + $0.25 per resident

2027 Standard Rates: $3,000 per centerline mile + $0.50 per resident

Annual adjustments thereafter are based on the CPI-U Midwest index, subject to board action, as specified in the draft JPA.

Advantage: Balances corridor exposure and community size; no single city bears a disproportionate share; accepted by Steering Committee as fair and sustainable.

School District Dues: School district contributions are assessed as flat-rate annual dues based on Average Daily Membership (ADM): Class I (ADM under 35,000): $5,000/year; Class II (ADM 35,000 or greater): $10,000/year. All five corridor school districts are currently Class I. Combined with city dues at 2027 hybrid rates, total local funding is estimated at approximately $95,000–$105,000 annually if all nine cities and all five school districts participate.

Appendix H: TMO Organizational Structures

7.3.1. National Context: How TMOs Organize

The 2019 Association for Commuter Transportation (ACT) national survey of Transportation Management Organizations provides a useful baseline for understanding how peer organizations have structured themselves across the country. While the Highway 7 coalition's near-term mission is safety advocacy rather than full Transportation Demand Management (TDM), the organizational choices made by established TMOs offer instructive lessons—particularly regarding legal structure, governance, and funding.

Legal Classification of TMOs Nationally

Sixty-four percent of TMOs across the country are independently designated with the IRS. Of those:

- 43% are classified as 501(c)(3) charitable organizations—the most common form
- 34% are classified as 501(c)(4) social welfare organizations
- 14% are classified as 501(c)(6) business and trade associations
- The remaining organizations are structured as government entities or subsidiaries of public agencies

These national figures reflect a predominantly private-sector TDM context. The Highway 7 coalition is organized around a different center of gravity: member governments, school districts, and public safety agencies. This inter-governmental character makes Minnesota's Joint Powers Agreement (JPA) framework—rather than any IRS nonprofit classification—the most appropriate Phase 2 structure.

Governance Relationships Nationally

The ACT survey also found that 55% of TMOs nationally are not subsidiaries of any parent organization—they operate independently. Of the 45% that do operate under a parent organization:

- 23% are subsidiaries of a local government agency or department
- 20% operate under a Chamber of Commerce or membership-based business association
- 16% are affiliated with a developer, property manager, or district manager
- 11% are under a Business Improvement District or similar self-taxing entity
- 7% are under a state or regional government agency

For Highway 7, the inter-governmental character of the coalition—cities, counties, and school districts—aligns most closely with the 23% of TMOs that are subsidiaries of or structured as local government entities. The JPA model is Minnesota's native expression of exactly this governance relationship.

7.3.1. Organizational Structures Evaluated

The study team evaluated five organizational structures for the Highway 7 Safety Coalition. Each is described below with reference to national practice and Minnesota-specific considerations.

Structure A: Informal Coalition (No Legal Entity)

An informal coalition is a voluntary collaboration with no legal standing, no shared assets, and no formal governance documents. Members coordinate by consensus; a lead agency (here, the City of Shorewood) handles any financial transactions on behalf of the group.

Strengths: No formal government action required. No administrative overhead. Allows the coalition to do meaningful work—coordinated advocacy, joint grant applications through a lead agency, legislative presentations—without the complexity of forming a legal entity.

Limitations: Cannot receive funding in its own name, employ staff, hold assets, or enter contracts. Membership has no binding commitment. Departure of the lead agency can destabilize the entire structure.

Recommendation: An informal coalition is appropriate for Phase 1, but inadequate for Phase 2 and beyond.

Structure B: 501(c)(3) Nonprofit — Charitable Organization

A 501(c)(3) is the most common legal form for independently incorporated TMOs nationally, used by 43% of those with independent IRS designations. It is tax-exempt, can receive tax-deductible charitable contributions, and is eligible for many federal and foundation grant programs.

Strengths: Tax-deductible donations. Broad eligibility for government grants and sole-source contracts. Public benefit framing is natural for a safety coalition. National TMA experience shows that 501(c)(4) organizations that later sought government sole-source contracts frequently reclassified to 501(c)(3) because government partners found it easier to justify contracts with charitable organizations.

Limitations: IRS lobbying restrictions limit direct legislative advocacy to no more than 20% of expenditures. Requires incorporating under state law, establishing a board of directors, filing annual IRS returns (Form 990), and maintaining ongoing legal compliance. Board governance is independent of member governments—reducing direct accountability to elected officials. School districts and cities cannot “sit at the top” of the governance structure in the same way they can through a JPA.

Recommendation: Less appropriate for this coalition at Phases 1 or 2. Legislative advocacy is a core Phase 1 and Phase 2 activity—the requirement that 501(c)(3) organizations do not contribute a substantial portion of their budget to lobbying structural constraint that does not exist under a JPA. Could be revisited if the coalition evolves toward a more employer- and foundation-funded Phase 3 TMO model.

Structure C: 501(c)(4) Nonprofit — Social Welfare Organization

A 501(c)(4) is classified as a social welfare organization and has more flexibility for legislative advocacy than a 501(c)(3)—it may spend up to (but not exceeding) 50% of activities on lobbying and political activities. Thirty-four percent of independently incorporated TMOs nationally use this classification.

Strengths: Broader advocacy latitude than 501(c)(3). Can engage more freely in legislative and political activities. The “social welfare” label intuitively fits a safety coalition mission.

Limitations: Donations are not tax-deductible. Government partners face greater scrutiny when issuing sole-source contracts to 501(c)(4) organizations because of the organization’s political activity latitude. As the ACT TMA study found, some TMOs classified as 501(c)(4) later reclassified to 501(c)(3) because it made government funding relationships easier. Carries same nonprofit governance overhead as 501(c)(3) without the tax-deductibility benefit. Does not create the intergovernmental governance structure that cities and school districts expect.

Recommendation: Not recommended. The lobbying latitude advantage over 501(c)(3) is unlikely to be needed, while the loss of tax-deductibility and increased government contracting difficulty are real drawbacks.

Structure D: 501(c)(6) Nonprofit — Business and Trade Association

A 501(c)(6) is organized to promote the common business interests of its members—chambers of commerce, trade associations, and business leagues are the classic examples. Fourteen percent of independently incorporated TMOs nationally use this classification.

Strengths: Full lobbying and political activity permitted. Familiar structure for employer-membership coalitions.

Limitations: Represents business interests, which makes government sole-source contracting the most difficult of the three nonprofit options. Government entities typically avoid the appearance of preferential treatment to business groups. Donations are not tax-deductible. Not a natural fit for a coalition led by cities and school districts. Additionally, a 501(c)(6) creates a difficult pathway to government sole-source contracts.

Recommendation: Not recommended. The least appropriate IRS classification for a government-led safety coalition.

Structure E: Joint Powers Agreement — Minnesota Statute § 471.59 (Recommended for Phase 2)

A Joint Powers Agreement under Minnesota Statutes Section 471.59 allows two or more governmental units to jointly exercise any power common to all of them. The agreement creates a legal entity with full standing: it may hold assets, employ staff, enter contracts, apply for and receive grants, and sue and be sued in its own name.

Strengths: Full legal standing without nonprofit compliance burden. Board consists of appointed representatives from member governments, keeping the coalition directly accountable to elected officials. No IRS lobbying restrictions—legislative advocacy is entirely permissible. Familiar to Minnesota city and school district attorneys. Directly used by Minnesota's most successful corridor coalitions: the I-494 Corridor Commission (full TMO), the Highway 169 Corridor Coalition, and the Highway 55 Corridor Coalition. Eligible for government grants and sole-source contracts on the same basis as any governmental entity. School districts can participate as full voting or affiliate members under the JPA framework.

Limitations: Requires council and/or school board action at each member organization. JPA entities are subject to Minnesota Open Meeting Law. Annual financial audit required once the coalition employs staff or holds assets. Phase 2 administrative overhead is real—budget, payroll, and compliance requirements that do not exist for a Phase 1 informal coalition.

Recommendation: Recommended for Phase 2. The JPA is Minnesota's native instrument for inter-governmental coalitions. It is the right structure when the coalition is ready to employ staff, hold assets, and receive grants in its own name.

City of Shorewood

City Council Item 4.B.

Title/Subject: Report by Commissioner Sylvester on the July 28 Park Commission Meeting
Meeting Date: August 10, 2026
Prepared By: Mitchell Czech, Park/Rec Director

Attachments

Background
Commissioner Sylvester will provide a Park Commission report on the July 28, 2026 Park Commission Meeting.

Strategic Alignment
Effective Engagement & Communication

- Prioritize communications and engagement
- Be strategic about sharing information and obtaining input
- Dedicate time and resources to communication and engagement

Reports from Park Commissioners allow for effective communication between the Council and Commission. It offers an opportunity for the Council to provide feedback on discussions the Park Commission is having and ensure alignment between the Council and Commission.

Budget Impact
N/A

Action Requested
No action is required.

City of Shorewood

City Council Item 4.C.

Title/Subject: Presentation of Excelsior Fire District Draft 2027 Budget
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments
1. EFD_ 2027 Budget
2. EFD 2027 Allocation by City Compared to 2024
3. EFD 2027 Allocation - Funding Formula

Background
Interim Fire Chief Nate Basinger will present a draft of the Excelsior Fire District 2027 Budget. In summary, the overall municipal contribution for 2027 is proposed to be $2,900,150.65. This is an overall increase of 6.39% or $174,202.65. Shorewood's share of the 2027 municipal contribution is $1,025,765.75, which is an increase of 4.41% or $43,359.63 over 2026. Approximately 90% of the EFD's budget comes from municipal contributions, with the remainder coming from other sources such as state fire aid, interest earnings, and permit fees. Notable budget items for 2027 include:

- The addition of the third (and final) Battalion Chief
- Flat roof repairs (share with SLMPD)
- Uninterrupted Power Supply (shared with SLMPD)

Strategic Alignment
Safe & Secure Community

- Strong, proactive, strategic, and cost-effective public safety services — Joint powers agreements for public safety services are an effective way to manage costs and provide quality services.

Budget Impact
The proposed EFD 2026 budget includes member cities' contribution of $2,900,150.65, an increase of 6.39% over the 2025 budget. Shorewood's share of the member cities' contribution to the EFD 2026 budget will be $1,025,765.75, an increase of $43,359.63 over 2026. The EFD budget is funded through the general fund levy. Fire service expenditures are expected to comprise approximately 11% of the City's budget.

Action Requested
No action is requested, but the Council may wish to provide comments.

Excelsior Fire District 2027 Budget

						2027	
Account Code	Item	2025 Budget	*2025 Actual*	2026 Budget	2027 Budget	Budget Change relative to 2026	% Change
Personal Services							
	Total Personal Services	$ 1,529,738.35	*$ 1,505,868.00*	$ 1,729,989.00	$ 1,978,547.65	$ 248,558.65	14.37%
Pension							
	Total Pension Contribution	$ 231,000.00	*$ 283,795.00*	$ 268,550.00	$ 295,405.00	$ 26,855.00	10.00%
Supplies							
	Total Supplies	$ 124,571.00	*$ 112,287.00*	$ 105,730.00	$ 107,114.00	$ 1,384.00	1.31%
Professional Services							
	Total Prof. Services	$ 71,660.00	*$ 72,813.00*	$ 62,660.00	$ 74,960.00	$ 12,300.00	19.63%
Other Services and Charges							
	Total Other Services	$ 378,486.00	*$ 297,398.00*	$ 368,315.00	$ 403,024.00	$ 34,709.00	9.42%
	Total Operating Budget	$ 2,335,455.35	*$ 2,272,161.00*	$ 2,535,244.00	$ 2,859,050.65	$ 323,806.65	12.77%
Capital Outlay							
230-42200-720	CIP Tranfer	$ 225,000.00	*$ 255,000.00*	$ 450,605.00	$ 399,355.00	$ (51,250.00)	-11.37%
230-42200-560	Building Fund Transfer	$ 30,000.00		$ 30,000.00		$ (30,000.00)	-100.00%
230-42200-720	Facilities Transfer	$ -		$ -		$ -	
	Total Capital Outlay	$ 255,000.00	*$ 255,000.00*	$ 480,605.00	$ 399,355.00	$ (81,250.00)	-16.91%
						$ -	
Total Fund 230	Fire Operating Expenses	$ 2,590,455.35	*$ 2,527,161.00*	$ 3,015,849.00	$ 3,258,405.65	$ 242,556.65	8.04%
Operating Revenues							
230-33400	State Fire Aid	$ 231,000.00	*$ 283,795.00*	$ 268,550.00	$ 295,405.00	$ 26,855.00	10.00%
230-34202	**Municipal Fire Contracts (Cities' Contribution)**	$ 2,304,733.00	*$ 2,304,733.00*	$ 2,725,948.00	**$ 2,900,150.65**	$ 174,202.65	6.39%
230-36210	Interest Earnings	$ 1,100.00	*$ 2,061.00*	$ 1,100.00	$ 1,100.00	$ -	0.00%
230-36228	Refunds & Reimbursements	$ 5,000.00	*$ 25,012.00*	$ 5,000.00	$ 46,500.00	$ 41,500.00	830.00%
230-36230	Donations	$ 2,500.00	*$ 30,207.00*	$ 2,500.00	$ 2,500.00	$ -	0.00%
230-36230	Shared Services Income	$ -		$ -	$ -	$ -	
230-39203	Special Event Permits	$ 12,750.00	*$ 12,712.00*	$ 12,750.00	$ 12,750.00	$ -	0.00%
230-39203	Transfers	$ -		$ -	$ -	$ -	
	Total Operating Revenues	$ 2,557,083.00	*$ 2,658,520.00*	$ 3,015,848.00	$ 3,258,405.65	$ 242,557.65	8.04%

2027 Allocation by City Compared to 2024, 2025 & 2026

2026 Operating Budget and Capital less Reserves Use and Other Income

City	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Increase	Operations Increase	Capital Increase	Total % Increase
Deephaven	$602,750.84	$668,375.13	$790,888.40	$854,744.27	$63,855.87	13.14%	-15.59%	8.07%
Excelsior	$255,873.60	$291,777.47	$359,207.56	$382,311.32	$23,103.76	11.42%	-16.87%	6.43%
Greenwood	$175,164.94	$190,284.24	$215,159.84	$244,289.20	$29,129.36	18.86%	-11.32%	13.54%
Shorewood	$746,361.43	$843,578.15	$982,406.12	$1,025,765.75	$43,359.63	9.31%	-18.45%	4.41%
Tonka Bay	$273,849.19	$310,718.01	$378,286.08	$393,040.10	$14,754.02	8.77%	-18.85%	3.90%
Total Contribution	$2,054,000.00	$2,304,733.00	$2,725,948.00	$2,900,150.65	$174,202.65	11.38%	-16.91%	6.39%

	Operations		Capital	
	2026 Operations	**2027 Operations**	2026 Capital	**2027 Captial**
Deephaven	$651,449.00	**$737,044.73**	$139,440.00	**$117,699.54**
Excelsior	$295,877.00	**$329,666.49**	$63,331.00	**$52,644.83**
Greenwood	$177,226.00	**$210,650.22**	$37,934.00	**$33,638.98**
Shorewood	$809,201.00	**$884,516.30**	$173,206.00	**$141,249.45**
Tonka Bay	$311,591.00	**$338,917.90**	$66,695.00	**$54,122.20**
TOTAL	$2,245,344.00	**$2,500,795.65**	$480,606.00	**$399,355.00**

EXCELSIOR FIRE DISTRICT

Proposed Budget 2027

Allocation by City using Joint Powers Agreement 2010 Funding Formula

Proposed 2027 Budget $2,900,151

	Tax Capacity		Cities' Calculated Share of Cost		
	Dollars	Percent	Operations	Facilities	Total
Deephaven	27,511,883	29.47%	$737,045	$117,700	$854,744
Excelsior	12,305,557	13.18%	$329,666	$52,645	$382,311
Greenwood	7,863,002	8.42%	$210,650	$33,639	$244,289
Shorewood**	33,016,597	35.37%	$884,516	$141,249	$1,025,766
Tonka Bay	12,650,887	13.55%	$338,918	$54,122	$393,040
	93,347,926	100%	$2,500,796	$399,355	$2,900,151

(Using 2025 Hennepin County Assessors' valuations)

**Total 2025 Tax Capacity less reduction for The Islands served by the Mound FD.

Quarterly Billings

	Operations	Buildings	Total
Deephaven	$ 184,261.18	$ 29,424.89	$ 213,686.07
Excelsior	$ 82,416.62	$ 13,161.21	$ 95,577.83
Greenwood	$ 52,662.56	$ 8,409.75	$ 61,072.30
Shorewood**	$ 221,129.07	$ 35,312.36	$ 256,441.44
Tonka Bay	$ 84,729.48	$ 13,530.55	$ 98,260.02
			$ 725,037.66

City Council Item 4.D.

Title/Subject: Excelsior Fire District 2027 Budget
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments

1. EFD 2027 Budget
2. EFD 2027 Allocation - Funding Formula
3. EFD 2027 Allocation by City Compared to 2024
4. 26-47 Resolution approving 2027 EFD OPERATING budget
5. 26-48 Resolution approving 2026 EFD FACILITIES CAPITAL budget

Background

The Council is asked to consider approval of the 2027 Excelsior Fire District budget. Fire Chief Curt Mackey summarized the proposed budget at the Council meeting on August 10th. The Fire Board recommended approval of the budget at its meeting on July 13th and is now awaiting approval of the budget from the member cities. Per the JPA, member cities must approve the budget no later than September 15th of each year. However, Shorewood is hoping to set its preliminary levy on September 14th.

The JPA has different thresholds for approving the the two components of the EFD budget. Two-thirds (4 of 5) of member cities must approve the facilities (aka capital) budget. The operating budget must be approved by the majority of the member cities. Two resolutions and two motions are required.

Strategic Alignment

Safe & Secure Community

- Strong, proactive, strategic, and cost-effective public safety services — Joint powers agreements for public safety services are an effective way to manage costs and provide quality services.

Budget Impact

The proposed EFD 2026 budget includes member cities' contribution of $2,900,150.65, an increase of 6.39% over the 2025 budget. Shorewood's share of the member cities' contribution to the EFD 2026 budget will be $1,025,765.75, an increase of $43,359.63 over 2026. The EFD budget is funded through the general fund levy. Fire service expenditures are expected to comprise approximately 11% of the City's budget.

Action Requested

Motion to adopt the attached resolution approving the 2027 Excelsior Fire District operating budget. (A majority vote by the Council is required.)

Motion to adopt the attached resolution approving the 2027 Excelsior Fire District facilities/capital budget. (A four-fifths vote by the Council is required.)

Excelsior Fire District 2027 Budget

Account Code	Item	2025 Budget	*2025 Actual*	2026 Budget	2027 Budget	2027 Budget Change relative to 2026	2027 % Change
Personal Services							
	Total Personal Services	$ 1,529,738.35	*$ 1,505,868.00*	$ 1,729,989.00	$ 1,978,547.65	$ 248,558.65	14.37%
Pension							
	Total Pension Contribution	$ 231,000.00	*$ 283,795.00*	$ 268,550.00	$ 295,405.00	$ 26,855.00	10.00%
Supplies							
	Total Supplies	$ 124,571.00	*$ 112,287.00*	$ 105,730.00	$ 107,114.00	$ 1,384.00	1.31%
Professional Services							
	Total Prof. Services	$ 71,660.00	*$ 72,813.00*	$ 62,660.00	$ 74,960.00	$ 12,300.00	19.63%
Other Services and Charges							
	Total Other Services	$ 378,486.00	*$ 297,398.00*	$ 368,315.00	$ 403,024.00	$ 34,709.00	9.42%
	Total Operating Budget	$ 2,335,455.35	*$ 2,272,161.00*	$ 2,535,244.00	$ 2,859,050.65	$ 323,806.65	12.77%
Capital Outlay							
230-42200-720	CIP Tranfer	$ 225,000.00	*$ 255,000.00*	$ 450,605.00	$ 399,355.00	$ (51,250.00)	-11.37%
230-42200-560	Building Fund Transfer	$ 30,000.00		$ 30,000.00		$ (30,000.00)	-100.00%
230-42200-720	Facilities Transfer	$ -		$ -		$ -	
	Total Capital Outlay	$ 255,000.00	*$ 255,000.00*	$ 480,605.00	$ 399,355.00	$ (81,250.00)	-16.91%
						$ -	
Total Fund 230	Fire Operating Expenses	$ 2,590,455.35	*$ 2,527,161.00*	$ 3,015,849.00	$ 3,258,405.65	$ 242,556.65	8.04%
Operating Revenues							
230-33400	State Fire Aid	$ 231,000.00	*$ 283,795.00*	$ 268,550.00	$ 295,405.00	$ 26,855.00	10.00%
230-34202	**Municipal Fire Contracts (Cities' Contribution)**	$ 2,304,733.00	*$ 2,304,733.00*	$ 2,725,948.00	**$ 2,900,150.65**	$ 174,202.65	6.39%
230-36210	Interest Earnings	$ 1,100.00	*$ 2,061.00*	$ 1,100.00	$ 1,100.00	$ -	0.00%
230-36228	Refunds & Reimbursements	$ 5,000.00	*$ 25,012.00*	$ 5,000.00	$ 46,500.00	$ 41,500.00	830.00%
230-36230	Donations	$ 2,500.00	*$ 30,207.00*	$ 2,500.00	$ 2,500.00	$ -	0.00%
230-36230	Shared Services Income	$ -		$ -	$ -	$ -	
230-39203	Special Event Permits	$ 12,750.00	*$ 12,712.00*	$ 12,750.00	$ 12,750.00	$ -	0.00%
230-39203	Transfers	$ -		$ -	$ -	$ -	
	Total Operating Revenues	$ 2,557,083.00	*$ 2,658,520.00*	$ 3,015,848.00	$ 3,258,405.65	$ 242,557.65	8.04%

EXCELSIOR FIRE DISTRICT

Proposed Budget 2027

Allocation by City using Joint Powers Agreement 2010 Funding Formula

Proposed 2027 Budget — $2,900,151

	Tax Capacity		Cities' Calculated Share of Cost		
	Dollars	Percent	Operations	Facilities	Total
Deephaven	27,511,883	29.47%	$737,045	$117,700	$854,744
Excelsior	12,305,557	13.18%	$329,666	$52,645	$382,311
Greenwood	7,863,002	8.42%	$210,650	$33,639	$244,289
Shorewood**	33,016,597	35.37%	$884,516	$141,249	$1,025,766
Tonka Bay	12,650,887	13.55%	$338,918	$54,122	$393,040
	93,347,926	100%	$2,500,796	$399,355	$2,900,151

(Using 2025 Hennepin County Assessors' valuations)

**Total 2025 Tax Capacity less reduction for The Islands served by the Mound FD.

Quarterly Billings

	Operations	Buildings		Total
Deephaven	$ 184,261.18	$ 29,424.89		$ 213,686.07
Excelsior	$ 82,416.62	$ 13,161.21		$ 95,577.83
Greenwood	$ 52,662.56	$ 8,409.75		$ 61,072.30
Shorewood**	$ 221,129.07	$ 35,312.36		$ 256,441.44
Tonka Bay	$ 84,729.48	$ 13,530.55		$ 98,260.02
				$ 725,037.66

2027 Allocation by City Compared to 2024, 2025 & 2026

2026 Operating Budget and Capital less Reserves Use and Other Income

City	2024 Budget	2025 Budget	2026 Budget	2027 Budget	Increase	Operations Increase	Capital Increase	Total % Increase
Deephaven	$602,750.84	$668,375.13	$790,888.40	$854,744.27	$63,855.87	13.14%	-15.59%	8.07%
Excelsior	$255,873.60	$291,777.47	$359,207.56	$382,311.32	$23,103.76	11.42%	-16.87%	6.43%
Greenwood	$175,164.94	$190,284.24	$215,159.84	$244,289.20	$29,129.36	18.86%	-11.32%	13.54%
Shorewood	$746,361.43	$843,578.15	$982,406.12	$1,025,765.75	$43,359.63	9.31%	-18.45%	4.41%
Tonka Bay	$273,849.19	$310,718.01	$378,286.08	$393,040.10	$14,754.02	8.77%	-18.85%	3.90%
Total Contribution	$2,054,000.00	$2,304,733.00	$2,725,948.00	$2,900,150.65	$174,202.65	11.38%	-16.91%	6.39%

	Operations		Capital	
	2026 Operations	**2027 Operations**	2026 Capital	**2027 Capital**
Deephaven	$651,449.00	**$737,044.73**	$139,440.00	**$117,699.54**
Excelsior	$295,877.00	**$329,666.49**	$63,331.00	**$52,644.83**
Greenwood	$177,226.00	**$210,650.22**	$37,934.00	**$33,638.98**
Shorewood	$809,201.00	**$884,516.30**	$173,206.00	**$141,249.45**
Tonka Bay	$311,591.00	**$338,917.90**	$66,695.00	**$54,122.20**
TOTAL	$2,245,344.00	**$2,500,795.65**	$480,606.00	**$399,355.00**

RESOLUTION 26-47
CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

A RESOLUTION APPROVING THE 2027 ANNUAL OPERATING BUDGET OF THE EXCELSIOR FIRE DISTRICT

WHEREAS, the City of Shorewood is a member of the Excelsior Fire District through a joint powers agreement which also includes the Cities of Excelsior, Greenwood, Deephaven, and Tonka Bay; and

WHEREAS, under the terms of the joint powers agreement, member cities must unanimously approve the annual budget; and

WHEREAS, the Fire Chief presented a proposed 2027 operating budget for review by the Board of Excelsior Fire District on August 10, 2026; and

WHEREAS, the Board discussed the proposed budget and recommended its approval by the member's city councils; and

WHEREAS, the Shorewood City Council has reviewed the proposed 2027 budget and finds it reasonable and appropriate to provide the desired level of fire protection within the City and the South Lake Minnetonka area; and

WHEREAS, the 2027 Excelsior Fire District operating and facilities/capital budgets total $2,900,150.65, of which Shorewood's share is $1,025,765.75; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA the proposed 2027 **operating** budget of the Excelsior Fire District is hereby approved, with the member cities contribution totaling $2,500,795.65, of which Shorewood's share is $884,516.30.

Adopted by the Shorewood City Council this 10th day of August 2026.

____

Jennifer Labadie, Mayor

Attest:

____

Sandie Thone, City Clerk

RESOLUTION 26-048
CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

A RESOLUTION APPROVING THE 2027 ANNUAL FACILITIES/CAPITAL BUDGET OF THE EXCELSIOR FIRE DISTRICT

WHEREAS, the City of Shorewood is a member of the Excelsior Fire District through a joint powers agreement which also includes the Cities of Excelsior, Greenwood, Deephaven, and Tonka Bay; and

WHEREAS, under the terms of the joint powers agreement, member cities must unanimously approve the annual budget; and

WHEREAS, the Fire Chief presented a proposed 2027 operating budget for review by the Board of Excelsior Fire District on August 11, 2026; and

WHEREAS, the Board discussed the proposed budget and recommended its approval by the members' city councils; and

WHEREAS, the 2027 Excelsior Fire District operating and facilities/capital budgets total $2,900,150.65, of which Shorewood's share is $1,025,765.75; and

WHEREAS, the Shorewood City Council has reviewed the proposed 2026 budget and finds it reasonable and appropriate to provide the desired level of fire protection within the City and the South Lake Minnetonka area.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA the proposed 2027 **facilities/capital** budget of the Excelsior Fire District is hereby approved, with the member cities contribution totaling $399,355 of which Shorewood's share is $141,249.45.

Adopted by the Shorewood City Council this 10th day of August 2026.

____

Jennifer Labadie, Mayor

Attest:

____

Sandie Thone, City Clerk

City Council Item 4.E.

Title/Subject: SLMPD 2027 Budget
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments

1. 2027 - Final Budget Summary Page
2. 26-49 Resolution - SLMPD 2027 Budget

Background

The South Lake Minnetonka Police Department must submit its proposed 2026 budget to the member cities for approval under the terms of the Joint Powers Agreement. The Coordinating Committee considered the final 2026 budget at its meeting on July 22rd and is recommending approval of the budget by the member cities. Chief Ballsrud appeared at the July 27 Council meeting to present the budget and answer questions.

The SLMPD's 2027 budget is proposed to increase $632,614 over 2026 to $4,856,013, or 15%. For Shorewood, this is a $421,564 increase, or 22.5%. Key items impacting the budget include:

- Per the JPA, 2027 is an "adjustment year", where the funding formula inputs of population, tax capacity and ICR (Incident Call Reports) are reviewed from the past three years and funding percentages of the member cities are adjusted. Shorewood is shifting from 49.71% to 52.08% of the funding formula for 2027- 2029.
- Increases in Capital Plan for vehicle leases, building improvements and equipment. This includes $35,000 (SLMPD share) for repairs to the flat roof sections of the building where water is infiltrating, and $70,000 replacement of a UPS (Uninterrupted Power Supply) system to provide continuous power and protection to the building, equipment, mechanical systems and the emergency operations center in the event of a power outage.
- An additional position to bring the department to 18 officers. This position is budgeted to begin in June.
- An increase in insurance costs to remain competitive with other departments to attract and retain officers.
- Includes funding to staff 4th of July fireworks.

Strategic Alignment

Safe & Secure Community

- Strong, proactive, strategic, and cost-effective public safety services — Public safety services are a significant portion of any city's budget. By working collaboratively through a joint powers agreement, Shorewood and neighboring cities are able to provide quality public safety services more affordably.

Budget Impact

The SLMPD's 2027 budget is proposed to increase $632,614 over 2026 to $4,856,013, or 15%. For Shorewood, this is a $421,564 increase, or 22.5%. Policing services are funded through the general levy and are projected to comprise approximately 26% of the City's budget.

Action Requested

Motion to adopt the attached resolution approving the SLMPD's 2027 budget. A simple majority vote is required.

South Lake Minnetonka Police Department
2027 Proposed Budget

	2027 Budget	2026 Budget	Variable %	$ Change
Income - Other Than City Allocations				
40110 · Court Overtime	8,000	8,000	0.0%	
40120 · Excelsior Park, Dock & Code Enforcement Services	25,000	46,000	-45.7%	
42100 · State Police Officer Aid	180,000	170,000	5.9%	
42150 · DWI Police Officer Grant	122,430	115,500	6%	
42200 · State Training Reimbursement	14,000	18,000	-22.2%	
43100 · Minnetonka School District	6,863	6,863	0.0%	
43200 · Administrative Requests	2,500	7,000	-64.3%	
43400 · Special Policing Details	27,000	27,000	0.0%	
43401 · 4th of July Detail	-	7,865	-100.0%	
44000 · Investment Income	5,000	2,500	100.0%	
46400 · Forfeitures	5,000	5,000	0.0%	
46500 · Grant Reimbursements	25,000	45,000	-44.4%	
46600 · Other Reimbursements	25,000	1	2499900.0%	
Total Income	**445,793**	**458,729**	**-2.8%**	**-**
Expense				
50100 - Full-Time Salaries	2,456,196	2,169,889	13.2%	286,307
50200 - General Overtime	55,000	50,000	10.0%	5,000
50230 - Reimbursed Overtime	61,338	61,338	0.0%	-
50235 - 4th of July Overtime	8,337	7,865	6.0%	
50300 - Part-Time Salaries	142,437	131,460	8.4%	10,977
50320 - Excelsior PSO/CE Salaries	25,000	46,000	-45.7%	(21,000)
50500 · Social Security & Medicare	61,985	54,628	13.5%	7,357
50600 · PERA Pensions	448,361	402,634	11.4%	45,727
50700 · Health Insurance Benefits	418,705	304,090	37.7%	114,615
50800 · Disability Benefits	27,500	27,700	-0.7%	(200)
51000 · Contracted Services	35,888	32,652	9.9%	3,236
52100 · IT Equipment Leases	101,931	88,723	14.9%	13,208
52200 · Repairs and Maintenance	139,154	120,875	15.1%	18,279
52300 · Utilities	82,656	80,074	3.2%	2,582
52400 · Janitorial & Cleaning	11,360	11,160	1.8%	200
52500 · Printing & Publishing	2,500	2,500	0.0%	-
53000 · Supplies / Fuel	96,463	88,442	9.1%	8,021
54000 · Uniforms & Gear	23,100	22,100	4.5%	1,000
54500 · Training and Education	48,410	44,760	8.2%	3,650
56000 · Liability / Causality Insurance	207,116	238,331	-13.1%	(31,215)
56100 · Subscriptions & Memberships	5,780	5,670	1.9%	110
57000 · Special Projects	60,927	49,391	23.4%	11,536
58000 · Capital Plan / Vehicle Leases	335,869	183,117	83.4%	152,752
Total Expense	**4,856,013**	**4,223,399**	**15.0%**	632,614
General Fund Reserve Replenishment	-	50,000		
City Allocation	4,410,220	3,814,670	**15.6%**	
40101 · Excelsior (24.1818%)	1,066,471	1,054,704	1.1%	11,767
40102 · Greenwood (7.9381%)	350,088	322,758	8.5%	27,330
40103 · Shorewood (52.0830%)	2,296,975	1,875,411	22.5%	421,564
40104 · Tonka Bay (15.7938%)	696,541	519,547	34.1%	176,994
Previous Funding Formula Allocations				
40101 · Excelsior (27.9582%)	$1,233,018.24	1,054,704		$178,314.24
40102 · Greenwood (8.5557%)	$377,325.23	322,758		$54,567.23
40103 · Shorewood (49.7136%)	$2,192,479.33	1,875,411		$317,068.33
40104 · Tonka Bay (13.7722%)	$607,384.37	519,547		$87,837.37

RESOLUTION 26-49
CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

A RESOLUTION APPROVING THE 2027 ANNUAL OPERATING BUDGET OF THE SOUTH LAKE MINNETONKA POLICE DEPARTMENT.

WHEREAS, the City of Shorewood is a member of the South Lake Minnetonka Police Department through a joint powers agreement which also includes the Cities of Excelsior, Greenwood, Tonka Bay; and

WHEREAS, under the terms of the joint powers agreement, member cities must unanimously approve the annual operating budget; and

WHEREAS, the Chief of Police presented a proposed 2027 operating budget for review by the Coordinating Committee for the South Lake Minnetonka Police Department on July 27, 2026; and

WHEREAS, the Coordinating Committee discussed the proposed budget and recommended its consideration by the Member's city councils; and

WHEREAS, the Shorewood City Council reviewed the proposed 2027 budget on August 10, 2026,; and

WHEREAS, Shorewood's proportion of the funding formula has shifted from 49.7136% to 52.0830% for the years of 2027, 2028 and 2029.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA that the 2027 budget of the South Lake Minnetonka Police Department in the total amount of $4,856,013, with as total member contribution of $4,410,220 and Shorewood's share being $2,296,978.

Adopted by the Shorewood City Council this 10th day of August 2026.

____

Jennifer Labadie, Mayor

Attest:

____

Sandie Thone, City Clerk

City Council Item 5.A.i.

Title/Subject: Engineering Staffing and Consultant Transition Update
Meeting Date: August 10, 2026
Prepared By: Matt Morreim, Public Works Director

Attachments

1. Transition Plan-Engineering Services

Background

Over the past year, city staff have continued implementing the engineering services transition plan and have successfully assumed many routine engineering functions previously performed by the City's engineering consultant. Based on the attached transition plan, city staff are now regularly managing activities such as agency coordination, resident engineering inquiries, utility information requests, council support, state aid administration, and construction-related oversight for smaller-scale projects. Staff have been able to handle these responsibilities without significant issues while maintaining high service levels to residents and contractors.

As a result of the transition of duties to city staff, consultant engineering costs have continued to trend downward. At the end of June, consulting costs were $204,725. These consulting costs reflect a reduced consultant utilization and the city's ability to perform some engineering functions internally. Additionally, costs have been down in 2026 due to the city not having any major public improvement projects.

An item to note in the transition plan is the reduction of consultant attendance at routine city meetings. Consistent with that objective, the City Engineer has attended council and staff meetings only when their engineering expertise or project-specific support has been needed. City staff have successfully managed routine engineering and public works discussions, significantly reducing general engineering costs while maintaining responsiveness and continuity of service.

To ensure staff capacity remains focused on technical and operational priorities, the city staff have continued to prioritize workloads and strategically delegate selected administrative responsibilities. This approach has allowed technical staff to dedicate more time to engineering, infrastructure management, and project management functions while maintaining efficient customer service and administrative support.

Overall, the transition has progressed as intended and has demonstrated that many day-to-day engineering support functions can be effectively managed by city staff while utilizing consultant resources for specialized expertise when needed.

Strategic Alignment

Organizational Strength & Good Governance

- Culture of continuous improvement

Budget Impact

This update is informational in nature and does not require any additional budget appropriation. Continued use of city staff to perform routine engineering functions has helped reduce reliance on consultant services and support efficient use of existing resources.

Action Requested

None at this time.

Consultant Duties Transition Plan

	Task/Function	Staff Lead	Staff Involved	Estimated Time Commitment	Transition Timeline	Transition Details	Metric	1st Qtr, 2026 Check-In*	2nd Qtr, 2026 Check-In	3rd Qtr, 2026 Check-In	4th Qtr, 2026 Check-In	Notes
1	General coordination with other agencies as appropriate: MnDOT, Hennepin County, watersheds, neighboring communities, etc.	PW Director	PW Director, PW Supervisor, Street Inspector	Variable, 20-50 hours per year	October, 2025	Inform consultant of expectations.	Reduction of general engineering to $10k/month	Consultant forwarding requests to PW Director as they come. Discussions are had on whom will take responsibility for certain tasks.	Coordination items mostly going through PW Director with some coordination with B&M. General Engineering: Average YTD $6,302.45/month			City staff already performs this task as needed. Consultant to direct general coordination items to the PW Director.
2	Management of right-of-way and permitting	Street Inspector	Street Inspector, PW Director, PW Supervisor, Admin	Variable, 5-15 hours per week (spring/summer/fall), 5-10 hours per week (winter)	Fully transitioned to city staff in 2019.	Revise consultant scope of services.	Reduction of general engineering to $10k/month	Already transitioned. Operation continuing to go smoothly.	Transition still going smooth. Have consulted with city engineer on a couple of items. General Engineering: Average YTD $6,302.45/month			This consultant task was previously completed by WSB. The task was fully transitioned to city staff. Consultant to be involved as needed for specialized or complex items.
3	General resident support on engineering and public works related items (i.e. drainage issues)	PW Director	PW Director, PW Supervisor, Street Inspector, Admin	Variable, 1-10 hours per week (spring/summer/fall), 1-5 hours per week (winter)	August, 2025	Inform consultant of expectations.	Reduction of general engineering to $10k/month	Consultant forwarding requests to PW staff as they come. PW has been handling all issues in a timely manner.	PW staff has been getting all requests/complaints and has been handling them between staff in a timely manner. General Engineering: Average YTD $6,302.45/month			
4	Provide residents, contractors and developers with utility information, including record drawings.	Street Inspector	Street Inspector	Variable, 20-40 hours per year	November, 2025	Inform consultant of expectations.	Reduction of general engineering to $10k/month	Consultant forwarding all requests to PW staff as they come. PW has been handling all issues in a timely manner.	Street inspector has been fielding these inquiries and has been responding in a timely manner. General Engineering: Average YTD $6,302.45/month			City staff already performed this task if city staff were contacted first. Consultant to forward all requests to Street Inspector.
5	General updating and management of GIS system.	Street Inspector	Utility Staff, Street Inspector, PW Director	Variable, 5-10 hours per month	January/February, 2026	Meet w/ consultant in Dec. 2025 to go over details.	25% reduction in GIS services in 0-3 months, 50% reduction in 3-12 months. Average GIS costs (2024-2026): $5,018/month	Met with consultant in December, 2025. Some GIS duites to stay with them due to the high level of training.	Consultant continues to perform GIS services as needed. Average 2026 GIS Cost: $2,020.08/month			
6	Council attendance and other meetings for engineering items as appropriate	PW Director	PW Director	Variable, additional 2-6 hours per month	September, 2025	Inform consultant of expectations. Revise consultant scope of services.	Reduction of general engineering to $10k/month & % of attendance at work sessions and council meetings reduced to 50%	City engineer attends meetings as needed. PW Director handles meetings with less profile PW/Engineering items.	City engineer continues to attend meeting as needed. YTD % of city engineer attendance at council meetings is at 25%			City staff already perform this task as needed.
7	MS4 management - Reporting, inspection, etc.	PW Director	PW Director, Street Inspector	Variable, 2-10 hours per month	January/February, 2026	Meet w/ consultant in Dec. 2025 to go over transition details. Revise consultant scope of services.	25% reduction in MS4 services in 0-6 months, 75% reduction in 7-12 months. Average MS4 costs (2024-2026): $758.5/month	Met with consultant in January, 2024. MS4 permit renewal is in June, 2026.	Consultant continues to prepare the city for the MS4 renewal. Average 2026 MS4 Cost: $388.42/month			
8	Management of state-aid and annual certification	PW Director	PW Director	5-10 hours per year	December, 2025	Meet w/ consultant in Dec. 2025 to go over transition details. Revise consultant scope of services.	Reduction of general engineering to $10k/month	PW director aided in 2025 submittal in January, 2026.	Next submittal: Jan. 2027. General Engineering: Average YTD $6,302.45/month			Should be a fairly straightforward transition.
9	Engineering for smaller scale projects (i.e. updating PMP, striping project, crack-sealing project, sewer televising project)	PW Director	PW Director, Street Inspector, Admin	Variable, 15-60 hours per project	January, 2026	Meet with consultant in January 2026 to review past projects. Revise consultant scope of services.	Ratio of staff time to consultant time for project is 10:1.	No small scale projects have been initiated in 2026. Expect to begin in 2Q, 2026.	City staff performed majority of project tasks on pavement sealing, crack filling and sanitary cleaning projects.			
10	Construction administration of public improvement projects including bidding/quoting tasks, payment requests, project closeout and punchlist tasks and other miscellaneous tasks.	PW Director	Street Inspector, Admin	Variable, 20-70 hours per project	June, 2026	Meet with consultant in June 2026 to review past projects. Revise consultant scope of services.	Reduction of 20% for construction administration consultant time	No larger public improvement projects initiated in 2026	No larger public improvement project initiated yet in 2026			
11	Construction inspection of small-scale public improvements and aid in construction inspection of larger-scale public improvement projects	PW Director	Street Inspector	Variable, 8-40 hours on each project (small or large)	January, 2026	Inform consultant of expectations	Small projects: ratio of staff time to consultant time is 10:1. Large projects: TBD	No small scale projects have been initiated in 2026. Expect to begin in 2Q, 2026.	Small scale projects approved by council in Q2, 2026. Work to occur in Q3, 2026.			This work has already occurred on many projects. Large and small.

City of Shorewood

City Council Item 5.A.ii.

Title/Subject: Tentative Upcoming Agenda Topics
Meeting Date: August 10, 2026
Prepared By: Marc Nevinski, City Administrator

Attachments

1. Tentative Upcoming Meeting Topics

Background

Attached is a list of anticipated topics for future City Council work sessions and regular meetings. The list is not exhaustive and topics and their meeting dates are subject to change.

Strategic Alignment

NA

Budget Impact

NA

Action Requested

NA

	Tentative Meeting Topic	Meeting Type
8/24/2026	South Shore Senior Partners / SCEC Staffing	Work Session
8/24/2026	City Council Budget Work Session #5: Compiled Budgets & Revision Options	Work Session
8/24/2026	Accept June Planning Commission Meeting Minutes	Regular Meeting
8/24/2026	Engineering Consultant Contract	Regular Meeting
8/24/2026	Annual Comprehensive Financial Report	Regular Meeting
8/24/2026	Annual Approval of Retention Schedule	Regular Meeting
8/24/2026	Posting of Street Supervior Position	Regular Meeting
9/14/2026	Local Speed Limit Discussion	Work Session
9/14/2026	Comprehensive Plan Amendment & Rezoning for Recently Annexed Properties	Regular Meeting
9/14/2026	SCEC Operational Scenarios	Regular Meeting
9/14/2026	Ordinance Amending Chapter 700 Regarding Animal Licensing	Regular Meeting
9/14/2026	Award Contract - Galpin Lake Trail	Regular Meeting
9/14/2026	Adopt 2027 Master Fee Schedule (Res) (Ord-Zoning)	Regular Meeting
9/14/2026	City Council Meeting - 7:00 p.m. City Council approves preliminary 2027 Budget, sets proposed 2027 Tax Levy, and establishes Budget Hearing Date. ~~Adopt 2027 fee ordinances and fee schedule~~.	Regular Meeting
9/28/2026	Discuss Annual Strategic Planning Process	Work Session
9/28/2026	5980 Glencoe Rd Variance	Regular Meeting
10/12/2026	City Council Budget Work Session #5:6: Long-Term Financial Management Plan	Work Session
10/12/2026	Annual Tobacco License Renewal	Regular Meeting
10/12/2026	Certify Special Assessments-on or before October 31st	Regular Meeting
10/12/2026	Certify Unpaid Charges-on or before October 31st	Regular Meeting
10/12/2026	3nd Quarter Communications Report	Regular Meeting
10/26/2026	Discuss Code Enforcement	Work Session

10/26/2026	Discuss Municipal Water Point of Sale Program	Work Session
10/26/2026	Zoning Code Update	Regular Meeting
10/26/2026	Adopt 2027 Fee Ordinances & Fee Schedule	Regular Meeting
10/26/2026	Fire and Police Chief Updates	Regular Meeting
11/9/2026		Work Session
11/9/2026	Annual Employee Service Recognition	Regular Meeting
11/9/2026	Approve Agreement - Minutes Services	Regular Meeting
11/9/2026	Presentation by LMCD	Regular Meeting
11/23/2026		Work Session
11/23/2026	Set 2027 Regular City Council Meeting Schedule	Regular Meeting
12/14/2026		Work Session
12/14/2026	City Council Meeting - 7:00 p.m. Budget Hearing - City Council approve	Regular Meeting