

1. Agenda

Documents:

[05-27-25 CC REG MTG AGENDA.PDF](#)

2. Agenda Packet

Documents:

[05-27-25 CC REG MTG AGENDA PACKET.PDF](#)

3. 2024 Annual Comprehensive Financial Report - Presentation Materials

Documents:

[2024 FINAL ANNUAL COMPREHENSIVE FINANCIAL REPORT.PDF](#)

[2024 FINAL AUDIT PRESENTATION.PDF](#)

[2024 FINAL EXECUTIVE GOVERNANCE SUMMARY.PDF](#)

[2024 FINAL OTHER REQUIRED REPORTS.PDF](#)

**CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
TUESDAY, MAY 27, 2025**

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

For those wishing to listen live to the meeting, please go to shorewoodMN.gov/CityCouncil for the meeting link. Contact the city at 952.960.7900 during regular business hours with questions.

AGENDA

1. CONVENE CITY COUNCIL MEETING

- A. Pledge of Allegiance
- B. Roll Call

Mayor Labadie___
Maddy___
Sanschagrín___
Gorham___
DiGruttolo___

- C. Review and Adopt Agenda

Attachments

2. CONSENT AGENDA The Consent Agenda is a series of actions which are being considered for adoption this evening under a single motion. These items have been reviewed by city council and city staff and there shall be no further discussion by the council tonight on the Consent Agenda items. Any council member or member of city staff may request that an item be removed from the Consent Agenda for separate consideration or discussion. If there are any brief concerns or questions by council, we can answer those now.

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

- A. City Council Work Session Minutes of May 12, 2025 Minutes
- B. City Council Regular Meeting Minutes of May 12, 2025 Minutes
- C. Verified Claims List Claims List
- D. Contract with HKGI for Zoning Audit Planning Director Memo
- E. Building Permit Escrow Agreement at 4565 Enchanted Pt Planning Director Memo
- F. Minnesota Inboard Development & Stormwater Maintenance Agreements for 19765 State Highway 7 Planning Director Memo

- | | |
|---|---|
| G. 2024 Pond Maintenance Improvements- Change Order #1,
City Project 21-12 | City Engineer Memo
Resolution 25-049 |
| H. Park/Recreation Manager Title Update | City Administrator Memo |
| I. Utility Billing Policy | Finance Director Memo |
| J. Election Equipment Lease Agreement with ISD 276 | City Clerk/HR Director Memo |
| K. Planner Appointment | City Clerk/HR Director Memo |
| L. Retail Tobacco License | Deputy City Clerk Memo
Resolution 25-050 |
| M. SLMPD-Excelsior Supplemental Agreement | City Administrator Memo |
| N. Fourth of July Fireworks Display | City Administrator Memo |

3. MATTERS FROM THE FLOOR This is an opportunity for members of the public to bring an item, that is not on tonight's agenda, but related to the governance of the City of Shorewood, to the attention of the City Council. In providing this limited public forum, the City of Shorewood expects respectful participation. We encourage all speakers to be courteous in their language and behavior, and to confine their remarks to those facts that are relevant to the question or matter under discussion. Please remember that this is a public business meeting, available for viewing on television and the internet by members of the public, including children. Consistent with FCC rules, obscenity, and profane or indecent language will not be tolerated by the presiding officer. 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 three 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. REPORTS AND PRESENTATIONS

- | | |
|---|-----------------------|
| A. 2024 Annual Comprehensive Financial Report | Finance Director Memo |
|---|-----------------------|

5. PARKS

6. PLANNING

- | | |
|---|---------|
| A. Report from Commissioner Longo on 05-06-25 Planning Commission Meeting | Minutes |
|---|---------|

- | | |
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| B. Nonconformities City Code Amendments
Applicant: City of Shorewood
Location: City Wide | Planning Director Memo
Ordinance 620
Resolution 25-051 |
| C. Building City Code Amendments
Applicant: City of Shorewood
Location: City Wide | Planning Director Memo
Ordinance 621
Resolution 25-052 |

7. ENGINEERING/PUBLIC WORKS

- | | |
|--|---|
| A. 2025 Mill & Overlay Change Order #1, City Projects 24-10, 23-01 | City Engineer Memo
Resolution 25-053 |
|--|---|

8. GENERAL/NEW BUSINESS

- | | |
|---|-------------------------|
| A. Hwy 7 Transportation Management Organization
Study Contract | City Administrator Memo |
|---|-------------------------|

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

- A. Staff
- B. Mayor and City Council

10. ADJOURN

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9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

B. Mayor and City Council

10. ADJOURN

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION MEETING
MONDAY, MAY 12, 2025

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 5:30 P.M.

A. Roll Call

Present: Mayor Labadie; Councilmembers Maddy, Sanschagrín, and Gorham; City Attorney Shepherd; City Administrator Nevinski; Parks and Recreation Manager Czech; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; and, City Engineer Budde

Absent: Councilmember DiGruttolo

B. Review Agenda

Maddy moved, Sanschagrín seconded, approving the agenda as presented. Motion passed.

2. HIGHWAY 7 CORRIDOR STUDY PRESENTATION

Faith Zha, MnDOT Highway 7 Project Manager, and Paul Glaser, MnDOT Senior Project Manager, introduced themselves and shared details that came out of the Highway 7 Corridor Study, safety and crash data, briefly reviewed the Segment 1 alternatives MnDOT had prepared, including no build (Alternative 1), roundabouts (Alternative 2), or improved intersections (Alternative 4).

Councilmember Maddy noted that he did not see the Eureka Road intersection included in any of the plans.

Mr. Glaser explained that Eureka had not been specifically identified in this layout, but throughout the alternatives, they were proposing a left-in at Eureka and no left-out, and explained how traffic would have to utilize the Minnewashta roundabout to navigate to the east.

Councilmember Gorham asked how MnDOT had looked at getting people across Highway 41, for example, at Highway 7, where kids were going to the middle school using bikes or walking.

Mr. Glaser stated that today they cross at a signalized intersection and in this case they would cross at a multi-lane roundabout, but acknowledged that both may be less than desirable. He noted that if Alternative 2 moved forward, there would have to be consideration for what the crossing treatment would be for that roundabout.

Councilmember Gorham asked who would maintain the crossing beacon Mr. Glaser had mentioned.

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Ryan Wilson, West Area Manager, Metro District, stated that for roundabouts, rectangular rapid flashing beacons (RRFB) are one of the treatments they can use to indicate the presence of pedestrians or bicyclists. He explained that they do have a cost participation policy that guides the way they interact on a capital construction basis, as well as for maintenance/operations. He noted that the current policy states that RRFBs are maintained by locals, but explained that there was an update to this policy in the works.

Councilmember Sanschagrín noted that Highway 41 already has a light and asked if there was a way to leave the lighted intersections as they were and address others with roundabouts.

Mr. Glaser stated that there would be some options to leave Highway 41 as a signal, but it would not address any safety considerations, and noted that there would probably also need to be some type of accommodation for a U-turn movement if they put a median barrier down the corridor. He gave a brief description of the various intersection options, such as side stop control, $\frac{3}{4}$ intersection, signalized, Reduce Conflict Intersection (RCI), Greet T, single-lane roundabout, and multi-lane roundabout. He gave an overview of the matrix and data used for evaluation of the Segment 1 alternatives and explained that although both Alternative 2 and Alternative 4 addressed the needs in the corridor, the recommendation was for Alternative 2, with the roundabout corridor, because it addressed them a bit better.

Councilmember Sanschagrín asked if there were fewer accidents in roundabouts than at signalized light intersections, to which Mr. Glaser responded that the biggest benefit of roundabouts is that they greatly reduce severe injury and fatal crashes.

Councilmember Gorham asked how pedestrian mobility would be improved, to which Mr. Glaser replied that the perception of crossing at a signal from a pedestrian standpoint was that they were safe, but they do see a lot of pedestrian fatalities at signals.

Councilmember Gorham asked if there was a reduced rate of fatalities with the use of beacons at roundabouts. Mr. Glaser responded that beacons at a roundabout increase the yielding compliance for pedestrians, but was not sure there was a study that would say it would reduce the number of crashes with pedestrians.

Mr. Miller reviewed statistical data related to RCIs, which showed a significant decrease in fatal and serious injuries, and explained that they do the same thing as a roundabout because they reduce conflict points and reduce high-speed maneuvers. He acknowledged that multi-lane roundabouts can be a bit tricky because people are not as familiar with them, but there were still significant decreases in pedestrian, bicycle, and vehicle crashes.

Mr. Glaser stated that related to speed, there is a chart that shows the probability of surviving an accident at 25 mph compared to 35 mph and 40 mph, and noted that speeds traveling through a roundabout, which is a fluid traffic control device, are low.

Councilmember Gorham stated that he felt the City would be able to sell the barrier median pretty easily, but noted that he would like to see there be more statistical information about pedestrian safety at roundabouts.

Mr. Glaser stated that they can bring that kind of data to the City and noted that one of the things they have been looking at is incorporating a continuous trail option, where feasible, in Segment 1, and stated that there may be a need for some location connections. He explained that in

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Segment 2, they were looking at more improved crossing options in that segment, rather than more of a regional trail facility like they were for Segment 1. He outlined the next steps of the corridor study and explained that they were in a formal public engagement phase in May, and having an official recommended alternative in June, and then begin working on implementation of how it may be able to be built, for example, in pieces or all at once. He explained that the study should wrap up by the end of September 2025.

Councilmember Gorham confirmed that City Engineer Budde was on the TAC and asked about the risk that Mr. Glaser had mentioned regarding the scope of the FY 29 paving project not addressing all the needs. Mr. Glaser explained that the paving project has some level of safety improvement funding available, but not to the level of the alternatives presented, with the number of roundabouts and median barriers.

Councilmember Gorham asked how much they had planned for the FY 29 project, to which Mr. Miller replied that it was somewhere around thirty-five million dollars.

Mayor Labadie asked if the pop-up events MnDOT has held were well-attended by the public. Ms. Zha replied that their pop-up events went well and met with around seventy people in total, and noted that the roundabout suggestions had been well received, especially at Eureka Road. She asked if MnDOT was planning to make this same presentation to all the cities along the corridor. Ms. Zha acknowledged that they would share this exact presentation with all the cities and local partners along the corridor.

Mr. Miller gave a summary of the next steps as this project transitioned from the Capital Highway Investment Plan (CHIP) to the State Transportation Improvement Program (STIP).

Mayor Labadie expressed concern about residents from all the corridor cities getting burned out with surveys and having the feeling that nothing was happening. She referenced the survey that will close on June 3, 2025, and asked if they do not have the same number of responses for the Eureka intersection that they did on the original survey, if it would impact this project, or if MnDOT was looking at everything in totality. She asked if the cities along the corridor should be doing anything to encourage more resident input.

Ms. Zha noted that having residents take the survey and share their study information with the public, like they were tonight, was providing them with a lot of good feedback. She stated that all of this feedback will help inform the future project, which she would consider a near-term project.

Mr. Miller agreed that they would take all of the input into consideration, and there could still be tweaks made to the plan. He acknowledged that MnDOT understands that the Eureka intersection was important to the City and its residents and explained that even if there were no comments about it during this phase of the study, they would not just assume there was no longer an issue there because it still needed to be part of a comprehensive solution.

Councilmember Gorham asked about whether the cities needed to try to push the legislature over the next few years because the STIP would dictate when the design work began and whether there was a dollar figure goal that was part of this discussion. Mr. Glaser explained that there would be a planning-level cost included with the alternatives for them to understand the difference and the gap in funding.

Councilmember Gorham asked how the decision about the recommended alternative would be made. Mr. Miller responded that since it was MnDOT's road, they would be the final decision maker, but their goal was to make the decisions in partnership with the corridor cities and have their support.

Mayor Labadie noted that the current State Senators and Representatives were supportive and on board with this project. She thanked the MnDOT representatives coming to give this presentation, holding pop-up events, and keeping the City in the loop about this project, and asked that they continue to do so.

3. UTILITY BILLING POLICY

Finance Director Schmuck explained that an internal audit had been conducted after the last quarterly utility billing had been done and found a few accounts that had inaccurate billings. She stated that some of the past practices that the City had used to handle correction for these billings were not documented and she was recommending that the City establish a Utility Billing Policy that would incorporate City Code, fee schedule, State statute, as well as historical practices to it would all be in one place. She noted that the policy was straightforward and intended to bring it to a future Council meeting as part of the Consent Agenda.

Councilmember Maddy asked if this just codified business as usual or if substantial changes were being made to which Finance Director Schmuck replied that for the most part it was just codifying the City's existing practices.

Councilmember Sanschagrín stated that he felt the first sentence may be broader than intended and suggested some language changes to the policy. He asked if there may be a way to include a more specific website reference rather than just pointing people towards the City's main website. Finance Director Schmuck clarified that the links within the document were hyperlinks and bring residents to the proper page within the City's website but noted that they could also use the search engine.

Councilmember Maddy referenced the language removal suggestions made by Councilmember Sanschagrín and stated that he was confused about why they would want to take them out.

Councilmember Sanschagrín stated that the current wording was, 'to define reasonable regulations' and stated that these were not regulations and it was just a policy. Finance Director Schmuck clarified that some of them were regulations.

Councilmember Maddy stated that he had relied on staff's recommendation to let them know what made sense, but felt it would still make sense if Councilmember Sanschagrín tweaked it a bit.

Mayor Labadie reminded the Council that the goal was for this to be able to come before them on the Consent Agenda, so if there were things that needed to be hashed out, this was the time to do it.

Councilmember Gorham and Mayor Labadie stated that they did not have a strong opinion about the suggested changes made by Councilmember Sanschagrín.

Councilmember Sanschagrín stated that his suggestion would be clearer for residents. Finance Director Schmuck stated that she could make the recommended changes if the majority of the Council was indifferent to them.

4. DRAFT COUNCIL BYLAWS

City Administrator Nevinski gave an overview of the history behind Council consideration of having bylaws and explained that what was included in the draft bylaws generally reflected how the Council currently operated rather than creating new processes, but they could look at the possibility of doing things differently in the future.

Councilmember Maddy referenced the ex parte communications sections, which generally say not to talk to anyone else, and he had also abided by Statute 13.D. to not interact with a majority. He asked if the City wanted to say that they could not speak about City business with just one other person.

City Administrator Nevinski stated that this was related to members of the public because the Council had to be aware of open meeting laws in their communications, and explained that ex parte communications and due process related to matters that might come before the Council for formal consideration, and how they represent their position on matters.

Councilmember Gorham stated what separates what Councilmember Maddy was referring to, and this section was that it was communication directed to the merits of the outcome of a proceeding, and just hearing someone out would be okay. He explained that he had additional comments on the draft bylaws but did not think there would be enough time to get through them all tonight and noted that Councilmember DiGruttolo also was not here tonight to discuss this item.

Councilmember Sanschagrín referenced III.d. Meetings, and stated that he felt that should just be included within the first paragraph of this section. He referenced III.b. and stated that the League of Minnesota Cities has documents that talk about the mayor being the head of the City, but he felt this could convey a sense of confusion. He noted that the League of Minnesota Cities agreed that what was described within the Mayor's Handbook may be a better description than what the League had used and was considering adjusting their description, and explained that Shorewood, as a weak mayor City, had the Council as the head of the City.

Mayor Labadie noted that the amount of time she spends in the role of Mayor is more than double that of the Council role. She referenced organizations such as the Regional Council of Mayors and the Minnesota Mayors Association, where the meetings were not attended by Councilmembers, as well as meetings with Senator Anne Johnson Stewart with other mayors and quarterly meetings with the area mayors and the Superintendent of the public schools. She clarified that she disagreed with Councilmember Sanschagrín because there were times the Mayor formally represented the City, whether the Council liked it or not, and asked where the proposed language under III.b. was taken from. City Administrator Nevinski stated that the language came from the handbook, but staff could take a closer look and try to make some modifications for future consideration by the Council.

Councilmember Maddy asked what the problem was with the proposed language, because it stated that the Mayor was equal to the rest of the Council except for certain items. Councilmember

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Sanschagrín stated that it was a misperception because the Mayor was an equal member of the Council.

Councilmember Maddy disagreed and stated that if there was an emergency and something needed to happen right away, the City needed to lean on the Mayor and not the members of the Council.

Councilmember Sanschagrín stated that representative was the key word and clarified that he did not mean to disrespect Mayor Labadie with his comments. He stated that he appreciated all the time Mayor Labadie was spending representing the City, but that was where some confusion came in with some of those activities, because technically, the Council should be part of those activities.

Mayor Labadie explained that she did not find this segment confusing and referenced an upcoming conference that would hold a Mayor's Breakfast and would only have mayors in the room. She asked City Administrator Nevinski to provide the Mayor's Handbook language and the League of Minnesota Cities language to the Council for the next time this item was discussed, for them to consider the language side by side.

5. ADJOURN

Maddy moved, Sanschagrín seconded, Adjourning the City Council Work Session Meeting of May 12, 2025, at 6:48 P.M. Motion passed.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, MAY 12, 2025

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 7:03 P.M.

A. Pledge Of Allegiance

B. Roll Call

Present: Mayor Labadie; Councilmembers Maddy, Sanschagrín, and Gorham; City Attorney Shepherd; City Administrator Nevinski; City Clerk/HR Director Thone; Planning Director Griffiths; Director of Public Works Morreim; Park and Recreation Manager Czech; Finance Director Schmuck, and, City Engineer Budde

Absent: Councilmember DiGruttolo

C. Review Agenda

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

Motion passed.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

Councilmember Sanschagrín referenced item 2.H. and noted that Commissioner Eggenberger had offered to continue serving on the Commission until a replacement could be found, and asked if that would cause any issues. City Administrator Nevinski answered that it was not an issue.

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

- A. City Council Work Session Minutes of April 28, 2025
- B. City Council Regular Meeting Minutes of April 28, 2025
- C. Approval of the Verified Claims List
- D. Athletic Association Agreements
- E. Accept Resignation/Approve Recruitment: PW LEO Position
- F. Accept Resignation: Community Center Attendant

G. 2025 Mill & Overlay HCRRRA Permit, City Project 24-10, 23-01

H. Accept Resignation: Planning Commissioner Todd Eggenberger

Motion passed.

3. MATTERS FROM THE FLOOR

4. REPORTS AND PRESENTATIONS

A. Public Works Week

Public Works Director Morreim explained that National Public Works Week would take place May 18 – 24, 2025, in recognition of the essential role Public Works professionals play in the community. He shared a brief presentation about the City's twelve full-time and three seasonal Public Works employees and what they do around the City. He explained that the City had two Public Works staff members who were on-call 24/7 in case something happened in the City that needed attention.

5. PARKS

A. Report by Commissioner Hirner on April 22, 2025, Park Commission Meeting

Park Commissioner Hirner gave a summary of the April 22, 2025, Park Commission meeting, as outlined in the meeting minutes.

Mayor Labadie asked about the upcoming Park Tours and whether they would continue, to which Park Commissioner Hirner replied that the current plan was to merge the tours in 2025 as part of the Parks Master Plan planning process.

6. PLANNING

**A. Shorewood Carriage Homes PUD/Preliminary Plat
Applicant: Admark, LLC/Mark Kaltsas, PLA
Location: 24560 Smithtown Road**

City Administrator Nevinski explained that City Attorney Shepherd and City Engineer Budde had recused themselves from this item, due to some conflicts of interest on this item. He stated that Scott Baumgartner, was available to represent the City in this matter, via Zoom, and noted that Barr Engineering was not present, but had put together a memo related to this application.

Planning Director Griffiths reviewed the application request for Shorewood Carriage Homes PUD/Preliminary Plat for Admark, LLC/Mark Kaltsas, PLA at 24560 Smithtown Road for a six-lot subdivision and highlighted the discussions and recommendations from the Planning Commission to approve the request.

Councilmember Gorham stated that when this item came before the Council last year, there was discussion about the driveway dimensions and requested a comparison of those numbers. Planning Director Griffiths explained that at the last meeting, the Council had discussed the depth of the driveways for the homes and that there should be enough space for residents to park a

CITY OF SHOREWOOD REGULAR COUNCIL MEETING MINUTES

MAY 12, 2025

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vehicle. He noted that the Council required the depth of the driveways to be twenty feet, and the applicant was meeting that requirement with their current proposal, which would be wide enough for two cars and would also provide garage space. He explained that the previous Council approval had language that staff will ensure gets into the HOA documents and covenants requiring that the garage space be partially kept for parking vehicles, so they did not need to rely on using the driveway.

Maddy moved, Gorham seconded, Adopting RESOLUTION NO. 25-046, “A Resolution Approving a PUD Development Stage Plan and Preliminary Plat for the Property Located at 24560 Smithtown Road.”

Motion passed.

**B. Vacation of Easement
Applicant: Heidi and Craig Johnson
Location: 27940 Smithtown Road**

Planning Director Griffiths reviewed the request from Heidi and Craig Johnson for a vacation of easement at 27940 Smithtown Road and explained that this was being done to clean up the title for the property, and noted that the Planning Commission had unanimously recommended approval.

Councilmember Maddy asked if the City was maintaining the ten-foot drainage and utility easement on the entire perimeter of the property, to which Planning Director Griffiths responded that the City would maintain that easement.

Maddy moved, Sanschagrín seconded, Adopting RESOLUTION NO. 25-047, “A Resolution Approving Vacation of a Portion of the Drainage and Utility Easements at 27940 Smithtown Road.”

Motion passed.

**C. Fence Height Conditional Use Permit
Applicant: Richard Pearce
Location: 5905 Grant Street**

Planning Director Griffiths outlined the application from Richard Pearce for a Conditional Use Permit (CUP) for fence height at 5905 Grant Street and explained that the fence had already been built. He noted that there were several comments from the public at the Planning Commission meeting, and the City had received two additional comments after the Council packet was put together, which had been distributed before the meeting. He stated that the residents who addressed the Planning Commissioner were generally in support of this request, and most had also submitted written comments and explained that the Planning Commission unanimously recommended approval.

Councilmember Sanschagrín asked why this would be a CUP and not a variance request. Planning Director Griffiths explained that the City’s Zoning Code directed this to be a CUP and not a variance. He asked if staff had any pictures of the situation referenced by one of the comments from Kiersa Notz, that her fence was six feet high, and Mr. Pearce’s fence would be higher.

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MAY 12, 2025

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Planning Director Griffiths stated that they did not have a picture of that situation and noted that he could explain the comment from Ms. Notz in more detail. He explained that Ms. Notz lives north of the site, and it was explained at the Planning Commission meeting that they were under the impression that a new fence would be built that may directly impact her property, but the portion of the fence they were talking about was located in a different location. He stated that he believed that Ms. Notz had misunderstood the application and noted that he had tried to reach out to her between the meetings, but had not received a response.

Councilmember Sanschagrín noted that there was another pretty strong communication that had done a full analysis of the variance criteria and asked if staff had any response to some of their comments.

Planning Director Griffiths stated that even though the Planning Commission had not received that comment at their meeting, they did consider the fence and the photos relative to the CUP criteria, and they determined that it did not pose a significant impact to the adjacent properties. He noted the reason this was before the City was that, rather than having a hill in this location where they could put footings in for the fence, there was a retaining wall.

Councilmember Gorham asked if the City had heard from the property owner on the left side of the photo of the fencing.

Planning Director Griffiths explained that the longer comment that was received between the meetings was from that property owner who was in opposition and gave an overview of some of the items that could be seen from the photograph of the fence.

Councilmember Gorham asked how much privacy would be lost if the fence, in this location, were shortened to six feet for the applicant.

Planning Director Griffiths suggested that the Council ask the applicant those questions.

Councilmember Gorham asked about the notice of violation that had been sent to the applicant, to which Planning Director Griffiths replied that he had sent it last fall, when he was working under former Planning Director Darling.

Planning Director Griffiths stated this fence looked to be six feet tall from one side of the fence and eight and a half feet tall from the other side of the fence and explained that when former Planning Director Darling was reviewing the fence plans when the applicant had applied for a permit, the plans showed that it was a six foot tall fence. He stated that because of that, former Planning Director Darling had issued the fence permit, but then realized that there had been a miscommunication regarding the drawings, and the fence did not meet City Code requirements. He explained that when staff reached out to the applicants about this issue, they chose to pursue the option of applying for a CUP to try to legalize the fence that had already been built.

Councilmember Gorham stated that it appeared to be an honest mistake and asked if a complaint had been issued that had triggered the notice of violation, to which Planning Director Griffiths replied that the City had received a complaint regarding the fence.

Councilmember Maddy asked if the applicant was required to rectify this situation, how much of the fence would have to have two and a half feet removed.

CITY OF SHOREWOOD REGULAR COUNCIL MEETING MINUTES

MAY 12, 2025

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Planning Director Griffiths explained that he did not know the exact linear footage, but it would at least be the first four fence panels shown in the photograph, starting from the right side, where the retaining wall was located, because once the fence reached the natural grade, it met the City's requirement.

Councilmember Gorham stated that it would not look very good and asked the applicant about what was located in the foreground of the photograph.

Richard Pearce, 5905 Grant Street, gave a brief explanation of what was located in the backyard and stated that if Councilmember Gorham's question related to privacy and why they put in a fence, there was a fence there before. He explained that they have lived on this property since 2015, and stated that they tore down the original home and built a new home, and noted that the previous fence was taller than this fence. He stated that the previous home had a fence and a structure located in this section that looked like a chicken coop, which stored construction materials. He stated that the person who complained about this fence had complained about several different things since they built their new home and explained that when they built their new home, that neighboring property had a sewer line that went through their property which they did not know, so it ended up being accidentally cut during excavation, because nobody knew it was there because there was not an easement for it. He stated that they have been harassed by this neighbor for the last two and a half years, since they built their new home. He asked if he could object to the neighbor's email submission because he had not seen it until he walked into the meeting. He explained that he did not have an opportunity to prepare a response, but in reading through it, some of the things that were mentioned related to safety, and he pointed out the location of the neighbor's driveway. He stated that the neighbor had not presented any photos of icy conditions because it was a contrived concern and explained that the snow shown in the photograph was the neighbor's snow that he had blown into the area, and that any safety issue that may be present was created by the neighbor. He stated that the Planning Commission looked at this situation and determined that there were no significant impacts on any of their neighbors.

Councilmember Sanschagrín asked whether the fence was constructed on the property line, to which Mr. Pearce replied that it was not on the property line and was within the setback distance required.

Mr. Pearce stated that this was an honest mistake and noted that everyone else in the neighborhood felt that the fence was beautiful, except for one neighbor.

Councilmember Maddy asked if the retaining wall and the fence posts were all located on Mr. Pearce's property, and Mr. Pearce confirmed that they were on his property.

Mayor Labadie noted that the City had received one letter in opposition to this request, but had received many letters in support of it, nor did anyone speak out against it at the public hearings. She explained that she was also leaning towards the thought that this had been an honest mistake.

Councilmember Sanschagrín stated that there had been other situations where honest mistakes were made, but the City had been aggressive in enforcing the City's fencing regulations, and that if these were allowed, he was concerned that the City was not being consistent in how it looked at fences.

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MAY 12, 2025

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Councilmember Gorham asked for details from the Planning Commission discussion and what items they had debated.

Planning Director Griffiths stated that following the public testimony on this item, which was large in favor, the Planning Commission had discussed the concern raised by Councilmember Sanschagrín regarding different applications. He explained that they concluded that, in this situation, there was a unique enough layout to the land, that it was only an issue because of the retaining wall. He stated that part of the reason why the City's Code has a maximum height of six feet for fences was because if you go larger, it technically becomes a wall by the Minnesota State Building Code, which requires a building permit and structural certification from a licensed engineer. He explained that the applicant had provided structural certification from an engineer to the City, so the Planning Commission felt comfortable with this request because the applicant had invested in hiring a structural engineer to verify that the fence would work in its current form, without any modifications, and had unanimously recommended approval.

Councilmember Gorham gave the example of a situation where the retaining wall was six feet tall and asked if, in that situation, they would not be able to install a fence at all.

Planning Director Griffiths answered that it was how the City Code read, so they would not be able to install a privacy fence because, in that scenario, they would consider the entire height.

Councilmember Gorham stated that this was an honest mistake, but that did not mean it was okay and, for consistency's sake, the fence should be lower, even though he sympathized with the applicant.

City Attorney Shepherd stated that the discussion from Councilmembers Sanschagrín and Gorham regarding consistency, and noted that the other issue the City has had in front of them in the past has been encroachments into the right-of-way with fences and not applications under this provision that allowed them to make an application for a CUP. He explained that he wanted to make sure the Council distinguished between those because they are different, and did not believe the Council had had one with a CUP. He stated that they both involved fences, but the City Code gives the City a pathway to allow a fence of a greater height under the CUP.

Mayor Labadie noted that this type of application was decided on a case-by-case basis and asked if City Attorney Shepherd was concerned about this particular fence setting a City-wide precedent, to which City Attorney Shepherd replied that he was not concerned about setting a precedent.

Councilmember Maddy stated that the way this fence has been installed looked completely reasonable to him, and he was comfortable with this request and would have been okay with it if Mr. Pearce had applied for it before the fence was installed as well.

Councilmember Sanschagrín explained that his concern was also due to the adjacent property owner, who objected and noted that it seemed cramped in this area.

Mr. Pearce described what was in place on the adjacent property and noted that at one time, the neighbor's structures had been built on the property line without proper setbacks. He stated that it was likely that they were here now because the neighboring property owner had gotten away with quite a few things in the past. He clarified that he had gone through the proper processes with the City and applied for all the necessary permits and had followed them to a 'T' and was now here because of the reasons he shared earlier. He explained that if he had to cut down this

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portion of the fence, it would be a four-foot-high fence, and he would lose his privacy. He noted that the adjacent property owner applied for a fence right after he had applied for a fence, and their application contained a fence that was solid and was proposed to be on his property in certain sections, and the City denied their application. He stated that he did not think the Council should be concerned about the one objection to his fence because it stemmed from the grievance of when he first built his home and was without merit.

Councilmember Sanschagrín stated that the nice side of the fence was facing Mr. Pearce's property. Planning Director Griffiths clarified that the finished side of the fence was facing away from Mr. Pearce's property and was not facing Mr. Pearce's property as stated by Councilmember Sanschagrín.

City Attorney Shepherd stated that he agreed with Planning Director Griffiths that in the future, rather than going through the CUP process, the City should probably move to a variance analysis, but clarified that this was not in front of the Council tonight. He stated that whether it not it satisfied the variance analysis was not in front of the Council, and they should consider whether it satisfied the CUP requirements. He noted that one of the distinctions between a CUP and encroachment was that an encroachment was talking about something off of someone's property, such as within the right-of-way or encroaching on someone's property, and in this instance, this is an application for a fence that was entirely on the property owner's property.

Councilmember Sanschagrín stated that he felt the analysis presented by the adjacent property owner was applicable because it addressed the health, safety, and well-being of the residents related to light and character.

Maddy moved, Labadie seconded, Adopting RESOLUTION NO. 25-048, "A Resolution Approving a Conditional Use Permit to Allow an 8.5 Foot Tall fence on Property Located at 5905 Grant Street."

Motion failed 2-2 (Sanschagrín and Gorham opposed).

Mayor Labadie stated that she did not understand the issue with not voting in favor of this application and referenced the statements made by City Attorney Shepherd, that it was completely on their property, that the applicant had come to the City and attempted to follow the proper steps with approval by the City. She noted that this may be the only time someone has brought information forward from a structural engineer for a fence.

Councilmember Sanschagrín stated that he had installed a fence on his property and chose to proactively approach his neighbors, and ended up moving the fence back to create goodwill with them.

Councilmember Maddy noted that neighbors cannot dictate the enforcement of City Code.

Councilmember Gorham stated that this fence looks like six feet tall from one side and eight and a half feet tall from the other, and the person on the other side does not want that, and explained that he was not looking at anything more complicated than that.

Mayor Labadie stated that it was set up this way because of the topography of the lot and asked Planning Director Griffiths if the footings were on the other side of the retaining wall that the height would not be an issue, and Planning Director Griffiths stated that was correct. She stated that

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this was what the Code was for and gives the applicant a way to approach an unusual lot with an unusual circumstance, and reminded the Council that the issue was not whether this should be a variance rather than a CUP.

Councilmember Gorham stated he understood the points made by Mayor Labadie and explained that he could be swayed to vote differently, but noted that he did not want to set a precedent.

Councilmember Sanschagrín stated that he would prefer that the fence be built on the other side of the retaining wall so those footing posts would not be seen.

Mr. Pearce stated that he could not move the fence to the other side of the retaining wall because of the topography and curves, and explained that it was in this location due to the uniqueness of the topography in the area. He noted that he thought that was understood when he had applied. He stated that he did not feel there would be any difference in the shading or lighting issues that were raised by the neighbors in the current location versus the other side of the retaining wall.

Gorham moved, Maddy seconded, to Reconsider a Motion on Adopting RESOLUTION NO. 25-048, “A Resolution Approving a Conditional Use Permit to Allow an 8.5 Foot Tall fence on Property Located at 5905 Grant Street.”

Motion passed 3-1 (Sanschagrín opposed).

Gorham moved, Maddy seconded, Adopting RESOLUTION NO. 25-048, “A Resolution Approving a Conditional Use Permit to Allow an 8.5 Foot Tall fence on Property Located at 5905 Grant Street.”

Motion passed 3-1 (Sanschagrín opposed).

7. ENGINEERING/PUBLIC WORKS

8. GENERAL/NEW BUSINESS

9. STAFF AND COUNCIL REPORTS AND DISCUSSION

A. Staff

Park and Recreation Manager Czech stated that the City had hosted a volunteer tree planting event at Freeman Park and thanked those who came out, including Tonka United Soccer Association, Park Commissioners Hirner and Wenner, and the Public Works Department.

Public Works Director Morreim stated that crews would be watering many trees, and utility crews would be finishing up watermain flushing soon and would move on to exercising valves.

City Engineer Budde stated that they were working on the Mill Street communication and would be holding an Open House sometime later this month.

Finance Director Schmuck explained that she would have the Utility Billing Policy prepared for the next City Council meeting.

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City Clerk/HR Director Thone noted that the City had reviewed seven candidates for the Planner position and will bring back three individuals for finalist interviews later in the week. She stated that they had also contacted past Planning Commission candidates due to the resignation of Planning Commissioner Eggenberger. She stated that there were fifty-three trees picked up and planted by residents, and six will be going to the City parks. She noted that the City had received one hundred sixty-five survey responses and noted that additional responses would be due by May 23, 2025. She stated that the City ended up receiving five letters of intent for the recycling RFP. She reminded the Council that the Spring Clean-up and Shredding event would be on May 17, 2025.

Planning Director Griffiths expressed his appreciation to Planning Commissioner Eggenberger for his years of service to the City, and he would be missed, but was thankful that he was willing to serve until a replacement could be found for his seat. He stated that the Planning Department has been very busy with construction projects and was excited about bringing a Planner on board shortly.

City Administrator Nevinski stated that final interviews for the SLMPD Chief position would be held later this week. He noted that he was working with MnDOT on the Transit Management Organizational Study and hoped to have a contract for Council consideration in time for the next meeting.

B. Mayor and City Council

Councilmember Gorham stated that he wanted to echo the comments made by Planning Director Griffiths regarding Planning Commissioner Eggenberger, and had served alongside him for many years.

Councilmember Sanschagrin stated that there was an LMCC meeting on May 8, 2025, and gave a brief overview of topics of discussion, including downsizing plans.

Councilmember Maddy stated that he had also worked alongside Planning Commissioner Eggenberger for years and was also sad to see him go, but wished him the best.

Mayor Labadie stated that she wished Planning Commissioner Eggenberger luck and noted that he had contributed a lot to the City and was a wonderful person that she was glad to know.

10. ADJOURN

Maddy moved, Sanschagrin seconded, Adjourning the City Council Regular Meeting of May 12, 2025, at 8:20 P.M.

Motion passed.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk



City Council Meeting Item

Title/Subject: Verified Claims
Meeting Date: May 27, 2025
Prepared by: Michelle Nguyen, Senior Accountant
Reviewed by: Jeanne Schmuck, Finance Director
Attachments: Claims Lists

Item 2C

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-05-19-2025-ACH	\$67,596.21
Payroll-05-19-2025-AP	\$80,447.48
Spring Clean-up-Petty Cash	\$300.00
Council-05-27-2025	\$298,600.64

Total Claims: Checks & ACH	\$446,944.33
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Financial or Budget Considerations

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.

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
Printed: 05/12/2025 - 1:01PM
Batch: 00004.05.2025 - Council-05-27-2025-SpringCleanup



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 332	PETTY CASH			Check Sequence: 1	ACH Enabled: False
2025-SpringC-U	2025-Spring Clean-up	300.00	05/12/2025	621-00-4347-0000	
	Check Total:	300.00			
	Total for Check Run:	300.00			
	Total of Number of Checks:	1			

Clearing House

Distribution Report

User: mnguyen
Printed: 05/19/2025 - 12:42PM
Batch: 00019.05.2025



Account Number	Debit	Credit	Account Description
700-00-1010-0000	0.00	67,596.21	CASH AND INVESTMENTS
700-00-2170-0000	67,596.21	0.00	GROSS PAYROLL CLEARING
	<u>67,596.21</u>	<u>67,596.21</u>	
	<u>67,596.21</u>	<u>67,596.21</u>	
Report Totals:	<u>67,596.21</u>	<u>67,596.21</u>	

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
 Printed: 05/19/2025 - 2:17PM
 Batch: 00005.05.2025 - Payroll-05-19-2025



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 12	AFSCME MN COUNCIL 5 - UNION DUES				
May-2025	PR Batch 00002.05.2025 Union Dues	209.51	05/19/2025	700-00-2182-0000	ACH Enabled: True PR Batch 00002.05.2025 Union Dues
May-2025	PR Batch 00001.05.2025 Union Dues	209.51	05/05/2025	700-00-2182-0000	PR Batch 00001.05.2025 Union Dues
	Check Total:	419.02			
Vendor: 1511	ALLSTATE BENEFITS				
May-2025	PR Batch 00001.05.2025 Insurance-Critical Ben	460.96	05/05/2025	700-00-2189-0000	ACH Enabled: True PR Batch 00001.05.2025 Insurance-Critica
May-2025	PR Batch 00001.05.2025 Insurance-Accident Be	64.39	05/05/2025	700-00-2189-0000	PR Batch 00001.05.2025 Insurance-Accide
May-2025	PR Batch 00001.05.2025 Insurance-Hospital Ber	253.11	05/05/2025	700-00-2189-0000	PR Batch 00001.05.2025 Insurance-Hospit
	Check Total:	778.46			
Vendor: 5	EFTPS - FEDERAL W/H				
PR-05-19-2025	PR Batch 00002.05.2025 Federal Income Tax	10,283.34	05/19/2025	700-00-2172-0000	ACH Enabled: True PR Batch 00002.05.2025 Federal Income T
PR-05-19-2025	PR Batch 00002.05.2025 Medicare Employer Po	1,426.68	05/19/2025	700-00-2174-0000	PR Batch 00002.05.2025 Medicare Emplo;
PR-05-19-2025	PR Batch 00002.05.2025 FICA Employer Portio	6,100.19	05/19/2025	700-00-2174-0000	PR Batch 00002.05.2025 FICA Employer I
PR-05-19-2025	PR Batch 00002.05.2025 Medicare Employee Pc	1,426.68	05/19/2025	700-00-2174-0000	PR Batch 00002.05.2025 Medicare Emplo;
PR-05-19-2025	PR Batch 00002.05.2025 FICA Employee Portio	6,100.19	05/19/2025	700-00-2174-0000	PR Batch 00002.05.2025 FICA Employee
	Check Total:	25,337.08			
Vendor: 6	HEALTH PARTNERS-MEDICAL				
May-2025	PR Batch 00001.05.2025 Health Insurance-CoPa	7,087.00	05/05/2025	700-00-2171-0000	ACH Enabled: True PR Batch 00001.05.2025 Health Insurance
May-2025	PR Batch 00001.05.2025 Health Insurance - CoP	370.73	05/05/2025	700-00-2171-0000	PR Batch 00001.05.2025 Health Insurance
May-2025	PR Batch 00002.05.2025 Health Insurance-HSA	1,327.21	05/19/2025	700-00-2171-0000	PR Batch 00002.05.2025 Health Insurance
May-2025	PR Batch 00001.05.2025 Health Insurance-HSA	1,327.21	05/05/2025	700-00-2171-0000	PR Batch 00001.05.2025 Health Insurance
May-2025	PR Batch 00001.05.2025 Health Insurance-HSA	17,108.92	05/05/2025	700-00-2171-0000	PR Batch 00001.05.2025 Health Insurance
May-2025	PR Batch 00001.05.2025 Health Insurance-Joe R	1,333.12	05/05/2025	700-00-2171-0000	PR Batch 00001.05.2025 Health Insurance

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
May-2025	PR Batch 00002.05.2025 Health Insurance - CoF	370.73	05/19/2025	700-00-2171-0000	PR Batch 00002.05.2025 Health Insurance
	Check Total:	28,924.92			
Vendor: 1166	HEALTHPARTNER-DENTAL			Check Sequence: 5	ACH Enabled: True
May-2025	PR Batch 00001.05.2025 Dental-Marie Darling-I	409.44	05/05/2025	700-00-2184-0000	PR Batch 00001.05.2025 Dental-Non Unio
May-2025	PR Batch 00001.05.2025 Dental-Joe Rigdon & F	109.32	05/05/2025	700-00-2184-0000	PR Batch 00001.05.2025 Dental-Non Unio
May-2025	PR Batch 00001.05.2025 Dental-Non Union Ben	1,800.90	05/05/2025	700-00-2184-0000	PR Batch 00001.05.2025 Dental-Non Unio
	Check Total:	2,319.66			
Vendor: 11	MINNESOTA DEPARTMENT OF REVENUE			Check Sequence: 6	ACH Enabled: True
PR-05-19-2025	PR Batch 00002.05.2025 State Income Tax	4,594.30	05/19/2025	700-00-2173-0000	PR Batch 00002.05.2025 State Income Tax
	Check Total:	4,594.30			
Vendor: 2	MISSION SQUARE RETIREMNT-302131-457			Check Sequence: 7	ACH Enabled: True
PR-05-19-2025	PR Batch 00002.05.2025 Deferred-MissionSq-FI	2,246.20	05/19/2025	700-00-2176-0000	PR Batch 00002.05.2025 Deferred-Missior
	Check Total:	2,246.20			
Vendor: 1091	MSRS-MN DEFERRED COMP PLAN 457			Check Sequence: 8	ACH Enabled: True
PR-05-19-2025	PR Batch 00002.05.2025 Deferred Comp-MSRS	25.00	05/19/2025	700-00-2176-0000	PR Batch 00002.05.2025 Deferred Comp-I
	Check Total:	25.00			
Vendor: 665	OPTUM BANK			Check Sequence: 9	ACH Enabled: True
PR-05-19-2025	PR Batch 00002.05.2025 HSA-Optum Bank-Em	1,458.11	05/19/2025	700-00-2183-0000	PR Batch 00002.05.2025 HSA-Optum Ban
PR-05-19-2025	PR Batch 00002.05.2025 HSA-Optum Bank-Ber	1,178.32	05/19/2025	700-00-2183-0000	PR Batch 00002.05.2025 HSA-Optum Ban
	Check Total:	2,636.43			
Vendor: 9	PERA			Check Sequence: 10	ACH Enabled: True
PR-05-19-2025	PR Batch 00002.05.2025 MN-PERA Deduction	6,112.97	05/19/2025	700-00-2175-0000	PR Batch 00002.05.2025 MN-PERA Dedu
PR-05-19-2025	PR Batch 00002.05.2025 MN PERA Benefit Em	7,053.44	05/19/2025	700-00-2175-0000	PR Batch 00002.05.2025 MN PERA Benel
	Check Total:	13,166.41			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Total for Check Run:	80,447.48			
	Total of Number of Checks:	10			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
 Printed: 05/21/2025 - 3:45PM
 Batch: 00006.05.2025 - Council-05-27-2025



Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 868	BANK OF MONTREAL				ACH Enabled: True
Apr-2025-AndyE.	Ess Brother & Sons - Sewer Repair Sealant	472.00	05/27/2025	611-00-4245-0000	Check Sequence: 1
Apr-2025-BruceS	Curb Stop Parts	33.77	05/27/2025	601-00-4245-0000	
Apr-2025-ChrisH	Gloves	84.76	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisH	Gloves	116.35	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisH	Phone Clip	17.86	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisH	Tree Watering Bags	649.95	05/27/2025	101-52-4247-0000	
Apr-2025-ChrisH	Cvent the 2025-Water Training	250.00	05/27/2025	601-00-4331-0000	
Apr-2025-ChrisH	Hatch-Water Testing Supplies	589.10	05/27/2025	601-00-4245-0000	
Apr-2025-ChrisH	Back up Alarm	49.88	05/27/2025	101-32-4221-0000	
Apr-2025-ChrisP	Home Depot- Wood for Fence & Misc.	157.65	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisP	F & T Trading-Pest Control	252.22	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisP	Bachman- Tree Guards	129.10	05/27/2025	101-52-4247-0000	
Apr-2025-ChrisP	Parts	6.64	05/27/2025	101-52-4245-0000	
Apr-2025-ChrisP	Fuel	107.34	05/27/2025	101-32-4212-0000	
Apr-2025-ChrisP	Twin City Seed-Grass Seeds	850.00	05/27/2025	101-52-4245-0000	
Apr-2025-ChrisP	Chainsaw	19.36	05/27/2025	101-32-4245-0000	
Apr-2025-ChrisP	Sq MN Topsoil-Sweeeping/Brush Disposal	380.18	05/27/2025	101-32-4400-0000	
Apr-2025-CityCard	Dept of Labor-State Surcharge Quarterly- 1st-202	4,128.10	05/27/2025	101-00-2085-0000	
Apr-2025-CityCard	Curbside Waste-SSCC	143.61	05/27/2025	201-00-4400-0000	
Apr-2025-CityCard	Chanhassen-18505-000-Water Charge	14.19	05/27/2025	601-00-4263-0000	
Apr-2025-CityCard	Curbside Waste-Public Works	454.67	05/27/2025	101-32-4400-0000	
Apr-2025-CityCard	Culligan Bottled Water - C.H.	40.00	05/27/2025	101-19-4223-0000	
Apr-2025-CityCard	AT&T - Wade's Ipad	23.49	05/27/2025	101-24-4321-0000	
Apr-2025-CityCard	Chanhassen-18505-001-Water Charge	507.17	05/27/2025	601-00-4263-0000	
Apr-2025-Eric	Sq Electronics Recycling	20.00	05/27/2025	621-00-4331-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Apr-2025-Eric	Amazon	12.99	05/27/2025	101-13-4200-0000	
Apr-2025-Eric	Sq Electronics Recycling	30.00	05/27/2025	621-00-4331-0000	
Apr-2025-Eric	Office Depot	30.38	05/27/2025	101-13-4200-0000	
Apr-2025-Eric	Shorewood True	82.44	05/27/2025	101-13-4245-0000	
Apr-2025-JakeG.	APA MN-Job Posting	25.00	05/27/2025	101-18-4400-0000	
Apr-2025-Jeremy	Nie-Tarp & Misc	224.89	05/27/2025	101-32-4245-0000	
Apr-2025-Jeremy	2G-Truck bed Coating	504.76	05/27/2025	101-32-4221-0000	
Apr-2025-Jeremy	Lano-Toolcat	225.22	05/27/2025	101-32-4221-0000	
Apr-2025-MarcN.	LMC - Conf.-Labadie - Maddy-DiGruotolo	1,255.00	05/27/2025	101-11-4331-0000	
Apr-2025-MattM.	Communication	17.00	05/27/2025	101-32-4321-0000	
Apr-2025-MattM.	Prosnowfight -membership	15.00	05/27/2025	101-32-4433-0000	
Apr-2025-MattM.	Lunch Conf.	25.73	05/27/2025	101-33-4331-0000	
Apr-2025-MattM.	Sam's	62.92	05/27/2025	101-32-4245-0000	
Apr-2025-MattM.	PW Week Poster	21.00	05/27/2025	101-32-4245-0000	
Apr-2025-MattV.	Waste Disposal	82.20	05/27/2025	101-32-4400-0000	
Apr-2025-MattV.	Playground Parts	8.74	05/27/2025	101-52-4245-0000	
Apr-2025-MattV.	Straw - Returned	-201.33	05/27/2025	101-32-4245-0000	
Apr-2025-MattV.	Zip Ties/Tools	47.29	05/27/2025	101-52-4245-0000	
Apr-2025-MattV.	Fuel	46.78	05/27/2025	101-32-4212-0000	
Apr-2025-Meliss	Wade's printer ink	122.89	05/27/2025	101-24-4200-0000	
Apr-2025-MitchC	Staff Scheduling	15.00	05/27/2025	101-53-4245-0000	
Apr-2025-MitchC	Tide Dry Cleaner	135.79	05/27/2025	201-00-4400-0000	
Apr-2025-NeliaC	Sam's	43.32	05/27/2025	101-32-4245-0000	
Apr-2025-NeliaC	Sam's	49.34	05/27/2025	201-00-4245-0000	
Apr-2025-NeliaC	Sam's	33.66	05/27/2025	101-19-4245-0000	
Apr-2025-NeliaC	Office Supplie	231.82	05/27/2025	101-13-4200-0000	
Apr-2025-NeliaC	MN State College-Clerk Academy	640.00	05/27/2025	101-13-4331-0000	
Apr-2025-Robert	Fuel	34.20	05/27/2025	101-32-4212-0000	
Apr-2025-RyanB.	Soil Filter	182.00	05/27/2025	101-52-4410-0000	
Apr-2025-RyanB.	Fuel	40.50	05/27/2025	101-32-4212-0000	
Apr-2025-Sandie	Restroom Supplies	59.36	05/27/2025	101-19-4245-0000	
Apr-2025-Sandie	LMC-Annual Conf Registrtrion	425.00	05/27/2025	101-13-4331-0000	
Apr-2025-Sandie	Restroom Supplies	20.96	05/27/2025	101-19-4245-0000	
Apr-2025-Sandie	Keyboard/Mouse	44.99	05/27/2025	101-18-4200-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Apr-2025-Sandie	Acoustimac-Sound Panels for Conf Room	408.81	05/27/2025	101-19-4223-0000	
Apr-2025-Sandie	Clock for CH	34.18	05/27/2025	101-19-4245-0000	
Apr-2025-Sandie	HDMI Cable	7.99	05/27/2025	101-11-4245-0000	
Apr-2025-TimK.	Bottled Water	49.90	05/27/2025	101-32-4245-0000	
Apr-2025-TimK.	Sp Brunt Workwear-Safety Footwear	172.43	05/27/2025	101-32-4245-0000	
Apr-2025-TimK.	Fuel	252.04	05/27/2025	101-32-4212-0000	
Apr-2025-TimK.	SpStandpipe Parts	22.48	05/27/2025	601-00-4245-0000	
Apr-2025-WadeW.	Fuel	54.01	05/27/2025	101-24-4212-0000	
	Check Total:	15,094.07			
Vendor: 950	BARR ENGINEERING COMPANY			Check Sequence: 2	ACH Enabled: True
23271987.25-2	Development Review-Admark-24560 Smithtowr	1,760.50	05/27/2025	880-00-2200-0000	
	Check Total:	1,760.50			
Vendor: 1538	BERGLUND, BAUMGARTNER, & GLASER, LLC			Check Sequence: 3	ACH Enabled: False
SHOREWOD.04	Legal Review - Shorewood Carriage Homes-245	1,200.00	05/27/2025	880-00-2200-0000	
	Check Total:	1,200.00			
Vendor: 1509	BLUE NET INC			Check Sequence: 4	ACH Enabled: True
62155	Monthly Network Service	4,628.58	05/27/2025	101-19-4321-0000	
62219	Laptop-Heitz & Eslinger	4,819.98	05/27/2025	403-00-4640-0000	
	Check Total:	9,448.56			
Vendor: 1221	CAMPBELL KNUTSON P.A.			Check Sequence: 5	ACH Enabled: True
3526-0000G-40	General Matters/Administration	2,041.20	05/27/2025	101-16-4304-0000	
3526-0001G-40	Planning & Zoning Services	259.80	05/27/2025	101-16-4304-0000	
3526-0002G-32	Public Works	132.30	05/27/2025	101-16-4304-0000	
3526-0009G-28	Code Enforcement-5815 Club Lane	2,462.62	05/27/2025	101-16-4304-0000	
3526-0997G-20	Additional Prosecution Svc	31.00	05/27/2025	101-16-4304-0000	
3526-0999G-43	Prosecution	4,047.88	05/27/2025	101-16-4304-0000	
	Check Total:	8,974.80			
Vendor: 915	CINTAS			Check Sequence: 6	ACH Enabled: False
5269712209	PWs-First Aid Supplies	47.83	05/27/2025	101-32-4400-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
5271172303	City Hall-First Aid Supplies	80.98	05/27/2025	101-19-4223-0000	
	Check Total:	128.81			
Vendor: 1542	CONSTRUCTION SERVICES DIVERSIFIED INC.			Check Sequence: 7	ACH Enabled: False
20-10367	Lath for Tree Planting	239.70	05/27/2025	101-52-4245-0000	
	Check Total:	239.70			
Vendor: 1361	COSTCO-CITI CARDS			Check Sequence: 8	ACH Enabled: True
2025-2026-Dues	2025-2026 Membership Dues	195.00	05/27/2025	101-19-4433-0000	
	Check Total:	195.00			
Vendor: 167	ECM PUBLISHERS INC			Check Sequence: 9	ACH Enabled: True
1048708	Ord. No. 618	81.25	05/27/2025	101-13-4351-0000	
1048709	Ord. No. 619	81.25	05/27/2025	101-13-4351-0000	
1048880	Ord. No. 618	55.90	05/27/2025	101-13-4351-0000	
1048881	Ord. No. 619	55.90	05/27/2025	101-13-4351-0000	
	Check Total:	274.30			
Vendor: 1199	GREENER BLADE FERTILIZATION CO. LLC			Check Sequence: 10	ACH Enabled: False
12034282	Turf Maintenance-Manor Park	282.00	05/27/2025	101-52-4400-0000	
9465756	Turf Maintenance-Freeman Park-Soccer Fields	1,025.00	05/27/2025	101-52-4400-0000	
9465757	Turf Maintenance-Freeman Park	846.00	05/27/2025	101-52-4400-0000	
	Check Total:	2,153.00			
Vendor: 1543	GROVE SECURITY			Check Sequence: 11	ACH Enabled: False
2696	Monitoring/Access Control System	216,841.63	05/27/2025	403-00-4620-0000	
	Check Total:	216,841.63			
Vendor: 211	HAWKINS, INC.			Check Sequence: 12	ACH Enabled: True
7066425	Chemical Tank Rental	140.00	05/27/2025	601-00-4400-0000	
	Check Total:	140.00			
Vendor: 689	HENNEPIN COUNTY ACCOUNTS RECEIVABLE			Check Sequence: 13	ACH Enabled: False
1000245800	800 Mhz Radio Fee	233.04	05/27/2025	101-32-4321-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	233.04			
Vendor: 1539 19660SvtrCurve	ANNE JANE HILL Escrow Balance Refund - 19660 Sweetwater Cur	44.90	05/27/2025	Check Sequence: 14 880-00-2200-0000	ACH Enabled: False
	Check Total:	44.90			
Vendor: 1456 024-035-8	HKGi Subdivision Ordinance Amendments	1,876.30	05/27/2025	Check Sequence: 15 101-18-4400-0000	ACH Enabled: True
	Check Total:	1,876.30			
Vendor: 1359 5315	HOWLING WOLF EMBROIDERY Clothing	949.00	05/27/2025	Check Sequence: 16 101-11-4245-0000	ACH Enabled: False
	Check Total:	949.00			
Vendor: 896 20405673 20405686	HUEBSCH SERVICES SCEC - Mats City Hall - Mats	70.67 194.00	05/27/2025 05/27/2025	Check Sequence: 17 201-00-4223-0000 101-19-4223-0000	ACH Enabled: True
	Check Total:	264.67			
Vendor: UB*00654	Gary Johnson Refund Check 005121-000, 4850 Regents Walk Refund Check 005121-000, 4850 Regents Walk Refund Check 005121-000, 4850 Regents Walk Refund Check 005121-000, 4850 Regents Walk	75.46 161.73 148.98 79.28	05/21/2025 05/21/2025 05/21/2025 05/21/2025	Check Sequence: 18 631-00-2010-0000 601-00-2010-0000 611-00-2010-0000 621-00-2010-0000	ACH Enabled: False
	Check Total:	465.45			
Vendor: 1515 8260235	KATH FUEL OIL SERVICE CO. Fuel for Trailer	1,239.36	05/27/2025	Check Sequence: 19 101-32-4212-0000	ACH Enabled: True
	Check Total:	1,239.36			
Vendor: 1540 6040CajedLn	ERIC MAGISTAD Escrow Balance Refund-6040 Cajed Lane	390.80	05/27/2025	Check Sequence: 20 880-00-2200-0000	ACH Enabled: False
	Check Total:	390.80			

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
Vendor: 436 2025-004	MARK HODGES MEDIA PRODUCTIONS Work Session - Council Recordings- Mar to May	300.00	05/27/2025	Check Sequence: 21 101-11-4400-0000	ACH Enabled: True
	Check Total:	300.00			
Vendor: 1378 1467	MAYA MAINTENANCE LLC Janitorial Services-PW's Facility	520.00	05/27/2025	Check Sequence: 22 101-32-4400-0000	ACH Enabled: True
1470	Janitorial Services-SCEC	460.00	05/27/2025	201-00-4400-0000	
1470	Janitorial Services-SCEC-Event Setup/Teardown	210.00	05/27/2025	201-00-4248-0000	
	Check Total:	1,190.00			
Vendor: UB*00652	Timothy & Leila McNulty Refund Check 005893-000, 19855 Muirfield Ci	10.27	05/21/2025	Check Sequence: 23 631-00-2010-0000	ACH Enabled: False
	Refund Check 005893-000, 19855 Muirfield Ci	23.94	05/21/2025	611-00-2010-0000	
	Refund Check 005893-000, 19855 Muirfield Ci	20.53	05/21/2025	601-00-2010-0000	
	Refund Check 005893-000, 19855 Muirfield Ci	10.26	05/21/2025	621-00-2010-0000	
	Check Total:	65.00			
Vendor: UB*00655	Joseph & Judith Neumeier Refund Check 005123-000, 4860 Regents Walk	85.80	05/21/2025	Check Sequence: 24 601-00-2010-0000	ACH Enabled: False
	Refund Check 005123-000, 4860 Regents Walk	42.90	05/21/2025	621-00-2010-0000	
	Refund Check 005123-000, 4860 Regents Walk	42.90	05/21/2025	631-00-2010-0000	
	Refund Check 005123-000, 4860 Regents Walk	100.10	05/21/2025	611-00-2010-0000	
	Check Total:	271.70			
Vendor: UB*00653	John & Anna Paschall Refund Check 009635-000, 5900 Club Valley R	92.10	05/21/2025	Check Sequence: 25 611-00-2010-0000	ACH Enabled: False
	Refund Check 009635-000, 5900 Club Valley R	39.47	05/21/2025	621-00-2010-0000	
	Refund Check 009635-000, 5900 Club Valley R	39.48	05/21/2025	631-00-2010-0000	
	Refund Check 009635-000, 5900 Club Valley R	78.95	05/21/2025	601-00-2010-0000	
	Check Total:	250.00			
Vendor: 903 264278	PERRILL ROWay Web App-Monthly	75.00	05/27/2025	Check Sequence: 26 611-00-4400-0000	ACH Enabled: True
264278	ROWay Web App-Monthly	75.00	05/27/2025	601-00-4400-0000	

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
	Check Total:	150.00			
Vendor: 864	QUALITY FLOW SYSTEMS, INC.			Check Sequence: 27	ACH Enabled: True
48918	LS Control MTCE	669.60	05/27/2025	611-00-4221-0000	
	Check Total:	669.60			
Vendor: 1363	SKYLINE SALT SOLUTIONS			Check Sequence: 28	ACH Enabled: True
104413	Road Salt	4,490.42	05/27/2025	101-33-4245-0000	
	Check Total:	4,490.42			
Vendor: 694	TIMESAVER OFF SITE SECRETARIAL, INC.			Check Sequence: 29	ACH Enabled: True
30427	Council Meeting	1,044.14	05/27/2025	101-13-4400-0000	
30428	Planning Meeting	381.51	05/27/2025	101-18-4400-0000	
	Check Total:	1,425.65			
Vendor: 380	TITAN MACHINERY INC.			Check Sequence: 30	ACH Enabled: False
PS0759114-1	Backhoe Teeth	136.50	05/27/2025	101-32-4221-0000	
	Check Total:	136.50			
Vendor: 1348	TOSHIBA AMERICA BUSINESS SOLUT			Check Sequence: 31	ACH Enabled: True
5034284121	SCEC - Printer Lease-Acc#450-0107118-000	130.07	05/27/2025	201-00-4400-0000	
5034390656	PWs - Printer Lease-Acc#450-0104647-000	168.84	05/27/2025	101-32-4400-0000	
	Check Total:	298.91			
Vendor: 1370	TOSHIBA AMERICA BUSINESS SOLUTIONS			Check Sequence: 32	ACH Enabled: False
6549321	US0168238MA-Monthly Service Fee	20.92	05/27/2025	201-00-4400-0000	
	Check Total:	20.92			
Vendor: 384	TOTAL PRINTING SERVICES			Check Sequence: 33	ACH Enabled: False
14163	Spring Clean-up Insert	520.00	05/27/2025	621-00-4347-0000	
14163	Newsletters	1,210.00	05/27/2025	101-13-4351-0000	
	Check Total:	1,730.00			
Vendor: 386	TWIN CITY WATER CLINIC			Check Sequence: 34	ACH Enabled: True

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
22106	Monthly Water Testing	120.00	05/27/2025	601-00-4400-0000	
	Check Total:	120.00			
Vendor: 392	VALLEY-RICH CO. INC.			Check Sequence: 35	ACH Enabled: False
34428	Watermain Break-6125 Church Road	6,054.25	05/27/2025	601-00-4400-0000	
34458	Watermain Break-4765 Regents Walk	6,545.00	05/27/2025	601-00-4400-0000	
	Check Total:	12,599.25			
Vendor: 421	VERIZON WIRELESS			Check Sequence: 36	ACH Enabled: False
6112447297	612-581-3780-Planning Dept	41.39	05/27/2025	101-18-4321-0000	Acct #842017386-00001
6112447297	612-581-3931-Marc Nevinski	46.39	05/27/2025	101-13-4321-0000	Acct #842017386-00001
6112447297	612-581-2856-Eric Wilson	41.39	05/27/2025	101-13-4321-0000	Acct #842017386-00001
6112447297	612-581-5835-Mitchell Czech	41.39	05/27/2025	201-00-4321-0000	Acct #842017386-00001
6112447297	612-297-1196(638-0176 & 952-292-2968/7023	164.18	05/27/2025	101-32-4321-0000	Acct #842017386-00001
6112447297	763-204-5849-Jake Griffiths	41.39	05/27/2025	101-18-4321-0000	Acct #842017386-00001
6112447297	612-581-4018-Jeanne Schmuck	46.39	05/27/2025	101-15-4321-0000	Acct #842017386-00001
6112447297	612-581-4949-Sandie Thone	41.39	05/27/2025	101-13-4321-0000	Acct #842017386-00001
6112447297	612-581-6609-Wade Woodward	41.39	05/27/2025	101-24-4321-0000	Acct #842017386-00001
	Check Total:	505.30			
Vendor: 1541	WALLACE ARCHITECTURE, PLLC			Check Sequence: 37	ACH Enabled: False
5765EurekaRd	Escrow Refund - 5765 Eureka Road	500.00	05/27/2025	880-00-2200-0000	
	Check Total:	500.00			
Vendor: 402	WATER CONSERVATION SERVICES, INC.			Check Sequence: 38	ACH Enabled: True
14995	Water Leak Detection-26340 Shorewood Oaks	409.20	05/27/2025	601-00-4400-0000	
	Check Total:	409.20			
Vendor: 327	WINDSTREAM			Check Sequence: 39	ACH Enabled: True
77006513	City of Shwd- West Tower	16.05	05/27/2025	601-00-4321-0000	630600242008
77006513	City of Shwd- Badger Well	70.05	05/27/2025	601-00-4395-0000	630600242006
	Check Total:	86.10			
Vendor: 408	WM MUELLER & SONS INC			Check Sequence: 40	ACH Enabled: True

Invoice No	Description	Amount	Pmt Date	Acct Number	Reference
311592	Road Base Fill	132.88	05/27/2025	101-32-4250-0000	
	Check Total:	132.88			
Vendor: 411	XCEL ENERGY, INC.			Check Sequence: 41	ACH Enabled: True
926866057	5655 Merry Lane	28.14	05/27/2025	101-52-4380-0000	5655 Merry Lane
927017441	5500 Old Market Rd	48.67	05/27/2025	601-00-4398-0000	5500 Old Market Rd
928176174	Lift Station Street Lights	912.75	05/27/2025	611-00-4380-0000	L.S. Street Lights
928176174	Boulder Bridge	58.22	05/27/2025	601-00-4396-0000	Boulder Bridge
928176174	Parks	742.91	05/27/2025	101-52-4380-0000	Parks
928176174	C.H. Svcs	1,622.38	05/27/2025	101-19-4380-0000	C.H. Svcs
928176174	P.W. Street Lights Svc	4,320.99	05/27/2025	101-32-4399-0000	P.W. Street Lights Svc
928176174	S.E. Area Svc	598.15	05/27/2025	601-00-4398-0000	S.E. Area Svc
928176174	Amesbury	2,554.35	05/27/2025	601-00-4394-0000	Amesbury
928176174	P.W. Bldg Svc	448.76	05/27/2025	101-32-4380-0000	P.W. Bldg Svc
	Check Total:	11,335.32			
	Total for Check Run:	298,600.64			
	Total of Number of Checks:	41			



City Council Meeting Item

Title/Subject: Contract with HKGI for Zoning Audit
Meeting Date: May 27, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: HKGI Zoning Audit Proposal

Item 2D

Background

The Planning & Protective Inspections Department has been working on updates to the City Code for the last several years, prioritizing amendments that have an immediate need or that implement the direction of the City's 2040 Comprehensive Plan. As these amendments have progressed, City staff have continued to identify additional areas of the City's zoning code that need to be updated. As a result, it has become apparent that the zoning code may be in need of a more structural overhaul rather than continuous piecemeal amendments over time.

In order to help address this challenge, City staff would like to hire a consultant to conduct an "audit" of the zoning code. A zoning code audit will assist the City in identifying and clarifying zoning code issues, opportunities for improvements, and priorities for updates. The goal of the audit is to identify methods to make the zoning code more user-friendly and accessible, while also addressing areas of concern. The results of this study will help finalize implementation of the 2040 Comprehensive Plan and help identify challenges that may need to be addressed as part of the City's 2050 Comprehensive Planning process over the next few years. This project would also address the City Council's strategic goals of Organizational Strength and Good Governance and Comprehensive Approach to Planning and Development as they relate updating the City Code.

City staff reached out to multiple consulting firms regarding the project and ultimately received a competitive proposal from HKGI. This firm has recently assisted the Planning & Protective Inspections Department on a number of projects including the Subdivision Code Update and has the experience and capacity to undertake this project in a timely manner and deliver a high-quality project.

Financial Considerations

HKGI has proposed to complete the zoning audit project with a total cost of \$8,000. The Planning & Protective Inspections Department budget for 2025 included \$100,000 to hire consultants to work on various projects and this budget would more than cover the cost of the proposal.

Action Requested

Motion to approve the attached proposal with HKGI to complete a zoning code audit. A simple majority vote of the City Council is required.

April 21, 2025

Jake Griffiths
Planning Director
City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

RE: AN AGREEMENT BETWEEN CITY OF SHOREWOOD AND HOISINGTON KOEGLER GROUP INC. FOR SERVICES PERTAINING TO ZONING AUDIT

Dear CLIENT:

This letter outlines a Scope of Services, Fee Schedule and other elements which together constitute an agreement between the City of Shorewood hereinafter referred to as the CLIENT, and Hoisington Koegler Group Inc., hereinafter referred to as the CONSULTANT for Zoning Audit, hereinafter referred to as the PROJECT.

The CLIENT and CONSULTANT agree as set forth below:

A. BASIC SERVICES

The CONSULTANT'S basic services for the PROJECT are as provided in Attachment A Work Program.

B. ADDITIONAL SERVICES

The CONSULTANT and the CLIENT may agree in writing to amend this Contract for additional services related to the PROJECT and compensation for such services. The following services have not been requested by the CLIENT but are available upon written authorization.

1. Meetings in addition to those specified in Paragraph A above.
2. Services or Deliverables not specifically identified in Paragraph A above.

C. FEES FOR PROFESSIONAL SERVICES

The CONSULTANT agrees to complete the scope of work contained in Paragraph A in exchange for professional fee compensation as noted below. The CLIENT agrees to pay the CONSULTANT for PROJECT services rendered as follows:

1. For the CONSULTANT'S Basic Services described in Paragraph A above, a fee based on the CONSULTANT'S current hourly rate schedule (see Attachment B) not-to-exceed eight thousand dollars inclusive of expenses as noted in Paragraph A.

800 Washington Avenue North, Suite 103
Minneapolis, Minnesota 55401

2. For the CONSULTANT'S Additional Services described in Paragraph B, a fee based on the CONSULTANT'S current hourly rate schedule plus incidental expenses or a negotiated fee.
3. Invoices will be submitted electronically (PDF form) to the CLIENT via email on a monthly basis as work is completed and shall be payable within 30 days in accordance with this Agreement.
4. The CONSULTANT reserves the right to suspend services if the CLIENT is delinquent in making payments in accordance with this Agreement.

D. CLIENT'S RESPONSIBILITY

The CLIENT shall be responsible for the following:

1. Background information, including existing zoning code and GIS files as needed for analysis purposes.
2. Arrangements and notification for public meetings as required for the project.
3. Participation in staff meetings as needed.
4. Reproduction and distribution of Project reports as deemed necessary and not otherwise specified in paragraph A.

E. INSURANCE

CONSULTANT shall maintain insurance of the kind and in the amounts shown below for the life of the contract. Certificates for General Liability Insurance should state that the CLIENT, its officials, employees, agents and representatives are Additional Insureds. The CLIENT reserves the right to review CONSULTANT'S insurance policies at any time to verify that contractual requirements have been met.

1. Commercial General Liability Insurance
 - \$2,000,000 per occurrence
 - \$3,000,000 general aggregate
 - \$300,000 damage to rented premises
 - \$15,000 medical expenses
2. Umbrella Liability
 - \$1,000,000 per occurrence
 - \$1,000,000 general aggregate
 - \$10,000 self-insured retention
3. Worker's Compensation and Employer's Liability
 - a. Worker's Compensation per Minnesota Statutes

- b. Employer's Liability
 - \$500,000 per accident;
 - \$500,000 per employee;
 - \$500,000 per disease policy limit.
- 4. Professional Liability Insurance
 - \$2,000,000 per claim
 - \$4,000,000 annual aggregate

F. COMPLETION SCHEDULE

The services of the CONSULTANT will begin upon CLIENT approval and will, absent of causes beyond the control of the CONSULTANT, be completed within six months of the date that the CLIENT issues a notice to proceed. The notice to proceed shall come from an authorized representative of the City.

G. SUB-CONSULTANTS

The CONSULTANT shall not add any Sub-Consultants without written consent from the CLIENT.

H. NONDISCRIMINATION

The CONSULTANT agrees not to discriminate by reason of age, race, religion, color, sex, national origin, or handicap unrelated to the duties of a position, of applicants for employment or employees as to terms of employment, promotion, demotion or transfer, recruitment, layoff or termination, compensation, selection for training, or participation in recreational and educational activities.

I. EQUAL OPPORTUNITY

During the performance of this Contract, the CONSULTANT, in compliance with Executive Order 11246, as amended by Executive Order 11375 and Department of Labor regulations 41 CFR Part 60, shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONSULTANT shall take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONSULTANT shall post in conspicuous places available to employees and applicants for employment notices to be provided by the Government setting forth the provisions of this nondiscrimination clause. The CONSULTANT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. The CONSULTANT shall incorporate the foregoing requirements of this paragraph in

all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

J. INDEMNIFICATION

CLIENT and CONSULTANT agree to indemnify and hold the other harmless, and their respective officers, employees, agents, and representatives, from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys fees, to the extent such claims, losses, damages or expenses are caused by the indemnifying party's negligent acts, errors, or omissions. In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of the CLIENT and CONSULTANT, they shall be borne by each party in proportion to its negligence

K. TERM, TERMINATION, SUCCESSORS AND/OR ASSIGNS

1. The Term of this Agreement shall be concurrent with the work authorized and shall be in accordance with the schedule to be established between the CLIENT and the CONSULTANT.
2. Either party may terminate this Agreement by written notice to the other party at its address by certified mail at least ten (10) days prior to the date of termination.
3. Neither the CLIENT nor the CONSULTANT shall assign, sublet or transfer its interest in this Agreement without the written consent of the other.
4. The time schedule shall not apply and/or time extensions will be allowed for any circumstances beyond the control of the CONSULTANT.
5. This Agreement shall be governed by all applicable laws.
6. Upon termination, Consultant shall be entitled to fees earned through the effective date of termination.

L. DISPUTES

In the event the CLIENT and CONSULTANT are unable to reach agreement under the terms of this contract, disputes shall be resolved using alternative dispute resolution (ADR).

M. REVOCATION

If this agreement is not signed and accepted by both parties within 90 days of the contract date, it shall become null and void.



N. AUTHORIZATION

IN WITNESS WHEREOF, The CLIENT and the CONSULTANT have made and executed this Agreement for Professional Services,

This _____ day of _____, 2025

CLIENT

City of Shorewood

Name

Title

Name

Title

CONSULTANT

Hoisington Koegler Group Inc.

Name

Vice-President

Title

ATTACHMENT A WORK PROGRAM

1. Conduct project orientation meeting with Staff to:
 - a. Finalize/share the project's scope, process, and schedule.
 - b. Confirm key advantages, shortcomings, and gaps of the existing code.
 - c. Discuss unwritten policies or processes that need to be addressed as part of the code update.
 - d. Tour the City to gain an understanding of the existing and desired community character and view areas of concern for Staff.
2. Review the Comprehensive Plan to identify inconsistencies between the Plan's land use categories and the zoning code's districts.
3. Complete an evaluation of the organization of the current zoning ordinances.
4. Conduct tabular analysis of districts, uses, and dimensional standards. Analyze uses, as well as site/lot and building dimensional standards to identify inconsistencies, gaps, organizational issues, and ease of use improvements. The analysis will particularly focus on the residential districts to identify opportunities to consolidate districts, better reflect existing conditions, and potentially reduce nonconformities.
5. Identify potential approaches for addressing the issues identified, including organization, format, methods to make it user-friendly and accessible, and zoning map issues. Prepare initial suggested list of update priorities.
6. Conduct 2 meetings with staff to review findings and discuss potential update approaches and priorities.
7. Prepare draft code audit report that includes recommendations for an updated structure for the zoning code and proposed high level approaches to potential code updates, and identification of priorities.
8. Meet with Planning Commission and City Council to review draft reports.
9. Prepare final code audit report that incorporates input from Task 8 in Word and PDF formats



ATTACHMENT B HKGi 2025 HOURLY RATES

Rates by Professional Category

Principal.....	\$200-290/hr
Associate	\$145-200/hr
Senior Professional	\$110-160/hr
Professional II	\$90-135/hr
Professional I	\$50-90/hr
Technical.....	\$50-90/hr

Litigation Services.....	\$250-350/hr
Testimony	\$275-375/hr

Incidental Expenses

Mileage.....	current federal rate/mile
Photocopying BW.....	5¢/page
Photocopying Color	25¢/page
Outside Printing.....	Actual Cost
Large Format Scanning.....	Actual Cost
Lodging and meals.....	Actual Cost



City of Shorewood

City Council Meeting Item

Title/Subject: Building Permit Escrow Agreement at 4565 Enchanted Pt
Meeting Date: May 27, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Escrow Agreement

Item 2E

Background

As part of a building permit for construction of a new home at 4565 Enchanted Point, the applicant would like to provide an escrow in the amount of \$29,775.00 to the City to allow occupancy of the home while minor final improvements are completed. The escrow covers the cost of final grading, trees, landscaping, driveway and sidewalk installation, preparing an as-built survey, window closures, and hardware on the mechanical room door.

Financial Considerations

The escrow is held until the required improvements have been completed. Any remaining balance is then refunded to the applicant.

Action Requested

Motion to approve the attached escrow agreement, as well as authorize the Building Official to release the escrow once the required improvements have been completed.

A simple majority vote is required.

ESCROW AGREEMENT

THIS AGREEMENT is made this 27th day of May 2025, by and between the CITY OF SHOREWOOD (the "City") and John Kraemer & Sons, Inc. & Kelley and Brian O'Neill (the "Obligees").

WHEREAS, the Obligees have agreed to undertake and complete certain obligations within a time period specified in this Agreement; and

WHEREAS, the City desires to secure this obligation and provide for appropriate financial resources to undertake and complete such obligation in the event of default by the Obligees; and

WHEREAS, the City and the Obligees agree that this Agreement is an appropriate instrument by which to secure the Obligees performance and the City's remedy in the event of default.

NOW, THEREFORE, in consideration of the Recitals (which are incorporated herein) and the mutual covenants contained in this Agreement, the City and Obligees hereby agree as follows:

- 1) Obligation of the Obligees - The Obligees shall undertake and complete the following obligations (s): escrow for final grading, trees, landscaping, driveway, sidewalk, as-built survey, address window closures, and hardware on mechanical room door in accordance with Building Permit No. 3877 at 4565 Enchanted Point (the "Obligation").
- 2) Time Period - The Obligees shall undertake, perform, complete, and satisfy the Obligation on or before October 15, 2025 (the "Completion Date").
- 3) Escrow of Security - Upon execution of this Agreement, the Obligees shall immediately deposit with the City cash security, or Letter of Credit in form and substance acceptable to the City, in the amount of \$29,775.00 (the "Security") which is equal to one hundred fifty percent (150%) of the estimated cost of performance of the Obligation.
- 4) City Remedy - If the Obligees do not complete performance of the Obligation on or before the Completion Date (the Default), then the City may elect to undertake and complete the Obligation of the Obligees and draw upon the Security in an amount necessary to complete the Obligation. The City shall, within thirty (30) days of Obligees' Default, give written notice to Obligees of City's intent to (a) undertake performance of the Obligation or (b) waive the City's right to pursue such remedy pursuant to Section 5 of this Agreement. If the City elects to undertake performance of the Obligation, it shall complete the same within thirty (30) days of its notice to Obligees. The City shall return any unused portion of the Security to the Obligees within sixty (60) days of completion of the Obligation. Notwithstanding the remedy provided in this Section 4, the City may take additional action at law or in equity to enforce performance of

the Obligation.

5) Waiver of Right to Undertake Obligation - The City may elect to waive its right to undertake and complete the Obligation by sending written notice to the Obligees within sixty (60) days of Obligees' Default. In the event that the City waives such right to undertake and complete the Obligation, the City shall return the Security to the Obligees. In such event, this Agreement shall terminate upon receipt of the Security by the Obligees.

6) Entry Easement - The Obligees hereby grant the City an entry easement, as reasonably convenient and necessary for the City, to enter onto Obligees' property to allow the City to undertake and complete the Obligation in the event it elects to pursue this remedy.

7) Indemnification of the City - The Obligees agree to hold harmless and indemnify the City, their officers, employees, representatives and agents from any and all liabilities, demands, claims for loss, damage, or personal injury arising out of or from the City's performance of the Obligation.

8) Miscellaneous Provisions -

(01) Notices and Demands - A notice, demand, or other communication under this Agreement by either party to the other shall be deemed sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, addressed to the party at the addresses listed below. Either party may designate another party or attorney for receipt of notice under this Section by designating, in writing, and forwarding such writing to the other party as provided in this Section. In the case of the City, notices shall be mailed to:

Attention: Zoning Administrator
City of Shorewood
5755 Country Club Road
Shorewood, Minnesota 55331

In the case of the Obligee, notices shall be mailed to:

Attention: Rick Theisen, Senior Project Manager
John Kraemer & Sons, Inc.
4906 Lincoln Drive
Edina, MN 55436

Kelly & Brian O'Neill
4565 Enchanted Pt
Shorewood, MN 55364

(02) Successors and Assigns - This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(03) Amendment or Modification - No change, amendment, or modification to, or any extension of provisions provided under this Agreement shall be valid unless in writing and signed by the Parties to this Agreement.

(04) Law Governing - This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota and enforced in courts having jurisdiction within the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY OF SHOREWOOD

By: _____
Its: Mayor

By: _____
Its: City Administrator

OBLIGEEES

By: _____
Jerry Kraemer & Sons, Inc. (Contractor)
Attn: Rick Theisen

By: _____
Kelly O'Neill (Owner)

By: _____
Brian O'Neill (Owner)



City Council Meeting Item

Title/Subject: **Minnesota Inboard Development & Stormwater Maintenance Agreements for 19765 State Highway 7**

Item
2F

Meeting Date: May 27, 2025

Prepared by: Jake Griffiths, Planning Director

Reviewed by: Marc Nevinski, City Administrator

Attachments: Development Agreement
Stormwater Maintenance Agreement

Background

On June 10, 2024, the City Council approved an amendment to the Waterford Planned Unit Development (PUD) to allow Minnesota Inboard to operate a marine sales and service business with outdoor boat storage and display at 19765 State Highway 7. The City Council's approval was conditioned upon entering into a Development Agreement and Stormwater Maintenance Agreement to ensure that the public and private improvements associated with the project are adequately completed. The Development Agreement and Stormwater Maintenance Agreement for Minnesota Inboard are attached.

Financial Considerations

The applicant's escrow and financial surety covers the cost to administer the agreements. There is no cost to the City as part of this request.

Action Requested

Motion to approve the attached development agreement and stormwater maintenance agreement for Minnesota Inboard at 19765 State Highway 7.

A simple majority vote is required.

**DEVELOPMENT AGREEMENT FOR
WATERFORD PUD AMENDMENT – 19765 HIGHWAY 7**

THIS AGREEMENT made this ____ day of _____, 2025, by and between the **CITY OF SHOREWOOD**, a Minnesota municipal corporation, (the “City”), and **MM Capital Shorewood, LLC.**, a Minnesota limited liability company, (the “Developer”) setting forth the rights and obligations of the parties.

RECITALS

1. The Developer has an interest in certain lands legally described in Exhibit A, attached hereto and made a part hereof, which lands are hereinafter referred to as the “Subject Property”; and
2. The Developer proposes to develop the Subject Property by means of a Planned Unit Development (“PUD”) Amendment to authorize marine sales and service with outdoor boat storage and display and make several improvements to the property (the “Project”); and
3. The Developer made application to the City for a PUD Amendment for the Subject Property, which was considered by the Planning Commission at its meeting on May 7, 2024; and
4. The City Council considered the Project at a second public hearing on May 28, 2024, where the recommendation of the Planning Commission, City staff and the public were considered; and
4. Upon recommendation of the Planning Commission, the City Council, at its meeting of June 10, 2024, did consider and grant PUD Amendment approval as set forth in Resolution No. 24-044, incorporated herein by reference:

In consideration of the mutual covenants and guarantees contained herein, the parties hereto agree as follows:

AGREEMENT

1. General Conditions of Approval. The Developer shall comply with the conditions of approval as adopted by the City Council and set forth in Resolution No. 24-044 and the approved plans for the . In addition, development of the PUD Amendment is subject to the requirements of the City Code and the Waterford PUD, as may be modified herein.

2. Improvements Installed by Developer. Developer agrees at its expense to construct, install and perform all work and furnish all materials and equipment in connection with the installation of the following Public and Private Improvements (the "Improvements"):

- A. Asphalt Paving
- B. Fencing to the South
- C. Curb & Gutter
- D. Irrigation
- E. Landscaping
- F. Stormwater Infrastructure
- G. Fire Hydrant Modifications

3. Standards of Construction. Developer agrees that all of the improvements set forth in Paragraph 2 above shall equal or exceed City standards, shall be constructed and installed in accordance with engineering plans and specifications approved by the City Engineer and the requirements of applicable City ordinances and standards, and that all work shall be subject to final inspection and reasonable approval by the Building Official, as may be applicable.

4. Materials and Labor. All of the materials to be employed in the making of the Improvements and all of the work performed in connection therewith shall be of uniformly good and workmanlike quality, shall equal or exceed City standards and specifications, and shall be subject to inspection and reasonable approval of the City. In case any materials or labor supplied shall be rejected by the City as defective or unsuitable, then such rejected materials shall be removed and replaced with approved materials, and rejected labor shall be done anew to the reasonable satisfaction and approval of the City at the cost and expense of Developer.

5. Schedule of Work. The Developer shall install all required site improvements by **May 31, 2026.**

6. Easements. Developer, at its expense, shall acquire all temporary or permanent easements necessary to construct any of the Improvements shown on the plans on other privately-owned properties and furnish a copy of the executed easements to the City.

7. Staking, Surveying and Inspection. The Developer, through its engineer, shall provide for all staking and surveying for the improvements. In order to ensure that the Improvements conform to the approved plans and specifications, the City will provide for periodic inspections as determined necessary by the City Engineer.

8. Grading, Drainage, and Erosion Control. Developer, at its expense, shall provide grading, drainage and erosion control plans to be reviewed and approved by the City Engineer.

9. Replacement. All work and materials performed and furnished hereunder by the Developer, its agents and subcontractors, for the Improvements under City jurisdiction found to be defective within the warrantee period and landscaping found by the City to be defective within one freeze/thaw cycle after acceptance by the City, shall be replaced by Developer at Developer's sole expense.

10. Restoration of Streets, Public Facilities and Private Properties. The Developer shall restore all City streets and other public facilities and any private properties disturbed or damaged as a result of Developer's construction activities as indicated on the approved plan, City Code, or engineering guidelines as may be applicable. This may include sod with necessary black dirt, bituminous replacement, curb replacement, and any other items disturbed during construction.

11. Claims for Work. The Developer or its contractor shall do no work or furnish no materials not covered by the plans and specifications and special conditions of this Agreement, for which reimbursement is expected from the City, unless such work is first ordered in writing by the City Engineer as provided in the specifications. Any such work or materials which may be completed or furnished by the contractor without such written order first being obtained shall be at its own risk, cost and expense.

12. Surety for Improvements - Deposit or Letter of Credit. For the purpose of assuring and guaranteeing to the City that the Improvements to be constructed, installed and furnished by the Developer as set forth in Paragraph 2 above, shall be constructed, installed and furnished according to the terms of this Agreement, and that the Developer pay all claims for work done and materials and supplies furnished for the performance of this Agreement, the Developer agrees to furnish to the City either a cash deposit or an irrevocable letter of credit approved by the City in an amount equal to 150% of the total cost of said Improvements estimated by the Developer's engineer and approved by the City Engineer, in the amount of **\$642,273.00** as estimated in Paragraph 15. Said deposit or letter of credit shall include an automatic renewal clause and shall remain in effect until the completion of the required Improvements as confirmed by the City's Building Official (except as noted below).

The deposit or letter of credit may be reduced in amount at the discretion of the City upon approval by the City Engineer of the partially completed Improvements as limited by Paragraph 8, but in no event shall the deposit or letter of credit be reduced to an amount less than 25% of the cost of the original deposit for the improvements until after all Improvements are completed.

Twenty-five (25) percent of the amount of the financial guarantee for landscaping items shall be kept for one freeze/thaw warranty period to guarantee replacement of landscaping materials.

13. Laws, Ordinances, Regulations and Permits. Developer shall comply with all laws, ordinances, and regulations of all regulatory bodies having jurisdiction of the Subject Property and shall secure all permits that may be required by the City of Shorewood and the Minnehaha Creek Watershed Districts (if applicable) before commencing development of the Project.

14. Escrow. The Developer shall deposit funds into an escrow account with the City of Shorewood. Such escrow shall be used by the City to cover the costs of administering the Agreement. Administration costs include, but are not limited to, monitoring construction observations, legal fees, consultation with Developer and his/her engineer, planner or architect on status or problems regarding the Project, plan review, coordination for testing, periodic and final inspections and acceptance, Project monitoring and inspections during warranty period and processing of requests for reductions in security, for all improvements covered by this Agreement. The original escrow deposit shall be **\$5,000** (5% of the total estimated costs shown in Paragraph 15 to a maximum amount of \$5,000). If the escrow balance reaches \$500, the Developer shall be responsible to provide additional funds up to the original amount. Remaining funds in the escrow will be released to the Developer upon final acceptance of all Improvements, and City

Council requirements. The escrow shall be submitted prior to the issuance of any building permit for any improvements to the property (save a demolition permit).

15.	<u>Security Requirements.</u> The estimated costs of all improvements are as follows:	
A.	Asphalt Paving	\$63,900.00
B.	Fencing to the South	\$15,760.00
C.	Curb & Gutter	\$44,555.00
D.	Irrigation	\$9,304.00
E.	Landscaping	\$18,188.00
F.	Stormwater Infrastructure	\$270,475.00
G.	Fire Hydrant Modifications	\$6,000.00
	TOTAL ESTIMATED COST:	\$428,182.00
	150 % OF COST AS REQUIRED BY PARAGRAPH 12:	\$642,273.00

16. Street Cleaning. The Developer shall contract for street cleaning within and immediately adjacent to the development. Street sweeping shall occur as needed during the construction process.

17. Construction Parking/Staging Plan. Construction parking and staging shall occur entirety within the Subject Property and not on any public right-of-way or property. If all construction and contractor vehicles cannot be accommodated on-site, the Developer shall submit a parking/staging plan identifying where vehicles are intended to be parked and what arrangement are proposed to transport workers to the Subject Property.

18. Notices. All notices, certificates and other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, with proper address as indicated below. The City and the Developer by written notice given by one to the other, may designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Unless otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the City: Planning Director
 City of Shorewood
 5755 Country Club Road
 Shorewood, Minnesota 55331
 planning@ci.shorewood.mn.us

To the Developer: Michelle M. Mueller, President
 MM Capital Shorewood, LLC
 720 Galpin Lake Rd
 Excelsior, Minnesota 55331
 michellem@mninboard.com

19. Indemnification. To the fullest extent permitted by law, Developer agrees to defend, indemnify and hold harmless the City, and its employees, officials, and agents from and against all claims,

actions, damages, losses and expenses, including reasonable attorney fees, arising out of Developer's negligence or its performance or failure to perform its obligations under this Contract. Developer's indemnification obligation shall apply to Developer's general contractor, subcontractor(s), or anyone directly or indirectly employed or hired by Developer, or anyone for whose acts Developer may be liable. Developer agrees this indemnity obligation shall survive the completion or termination of this Contract.

20. Remedies Upon Default.

- A. Assessments. In the event the Developer shall default in the performance of any of the covenants and agreements herein contained and such default shall not have been cured within thirty (30) days after receipt by the Developer of written notice thereof, unless the nature of the default is such that it cannot reasonably be cured within thirty (30) days, in which case the Developer shall have such additional period of time as reasonably necessary to diligently effectuate a cure. The City may cause any of the Improvements to be constructed and installed or may take action to cure such other default and may cause the entire cost thereof, including all reasonable engineering, legal and administrative expenses incurred by the City to be recovered as a special assessment under Minnesota Statutes Chapter 429. The Developer agrees to pay the entire amount of such assessment within thirty (30) days after its adoption. Developer further agrees that in the event of its failure to pay in full any such special assessment within the time prescribed herein, the City shall have a specific lien on all of the Subject Property for any amount so unpaid, and the City shall have the right to foreclose said lien in the manner prescribed for the foreclosure of mechanic's liens under the laws of the State of Minnesota. In the event of an emergency, as determined by the City Engineer, the notice requirements to the Developer prescribed by Minnesota Statutes Chapter 429 shall be and hereby are waived in their entirety, and the Developer shall reimburse the City for any expense incurred by the City in remedying the conditions creating the emergency.

- B. Performance Guaranty. In addition to the foregoing, the City may also institute legal action against the Developer or utilize any cash deposit made or letter of credit delivered hereunder, to collect, pay, or reimburse the City for:
 - (a) The cost of completing the construction of the Improvements.
 - (b) The cost of curing any other default by the Developer in the performance of any of the covenants and agreements contained herein.
 - (c) The cost of reasonable engineering, legal and administrative expenses incurred by the City in enforcing and administering this Agreement.

- C. Legal Proceedings. In addition to the foregoing, the City may institute any proper action or proceeding at law or at equity to abate violations of this Agreement.

21. License. The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the Subject Property to perform all work (as allowed by this Agreement) and inspections

deemed reasonably appropriate by the City in conjunction with site development, provided that the City undertakes commercially reasonable efforts to not disrupt the business operations of any tenant of the Subject Property.

22. Headings. Headings at the beginning of paragraphs hereof are for convenience of reference, shall not be considered a part of the text of this Agreement, and shall not influence its construction.

23. Severability. In the event any provisions of this Agreement shall be held invalid, illegal, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and the remaining provisions shall not in any way be affected or impaired thereby.

24. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

25. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota.

26. Successors and Assigns. It is agreed by and between the parties hereto that the Agreement herein contained shall be binding upon and inure to the benefit of their respective legal representatives, successors, and assigns.

27. Estoppel Certificate; Release: The City agrees, within twenty (20) days after receipt of written request by the Developer, to execute a certification in writing and in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments that (i) this Agreement is unmodified and in full force and effect, or if there have been modifications, the identify of such modifications and that the same are in full force and effect as modified; (ii) no party is in default under any provisions of this Agreement or, if there has been a default, the nature of such default; (iii) all Improvements to be constructed under this Agreement have been constructed, or, if not, specifying the Improvements yet to be constructed; and (iv) any other information related to the Agreement that the requesting party shall reasonably request. Additionally, following the Developer's satisfactory completion of all of the Improvements and all other obligations contained herein, and within twenty (20) days after a written request by the Developer, the City agrees to execute a certification in writing, recordable among the land records of Hennepin County, Minnesota, releasing the Developer from its obligations under this Agreement. Developer may record such certification as conclusive evidence that the Subject Property is released from the encumbrances and burdens of this Agreement. Any such instruments on behalf of the City may be executed by appropriate City officials without City Council approval.

[This space intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the day and year first above written.

CITY OF SHOREWOOD

By: _____
Its: Mayor

By: _____
Its: City Administrator

STATE OF MINNESOTA

ss.

COUNTY OF HENNEPIN

On this ___day of _____, 2025, before me, a Notary Public within and for said County, personally appeared Jennifer Labadie and Marc Nevinski to me personally known, who, being each by me duly sworn, did say that they are respectively the Mayor and City Administrator of the municipal corporation named in the foregoing instrument, and that said instrument was signed and sealed on behalf of said corporation by authority of its City Council, and said Mayor and City Administrator acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

MM CAPITAL SHOREWOOD, LLC,
a Minnesota limited liability company

By: Michelle M. Mueller
Its: President

STATE OF MINNESOTA

ss.

COUNTY OF HENNEPIN

On this ____ day of _____, 2025, before me, within and for said County, personally appeared Michelle M. Mueller, the President of MM Capital Shorewood, LLC, the Developer, described in and who executed the foregoing instrument and acknowledged that it executed the same as its free act and deed.

Notary Public

Exhibit A – Legal Description of Properties:
Legal Description of 19765 State Highway No. 7

Lot 1, Block 1, Waterford 7th Addition, Hennepin County, Minnesota

[BANK LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

No. _____

Date: _____

TO: City of Shorewood
5755 Country Club Road
Shorewood, Minnesota 55331

Dear Sir or Madam:

We hereby issue, for the account of _____ (Name of Developer) and in your favor, our Irrevocable Letter of Credit in the amount of \$ _____, available to you by your draft drawn on sight on the undersigned bank.

The draft must:

a) Bear the clause, "Drawn under Letter of Credit No. _____, dated _____, 2_____, of _____ (Name of Bank) _____";

b) Be signed by the City Administrator of the City of Shorewood.

c) Be presented for payment at _____ (Address of Bank) _____, on or before 4:00 p.m. on November 30, 2_____.

This Letter of Credit shall automatically renew for successive one-year terms unless, at least forty-five (45) days prior to the next annual renewal date (which shall be November 30 of each year), the Bank delivers written notice to the Shorewood City Administrator that it intends to modify the terms of, or cancel, this Letter of Credit. Written notice is effective if sent by certified mail, postage prepaid, and deposited in the U.S. Mail, at least forty-five (45) days prior to the next annual renewal date addressed as follows: Shorewood Planning Director, Shorewood City Hall, 5755 Country Club Road, Shorewood, MN 55331, and is actually received by the Finance Director at least thirty (30) days prior to the renewal date.

This Letter of Credit sets forth in full our understanding which shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement, whether or not referred to herein.

This Letter of Credit is not assignable. This is not a Notation Letter of Credit. More than one draw may be made under this Letter of Credit.

This Letter of Credit shall be governed by the most recent revision of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600.

We hereby agree that a draft drawn under and in compliance with this Letter of Credit shall be duly honored upon presentation.

[NAME OF BANK]

BY: _____

Its _____

STORMWATER MANAGEMENT AGREEMENT

This AGREEMENT made this ___ day of _____, 2025, by and between the City of Shorewood, a Minnesota municipal corporation (the "City") and MM Capital Shorewood, LLC, a Minnesota limited liability company (the "Owner").

RECITALS

The Owner is the fee owner of certain real property situated in the City of Shorewood, County of Hennepin, State of Minnesota legally described on the attached Exhibit "A" with a site address of 19765 Highway 7 (hereinafter referred to as the "Subject Property") for which the Owner has obtained the approval of the City for the development thereof; and

The term "STORMWATER MANAGEMENT FACILITIES" may refer to water quality and/or water quantity facilities (i.e. detention basins, retention basins, swales, pipes, oil/water separators, sand filtering devices, infiltration facilities, filtration facilities, sump structures, storm water chambers, etc.) which are located OUTSIDE the public road right-of-way (ROW).

The City has required that the Owner make provision for the construction, maintenance and repair of the Stormwater Management Facilities located within the boundaries of the Subject Property, as the same is described and depicted in those certain construction plans attached hereto as Exhibit "B" ("Plans").

The City and Owner desire to set forth their understanding with respect to the construction, repair and maintenance of the Stormwater Management Facilities and the responsibility relating to the costs of the repair and maintenance of the Stormwater Management Facilities.

AGREEMENT

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following:

1. Construction and Maintenance of Stormwater Management Facilities. The Owner agrees to construct the Stormwater Management Facilities according to the Plans and repair and maintain the Stormwater Management Facilities at its sole cost and expense. Maintenance of the Stormwater Management Facilities shall mean (i) minimum annual inspections of the Stormwater Management Facilities and, if necessary, removal of all litter, debris, sediment, and replacement of mulch, vegetation, and eroded areas to ensure establishment of healthy functioning plant life therein; and (ii) minimum annual inspections that the Stormwater Management Facilities are functioning in accordance with the approved Plans. If, as a result of an inspection by the Owner or City staff, it is determined that the Stormwater Management Facilities (1) have not been maintained; or (2) are not functioning as originally designed and intended; or (3) are in need of repair, the Owner agrees to restore the Stormwater Management Facilities so that it functions as it was designed and intended. The Owner further agrees that they will not use the Stormwater

Management Facilities for snow storage and will inform its snow removal contractors of this provision of the Agreement.

Subject to Section 4 below, Owner shall be solely responsible for the repair and maintenance of the Stormwater Management Facilities and shall provide a copy of the required annual inspection report of the onsite Stormwater Management Facilities to the City. A blank standard inspection report meeting the minimum reporting requirements will be provided by the City. The required annual inspection report shall be submitted to the City by July 15th of each year. The Owner shall provide the City the right to enter onto the property to conduct its own inspections and/or verify the inspection results provided by the Owner.

2. Owner's Default. In the event of default by the Owner as to any of the work to be performed by it hereunder, except in the case of an emergency as reasonably determined by the City (in which case the City shall undertake best efforts to notify the Owner prior to entering the Subject Property), following at least thirty (30) days prior written notice and Owner's failure to cure such default within such time-frame, unless the nature of the default is such that it cannot reasonably be cured within thirty (30) days, in which case the Owner shall have such additional period of time as reasonably necessary to diligently effectuate a cure, the City may, at its option, perform the work and the Owner shall promptly, following receipt of an invoice and reasonable substantiation of such costs, reimburse the City for any reasonable out-of-pocket expense incurred by the City. This Agreement is a license for the City to act when so authorized under this Agreement, and it shall not be necessary for the City to seek a Court order for permission to enter the Subject Property. When the City does any such work, the City may, in addition to its other remedies, assess the reasonable out-of-pocket cost to the Subject Property in whole or in part.

3. Changes to Site Configuration or Stormwater Management Facilities. If site configurations or Stormwater Management Facilities change, causing decreased effectiveness of Stormwater Management Facilities, new or improved Stormwater Management Facilities must be implemented and approved by the City to ensure the conditions for post-construction stormwater management continue to be met.

4. Terms and Conditions. This Agreement shall run with the land and shall be binding upon Owner's successors and assigns with respect to the Subject Property. The terms and conditions of this Agreement shall be binding upon, and shall insure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed as of the day and year first above written.

EXHIBIT "A"
Legal Description

Lot 1, Block 1 of Waterford 7th Addition

EXHIBIT “B”
Plans



City Council Meeting Item

Item
2G

Title/Subject: 2024 Pond Maintenance Improvements-Change Order #1
City Project 21-12

Meeting Date: Tuesday, May 27, 2025

Prepared by: Andrew Budde, City Engineer

Reviewed by: Matt Morreim, Director of Public Works

Attachments: Change Order #1, Resolution

Background: On October 14th, 2024, the council awarded the 2024 Pond Maintenance Improvements Project to Schneider Excavating and Grading Inc. Most of the work was completed in the fall/early winter of 2024 with only clean up and turf restoration to be completed this spring. During construction last fall there were some extra work items identified where time was of the essence. The items were discussed with public works and direction was provided to the contractor to complete the work. Below is a breakout of the additional items.

Item 1: Clearing and Grubbing: The original scope of the project included only removing the necessary amount of trees/brush to complete excavation of the pond. However, due to the excessive amount of buckthorn and ash trees surrounding the pond and within the drainage & utility easement additional clearing & grubbing was requested by Public Works to reduce future maintenance efforts. The total additional costs associated with this effort are \$15,112.50.

Item 2: Pond Excavation: The original calculated quantity for pond excavation was calculated by completing a bathymetric survey with sonar. Once the pond water was drained down, staff were able to confirm there was additional sediment to remove and was verified both by topo survey and truck counts. The total additional costs associated with this effort are \$3,550.00.

Financial or Budget Considerations: The city budgeted \$215,000 for the project in the CIP. \$143,000 was estimated for this project and accounts for engineering, administration, and inspection. The city has adequate budget remaining to cover the extra work items. The Change Order that includes the two items listed above is \$18,662.50. This would adjust the total contract amount with Schneider Excavating and Grading, Inc from \$109,405 to \$128,067.50

Action Requested: Staff recommends authorizing approval of Change Order #1 for the 2024 Pond Cleaning Maintenance Improvements, City Project 21-12, in the amount of \$18,662.50 and increase the contract amount to \$128,067.50

Motion, second and Simple Majority required.

CHANGE ORDER NO. 1 ADDITIONAL TREE REMOVAL & POND EXCAVATION

CONTRACTOR: Schneider Excavating & Grading, Inc.	
ADDRESS: 405 Central Ave S, Young America, MN 55397	PROJECT: 2024 Pond Maintenance- Mary Lake Trail
This Contract uses MnDOT Standard Specifications for Construction 2020 Edition	

This Contract is between the City of Shorewood and Contractor as follows:

Issue:

The 2024 Pond Maintenance Project was awarded to Schneider Excavating & Grading, Inc. in the amount of \$109,405.00. During the construction of the project, construction staff discussed the project with Public Works and Public Works had requested to remove additional buckthorn trees and dead ash trees in the drainage easement area. The buckthorn and additional dead ash trees were removed to eliminate the need for future maintenance issues. During excavation procedures, additional silt and sediment was exposed beyond the estimated volume to be removed from the site. Staff determined to remove the additional trees and remove the additional pond sediment and silt to correct the functionality of the drainage pond. The Contractor has determined that the extra work costs \$18,662.50 and that the work will not require adjustments to the overall project schedule or completion date.

The following is a breakdown of the pricing for the Tree Removal and Pond Excavation items:

No:	Item:	Quantity:	Unit Price:	Total Price:
1.	Clearing	19.5 EACH	\$465.00	\$9,067.50
2.	Grubbing	19.5 EACH	\$310.00	\$6,045.00
3.	Pond Excavation	142 CU YD	\$25.00	\$3,550.00
Total:				\$18,662.50

The Engineer has determined the Contract needs to be revised in accordance with specification 1402.1 Alteration of Work.

Resolution:

1. The City of Shorewood agrees to pay Change Order No. 1 in the amount of \$18,662.50 for the extra work needed to successfully complete the Mary Lake Drainage Pond Maintenance work. No adjustments to the construction durations, substantial completion, or final completion dates will be made.

	Signature	Date
Project Engineer		5/5/2025
Contractor		
Local Agency (City of Shorewood)		

ATTACHMENTS: By signing this agreement, the Contractor acknowledges receipt of the specified attachments (if applicable.)

- Plans (Specify plan sheets attached)
- Specifications (Specify Specifications attached)
- Other _____

**CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

RESOLUTION 25-049

**A RESOLUTION AUTHORIZING CHANGE ORDER #1 FOR
THE 2024 POND MAINTENANCE IMPROVEMENTS PROJECT
CITY PROJECT 21-12**

WHEREAS, the city council awarded a contract to Schneider Excavating & Grading Inc. on October 14, 2024, for the 2024 Pond Maintenance Improvements Project for \$109,405.00; and

WHEREAS, during construction it was identified that additional trees and brush could be removed to reduce future maintenance efforts by public works staff and additional pond excavation was required due to the existence of more silt and sediment than what was anticipated; and

WHEREAS, the city had the contractor price additional work items and which totaled \$18,662.50. These items were discussed with public works and directions were given to the contractor to complete the items as time was of the essence; and

NOW THEREFORE, IT RESOLVED: by the City Council of the City of Shorewood hereby authorizes and approves Change Order #1 for the 2024 Pond Maintenance Improvements Project which will increase the contract amount with Schneider Excavating and Grading Inc by \$18,662.50 to a total contract amount of \$128,067.50.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 27th day of May 2025.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



City Council Meeting Item

Item
2H

Title/Subject: Park & Recreation Manager Title Revision
Meeting Date: May 27, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: None

Background

In 2024 when the Park & Recreation Director position opened, the City Council decided to change the title from Director to Manager when posting the position. The intention of the change was to clearly reflect in the job posting the City's need and desire for the position to perform a wide range of duties in a small department that included director level leadership functions and the operational functions of a manager. The title change did not adjust the position's scope of duties or its compensation.

Mr. Czech was hired in March 2024 as the City's Park and Recreation Manager. In his short tenure with the City he has demonstrated both strong leadership abilities and operational skills, as well as a commitment to serving Shorewood.

He has successfully managed large and small community events, expanded the use of CivicRec software to manage park facilities and programs, gathered and shared data for decision making, and developed a variety of informational materials for the Park Commission and other entities. He frequently interacts with park facility users, athletic associations, SCEC renters, and volunteers.

In his leadership capacity, he has built strong relationships with user groups, developed and communicated a clear department workplan, addressed concerns of residents and users, collaborated with other agencies, developed policies and practices, attracted sponsorships and developed a department budget. Mr. Czech is a member of the City's leadership team, attending Council and Commission meetings, preparing budgets, and representing the City of Shorewood.

Like all department directors in Shorewood, the Park and Recreation department leader has a wide range of responsibilities and obligations, and the position title should reflect that and align with other departments.

Financial Considerations

None. There is no change in compensation due to the title change.

Action Requested

Motion to approve a change in the Park & Recreation Manager's position title to Park & Recreation Director.

A majority vote by the Council is required.



City of Shorewood

City Council Meeting Item

Item
21

Title/Subject: Utility Billing Policy
Meeting Date: May 27, 2025
Prepared by: Jeanne Schmuck, Finance Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Utility Billing Policy

Background

Following an internal audit, Staff proposed a draft Utility Billing Policy during the May 12th City Council Work Session. This policy is designed to provide provisions for billing and provide consistent customer rules and guidelines. It incorporates the City Code, the adopted fee schedule, and historical practices into one document. This Policy has been modified to accommodate the revised language proposed at the work session.

Financial Considerations

None.

Action Requested

Motion to adopt the Utility Billing Policy.

A simple majority vote by the Council is required.



UTILITY BILLING POLICY
May 27, 2025

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The City of Shorewood has developed this Utility Billing Policy to operate successful municipal utilities, and provide consistent customer rules, regulations, and guidelines. Regulations of the municipal utilities are set by ordinance, chapter 900. Individuals who have questions regarding services provided by the City of Shorewood Utilities are encouraged to contact the Utility Billing Staff at Finance@Shorewoodmn.gov or calling 952/960-7927.

1 APPLY FOR UTILITY SERVICES

When moving in or out of the Shorewood billing area, customers are required to notify the City of Shorewood Utility Billing Division. The City of Shorewood provides and bills for: water, sanitary sewer, stormwater management utilities, and recycling. The service area encompasses all of the City of Shorewood. Applications are taken via email at Finance@Shorewoodmn.gov with application for service form available on line at www.Shorewoodmn.gov. We require three (3) day prior notification. The date of notification will be used as the final date if notification occurs after the move.

1.1 REQUIRED INFORMATION

Name, address, email, and phone number are required. Information is accepted from either the seller or buyer of a property; and also, from either the tenant or landlord in a lease situation. Information from a title company will also be accepted.

1.2 TRANSFER NAME AFTER ACCOUNT SET UP

It is advised to put all names of adult parties responsible on the utility account. If one party moves out, that party can submit a written request for their name to be removed from the bill.

2 BILLING

The City of Shorewood bills all services on a quarterly basis on or before the 10th day of the first month following the end of the quarter and shall be due and payable on or before the last day of the months of January, April, July, and October, following the quarterly period covered by the statement. The usage period is for the prior quarter. Bills will be assessed a late payment fee on the first business day following the end of the month billed. Bills and late payment fees are calculated according to the City's Master Fee Schedule adopted by City Council annually in accordance with City Ordinance.

2.1 CITY'S MASTER FEE SCHEDULE

All rates are approved by the City Council and can be found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. A copy may also be obtained at City Hall or emailed/faxed upon request.

2.2 BILL CALCULATION

Water meters are read on a quarterly basis. Readings are obtained from the City's Automatic Meter Reading (AMR) system. When meter readings are not available, or a zero or substantially reduced reading is received, an estimate will be generated for the billing. Estimations are

calculated using the average of the two previous quarters and one-year of prior consumption.

2.3 BUDGET BILLING

Budget billing is available to customers after twelve months of billing and on-time payment history. Budget amounts are adjusted annually for all customers on the 1st quarter billing in April. While on budget billing, customers must pay the budget amount shown on the bill. Paying amounts other than the budget amount may result in removal from the program.

2.4 E-STATEMENTS

Customers may sign up for e-statements through the City's on-line pay application system. E-mails will be sent to the customer notifying them that a billing statement is available on this system. To enroll, customers need to have received one utility bill. When enrolling the account number and the account name must be entered exactly as they appear on the bill. Customers may also opt out of paper bills when enrolling in e-statements.

2.5 BILL CORRECTIONS

If a bill is in error, the City of Shorewood will correct the account for the period of time the error occurred, up to six years retroactively from the date of discovery, in accordance with Minn. Stat. §541.05.

2.6 PAYMENT PLANS FOR BILL CORRECTIONS

Payment plans and contracts are available for bill corrections. Payment schedules may be given for the length of time the error occurred, up to a six-year payment schedule. If a contract is agreed upon, penalties will not apply to the contract amount.

2.7 CREDIT DUE TO CORRECTION

Credits due to billing corrections will be calculated, up to six years retroactively from the date of discovery, with interest, and will be applied to the utility account. Credits may be refunded upon request. The refund is processed through the City's Accounts Payable Division and approved by the City Council. This process may take up to four weeks.

2.8 LATE PAYMENT FEE

The late payment fee amount is set by the City Council, and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. The date the late payment fee will be added to the account and the amount of the fee is clearly noted on the Utility Bill. One late payment fee may be waived, by City's Utility Billing Staff, upon request.

2.9 RENTAL PROPERTIES

The owner of a rental property shall be responsible for the utility charges of tenants regardless of whether or not the tenant has the responsibility to pay the bill. A rental property owner has the right to receive a duplicate billing should a tenant be responsible for a bill. The owner must contact the Finance Department Utility Billing division to make this request.

3 WATER, WATER CONNECTION FEE, SANITARY SEWER AND STORMWATER MANAGEMENT UTILITIES

Water fixed and consumption rates, state water lead surcharge, sanitary sewer fixed charge, and stormwater management are charged quarterly, as well as any applicable taxes. The rates are approved by the City Council and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov.

3.1 WATER METERS

Meters, meter horn, and remote reader shall be purchased from the city at the time a permit to connect is applied for. All water meters shall be and remain the property of the City of Shorewood. Access to the meter is to be granted to the City of Shorewood upon request for inspections and repairs. Denial of access could result in discontinuance of service. Billing is done in 1,000-gallon measurements.

3.2 WATER LEAD SURCHARGE

This is a state mandated fee which is used to ensure that water utilities remain in compliance with the Safe Drinking Water Act, established in 1993. The fee is billed quarterly to all water customers. The revenue collected is forwarded to the State of Minnesota.

3.3 SANITARY SEWER CALCULATION

The sanitary sewer rate is based on operational requirements to provide a safe system. Sewage treatment is performed by Metropolitan Council Environmental Services. Sanitary sewer rates are approved by the City Council and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov.

3.4 STORMWATER MANAGEMENT UTILITY

Stormwater Management Utility is a fee to maintain the City's stormwater management system. Properties are charged a quarterly fee. All property within the city limits shall be charged and the owner of said property shall pay the fee amounts by multiplying the current stormwater management utility fee as outlined in the City's Master Fee Schedule by the property's RLE units as determined by City Ordinance Chapter 905. The City's Master Fee Schedule and City Ordinance can be found on the City's website at www.Shorewoodmn.gov. This document can be found on the City's website at www.Shorewoodmn.gov.

4 PAYMENTS

Bills are sent on a quarterly basis on or before the 10th day of the first month following the end of the quarter and shall be due and payable on or before the last day of the months of January, April, July, and October, following the quarterly period covered by the statement.

4.1 ACCEPTABLE PAYMENT METHODS

The City accepts cash, check, money order, and credit or debit card (Visa or MasterCard), and offers a direct debit ACH option.

4.2 WHERE PAYMENTS ARE ACCEPTED

On-line: www.Shorewoodmn.gov using checking account, credit/debit cards
Direct Debit ACH Complete form on City's website at www.Shorewoodmn.gov.
(See Section 4.3)
Drop Boxes: Drive up drop box in City Hall parking lot (silver box)
Mail to: City of Shorewood
5755 Country Club Road
Shorewood, MN 55331
In person: City Hall
Monday through Friday – 8:00 A.M. – 4:30 P.M.

4.3 DIRECT DEBIT ACH

Customers may elect to have their bill withdrawn automatically from their checking, or savings account each month. Customers who elect to use their checking accounts will need to fill out the City's Authorization Form found on the City's website at www.Shorewoodmn.gov and provide a voided check.

4.4 CREDIT BALANCES

Credits due to overpayment can be refunded upon request. Refund checks are processed through the City's Accounts Payable Division and approved by the City Council. This process can take up to four weeks.

4.5 RETURNED PAYMENTS

Payments returned to the City from the banking industry for any reason will be assessed a Return Payment Fee, approved by the City Council and listed in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. The utility account will be adjusted accordingly. Notification will be mailed to the customer within five business days of notification to the City that a payment has been returned.

4.6 DEFERRED PAYMENT PLAN

Customers that are unable to pay their utility bill by the due date are encouraged to contact the Utility Billing Staff to arrange and sign a mutually acceptable payment plan to bring a customer's account current in a timely manner, and that considers the unique circumstances of a particular bill. While the terms of the arrangement are being met, late payment fees will not be applicable. If a customer fails to comply with any term and/or condition contained within the arrangement, the customer shall be removed from the payment plan.

5 WATER DISCONTINUANCE OF SERVICE

5.1 VOLUNTARY DISCONTINUANCE OF SERVICE

Water service can be discontinued at the request of the customer. A fee, approved by the City Council and found in the City's Master Fee Schedule, will be charged. This document can be found on the City's website at www.Shorewoodmn.gov. Properties with discontinued services that have

possession of the meter or not will continue to be billed the monthly fee. If the building has been razed and the meter has been removed and returned to the City of Shorewood there will be no monthly base fee.

5.2 PAST DUE BALANCE DISCONTINUANCE OF SERVICE

Water service will generally not be discontinued for non-payment. Past due balances shall be handled through the assessment process as outlined in section 7 below.

Exceptions include special circumstances where the integrity of the water system is in question. If the City elects to discontinue water service due to a delinquent account, notice will be provided of the discontinuance with the date of the discontinuance of service specified. A water turn-on and shut-off fee will be applied immediately on the scheduled date of discontinuance of service to the account in accordance with the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. To have water reinstated, the full delinquent balance on the account, plus the water turn-on and shut-off fee approved by the City Council and found in the City's Master Fee Schedule must be paid in full. No payment arrangements will be permitted.

5.3 DISCONTINUANCE OF SERVICE EXEMPTIONS

The City of Shorewood does not discontinue service for commercial properties as to not interrupt business operation.

5.4 OTHER CONDITIONS

Safety is always the City's first priority. Meter tampering, refusal to allow the City access to the meter, and hazardous conditions may result in water service being discontinued. In addition, any unsafe condition, as deemed by the Shorewood Water Department will result in discontinuing service. A Water Meter/System Tampering Fee will be added to the account balance and will need to be paid in full before service is reinstated. The Water Meter/System Tampering Fee is approved by the City Council and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov.

5.5 REINSTATMENT OF SERVICE

Water will be reinstated Monday through Friday, 8:00 A.M. – 4:30 P.M. on the date the payment is received. For safety reasons, a responsible party may need to be on site when water is reinstated.

6 CANCELLING SERVICE

Customers are required to notify the City that they are moving out of their property. The City requires a three (3) day prior notification. The date of notification will be used as the final date if notification occurs after the move. A final bill will be generated after the final reading is obtained. Final bills are due 25 days after the mailing. Late payment fees would apply.

6.1 REFUNDS

Any credit amount in excess of \$5.00 remaining on a customer's utility account after an account is final billed, a refund check will automatically be generated and mailed to the forwarding address provided by the customer. The refund is processed through the City's Accounts Payable Division and approved by the City Council. This process can take up to four weeks. If a credit is due to a payment made by another party such as a title company the credit is refunded to the party as appropriate. Any credit amount of \$5.00 or less remaining on a customer's utility account after the final bill has been created shall be retained by the City to cover administrative expenses.

6.2 REFUND CHECKS RETURNED DUE TO A BAD FORWARDING ADDRESS

If a refund check is returned in the mail, the account will be noted that the check was returned. The check is then held with the City's Accounts Payable Division and forwarded to the State of Minnesota in accordance with the Unclaimed Property regulations if a new address cannot be obtained.

7 ASSESSMENT PROCESS

All accounts that are 60 days past due, or where discontinuance of service is not applicable, and have a water, sanitary sewer, or stormwater management utility charges and recycling fee balance will enter the Assessment Process. The City's Utility Billing Division will begin the Assessment Process in August of each year.

7.1 ANNUAL ASSESSMENTS

The Assessment Process is in accordance with Minn. Stat. §444.075. Letters will be sent to all owners of properties with a past due balance of 60 days or more for both active and final billed accounts. All properties left with an unpaid balance will have an assessment placed on their property with the County, and an additional \$50 assessment certification fee added. Assessments can be paid, without interest, until certified by City Council 30 days following the resolution date.

8 MISCELLANEOUS

8.1 ACCOUNT BALANCE REQUESTS

All requests for utility account balances can be made by calling (952/960-7927) or emailing Finance@Shorewoodmn.gov the Shorewood Utility Billing Division. This will not be a certified assessment search. For a certified Special Assessment Search an Assessment Search Form must be completed. There is a fee for this information, approved by the City Council and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. Once the form and fee are received, the Finance Department will record Deferred, Levied, and Pending Assessments, and Miscellaneous Accounts Receivable items, along with any Utility Balances on the form. The Finance Department will also record any unpaid utilities on the form. In neither the inquiry or Certified Special Assessment Search will the City of Shorewood provide estimated amounts of unbilled charges.

8.2 FORECLOSURE

In the event of a foreclosure, the account will remain in the current occupant's name until the bank comes forward to claim the property. The property owner is responsible for the utility charges up to the date the bank takes full position of the property. Subsequent bills remain in that customer's name until the bank comes forward, but those bills are no longer the customer's responsibility to pay. Because the foreclosure process is so complex, and ownership can change banks rapidly, the account will not be taken out of that customer's name until after the foreclosure date. Banks will be responsible for all charges after the foreclosure date.

8.3 METER TESTING

When a customer makes a complaint that the bill for any past services has been excessive, the City shall, upon written request, have the meter re-read. If the user remains dissatisfied and desires that the meter be tested, the user shall then make a deposit in an amount as approved by the City Council and found in the City's Master Fee Schedule. This document can be found on the City's website at www.Shorewoodmn.gov. The City shall then test the meter. In the case a test should show an error of over five percent (5%) of the water consumed in favor of the City, the deposit will be refunded to the user and a correctly registering meter will be installed and the date of written request and the minimum charge shall not be affected. In case the test shows an accurate measurement of water, the amount deposited shall be retained by the City to cover the expenses of making the test.

8.4 DATA PRIVACY

Water, sanitary sewer, and stormwater management utility account information is considered public data.

9 APPEALS

Customers have a right to appeal billings and/or discontinuance of service. Appeals need to be done in writing. Should the appeal be related to a discontinuance of service, it must be received 5 business days of the date of the discontinuance notice. Service will not be discontinued until the appeal is resolved. Utility Billing Staff will review appeals. Additional requests will first be analyzed by the Finance Director, further appeal will go to the City Administrator, and if satisfaction cannot be met, then final decision will be brought to City Council. All decisions will be returned to the customer in writing.

10 CONTACT INFORMATION

Finance Department

Email: Finance@Shorewoodmn.gov

Call: 952/960-7927

City of Shorewood

5755 Country Club Road

Shorewood, MN 55331



Item
2J

City Council Meeting Item

Title/Subject: Election Equipment Lease Agreement with ISD 276
Meeting Date: May 27, 2025
Prepared by: Sandie Thone, City Clerk/Human Resources Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: City of Shorewood and Minnetonka ISD 276 Lease Agreement

Background

The City of Shorewood leases election equipment from Hennepin County to provide city run elections. Hennepin County provides that the city may sublease this equipment to the School District. The School District has been leasing the equipment that is used for their odd-year elections for many years from the City of Shorewood at the rate equal to what the city pays for annual maintenance of the voting equipment. For 2025 and stated in the Lease Agreement, ISD 276 will pay the city of Shorewood \$2,050 for the use of the voting machines for their 2025 elections.

Staff is recommending approval of the attached City of Shorewood and Minnetonka School District 276 Lease Agreement as submitted.

Financial or Budget Considerations

The 2025 Lease Agreement allows Shorewood to cover the cost of voting machine maintenance costs on the off year of city elections. In 2025 that amount will equal \$2,050 payable to the city.

Action Requested

Motion to approve the 2025 City of Shorewood and Minnetonka School District 276 Lease Agreement.

Motion, second and simple majority vote required.

**City of Shorewood and Minnetonka School District 276
LEASE AGREEMENT**

THIS AGREEMENT, made by and between the City of Shorewood and the Minnetonka Independent School District #276, both political subdivisions of the State of Minnesota, hereinafter referred to as the "City" and the "School District" respectively. For purposes of this Agreement, the address of the City is 5755 Country Club Road, Shorewood, MN 55331 and the address of the School District is 5621 County Road 101, Minnetonka, MN 55345.

WITNESSED

WHEREAS, the City entered into a lease with Hennepin County ("County") dated August 12, 2013, in which the City leased from the County Assisted Voting Technology (AVT) equipment, digital scan voting equipment, and election hardware and services ("County Lease").

WHEREAS, the County Lease provides that the City may sublease to the School District the Digital Scan Voting equipment and AVT equipment, as defined in Section 1, for use in School District elections.

WHEREAS, the School District desires to sublease from the City some of the Election Equipment and AVT Equipment, as defined in Section 1, for use in School District elections.

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the City and the School District agree as follows:

Section 1

SCOPE OF AGREEMENT

- 1.1 The City hereby leases to the School District at the cost identified below and subject to the terms and conditions of this Agreement, and the School District hereby agrees to lease from the City election equipment identified as: five (5) DS200 Digital Scan Precinct Count Units and five (5) DS200 Plastic Ballot Boxes (the "Election Equipment") for polling places contained within the School District.
- 1.2 The City hereby leases to the School District subject to the terms and conditions of this Agreement, and the School District hereby agrees to lease from the City AVT Equipment identified as: four (4) ExpressVotes Tablets + Cases and four (4) ExpressVotes Printers ("AVT Equipment") for polling places contained within the School District.
- 1.3 Subject to the terms and conditions of this Agreement, the parties may agree by written addendum executed by all the parties to increase or decrease the

Election Equipment and AVT Equipment included within the scope of this Agreement.

- 1.4 In exchange for use of the Election Equipment and AVT Equipment the School District shall pay to the City, for the first year of this Agreement, a lump sum of \$2050 due and payable on October 1, 2025. At the beginning of each subsequent Agreement year, on October 1, the School District shall pay to the City a lump sum amount equal to the annual maintenance fee the City pays for each piece of equipment leased by the School District.

Section 2

OWNERSHIP

- 2.1 The School District acknowledges that the County owns the Election Equipment and AVT Equipment and that the School District is authorized to use said Election Equipment and AVT Equipment for official election related purposes. Use of the Election Equipment and AVT Equipment for any other purpose is strictly prohibited absent express written consent of the City.
- 2.2 The School District acknowledges and agrees that the Election Equipment and AVT Equipment may contain proprietary and trade secret information that is owned by a third party and is protected under state and federal copyright law or other laws, rules, regulations and decisions. The School District shall protect and maintain the proprietary and trade secret status of the Election Equipment and AVT Equipment.

Section 3

HANDLING OF EQUIPMENT AND INDEMNIFICATION

- 3.1 The School District shall be responsible for the Election Equipment and AVT Equipment while it is in the School District's custody, possession or control. The School District, either through insurance or a self-insurance program, shall be responsible for all costs, fees, damages and expenses including but not limited to personal injury, storage, damage, repair and/or replacement of the Election Equipment and AVT Equipment while it's in the School District's custody and this Agreement is in effect, consistent with the School District's defense and indemnity obligations contained in Section 7.6 herein.
- 3.2 The School District shall be responsible for the transporting of the Election Equipment and AVT Equipment from and to the City. The School District shall be responsible for all costs, including but not limited to shipping, related to the repair or replacement of lost, stolen, destroyed or damaged Election Equipment and AVT Equipment.
- 3.3 The Election and AVT Equipment shall be stored at the City. The School District shall arrange to pick up the Election and AVT Equipment, with a 24 hour notice,

prior to its use of the equipment for each election. The School District shall return the Election and AVT Equipment to the City no more than 24 hours after the end of School District voting for each election. The School District may arrange to pick up one set of voting equipment, 5 DS200 Digital Scan Precinct Count Units, 5 DS200 Plastic Ballot Boxes, 4 ExpressVotes Tablets + Cases, and 4 ExpressVotes Printers, approximately six weeks prior to each election to be used for absentee voting. The equipment picked up for absentee voting must be returned within 24 hours of the end of School District voting for each election.

Section 4

TERM, TERMINATION

- 4.1 This Agreement commences October 1, 2025 and expires September 30, 2026. Thereafter, this Agreement shall automatically renew for additional one year periods unless either party notifies the other party, on or before August 1st of that year, of its intention not to renew. Termination of this Agreement by the School District shall not relieve the School District of any duties or obligations hereunder including but not limited to the obligation to pay amounts due and payable. Upon expiration or any termination of this Agreement, the School District shall return the Election Equipment and/or AVT Equipment within a reasonable time and in good operating condition except for routine wear and tear.

Section 5

MAINTENANCE

- 5.1 **Maintenance.** The City has entered into agreements for the maintenance of the Election Equipment and the AVT Equipment. The School District shall immediately report any maintenance issues to the City. The City shall arrange for the performance of all maintenance for the Election and AVT Equipment.
- 5.2 The School District agrees not to make any repairs, changes, modifications or alterations to the Election Equipment or AVT Equipment.
- 5.3 After reasonable notice, the City shall have the right to enter into and upon the premises where the Election Equipment and AVT Equipment is located for the purposes of inspecting the same or observing its use. On an annual basis, during the term of this Agreement, the School District shall comply with the City's request for verification of Election Equipment and AVT Equipment inventory.

Section 6

PROGRAMMING AND ACCUMULATION

- 6.1 **Programming.** The School District will work directly with the County in regards for programming. The City will not be responsible for programming the Election Equipment or AVT Equipment for School District use. The School District is responsible for any programming costs.

Section 7

OTHER TERMS AND CONDITIONS

- 7.1 **No Waiver.** No delay or omission by either party hereto to exercise any right or power occurring upon any noncompliance or default by the other party with respect to any of the terms of this Agreement shall impair any such right or power or be construed to be a waiver thereof unless the same is consented to in writing. A waiver by either of the parties hereto of any of the covenants, conditions, or agreements to be observed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any covenant, condition, or agreement herein contained. All remedies provided for in this Agreement shall be cumulative and in addition to, and not in lieu of, any other remedies available to either party at law, in equity, or otherwise.
- 7.2 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- 7.3 **Entire Agreement.** It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof.
- All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement. Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement signed by the parties hereto.
- 7.4 **No Assignment.** Neither party shall assign, sublet or transfer this Agreement, either in whole or in part, without the prior written consent of the other party, and any attempt to do so shall be void and of no force and effect.
- 7.5 **No Warranty.** CITY IS PROVIDING THE ELECTION EQUIPMENT AND AVT EQUIPMENT ON AN AS-IS BASIS WITH NO SUPPORT WHATSOEVER. THERE IS NO WARRANTY OF MERCHANTABILITY, NO WARRANTY OF FITNESS FOR PARTICULAR USE, NO WARRANTY OF NON-INFRINGEMENT, NO WARRANTY REGARDING THE USE OF THE INFORMATION OR THE RESULTS THEREOF AND NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED.

Pursuant to the foregoing, the School District agrees that the City is furnishing the Election and AVT Equipment on an "as is" basis, without representation or

any express or implied warranties, including but not limited to, fitness for particular purpose, merchantability or the accuracy and completeness of the Election Equipment or AVT Equipment. The City does not warrant that the Election Equipment and/or AVT Equipment will be error free. The City disclaims any other warranties, express or implied, respecting this agreement or the Election or AVT Equipment.

The School District's exclusive remedy and the City's sole liability for any substantial defect which impairs the use of the Election Equipment and/or AVT Equipment for the purposes stated herein shall be the right to terminate this Agreement.

- 7.6 IN NO EVENT SHALL THE CITY BE LIABLE FOR ACTUAL, DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL DAMAGES (EVEN IF THE CITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE) OR LOSS OF PROFIT, LOSS OF BUSINESS OR ANY OTHER FINANCIAL LOSS OR ANY OTHER DAMAGE ARISING OUT OF PERFORMANCE OR FAILURE OF PERFORMANCE OF THIS AGREEMENT BY THE CITY.

The City and the School District agree each will be responsible for their own acts and omissions under this Agreement and the results thereof including but not limited to the acts or omissions of the party's subcontractors, employees and other personnel and shall to the extent authorized by law defend, indemnify and hold harmless the other party from any liability, claims, causes of action, costs or expenses resulting directly or indirectly from such acts and/or omissions. Each party shall not be responsible for the acts, errors or omissions of the other party under the Agreement and the results thereof. The parties' respective liabilities shall be governed by the provisions of the Municipal Tort Claims Act, Minnesota Statutes Chapter 466, and other applicable law. The statutory limits of liability for some or all of the parties may not be added together or stacked to increase the maximum amount of liability for any party. This paragraph shall not be construed to bar legal remedies one party may have for the other party's failure to fulfill its obligations under this Agreement. Nothing in this Agreement constitutes a waiver by the School District or City of any statutory or common law defenses, immunities, or limits on liability.

- 7.7 Notice. Any notice or demand shall be in writing and shall be sent registered or certified mail to the other party addressed as follows:

To the City: City of Shorewood
5755 Country Club Road
Shorewood, MN 55331

To the School District: Minnetonka ISD # 276
5621 County Road 101
Minnetonka, MN 55345

- 7.8 **Audit Provision.** Both parties agree that either party, the State Auditor, or any of their duly authorized representatives at any time during normal business hours, and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the other party and involve transactions relating to this Agreement. Such materials shall be maintained and such access and rights shall be in force and effect during the period of the contract and for six (6) years after its termination or cancellation.
- 7.9 **Whereas Clauses.** The matters set forth in the "Whereas" clauses on page one of this Agreement are incorporated into and made a part hereof by this reference.
- 7.10 **Survival of Provisions.** It is expressly understood and agreed that the obligations and warranties of the School District and City hereof shall survive the completion of performance and termination or cancellation of this Agreement.
- 7.11 **Authority.** The person or persons executing this Lease Agreement on behalf of the School District and City represent that they are duly authorized to execute this Lease Agreement on behalf of the School District and the City and represent and warrant that this Lease Agreement is a legal, valid and binding obligation and is enforceable in accordance with its terms.
- 7.12 The parties shall comply with applicable law including but not limited to the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (MGDPA).

THE REMAINDER OF THIS PAGE IS BLANK.

AUTHORIZATION

**CITY OF SHOREWOOD
STATE OF MINNESOTA**

MAYOR

CITY CLERK

MINNETONKA ISD # 276

A handwritten signature in blue ink that reads "Paul Bongori". The signature is written in a cursive style with a large initial "P".

EXECUTIVE DIRECTOR OF FINANCE AND OPERATIONS



Item
2K

City Council Meeting Item

Title/Subject: Planner Appointment: Aaron Osowski
Meeting Date: May 27, 2025
Prepared by: Sandie Thone, City Clerk/Human Resources Director
Reviewed by: Marc Nevinski, City Administrator
Jake Griffiths, Planning Director
Attachments: None

Background

The city most recently recruited qualified candidates for the Planner position vacated when Planner Jake Griffiths was appointed to the Planning Director position on March 17th of this year. The city received 26 candidates for the position, which closed on April 27th. Staff interviewed seven well-qualified candidates for first-round interviews on May 5th. The staff interview panel included Planning Director Jake Griffiths and City Clerk/HR Director Sandie Thone. Staff brought back three finalists for final interviews on May 15th. The interview panel included City Administrator Marc Nevinski, Planning Director Jake Griffiths, and City Clerk/HR Director Sandie Thone.

A conditional job offer was presented to and accepted by Aaron Osowski. Aaron has a Master's degree in Urban and Regional Planning from the University of Minnesota, Humphrey School of Public Affairs. In his current position, Aaron is a project manager for the Washington County Community Development Agency. Aaron's start date will be June 30, 2025. We look forward to welcoming Aaron to our Shorewood team!

Financial Considerations

Staff recommend Aaron's compensation rate be set at Grade 12, Step D of Shorewood's Compensation Plan of \$93,184/annually. The position will be reviewed at the 6-month anniversary for consideration of permanent appointment and a six-month step increase. The position is non-exempt, PERA eligible, and receives full benefits.

Action Requested

Motion to approve the hire of Aaron Osowski as a probationary employee in the capacity of Planner for the City of Shorewood.

A simple majority vote by the Council is required.



City Council Meeting Item

Item

2L

Title/Subject: Retail Tobacco License
Meeting Date: May 27, 2025
Prepared by: Brenda Pricco, Deputy City Clerk
Reviewed by: Sandie Thone, City Clerk/HR Director
Attachments: Resolution

Background: Pursuant to Section 302 (Sale of Tobacco) of the Shorewood City Code and the Shorewood Master Fee Schedule, retailers within the city limits who wish to sell tobacco products are required to obtain a license from the city. Shorewood City Code provides that an applicant completes an application and pays a licensing fee to be considered for a city retail tobacco license. The annual licensing period for Tobacco licenses is through October 31.

Smoke Shop Tobacco Inc. applied for a Retail Tobacco License and will be taking over the lease of the current licensed tobacco shop, Shorewood Tobacco Inc.

The following Shorewood business has successfully submitted a complete application, successfully passed a background investigation through South Lake Minnetonka Police Department (SLMPD), paid the current annual tobacco license fee of \$250 and is compliant with all requirements for obtaining a tobacco license and have agreed to abide by Shorewood City Code Chapter 302 Sale of Tobacco Requirements. This section of code includes providing access to the police department during regular business hours and an annual compliance check.

<u>Applicant</u>	<u>Address</u>
Smoke Shop Tobacco Inc.	19905 State Highway 7

The MN Department of Health provides guidance for limited THC product sales. Low dose (<0.3%) hemp derived THC sales are allowed in Shorewood and the City is not regulating sales. THC products are available to those 21 years of age and older. Sales are limited to 5mg/serving and 50mg/package. Products are required to be located behind the counter and locked. No artificially derived ingredients are currently allowed except for Delta 8 and Delta 9. Violations are reported to the MN Department of Health. Retailers of hemp derived THC are required to be registered with the Minnesota Department of Health. Beginning sometime in 2025, hemp derived THC retailers will also need to obtain a license from the State Office of Cannabis Management.

Financial Considerations: The licensing fees collected as revenue offset the expense of issuing the permits pursuant to Shorewood City Master Fee Schedule.

Recommendation/Action Requested: Staff respectfully requests the city council approve the Resolution Approving Retail Tobacco License to Smoke Shop Tobacco Inc to Sell Tobacco Products for the period of May 28, 2025 through October 31, 2025. **Motion, Second, and Simple Majority required.**

**CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

RESOLUTION 25-050

**A RESOLUTION APPROVING A LICENSE TO SELL TOBACCO PRODUCTS
IN THE CITY OF SHOREWOOD TO SMOKE SHOP TOBACCO INC.**

WHEREAS, Sections 302 of the Shorewood City Code provide for the licensing of the sale of tobacco products in the city and requires all licensees comply with the code; and

WHEREAS, the Shorewood City Code provides that an applicant shall complete an application, pay a licensing fee, and successfully pass a background investigation; and

WHEREAS, the following applicant satisfactorily completed an application, paid the appropriate fee, and passed a background investigation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shorewood as follows:

That a License for the sale of tobacco products be issued for a term expiring on October 31, 2025, consistent with the requirements and provisions of Chapter 302 of the Shorewood City Code to the following applicant:

<u>Applicant</u>	<u>Address</u>
Ali Al Obaidi Smoke Shop Tobacco, Inc.	19905 Highway 7 Shorewood, MN 55331

ADOPTED by the City Council of the City of Shorewood this 27th day of May 2025

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk



City Council Meeting Item

Item
2M

Title/Subject: 2025 Supplemental Service Agreement, SLMPD and City of Excelsior
Meeting Date: May 27, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: Proposal from South Lake Minnetonka Police Department

Background

The South Lake Minnetonka Police Department annually enters into a supplemental agreement with the City of Excelsior to provide additional services for summer dock and park patrol and code enforcement. Services will be provided by the community service officers (CSO). The Joint Powers Agreement, Section 7, sub. 2E, requires all member cities to approve agreements for additional services:

Parties may contract with the SLMPD for Supplemental Services delivered by separately dedicated personnel outside of the approved budget by Unanimous agreement of the Parties. The amount charged for Supplemental Services shall be the actual hourly wage and overhead costs. Agreement to provide such Supplemental Services shall not be unreasonably withheld.

Attached is a memo and fee schedule from Chief Tholen summarizing the proposal.

Financial Considerations

Costs associated with the proposal will be funded by the City of Excelsior.

Action Requested

Motion to approve the attached proposal for supplemental services between the City of Excelsior and the South Lake Minnetonka Police Department.

A majority vote by the Council is required.



South Lake Minnetonka Police Department

TO: City of Excelsior
City of Greenwood
City of Shorewood
City of Tonka Bay

FROM: Chief Brian Tholen

DATE: April 15, 2025

RE: 2025 Excelsior's Park, Dock Patrol, Parking & Code Enforcement

Since the early 1980's, the City of Excelsior has contracted with the South Lake Minnetonka Police Department (SLMPD) for park and dock patrol services. The Joint Powers Agreement allows member cities to contract with the SLMPD for additional services, as long as the proposed services do not use existing SLMPD staffing hours. All costs are the responsibility of the contracting city (Excelsior), and the other member cities must approve the agreement. These additional responsibilities/hours for our CSO's provide sustainability to our CSO program that has and will continue to develop future SLMPD Police Officers. In addition, we are fully staffed with five CSO's for the summer of 2025.

In the past couple of years, we expanded the park & dock program to include parking enforcement for some special events in Excelsior: The Homecoming Parade, The Halloween Parade, Art Fairs, Luck Of the Lake, and other events as needed.

In 2023 we further expanded the services by adding staffing hours for a Code Enforcement position. Excelsior would like to continue the Code Enforcement position in 2025.

Please submit the proposed Park, Dock, and Code Enforcement agreement between the City of Excelsior and the SLMPD on the agenda for approval at your next city council meeting.

Attached is a breakdown of the proposed 2025 Park, Dock Patrol, and Code Enforcement budget.

Please contact me if you have any questions or concerns.



SOUTH LAKE MINNETONKA POLICE DEPARTMENT

Excelsior Park and Dock Patrol Services

2025 Summer and Off-Season

SLMPD Proposal - Projected Budget

Part-Time Seasonal Positions (Memorial Day – Labor Day)	Projected Hours 2025	Hourly Rate* Total	Total Amount
Park Service Officer - Commons Park <i>Civilian Position - Patrol Commons Park and Adjacent Residential/Business Areas</i>	600	\$23.20	\$13,920
Park Service Officer - Municipal Docks <i>Civilian Position - Patrol Port of Excelsior and Municipal Docks</i>	385	\$23.20	\$8,932
Dedicated Parking Enforcement	640	\$23.20	\$14,848
Code Enforcement Community Service Officer (June, July, and August / 30 hrs. a month)	90	\$23.30	\$2,088
Total	1,715		\$39,788

Off-Season Position (September – May 2026)	Projected Hours 2025	Hourly Rate* Total	Total Amount
Code Enforcement Community Service Officer (September – May / 30 hrs. a month)	270	\$23.20	\$6,264

	Total Hrs.		Total \$
Projected Budget – 2025 season**	1,985	\$23.20	\$46,052
Projected Budget - 2024 Season***	2,109	\$21.81	\$45,997
Actual Totals - 2024 Season***	820.3	\$21.81	\$17,890

*Average Park Service Officer for 2025 is at one year of service wage rate/hourly rate is averaged

**May be expanded for increased service requirements

***Included Uniforms, Gear & Training.



City Council Meeting Item

Item
2N

Title/Subject: Approval of Sponsorship of Fourth of July Fireworks Display
Meeting Date: May 27, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: Chamber Executive Director Email

Background

The Excelsior Chamber of Commerce coordinates the annual fireworks display on the Fourth of July in Excelsior. In 2023 and 2024, the Chamber's Executive Director presented information to the Shorewood City Council about the event, logistics and funding. Prior budgets included funding for the Fourth of July Fireworks and the Council authorized the expenditure. The Chamber is again requesting funding for the event in 2025 and funding is included in the 2025 budget.

The attached email from the Chamber's Executive Director outlines the Chamber's role in the event, anticipated revenues and expenses, and a funding request for 2025. Shorewood had historically contributed \$7500 to the event. Following the Fourth of July, the Chamber will provide a profit and loss summary which can be used in preparing the 2026 budget. The established process for considering fireworks funding is as follows:

- Following the Fourth of July event, the Chamber will be asked to provide information to the City about the fireworks display. The information should include costs, funding sources, attendance and other information.
- The Council will consider including funding in the following year's budget, adopted preliminary in September and finalized in December.
- The Chamber will invoice the City for the fireworks display in the spring and the Council will consider authorizing payment of the invoice prior to the event.
- The process will repeat annually.

Financial Considerations

The 2025 budget includes \$7500 to fund the Fourth of July fireworks display.

Action Requested

Motion to approve sponsorship of the Excelsior-Lake Minnetonka Chamber of Commerce Fourth of July fireworks display in the amount of \$7500.

A majority vote of the Council is required.

From: [Tiffany King](#)
To: [Tiffany King](#)
Cc: [Mercury King](#)
Subject: 2025 Lake Minnetonka 4th of July Fireworks – Funding Update & Municipal Partnership
Date: Wednesday, May 7, 2025 12:15:42 PM

Caution: The sender's identity cannot be verified and might not be who they claim to be. Use care when replying, selecting links, or opening attachments.

Dear Partners,

I hope this message finds you well. It's hard to believe how quickly the year is moving—we're already into the first week of May!

I'm reaching out today regarding the 2025 4th of July Fireworks celebration. As you know, this annual tradition is a cherished event for our South Lake Minnetonka communities, and we are grateful for the longstanding partnership among the five surrounding municipalities in supporting the fireworks display. The Excelsior-Lake Minnetonka Chamber of Commerce proudly coordinates the event, ensuring it remains a festive and memorable evening for residents and visitors alike.

In the spirit of transparency and collaboration, I wanted to share an overview of the current costs and anticipated income associated with the fireworks for 2025. Please feel free to share this information with your council members as appropriate.

2025 Estimated Fireworks Expense Breakdown:

- **Pyrotechnics:** \$25,000
 - **South Lake Minnetonka Police Department (SLMPD):** \$10,667
 - **Excelsior Fire District (EFD):** \$6,700
 - **Total Expenses:** \$42,367
-

Anticipated 2025 Income:

- **Excelsior Rotary:** \$10,000
 - **Municipal Contributions:** \$15,000
 - **Public Donations (2024 actuals):** \$300
 - **Total Income:** \$25,300
-

As you can see, we are currently facing a shortfall of **\$17,067** in funding for this year's fireworks display. This gap is largely due to rising public safety costs—particularly from the SLMPD and EFD over the past two years, as well as a decrease in funding from the Excelsior

Rotary. We are actively working to expand our fundraising efforts in 2025 but are limited with a staff of two, and due to the fact that we are not a 501(c)(3) organization.

All fireworks-related funds are placed in a **restricted account** and are used **exclusively** for the fireworks event. These funds do **not** support Chamber operations or other programming. Because we are not a 501(c)(3), public donations are not tax-deductible, which can be a limitation we continue to navigate carefully.

We will be sending out municipal invoices shortly, reflecting each city's traditional or previously approved contribution for 2025. Your continued support is essential in helping us sustain this beloved celebration for all of our community members to enjoy.

After the event, I will share a detailed **Profit & Loss Statement** in July. At that time, we can collectively review the outcome and explore any needed adjustments or opportunities for future years.

Thank you again for your commitment to this meaningful event. Please don't hesitate to reach out with any questions or if you'd like to discuss further.

Warm regards,
Tiffany King
Executive Director
Excelsior-Lake Minnetonka Chamber of Commerce

--



Tiffany King
Executive Director
Excelsior- Lake Minnetonka Chamber of Commerce
tiffany@elmcc.org
Schedule a meeting: calendly.com/tiffany-elmcc
952-686-6046 EXT 2



City of Shorewood

City Council Meeting Item

Item
4A

Title/Subject: 2024 Annual Comprehensive Financial Report
Meeting Date: May 27, 2025
Prepared by: Jeanne Schmuck, Finance Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: **Hyperlink to Presentation and Reports**

Background

The 2024 Annual Comprehensive Financial Report was recently completed. Justin Nilson from Abdo LLC, the City's auditor, will review the report. Links to the report documents can be found on the City's website at:

<https://shorewoodmn.gov/finance>

The documents include the following:

- [2024 Annual Comprehensive Financial Report](#)
- [2024 Executive Governance Summary](#)
- [2024 Other Required Report](#)
- [2024 Audit Presentation](#)

Financial Considerations

None

Action Requested

Motion to accept the 2024 Annual Comprehensive Financial Report

A simple majority vote by the Council is required.

1 CITY OF SHREWOOD
2 PLANNING COMMISSION MEETING
3 TUESDAY, MAY 6, 2025

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

4
5 **DRAFT MINUTES**
6

7
8 **CALL TO ORDER**
9

10 Chair Huskins called the meeting to order at 7:00 P.M.

11
12 **ROLL CALL**

13
14 Present: Chair Huskins; Commissioners Eggenberger, Holker, Longo, and Magistad; and
15 Planning Director Griffiths

16
17 Absent: None
18

19 **1. APPROVAL OF AGENDA**
20

21 **Commissioner Holker moved, Commissioner Longo seconded, approving the agenda for**
22 **May 6, 2025, as presented. Motion passed 5/0.**
23

24 **2. APPROVAL OF MINUTES**
25

- 26 • **April 1, 2025**
27

28 Chair Huskins explained that he had submitted minor edits and typographical errors to Planning
29 Director Griffiths before the meeting.
30

31 **Commissioner Eggenberger moved, Commissioner Magistad seconded, approving the**
32 **Planning Commission Meeting Minutes of April 1, 2025, as presented. Motion passed 5/0.**
33

34 **3. MATTERS FROM THE FLOOR**
35

36 George Greenfield, 24715 Old Yellowstone Trail, asked Chair Huskins if he felt it was his
37 obligation to respond to questions from citizens, especially in light of last month's meeting when
38 there was confusion among the Commission related to a distinction the Planning Director had
39 made about one portion of the ordinance being relevant to the Commission and the other was
40 not. He stated that neither the Commission nor the audience truly understood and explained
41 that he had emailed Chair Huskins to try to clear things up, but he had not heard back from him.
42

43 Chair Huskins stated that he had not received an email from Mr. Greenfield.
44

45 Mr. Greenfield stated that he felt this matter still needed to be cleared up and that Planning
46 Director Griffiths tried to force a conclusion on the Commission. He noted that he felt the entire
47 meeting seemed a bit shady because it felt like something was being forced on the Commission.
48 He stated that he would submit another email to Chair Huskins to try to get some answers.
49

50 Commissioner Eggenberger explained that usually the Commission did not respond to emails
51 from citizens because one Commissioner cannot conduct City business on their own. He stated
52 that City business has to be done in partnership with the other Commissioners and must be done
53 in a public forum, and noted that they usually refer anything they get to staff.

1
2 Planning Director Griffiths clarified that the Commission can respond to individual questions, but
3 agreed that typically the proper channel would be to refer them to staff, and staff can put together
4 a response on behalf of the Commission.

5
6 Chair Huskins agreed that would be what he would typically do when he received an email.

7
8 Mr. Greenfield referenced Commissioner Eggenberger's comments and asked when citizens
9 could have conversations with members of the Planning Commission.

10
11 Commissioner Eggenberger clarified that those conversations could take place through staff
12 members.

13
14 Mr. Greenfield stated that the Planning Commission and staff were two different entities.

15
16 Chair Huskins explained that their standard procedure was to receive input from any citizen, listen,
17 ask questions to ensure they understand the issue, and then take that to Planning Director
18 Griffiths who would help the Commission understand if it was a matter that should be placed on
19 an agenda for the entire Commission or to force it up to the City Council for their actions. He
20 reiterated that individually, the Commission members do not act by themselves, but act as a body,
21 in public meetings.

22
23 Mr. Greenfield stated that he would send an email and ask Planning Director Griffiths to respond
24 to his question on why the Commission was not apprised of the distinction he had made at the
25 last meeting regarding one section of the amended statute being relevant to their view and the
26 other not being relevant to them. He stated that despite that distinction, he had asked the
27 Commission to vote on the entire thing, even though he had told them the entire thing was not
28 under their jurisdiction, which he found very confusing.

29
30 **4. PUBLIC HEARINGS**

31 Chair Huskins explained that the Planning Commission is comprised of residents of the
32 City of Shorewood who are serving as volunteers on the Commission. The Commissioners
33 are appointed by the City Council. The Commission's role is to help the City Council in
34 determining zoning and planning issues. One of the Commission's responsibilities is to
35 hold public hearings and to help develop the factual record for an application and to make
36 a non-binding recommendation to the City Council. The recommendation is advisory only.

37
38 **A. PUBLIC HEARING – VACATION OF EASEMENT**

39 **Applicant: Heidi and Craig Johnson**
40 **Location: 27940 Smithtown Road**

41
42 Planning Director Griffiths reviewed the request from Heidi and Craig Johnson at 27940
43 Smithtown Road for vacation of an easement. He explained that they were trying to clean up the
44 title work on the survey of the property and stated that staff recommended approval of their
45 request.

46
47 Chair Huskins asked if the extension of the Johnson Hollow easement was still in force and, if so,
48 why.

49
50 Planning Director Griffiths stated that vacation of easements can only be requested by an
51 individual property owner or by a City Council resolution, which meant that they were only

1 considering vacation of the easement for this particular property. He noted that he has had
2 conversations with adjacent property owners to let them know that this was a process they could
3 also pursue and that the City would be supportive of their efforts.

4
5 Commissioner Magistad asked if there was potential for these properties to be subdivided in the
6 future, and having implications for new easements.

7
8 Planning Director Griffiths stated that at this point, he would say 'no' because the Zoning
9 Ordinance would not allow for further subdivision of the properties, because there were also
10 protections for Lake Minnetonka. He explained that the applicant was interested in vacation of
11 this easement because they wanted to remodel their property.

12
13 Chair Huskins opened the Public Hearing at 7:14 P.M., there being no public comment, he closed
14 the Public Hearing at 7:14 P.M.

15
16 **Commissioner Longo moved, Commissioner Magistad seconded, recommending approval**
17 **of the Vacation of Easement for Heidi and Craig Johnson at 27940 Smithtown Road, as**
18 **presented. Motion passed 5/0.**

19
20 Planning Director Griffiths noted that this item would go before the City Council on May 12, 2025.

21
22 **B. PUBLIC HEARING – CONDITIONAL USE PERMIT FOR INCREASED FENCE HEIGHT**
23 **Applicant: Richard and Jennifer Pearce**
24 **Location: 5905 Grant Street**

25
26 Planning Director Griffiths reviewed the request for a CUP for an increased fence height at 5905
27 Grant Street and explained that the fence had already been built. He noted that on their north
28 boundary, they had constructed an 8.5-foot fence on the last portion because of the existing
29 retaining wall. He explained that the applicant had gone through the permit process with the City
30 for the fencing and stated that staff had approved the permit most likely based on the angle of the
31 fence on the other side of the retaining wall that still looked like it was a 6 foot tall fence, and was
32 why the applicant was here requesting this deviation. He stated that staff recommended approval
33 of the request based on the unique appearance of the fence and the applicant's willingness to
34 provide the structural certification. He stated that they had received public comments on this item,
35 and a majority were in favor of this request. He noted that they had also received a few phone
36 calls from people who had some questions, and one who wanted to anonymously indicate that
37 they were opposed.

38
39 Commissioner Holker asked if the applicants were located on the right-hand side of the picture
40 and asked if there was anything that required the horizontal planks to go down to the ground.

41
42 Planning Director Griffiths stated that there was no requirement for that and explained that the
43 City Code would most likely prefer the existing design.

44
45 Commissioner Holker stated that one of the comments submitted was about the neighbor's fence
46 being lower than this fence, so this fence would be seen above the neighbor's, and asked if there
47 were any pictures of that situation.

48
49 Planning Director Griffiths stated that he did not have any photos of that situation, but did not
50 believe it was the immediately adjacent property.

1 Chair Huskins asked where the retaining wall was located on the north side of the property.

2

3 Planning Director Griffiths displayed a photo and pointed out the location of the retaining wall and
4 explained that the fencing runs the length of the property line.

5

6 Chair Huskins asked if the photograph had been taken from the backyard.

7

8 Planning Director Griffiths explained that the photo was taken from the street.

9

10 Chair Huskins asked if the 8.5-foot portion of the fencing was on the driveway portion of the
11 property.

12

13 Planning Director Griffiths confirmed that it was essentially located on the driveway portion of the
14 property. He indicated the photograph and explained that it was just the first panel of fencing,
15 where it was up on the posts, before the remaining part of the fence just followed the grade.

16

17 Commissioner Magistad asked about the structure certification and whether it had included the
18 integrity of the retaining wall.

19

20 Planning Director Griffiths stated that the fence was not attached to the retaining wall and was a
21 completely self-standing structure, with footings under the posts.

22

23 Commissioner Magistad asked if repairs had to be made to the retaining wall, and whether the
24 fence would have to be deconstructed.

25

26 Planning Director Griffiths noted that he felt that they would be able to make those improvements
27 from the other side and would be room to access the top of the retaining wall underneath the
28 fence.

29

30 Commissioner Eggenberger shared some hypothetical situations and asked questions on how
31 they would be handled.

32

33 Planning Director Griffiths stated that the hypothetical situations outlined by Commissioner
34 Eggenberger would be handled in the same manner as the current application.

35

36 Commissioner Longo asked if the City allowed this, what would be the limit.

37

38 Planning Director Griffiths explained that typically, 6 feet would be the maximum, and any
39 deviation would come before the Commission and the City Council for authorization.

40

41 Commissioner Longo stated that in this case, it was built before they got this authorization, which
42 meant that he could build something and then, at some point, come for authorization, and
43 reiterated his question about what the limit would be.

44

45 Planning Director Griffiths reiterated that the Council and Commission set the limit through their
46 review of the requests. He stated that precedent was not that important from request to request,
47 because there were always different factors involved, and noted that he believed it had been
48 many years since the City had reviewed this type of request.

49

50 Commissioner Eggenberger noted that he did not believe he had ever seen a request like this
51 and stated that he did not believe this would have ever come before the Commission if they had

1 only constructed the fence at 6 feet in height. He stated that the retaining wall would be any
2 height as long as this was 6 feet above the retaining wall, they could go up as far as they want.

3
4 Planning Director Griffiths stated that was not accurate and explained that he was saying that the
5 way the City Code was set up was that if a fence was built on top of a retaining wall, the combined
6 height between the retaining wall and the fence was capped at 6 feet. He stated that anything
7 over that height would have to come before the Commission through this permitting process.

8
9 Commissioner Magistad noted that they would not build a retaining wall unless it was retaining
10 something.

11
12 Commissioner Holker asked if the request had been approved by the staff originally.

13
14 Planning Director Griffiths explained that this had happened before he was with the City and
15 stated that his understanding was that former Planning Director Darling issued a zoning permit
16 for this project based on the design, looking from the view on the other side.

17
18 Chair Huskins asked for clarification on the location of the 8.5-foot fencing.

19
20 Planning Director Griffiths pointed out the location of the 8.5-foot fencing in the photo that was
21 being displayed.

22
23 Chair Huskins referenced the email received by the City that said they would see a portion of this
24 fence higher than the fence that they had on their property, and stated that he would like to be
25 clear where that was located.

26
27 Commissioner Holker noted that the email referred to their backyard.

28
29 Planning Director Griffiths stated that the applicant may be able to shed some light on that issue.

30
31 Richard Pearce, 5905 Grant Street, stated that the email they were just talking about was referring
32 to the house that is located to the east and pointed out on the screen what she was talking about.
33 He stated that their fence was not being built there and was already in place and is before he
34 started fencing. He explained that he believed she was thinking that he proposed to build another
35 fence that was 8 feet tall and was not referring to the fence that was already there. He explained
36 that they had applied for this fencing through the City, and it had been approved and built. He
37 stated that the fence was built in good faith, and there was just a misunderstanding about the
38 height in the location near the retaining wall. He stated that it was not a situation where they had
39 built something with the idea of trying to get away with something, and they had submitted for all
40 the necessary permits and felt that they had intended to follow the letter of the law in everything
41 that they had done on the property. He explained that this was a fence that was 6 feet tall from
42 their backyard and steps down from the backyard to the front yard, and matches the rest of their
43 fencing. He noted that the posts shown in the photos were the only thing that added the extra
44 height. He explained that this fence was a significant improvement over the fence that was there
45 previously and noted that it was also higher than what they had just built. He explained that the
46 previous fence had a lattice at the top as well as a structure at the end of the driveway, which was
47 taller than 10 feet. He stated that they believe that the fence they have constructed was
48 aesthetically pleasing and noted that there were neighbors present and many had also written to
49 the City in support of their request. He noted that this was a necessary privacy fence that was
50 desired by them, but also by their neighbors to the north. He stated that the neighbors to the
51 north had also applied for a fence, but were denied because it did not meet the City's

1 requirements, and reiterated that their fencing had been approved by the City. He explained that
2 the fence had helped to reduce the number of unpleasant interactions with their neighbors, which
3 seemed to stem from the construction of their home. He stated that they have two small children
4 and explained that, in the past, they had been subjected to things by the neighbors to the north,
5 and this fence was helping them just be able to live their lives and be left alone. He stated that
6 he felt the fence brought the opportunity for peace, separation, and hopefully also civility. He
7 explained that their request had a lot of support from the community. He explained that the
8 neighbor's sewer line ran through their property and had to be cut when they built their home, and
9 the neighbors had been upset with them ever since they built their home 2.5 years ago.

10
11 Commissioner Eggenberger asked what it would mean to Mr. Pearce if the fence were only 6 feet
12 tall in this location and not 8.5 feet.

13
14 Mr. Pearce stated that if the panels were lowered to 6 feet, that would mean that from their
15 backyard, they would have a 4-foot-tall fence, which would not be a privacy fence. He noted that
16 the area to the left is a sunken driveway, which is why it looks like it does. He reiterated that the
17 previous fence matched that elevation and was higher than what they had installed.

18
19 Chair Huskins opened the Public Hearing at 7:37 P.M.

20
21 Derek Allmendinger, 5915 Grant Street, stated that they have lived next to the Pearces for ten
22 years, and the families have been close. He stated that the effort the Pearces have put into their
23 property over the last ten years has elevated their property, but also everyone else's in the area,
24 which was greatly appreciated by their direct neighbors. He stated that the fence is structurally
25 sound, safe, and provides privacy, and noted that the only person who has expressed opposition
26 was about its aesthetics. He suggested that the Commission drive by and look at it because he
27 felt it was very visually appealing, and asked the Commission to recommend approval of this
28 request.

29
30 Kevin Kensel, 23255 Park Street, stated that he felt this fence had plenty of setback from the
31 street and did not provide any visibility issues, and asked the Commission to recommend approval
32 of the request.

33
34 Julie Williams, 771 Grant Street, Excelsior, stated that she was also here in support of this request
35 and asked the Commission to recommend approval of their fencing, which she felt was beautiful.

36
37 Brenda Boime, 826 Pleasant Street, Excelsior, stated that they live behind the Pearce residence
38 and stated that they felt they had done a wonderful job building a beautiful home and fence. She
39 stated that she also encouraged the Commission to recommend approval of their request. She
40 noted that they felt the Pearces had done a great job and had elevated the property values for
41 everyone in the area.

42
43 David Hoo, 23260 Park Street, stated that he also hoped that the Commission would recommend
44 approval of this request for the fence, as is. He stated that he felt it was a nice addition to the
45 neighborhood and agreed that the Pearces had done a beautiful job on their house and fence,
46 and their work had considerably improved the property.

47
48 Chair Huskins closed the Public Testimony portion of the Public Hearing at 7:43 P.M.

49
50 Commissioner Holker stated that she had not seen a letter from the property to the north.

51

1 Planning Director Griffiths stated that the City had not received any comments from the property
2 to the north.

3
4 Commissioner Eggenberger stated that he hated fences, so when he sees a variance or a CUP
5 request for a fence that goes beyond the City Code, alarms go off in his head, but explained that
6 he realized there was a need for fencing in some cases. He stated that he intended to vote in
7 favor of this request.

8
9 **Commissioner Magistad moved, Commissioner Holker seconded, recommending**
10 **approval of the Conditional Use Permit for Increased Fence Height for Richard and Jennifer**
11 **Pearce located at 5905 Grant Street. Motion passed 5/0.**

12
13 Planning Director Griffiths stated that this would come before the City Council on May 12, 2025.

14
15 **C. PUBLIC HEARING – PRELIMINARY PLAT AND DEVELOPMENT STAGE PLANNED**
16 **UNIT DEVELOPMENT APPLICATION**

17 **Applicant: Mark Kaltsas**

18 **Location: Shorewood Carriage Homes, 24560 Smithtown Road**

19
20 Planning Director Griffiths gave a brief overview of the request for a Preliminary Plat and
21 Development Stage PUD for Shorewood Carriage Homes at 24560 Smithtown Road. He noted
22 that this property was recently rezoned to match the Comprehensive Plan guidance for medium
23 density for development of 6 to 8 units/acre, and they were proposing a relatively straightforward
24 6-lot development. He explained that staff recommended approval subject to the conditions
25 included in the staff report.

26
27 Commissioner Eggenberger asked about the guest parking spaces and asked if they would have
28 signs that indicated it was for use by cars only and not RVs or trailers.

29
30 Planning Director Griffiths explained that, as part of the HOA documents and the previous City
31 Council approval, there was a general restriction that those types of items were supposed to be
32 stored on the exterior of the HOA-owned property.

33
34 Commissioner Magistad asked about the timeline for the development.

35
36 Planning Director Griffiths stated that the applicant would like to begin construction in 2025, if the
37 City approved.

38
39 Commissioner Longo stated that there are a lot of Native American burial grounds in the area and
40 asked if there was that kind of finding, if the City would end up being liable for taking care of it.

41
42 Planning Director Griffiths stated that burial grounds are a bit tricky because their location is
43 protected as confidential data by State law. He stated that the City's engineering firm has access
44 to some of that information and noted that they did not have any concerns with this location.

45
46 Commissioner Longo noted that two of the units will need some specific force mains for the sewer
47 and asked if there were issues with them if the City would be responsible for any damage to the
48 units.

49
50 Planning Director Griffiths stated that the City would not be responsible because those would be
51 private improvements for the homeowners. He explained that several homes in the City have

1 private force mains, and it is not uncommon. He stated that the City ensured that its infrastructure
2 was a gravity main and was comfortable with this proposal.

3
4 Chair Huskins asked about the fence and why it was in the staff report.

5
6 Planning Director Griffiths stated that he was not with the City at the time, but his understanding
7 from the record was that the adjacent fence on the south side of the site was falling over and in a
8 state of decay. He stated that the fence is located on the property line, and with this application,
9 there is the opportunity for the developer to provide some additional screening for the residents
10 of the apartment. He noted that the language used in the section was 'consider' because the City
11 cannot require this level of off-site improvements, and explained that the applicant had indicated
12 that they were trying to work in good faith with that property owner to figure out the fence situation.

13
14 Chair Huskins asked where the sidewalk would end in the development.

15
16 Planning Director Griffiths explained that the location where the sidewalk would end and noted
17 that there was a full trail on the south side of Smithtown. He stated that the developer was
18 proposing some small sidewalk improvements so the residents can get back up to the intersection
19 to make a safe crossing to access the rest of the trail system.

20
21 Chair Huskins asked if there may be an opportunity, for safety reasons and access to the country
22 club development and the trails, for some signage or a painted pathway to provide a crossing
23 over Smithtown Road from the development to the other side.

24
25 Planning Director Griffiths stated that the issue here was the proximity to the intersection with
26 County Road 19 and stated that having a crosswalk in this location would not be safe for residents
27 because of how close the intersection was. He explained that the safest option for pedestrians
28 would be to go to the intersection and cross at that point.

29
30 Chair Huskins asked about the landscaping to the west near the single-family home.

31
32 Planning Director Griffiths displayed the proposed landscape plan and stated that they were
33 proposing a six-foot-tall ornamental fence that would run the length of the property line. He noted
34 that the big circles shown on the plan indicated trees that would be planted to help with screening
35 from things like headlights shining on the adjacent property. He stated that they were also
36 planning a line of shrubs on the inside of the fence for the length of the property. He noted that
37 the City had received a comment from that property owner, Paul Hirsch, 24590 Smithtown Road,
38 who indicated that he would prefer it be a privacy fence rather than an ornamental fence.

39
40 Chair Huskins asked how much of the 10-foot setback area would be consumed by the
41 landscaping and how much usable backyard the units would have.

42
43 Planning Director Griffiths stated that the backyards of these properties would be covered by a
44 drainage and utility easement, so they would not be able to build structures in their yards. He
45 noted that the Commission could think of this project almost like a detached townhome, and things
46 like sheds would be controlled by the HOA covenant. He stated that there will be a few feet where
47 residents could have something like a grill, but essentially, the whole backyard area would
48 predominantly be landscaping.

49
50 Chair Huskins asked about the entrance related to signage and lighting.

51

1 Planning Director Griffiths explained that the entrance would be on Smithtown Road as a private
2 driveway access and would not be any other improvements associated with it. He stated that he
3 believed the applicant may place a monument sign at the entrance.
4

5 Chair Huskins asked if the private road would be wide enough to support traffic in both directions
6 at the same time.
7

8 Planning Director Griffiths stated that the road was about 26 feet wide, so two cars could fit side
9 by side and squeak by each other. He reminded the Commission that there were only 6 homes
10 in the development, and staff were not concerned about residents running into each other all the
11 time.
12

13 Chair Huskins explained that he was more concerned about the entrance with vehicles exiting or
14 entering when there was substantial traffic on Smithtown Road.
15

16 Planning Director Griffiths stated that there could be cars entering and exiting at the same time
17 and displayed a diagram that showed the amount of room available and stated that he felt there
18 was enough room for the cars to negotiate with each other for entrances and exits with the traffic
19 driving by.
20

21 Chair Huskins asked if a homeowner would be able to leave the property if there was an
22 emergency vehicle on the property.
23

24 Planning Director Griffiths admitted that it would be a bit trickier and displayed the current
25 rendering that showed the emergency vehicle turning movements, and stated that with an
26 emergency vehicle on site, it would get a bit more difficult. He noted that the intent would be that
27 it be signed as 'no parking', so he felt the emergency vehicles would be able to negotiate that like
28 they would any other driveway or street in the City. He noted that the Excelsior Fire District had
29 reviewed this concept and was generally supportive of it.
30

31 Commissioner Magistad stated that the potential zoning reform appeared to be stalled at the State
32 level and asked if the City were proactive now, if it would give them any planning capital for the
33 Comprehensive Plan, and if the City could demonstrate that they would build medium-density
34 residential ahead of any State reforms.
35

36 Planning Director Griffiths stated that he did not believe so because, by law, the City was required
37 to develop at this density at this location. He stated that the City was essentially doing the bare
38 minimum with this proposal and noted that any less development with fewer units would not meet
39 the City's requirements.
40

41 Will Matzek, Kimley Horn, St. Paul, explained that they were proposing a 26-foot wide entrance,
42 which should be sufficient, and noted that Target's drive aisles were 24 feet wide. He stated that
43 they also want this to be a safe development and have been working with staff at the Fire
44 Department.
45

46 Commissioner Holker asked about the fence on the west side and the request from the
47 homeowner to install a privacy fence rather than an ornamental fence, and asked if they had
48 spoken about this.
49

1 Mr. Matzek stated that they have only been working with staff up to this point and noted the
2 ornamental fence was what was desired at the Concept Plan phase, but noted that they could
3 have some discussions with the homeowner about this to find an amenable solution.

4
5 Commissioner Magistad asked when responsibility would transfer to the HOA.

6
7 Mark Kaltsas, 7035 Halstead Drive, Minnetrista, stated that he was one of the owners of the
8 property and explained that they would transfer the responsibility to the HOA when there was
9 about 75% ownership in the development.

10
11 Commissioner Magistad asked about the expected timeline if they were allowed to break ground
12 in 2025.

13
14 Mr. Kaltsas stated that it would come down to how quickly his real estate team can sell the
15 properties. He explained that because they were introducing a product that did not currently exist,
16 they were hopeful that there would be a demand in the market at their price point.

17
18 Commissioner Holker asked about the price point.

19
20 Mr. Kaltsas stated that it was not set but explained that they would come in lower than anything
21 that was new construction single-family homes in the City, and noted that he was hoping that it
22 would be between \$500,000 and \$900,000. He stated that he expects this to be about a 2-year
23 build if they were able to break ground in 2025.

24
25 Chair Huskins asked if there was a plan for a sample home.

26
27 Mr. Kaltsas stated that if they had to, they would build a model, but he intended to try to sell and
28 then use one of the initial builds to show others as people become interested.

29
30 Chair Huskins asked staff about the restrictions that may be related to sample homes in
31 developments.

32
33 Planning Director Griffiths stated that there were some restrictions, but explained that they
34 typically revolved around parking and construction access to the site, and noted that for this
35 development, he did not foresee there being any issues.

36
37 Chair Huskins opened the Public Hearing at 8:17 P.M.

38
39 Paul Hirsch stated that he was the homeowner to the west and had spoken with Planning Director
40 Griffiths earlier today. He stated that he had been spoiled in not having any neighbors, and it
41 made him a bit teary to see what was happening, but he understood that this project would be
42 going in. He explained that he felt a privacy fence would be better than an ornamental fence. He
43 noted that he has a few really old trees and felt it would be crazy to build anything underneath
44 them, and did not see a reason that he should have to remove something that had been there for
45 50 years, and noted that he had been there for 40 years. He stated that the nature in the area
46 was fantastic and explained that he had been envisioning this kind of project forty years ago when
47 he bought the property, and stated that he felt like he was getting a rug yanked out from under
48 him because this was not what his vision was for the property. He stated that there are eagle
49 nests that are within 500 feet of the building area, which concerns him. He noted that he had
50 been on pins and needles since the Smithtown Crossing project happened 18 years ago and
51 hadn't done anything to his house because this proposal came in to take over his property and

1 control it, which was the only thing he owned. He explained that he lay awake at night worrying
2 about this, even though he realized that there was nothing he could do and just had to take what
3 was getting crammed down his throat and hope for the best. He reiterated that he would request
4 that they install a privacy fence.

5
6 Chair Huskins asked Planning Director Griffiths to speak to this application as a PUD, which he
7 felt provided a degree of leverage for the City to make requests about the project and what types
8 of requests would be reasonable.

9
10 Planning Director Griffiths stated that with a PUD, it was not really for the City to leverage different
11 benefits from a development, but to look at the project that was more efficient or had a better
12 layout than what could otherwise be done with the City code. He noted that typically there were
13 other improvements with this kind of project because the applicants were trying to build a desirable
14 product, but the City was not necessarily in a position to leverage its approval to try to get different
15 things from the project. He explained that in this situation, the applicant was providing several
16 offsite improvements through the construction of a sidewalk and were in conversations with the
17 adjacent owner on the opposite side on an ornamental fence and felt that the Commission could
18 weigh in with a similar recommendation for a privacy fence in this instance, because it related to
19 screening for the adjacent homeowner. He stated that he had spoken with the developer today
20 about the concerns related to the trees that Mr. Hirsch had brought.

21
22 Mr. Kaltsas stated that they were amenable to installing a privacy fence as requested by Mr.
23 Hirsch and explained that they would work with him on possible tree issues and did not expect
24 that he would have any costs associated with their development. He explained that he understood
25 Mr. Hirsch's plight and assured the Commission that they were not trying to do something that
26 was not in compliance or accordance with the plan. He stated that they had bought the property
27 knowing the guidance the City had for the property and explained that their intent was really to
28 create a transition between commercial on the east side and low-density residential on the west
29 side. He stated that if the Commission had other direction they wanted to give, they would be
30 happy to hear it and would work with Mr. Hirsch.

31
32 Commissioner Longo stated that, having 6 units that had such short backyards, he felt having
33 privacy fencing would be the most appropriate.

34
35 Mr. Kaltsas stated that a privacy fence may also be good for their buyers and agreed that it was
36 a good solution.

37
38 Chair Huskins closed the Public Testimony portion of the Public Hearing at 8:25 P.M.

39
40 Commissioner Eggenberger noted that when the Commission gets proposals for a project on a
41 lot that had been vacant for years and the adjacent property owners do not want anything to be
42 built on it was hard and a bit sad, but the owner of the lot has the right, as long as they are within
43 City Code, to do what they want to with the lot. He stated that he felt for Mr. Hirsch and his
44 concerns, but would be voting in favor of this application.

45
46 **Commissioner Holker moved, Commissioner Eggenberger seconded, recommending**
47 **approval of the Preliminary Plat and Development Stage Planned Unit Development**
48 **Application for Shorewood Carriage Homes located at 24560 Smithtown Road.**
49

1 Commissioner Eggenberger stated that the only thing he would add was that the Commission
2 had heard, in good faith, that the applicant would work with the neighboring property owners on
3 making this development more acceptable to them.

4
5 Chair Huskins asked if the Commission needed to formalize that point as part of their
6 recommendation of approval.

7
8 Planning Director Griffiths stated that it would be part of the record, and staff would draft the
9 resolution that comes before the Council with language to that effect.

10
11 **Motion passed 5/0.**

12
13 Planning Director Griffiths stated that this item would come before the City Council on May 12,
14 2025.

15
16 Chair Huskins recessed the meeting at 8:29 P.M. and reconvened at 8:32 P.M.

17
18 **D. PUBLIC HEARING – NONCONFORMITIES CITY CODE AMENDMENTS**

19 **Applicant: City Initiated**

20 **Location: City-wide**

21
22 Planning Director Griffiths reviewed the proposed City-wide City Code amendments related to
23 nonconformities and explained that the intent behind the proposed amendments was to make
24 things simpler for residents, the Commission, and staff. He outlined the two most substantial
25 policy changes that were being recommended and shared examples of when they would arise.

26
27 Commissioner Magistad gave the example of the most recent item, where the gentleman's
28 property had been rezoned, and asked if that created a nonconformity. He asked, for example, if
29 that owner could build an addition on the house under these proposed rules.

30
31 Planning Director Griffiths stated that he would build an addition on the house under these rules.

32
33 Commissioner Longo stated that Planning Director Griffiths had mentioned certain things that are
34 reasonable and would not need a variance, but asked who would decide what was considered
35 reasonable because the change would no longer come before the Planning Commission.

36
37 Planning Director Griffiths explained that with the way the language was written, there would only
38 be very unique circumstances where variances would not be required, and explained that the
39 ordinance would be determining what would be considered reasonable, and City staff would
40 administer the ordinance.

41
42 Chair Huskins asked for a definition of 'may be' and noted that it may be, in part, in addition to the
43 question asked by Commissioner Longo, and explained that they could use an example.

44
45 Planning Director Griffiths explained that this was where the legal precedent came in and
46 explained that the way the State law was written was very wishy-washy. He stated that much of
47 the language that City Attorney Shepherd had put into the ordinance was also not very rigid to
48 allow for the flexibility of interpretation. He stated that in the situation mentioned by Chair Huskins,
49 the term 'may' meant that if you can demonstrate this certain thing, the City may grant it. He
50 explained that by using the term 'may' instead of 'shall', the City was trying to avoid potential
51 litigation.

1
2 Chair Huskins stated that to him, that was more of a risk than using the term 'shall' and could
3 require some form of mediation because what he thought may be completely different than what
4 Commissioner Eggenberger may think. He reiterated that he felt the risk of a challenge to this
5 may be higher with this approach.

6
7 Planning Director Griffiths stated that if that was something that concerned the Commission, he
8 could have a conversation with City Attorney Shepherd about those references.

9
10 Commissioner Eggenberger stated that if they said 'shall' in those instances, they could still run
11 into the same problem because then they have to decide which meant there would still be
12 ambiguity.

13
14 Chair Huskins clarified that he was not arguing that they should insert the term 'shall' but explained
15 that he had gotten hung up on the items that said 'may' and not 'shall' because the 'shall'
16 statements were easier.

17
18 Commissioner Longo stated that the use of the word 'may' could make a citizen think that they
19 may not need to ask for a variance, which may mean that things would be built or modified.

20
21 Chair Huskins stated that was why he had asked the generic question earlier about the meaning
22 of the word 'may'.

23
24 Planning Director Griffiths stated that all he could say was that this language came from City
25 Attorney Shepherd's office. He noted that this was a very complicated ordinance that covers a
26 lot of topics. He explained that between this meeting and the City Council meeting, he could have
27 a follow-up conversation with City Attorney Shepherd to discuss some of the Commission's
28 concerns.

29
30 Chair Huskins stated that he would like to see that happen.

31
32 Commissioner Eggenberger stated that he did not think having that conversation would hurt
33 anything.

34
35 Planning Director Griffiths stated that he felt it was a good question.

36
37 Chair Huskins asked about item 1201.03, Subd 1, item b related to continued nonconforming use
38 and stated that this ended with 'but not, including expansion, enlargement, or intensification.' He
39 noted that later in the document, he saw expansion being possible and asked if it might be better
40 to say something like 'there are exceptions noted herein' or something similar.

41
42 Planning Director Griffiths stated that this was the point where the language was confusing and
43 explained that this section came directly from State law and was saying the word 'use'. He noted
44 that there were two different standards, nonconforming uses and nonconforming structures. He
45 reviewed examples of nonconforming uses and nonconforming structures. He noted that he also
46 wished that the State law was clearer.

47
48 Chair Huskins referenced item O. Appeal of estimated value of damage, on the last page and
49 stated that it felt odd to him that this was pasted on at the end when earlier in the document that
50 talked about the 50% and asked if there was a reason that this wasn't more contiguous with that
51 portion of the ordinance.

1
2 Planning Director Griffiths stated that he was not sure there was a specific reason, but he could
3 check with the City Attorney on how this had been organized.
4

5 Commissioner Magistad asked if Planning Director Griffiths felt a homeowner that did not agree
6 with a decision made by the City about the need for variance, could use the Commission or
7 Council meeting as a forum to use this document to challenge that determination.
8

9 Planning Director Griffiths stated that residents were always welcome to appeal to the
10 Commission or Council if they disagreed with a determination that was made.
11

12 Chair Huskins opened the Public Hearing at 8:54 P.M. There being no one at the meeting, he
13 closed the Public Hearing at 8:54 P.M.
14

15 **Commissioner Eggenberger moved, Commissioner Holker seconded, recommending**
16 **approval of the City Initiated Nonconformities City Code Amendments for the City, with the**
17 **direction that Planning Director Griffiths discuss some of their concerns with the City**
18 **Attorney. Motion passed 5/0.**
19

20 Planning Director Griffiths stated that this would come before the Council on May 27, 2025.
21

22 5. OTHER BUSINESS

23 A. Monthly Training Topic – Findings of Fact

24
25 Planning Director Griffiths explained that the City made decisions based on findings of fact and
26 the record and shared a brief training about how findings of fact explain how and why the City
27 reaches a decision. He noted that there was detailed information from the League of Minnesota
28 Cities included in the packet for their reference.
29

30
31 Commissioner Holker stated that she thought this information was great and put a bit of caution
32 in her mind not to be swayed too much by personal opinions if it was not consistent with the facts.
33

34 Chair Huskins gave the example of a situation where the Commission had heard the findings of
35 fact, but upon a vote, there was not a unanimous vote, and asked if that exposed the City if there
36 were non-unanimous recommendations.
37

38 Planning Director Griffiths stated that it did not expose the City at all and would be the same as
39 the Supreme Court having a 5-4 decision. He explained that what the court looks at is whether
40 the City followed its process, such as opening and closing the public hearing, considering what
41 people had to say, and developing findings of fact to support whatever the majority decision was.
42

43 Chair Huskins noted that they ask the dissenting Commissioner to offer reasons for their vote and
44 asked if that was important or if it was something that they should not be doing.
45

46 Planning Director Griffiths stated that he felt for this group, it made sense to ask that question so
47 it could be shared with the Council all of their thoughts on a project, but noted that it did not have
48 a substantial impact. He noted that the Commission would never get in trouble by providing more
49 information and would only get in trouble if it provided less information.
50

1 Chair Huskins suggested that the Commission agree that if there was a non-unanimous vote that
2 they would take the time to articulate the reasons. He stated that staff reports under former
3 Planning Director Darling, there was a sentence routinely added that he had not seen in Planning
4 Director Griffiths' reports. He stated that the sentence was something to the effect of, 'The
5 Planning Commission may reasonably find otherwise' which she included following her
6 recommendation.

7
8 Planning Director Griffiths stated that he did not include that sentence because he felt it was
9 common sense and stated that they had been appointed to the Commission to disagree with him
10 if they felt he was wrong. He noted that he would add that statement for variance resolutions
11 because that was where the subjective review criteria could be found.

12
13 Chair Huskins noted that he was not asking this sentence to be included but wanted to make sure
14 the Commission firmly understood that point, especially because there were two new
15 Commissioners.

16
17 Commissioner Eggenberger noted that his starting point was the staff recommendation, but he
18 did like the sentence former Planning Director Darling had included.

19
20 Planning Director Griffiths stated that he could certainly put the sentence back in for the
21 Commission.

22
23 ***There was a consensus of the Commission that they would like the sentence used by***
24 ***former Planning Director Darling to be included, which clarified that the Commission did***
25 ***not need to agree with the staff recommendation.***

26
27 **B. Liaisons for Upcoming Council Meetings**

28
29 Commissioner Holker noted that many of tonight's agenda items were being presented to the
30 Council on May 12, 2025, but there was not a liaison for that meeting and asked if these should
31 be aligned better.

32
33 Planning Director Griffiths stated that typically, the Park Commission sends a liaison to the first
34 Council meeting of the month, and the Planning Commission sends a liaison to the second
35 meeting of the month. He noted that typically in this situation where items were taken to the first
36 meeting of the month he takes on the role of providing an update for the Council and most of the
37 time, the Councilmember who serves as liaison to the Commission would also be present and
38 able to give some insight to the Council, if necessary.

39
40 May 27, 2025 – Commissioner Longo
41 June 23, 2025 – Commissioner Holker
42 July 28, 2025 – To be determined

43
44 Commissioner Eggenberger explained that, due to health reasons, he would be resigning from
45 serving on the Planning Commission. He explained that he was willing to stay on the Commission
46 until they found a replacement so they would not run into any quorum issues.

47
48 Planning Director Griffiths suggested that Commissioner Eggenberger send him an email
49 outlining his intention and willingness to continue serving until a replacement is found, and he will
50 bring that to the Council. He thanked Commissioner Eggenberger for his service to the City and
51 noted that he was sorry to see him go.

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C. Planning Commission Photo

Planning Director Griffiths stated that the Communications Department had asked him to take a photo of the Commission.

6. REPORTS

• Council Meeting

Planning Director Griffiths gave an overview of recent Council discussions and actions.

• Draft Next Meeting Agenda

Planning Director Griffiths stated he expected the agenda for the next meeting to be fairly light and reviewed the applications. He noted that the City was actively recruiting for the open Planner position and would be holding the second round of interviews sometime next week.

7. ADJOURNMENT

Commissioner Holker moved, Commissioner Magistad seconded, adjourning the Planning Commission Meeting of May 6, 2025, at 9:25 P.M. Motion passed 5/0.



City Council Meeting Item

Title/Subject: Nonconformities City Code Amendments
Meeting Date: May 27, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Planning Commission Memorandum
Draft Ordinance 620
Draft Summary Ordinance for Publication

Item 6B

APPLICANT: City of Shorewood
LOCATION: City Wide

Background

Please see the attached Planning Commission memorandum for detailed background on this request. The proposed amendments to the City Code are being brought forward to implement the 2040 Comprehensive Plan's direction regarding nonconformities and to address inconsistencies between the City's ordinance and state and case law regarding nonconformities. The end result of the proposed amendments is additional flexibility for residents with challenging properties that still maintains an effective level of review by the City.

It should also be noted that this is a tricky topic given how much legal precedent exists for nonconformities, and that the proposed amendments were drafted in consultation with the City Attorney. For this reason, some of the proposed updates may not be able to be substantially altered in order to maintain compliance with state statute.

The Planning Commission held a public hearing on the proposed amendments at their May 6, 2025, meeting. No public comments were received prior to or during the meeting. After review and discussion, the Planning Commission unanimously recommended approval of the proposed amendments to the City Council (5-yes, 0-no, 0-absent). As part of its recommendation, the Commission requested City staff work with the City Attorney to double-check some of the language in the proposed amendments. The City Attorney has reviewed the proposed amendments in between the Planning Commission and City Council meeting and found that the language was appropriate.

Financial Considerations

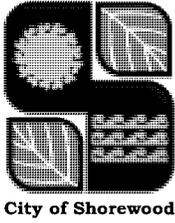
The amendments were drafted in-house with review by the City Attorney. If the amendments are adopted, there will be costs associated with publication.

Action Requested

Motion to adopt Ordinance 620 amending Shorewood City Code 1201 to implement the Comprehensive Plan direction for nonconformities.

Motion to approve the Summary Ordinance for Publication.

Approval of Ordinance 620 requires a **simple majority** vote of the City Council. Approval of the Summary Ordinance for Publication requires a **4/5 vote** of the entire City Council.



Title/Subject: Nonconformities City Code Amendments
Meeting Date: May 6, 2025
Prepared by: Jake Griffiths, Planning Director
Attachments: Draft City Code Amendments

APPLICANT: City of Shorewood
LOCATION: City Wide

BACKGROUND

One of the policy goals of the 2040 Comprehensive Plan was to establish appropriate regulations for development upon lawful nonconforming lots. More specifically, the idea was that nonconforming lots that are already developed should be able to be redeveloped without the need for a variance. Upon review of the City Code, City staff also found that it had not been substantially updated for several decades and did not account for recent changes to state law or legal precedent regarding nonconformities.

Nonconforming lots are those properties which do not comply with the present zoning regulations for the area. Typically, nonconforming lots are identified in one of two categories: legally nonconforming or illegally nonconforming. Legal nonconformities are sometimes referred to as being “grandfathered in” and are those situations where a property was being used in a certain manner before zoning regulations were adopted that made it no longer in compliance. Illegal nonconformities are the exact opposite and are essentially violations of the City Code. The City will commonly review variance requests for nonconforming properties.

Notice of tonight’s public hearing was posted in the City’s official newspapers, published on the City’s website and at City Hall. No public comments were received prior to the publication of this report.

REQUEST

The proposed updates to the City Code incorporate the direction of the Comprehensive Plan and also modernize the City’s regulations towards nonconformities. The proposed updates would essentially function as a repeal and replace of the entirety of the existing City Code. The result of the proposed amendments will be much greater flexibility for property owners to use their properties without needing to seek variances from the City. City staff would caution that the proposed amendments were drafted in consultation with the City attorney and have a lot of conversation with state law and legal precedent. For this reason, some of the proposed updates may not be able to be substantially altered in order to maintain compliance with state statute.

The most substantial policy changes include the following:

- Existing lots of record would no longer need a variance in order to be redeveloped, as long as all other City Code requirements are met.

- A parallel extension/expansion of a pre-existing legal nonconforming structure may be permitted without a variance as long as all other City Code requirements are met and the nonconformity is not increased.

FINDINGS/RECOMMENDATION

Staff recommends approval of the proposed amendments implementing the direction of the Comprehensive Plan relative to nonconformities. The Planning Commission is requested to hold a public hearing on the proposed amendments and make a recommendation to the City Council.

CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA

ORDINANCE 620

AMENDING SHOREWOOD CITY CODE CHAPTER 1201 TO IMPLEMENT THE COMPREHENSIVE
PLAN DIRECTION FOR NONCONFORMITIES

Section 1. City Code Section 1201.02 DEFINITIONS is hereby amended as follows. Text proposed to be added is underlined; text proposed to be removed is ~~stricken~~.

...

ILLEGAL NONCONFORMITY OR ILLEGAL NONCONFORMING USE. A land use, lot of record, structure, building, or sign that was unlawful when it was initiated, created or constructed and which did not conform to the applicable conditions or provisions of the official controls for the district in which the use, lot, structure, building or sign is located.

...

LOT OF RECORD. Any lot which is one unit of a plat heretofore duly approved and filed, or one unit of an Auditor's Subdivision or a Registered Land Survey, or a parcel of land not so platted, subdivided or registered but for which a deed, Auditor's Subdivision or Registered Land Survey has been recorded in the office of the Hennepin County Recorder prior to the effective date of this Chapter.

...

~~**NONCONFORMING STRUCTURE.** Any structure which, on the effective date of this chapter, does not, even though lawfully established, conform to the applicable conditions if the structure were to be erected under the guidance of this chapter. Also any structure located on a nonconforming lot.~~

~~**NONCONFORMING USE.** Any use which, on the effective date of this chapter, does not, even though lawfully established, conform to the applicable conditions if the use were to be established under the guidance of this chapter.~~

NONCONFORMITY. Any legal use, structure, or parcel of land already in existence, recorded, or authorized before the adoption of official controls or amendments thereto that would not have been permitted to become established under the terms of the official controls now written, if the official controls had been in effect prior to the date it was established, recorded or authorized.

NONCONFORMING BUILDING, STRUCTURE, OR USE. A building, structure, or use lawfully in existence on the effective date of this chapter or any amendment thereto and not conforming to the regulations for the district in which it is situated.

1 ...

2 **Section 2.** City Code Section 1201.03, Subd. 1. *Nonconforming buildings, structures and uses* is
3 hereby repealed and replaced as follows.

4

5 Subd. 1. *Nonconforming buildings, structures and uses.*

6 a. *Purpose and intent.* It is the purpose of this subdivision to provide for the regulation of
7 nonconformities and nonconforming buildings, structures, and uses and to specify those
8 requirements, circumstances and conditions under which nonconforming buildings, structures
9 and uses may be operated and maintained. The zoning ordinance establishes separate districts,
10 each of which is an appropriate area for the location of uses, which are allowed in that district.
11 It is necessary and consistent with the establishment of these districts and the Comprehensive
12 Plan that nonconforming buildings, structures and uses not be allowed to continue without
13 restriction. Furthermore, it is the intent of this subsection that all non-conforming buildings,
14 structures, or uses shall eventually be brought into conformity with the requirements of the
15 Shorewood City Code. For the purposes of this subdivision, enlargement of alteration means:

16 (1) Any increase in a dimension, size, area, volume, or height.

17 (2) Any increase in the area of use.

18 (3) Any placement of a structure or building or part thereof where none existed before.

19 (4) Any improvement that would allow the land to be more intensely developed.

20 (5) Any move of operations to a new location on the property.

21 (6) Any increase in intensity of use based on a review of the original nature, function or
22 the purpose of the nonconforming use, the hours of operation, traffic, parking, noise, exterior
23 storage, signs, exterior lighting, types of operations, types of goods or services offered, odor,
24 area of operation, number of employees, and other factors deemed relevant to the City.

25 b. *Continued nonconforming use.* A nonconforming use may be used and continued,
26 including through repair, replacement, restoration, maintenance or improvement, but not,
27 including expansion, enlargement or intensification.

28 c. *Continued nonconforming building or structure.*

29 (1) A nonconforming structure or building damaged by fire or other peril to an extent of
30 50% or less of its estimated market value, as indicated in the records of the county assessor at
31 the time of damage, may be restored, reconstructed, or repaired, and can be used as before,
32 provided the work is completed within one year after the damage occurred.

33 (2) Any nonconforming structure or building damaged by fire or other peril to an extent
34 greater than 50% of its estimated market value, as indicated in the records of the county
35 assessor at the time of damage, shall not be restored or reconstructed and used as before such
36 destruction unless a building permit to restore, reconstruct or repair the structure or building
37 has been applied for within 180 days after the damage occurred. In this case, the City may

1 impose reasonable conditions upon a building permit in order to mitigate any newly created
2 impact on adjacent properties. A subsequent use or occupancy of the land or premises shall be
3 a conforming use or occupancy.

4 (3) The City may permit an expansion, as authorized in this subdivision, and impose upon
5 nonconformities reasonable regulations to prevent and abate nuisances and to protect the
6 public health and safety.

7 d. *Change of use.* When any legal nonconforming use of land or structure has been changed
8 to a conforming use, it shall not thereafter be changed to any nonconforming use or structure.

9 e. *Reduction of nonconformity.* A legally nonconformity may be changed to lessen the legally
10 nonconforming structure or use. Once a legally nonconforming structure or use has been
11 reduced, it shall not be altered thereafter to increase the nonconformity.

12 f. *Discontinuance of nonconformity.* If a nonconformity is discontinued or ceases for a period
13 of more than one year, any subsequent use or occupancy of the land or premises shall be a
14 confirming use or occupancy.

15 g. *Maintenance of nonconforming structures.* Maintenance of a nonconforming structure,
16 building or sign will be permitted when it includes necessary nonstructural repairs and
17 incidental alternations which do not extend or intensify the nonconforming use of a structure,
18 building or sign.

19 h. *Alterations and expansions.*

20 (1) Alterations may be made to a continued nonconforming structure when such
21 alterations improve the livability and safety of such structure or building; provided, however,
22 that they do not increase the number of dwelling units in the structure and meet the minimum
23 height and setback requirements of the zoning district in which they are located.

24 (2) Where a single-family dwelling is a continued nonconforming structure, the addition
25 of a bedroom that otherwise meets the zoning ordinance regulations shall not be considered an
26 expansion of the use and is permitted. Such addition shall be limited to an increase in the living
27 area of no more than 20% of the existing main floor square footage. The addition of a deck,
28 garage, patio, fence, driveway, swimming pool or other development that improves the liability
29 or safety of the dwelling and otherwise meets the zoning ordinance regulations standards for
30 height and setbacks shall be permitted.

31 (3) A parallel extension/expansion of a pre-existing continued nonconforming structure,
32 or construction of an accessory structure, is permitted without a variance if all the following
33 criteria are met.

34 a. The nonconforming structure is a conforming use in the zoning district in which it is
35 located.

36 b. The extension/expansion does not encroach further into the already established
37 nonconforming setback.

1 c. The extension/expansion meets all other applicable standards of the Shorewood City
2 Code.

3 (4) Any modification to an existing nonconforming residential building or structure to
4 provide an accessibility improvement shall be permitted upon the approval of the Zoning
5 Administrator.

6 (5) Expansion of a continued nonconforming nonresidential use, structure, or building
7 may be permitted if it can be demonstrated that the proposed expansion prevents or abates a
8 public nuisance or protects the public health, safety, and welfare.

9 (6) In cases where a structure is too close to a lot line, the city may require that the
10 discrepancy be made up by enlarging the opposite required yard space. (Example: where a
11 building is eight feet from a side lot line in a district in which a ten-foot setback is required, the
12 city may require a 12-foot setback on the other side.)

13 i. *Change in tenancy.* A change in tenancy, ownership, or management will not affect the
14 status of the nonconformity if the nonconformity continues in the same manner and of no
15 greater intensity as that occurring prior to the change.

16 j. *Buildings under construction and building permits granted prior to adoption or subsequent*
17 *amendment of zoning regulations.* Any proposed structure or building which will, under the
18 zoning regulations, become nonconforming, but which for a building permit has been lawfully
19 granted prior to the effective date of the ordinance, may be completed in accordance with the
20 approved plans provided:

21 (1) Construction must commence within 180 days of issuance of the building permit.

22 (2) Construction continues to completion within one year of the issuance of the
23 building permit.

24 (3) Such structure or building and use shall thereafter be a legal nonconforming
25 structure, building or use.

26 k. *Nonconforming lots of record.* Except for land in a floodplain management district, or
27 shoreland management district, the following shall apply to nonconforming lots of record:

28 (1) Any existing lot of record that is nonconforming and that is not improved with a
29 principal use is entitled to be developed with a principal use provided all requirements of the
30 Shorewood City Code can be met. This provision shall apply even though the lot of record does
31 not meet the current applicable zoning requirements for lot area, lot depth, or lot width.

32 (2) A nonconforming lot of record is not entitled to be developed with a principal use if
33 the nonconforming lot of record has been in common ownership with an abutting parcel of land
34 or if it has been part of a larger parcel that became nonconforming after adoption of the
35 ordinance from which this chapter is derived.

36 (3) If two or more contiguous lots in any district are under the same ownership and any
37 individual lot does not meet the lot area and lot width requirements of this chapter, the lot is

1 not considered a separate parcel or lot for the purpose of sale or development and the lot must
2 be combined with one or more contiguous lots so they equal one or more lots, each meeting
3 the lot area and lot width requirements of this chapter to the extent possible. This requirement
4 shall not apply to the construction of a single-family dwelling on a nonconforming single lot of
5 record.

6 (4) In any district in which single-family dwellings are permitted, notwithstanding
7 limitations imposed by other provisions of this chapter, a single-family dwelling and customary
8 accessory buildings or structures, may be erected on any single lot of record. This provision
9 shall apply even though the lot fails to meet the lot area, lot width, or lot depth that are
10 generally applicable in the zoning district, provided that other requirements not involving lot
11 dimensions or lot area (such as setbacks) conform to the regulations for the zoning district in
12 which the lot is located.

13 l. *Burden of proof.* A person who wishes to take advantage of the rights granted to a
14 continued nonconformity has the burden of proving the status as a legal nonconformity by
15 clear and convincing evidence.

16 m. *Nonconformities in shoreland areas.* Nonconformities in shoreland areas shall be
17 regulated by M.S.A. § 462.357, subd. 1e(d) to (j), as amended.

18 n. *Creation of nonconformities by public action.* When lot area, width or setbacks are
19 reduced as a result of conveyance to a federal, state, or local government for a public purpose
20 and the remaining area is at least 50% of the otherwise applicable standards, then that lot and
21 any structures existing at the time of public action shall be deemed to be in compliance with
22 the minimum lot area, lot width, and setbacks of this chapter.

23 o. *Appeal of estimated value of damage.*

24 (1) If the City determines that more than 50% of the building or structure has been
25 destroyed, the property owner may, at their sole expense, hire an independent certified
26 appraiser with no interest in the property to determine the market value and present the
27 appraisal to the Zoning Administrator to be considered by the City Council.

28 (2) If the City Council maintains, after receiving the appraisal, that more than 50% of the
29 building or structure has been destroyed, the property owner shall have the right to appeal the
30 City's market value determination to district court. Such appeal must be brought within 30 days
31 of the City Council's determination.

32 **Section 3: References.** The City Clerk is authorized to correct any number references to the
33 requirements of this ordinance located elsewhere in the City Code that may have been altered
34 as a result of the amendments.

35
36 **Section 4: Effective Date.** This Ordinance 620 shall take effect upon publication in the City's
37 official newspaper.

38

1 ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA this 27th day of
2 May, 2025.

3

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5

6

JENNIFER LABADIE, MAYOR

7 ATTEST:

8

9

10 SANDIE THONE, CITY CLERK

11

**CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

RESOLUTION 25-051

**A RESOLUTION APPROVING THE PUBLICATION OF
ORDINANCE 620 REGARDING ZONING REGULATIONS TO IMPLEMENT THE COMPREHENSIVE
PLAN DIRECTION FOR NONCONFORMITIES**

WHEREAS, at a duly called meeting on May 27, 2025, the City Council of the City of Shorewood adopted Ordinance No. 620 entitled “Amending Shorewood City Code Chapter 1201 to Implement the Comprehensive Plan Direction for Nonconformities”; and

WHEREAS, the City Council adopted a lengthy ordinance amending City Code Chapter 1201 (Zoning Regulations) to amend several sections of the City Code relative to nonconformities (including but not limited to definitions and performance standards) to provide for regulations for nonconforming properties consistent with the Comprehensive Plan’s direction; and

WHEREAS, the purpose of this summary is to inform the public of the intent and effect of the ordinance but to publish only a summary of the ordinance with the full ordinance being on file in the office of the City Clerk during regular office hours and available on the city’s website.

**NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SHOREWOOD:**

1. The City Council finds that the above title and summary of Ordinance No. 620 clearly informs the public of the intent and effect of the ordinance.
2. The City Clerk is directed to publish Ordinance No. 620 by title and summary, pursuant to Minnesota Statutes, Section 412.191, Subdivision 4. Such summary is to be substantially the same as the attached ordinance.
3. A full copy of the ordinance is available at Shorewood City Hall and on the city’s website.

Adopted by the City Council of Shorewood, Minnesota this 27th day of May, 2025.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



City Council Meeting Item

Title/Subject: Building City Code Amendments
Meeting Date: May 27, 2025
Prepared by: Jake Griffiths, Planning Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Draft Ordinance 621
Draft Summary Ordinance for Publication

Item 6C

APPLICANT: City of Shorewood
LOCATION: City Wide

Background

One of the goals of the City's 2040 Comprehensive Plan was to update the City Code related to building regulations to implement storm water requirements, and other policy changes that had been made by the City over time but had not been codified. The proposed updates to the City Code do not result in any substantial policy changes but rather codify the City's existing policies and procedures and Minnesota State Building Code requirements. The proposed amendments also help to address the City Council's Strategic Goals of having a Comprehensive Approach to Planning and Development and Organizational Strength and Good Governance through updates to the City Code.

The amendments include items already being done by the City such as adopting storm water requirements within the building permit process, requiring construction management plans for building permits, listing out building permit and demolition permit application requirements in the City Code, requiring Certificate of Occupancies, codifying enforcement procedures, and establishing an administrative process for building permit escrow agreements. These amendments are critical to the day-to-day operations of the Planning & Protective Inspections Department, particularly with respect to building permits and code enforcement, and will help City staff continue to provide a high-quality level of service to residents and contractors.

No Planning Commission review or public hearing was required for the proposed amendments. However, the proposed ordinance was published prior to tonight's meeting on the City's website, at City Hall, and was distributed to the email notification list for City Code amendments.

Financial Considerations

The amendments were drafted in-house. If the amendments are adopted, there will be costs associated with publication.

Action Requested

Motion to adopt Ordinance 621 amending Shorewood City Code Chapter 1001 to implement the direction of the Comprehensive Plan relative to the Building Code and Chapter 1004 to correct a reference.

Motion to approve the summary ordinance for publication.

Approval of Ordinance 621 requires a **simple majority vote** of the City Council. Approval of the Summary Ordinance for Publication requires a **4/5 vote** of the entire City Council.

1 CITY OF SHOREWOOD
2 COUNTY OF HENNEPIN
3 STATE OF MINNESOTA

4
5 ORDINANCE 621

6
7 AMENDING SHOREWOOD CITY CODE CHAPTER 1001 TO IMPLEMENT THE DIRECTION
8 OF THE COMPREHENSIVE PLAN RELATIVE TO THE BUILDING CODE &
9 CHAPTER 1004 TO CORRECT A REFERENCE

10
11 **Section 1.** City Code Chapter 1001 *Building Code* is hereby repealed in its entirety and replaced
12 as follows.

13
14 **CHAPTER 1001**
15 **BUILDING CODE**

16
17 Section

- 18 1001.01 Purpose
19 1001.02 Codes adopted by reference
20 1001.03 Building code optional chapters
21 1001.04 Application, administration and enforcement
22 1001.05 Permits and fees
23 1001.06 Building permits, required information
24 1001.07 Final inspections and certificate of occupancy
25 1001.08 Building demolition
26 1001.09 Completion of Exterior Work
27 1001.10 Authorization for administrative agreements
28 1001.11 Violations and penalties

29
30 **1001.01 PURPOSE.**

31 This chapter adopts the Minnesota State Building Code and provides for the application,
32 administration, and enforcement of the Minnesota State Building Code by regulating the
33 erection, construction, enlargement, alteration, repair, moving, removal, demolition,
34 conversion, occupancy, equipment, use, height, area, and maintenance of all buildings and/or
35 structures in the City of Shorewood. This chapter provides for the issuance of permits and
36 collection of fees thereof; provides penalties for violation thereof and; repeals all ordinances
37 and parts of ordinances that conflict therewith. This chapter shall perpetually include the most
38 current edition of the Minnesota State Building Code with the exception of the optional
39 appendix chapters. Optional appendix chapters shall not apply unless specifically adopted.

40
41 **1001.02 CODES ADOPTED BY REFERENCE.**

42 The Minnesota State Building Code, as adopted by the Commissioner of Administration
43 pursuant to M.S. Chapter 326B, including all of the amendments, rules and regulations
44 established, adopted and published from time to time by the Minnesota Commissioner of Labor

1 and Industry is hereby incorporated by reference as is fully set forth herein with the exception
2 of the optional chapters, unless specifically adopted in this chapter.

3
4 **1001.03 BUILDING CODE OPTIONAL CHAPTERS.**

5 Subd. 1. The Minnesota State Building Code, established pursuant to M.S. Ch. 326B allows the
6 City to adopt by reference and enforce certain optional chapters of the most current edition of
7 the Minnesota State Building Code.

8
9 Subd. 2. The following optional provisions identified in the most current edition of the State
10 Building Code are hereby adopted and incorporated as part of the building code for the city:

- 11
12 a. Chapter 1306, Special Fire Protection Systems; Subp. 2, with 1306.0030. E. option 1;
13
14 b. Grading, appendix chapter J, 2012 Supplements to International Building Code; and
15
16 c. Chapter 1335, Floodproofing Regulations, parts 1335.0600 to 1335.1200.

17
18 **1001.04 APPLICATION, ADMINISTRATION AND ENFORCEMENT.**

19 Subd. 1. The application, administration, and enforcement of the code shall be in accordance
20 with Minnesota State Building Code. The code shall be enforced within the extraterritorial limits
21 permitted by M.S. § 326B.082 when so established by this chapter.

22
23 Subd. 2. The code enforcement agency of the city is called the Planning and Protective
24 Inspections Department.

25
26 Subd. 3. This code shall be enforced by the Minnesota Certified Building Official designated by
27 the city to administer the code (M.S. § 326B.133, subdivision 1).

28
29 **1001.05 PERMIT AND FEES.**

30 Subd. 1. The issuance of permits and the collection of fees shall be as authorized in M.S. §
31 326B.153.

32 Subd. 2. Permit fees shall be collected for work governed by this code in accordance with the
33 fee schedule adopted by the city in § 1301.02 of the city code.

34 Subd. 3. A Minnesota state surcharge fee shall be collected on all applicable permits issued for
35 work governed by this code in accordance with M.S. § 326B.148.

36 Subd. 4. A sewer availability charge shall be collected on all applicable permits on behalf of the
37 Metropolitan Council Environmental Services, pursuant to M. S. § 473.517 subd (3) for their
38 portion of reserved capacity in the metropolitan disposal system.

39
40 **1001.06 BUILDING PERMITS, REQUIRED INFORMATION.**

41 Subd. 1. All required information must be submitted prior to review of the building permit
42 application. Any application that lacks any of the required information will be considered
incomplete. Review of the application will not commence until all the required items are

1 submitted. The Building Official may waive any requirements that do not apply to a proposed
2 permit application. The required information includes:

3 a. Official Building Permit Application form and appropriate fees.

4 b. One set of construction drawings showing:

5 (1) Foundation plan.

6 (2) Floor plans for all floors.

7 (3) Elevations for all sides.

8 (4) Cross section, preferably through stairway.

9 (5) Typical wall section including all structural information for each wall, floors, and
10 roof.

11 c. *Survey Required.* Each permit application for a new building or addition shall be
12 accompanied by a certified survey of the property, which must include the following
13 information and any additional information as directed by the Building Official to
14 ensure conformance with City Code:

15 (1) Property boundaries and dimensions including:

16 (a) All dimensions of existing and proposed buildings.

17 (b) The dimension from the nearest point of each existing and proposed
18 building/structure to lot lines, private streets, wetlands, wetland buffers (when
19 applicable), and the ordinary high-water level of any lake.

20 (c) The dimensions of each lot line of a parcel of property.

21 (2) Location of all easements or rights-of-way within the property and any
22 encroachments into any easement.

23 (3) Building setbacks as required by the Zoning Ordinance.

24 (4) Driveway location.

25 (5) Mechanical equipment.

26 (6) Location of existing and proposed utilities including water, hydrants, sanitary
27 sewer, storm sewer, catch basins, and manholes.

- 1 (7) Wetland delineation and wetland buffer (to be staked).
- 2 (8) Distance between proposed structures and nearest lot lines.
- 3 (9) The location of any private wells or private sewer systems.
- 4 (10) Existing and proposed impervious surface calculations.
- 5 (11) Location of existing buildings on adjacent properties, within 25 feet of the lot
6 lines, to include top of foundation elevation and distance to front and side lot lines.
- 7 (12) Location of all current buildings and proposed additions, driveways, decks,
8 porches, patios, stairways, sidewalks, cantilevers, fireplaces, sheds, bay and bow
9 windows with current and proposed impervious surface calculations.
- 10 (13) Elevations:
- 11 (a) Street elevations
- 12 (b) Grading plan with drainage arrows
- 13 (c) Topography at two-foot contours depicting existing and proposed elevation
14 within 15 feet of all sides of the building foundation or to the property line
15 (whichever is greater) at a minimum and as needed to determine if slopes
16 anywhere on the property or immediately adjacent to the property are steep
17 slopes or bluffs.
- 18 (d) Existing and proposed elevations at each property corner.
- 19 (e) Existing and proposed elevations within five feet of foundation on all sides
20 of proposed buildings.
- 21 (f) Existing and proposed elevations to the top of foundation, garage floor,
22 lowest floor, and lowest opening.
- 23 (g) The lowest minimum opening consistent with the Surface Water
24 Management Plan, the Flood Plain Management Regulations (Chapter 1101 of
25 City Code), Shoreland District (Chapter 1201.26 of City Code), and/or
26 Watershed District rules.
- 27 (h) The lowest minimum elevation consistent with the Surface Water
28 Management Plan, the Flood Plain Management Regulations (Chapter 1101 of
29 City Code), Shoreland District (Chapter 1201.26 of City Code), and/or
30 Watershed District rules

1 (i) Elevation of sanitary sewer main or service stub, if existing, at point of
2 connection.

3 (j) Drainageways, waterways, ponds, and wetlands on or within the property,
4 including the location and elevation of all emergency overflows.

5 (k) Existing and proposed sewer, water, and storm sewer mains, connections,
6 cleanouts, manholes and similar infrastructure.

7 (14) Monuments.

8 (a) Certification that permanent iron monuments are in place at each lot
9 corner.

10 (b) Indication that permanent iron monuments are placed on each side of the
11 lot at a distance from the front lot line equivalent to the proposed front
12 budling setback line. In the event the distance from the sideline to the
13 proposed building is greater than 30 feet, stakes shall be placed on the front
14 building line not to exceed 30 feet from the proposed building.

15 (c) If the lot is subject to the City's wetland buffer regulations, indicate the
16 location of the designated wetland buffer area as shown on the approved
17 grading plan, together with the location of permanently installed wetland
18 buffer monument signage and conservation easements.

19 (15) Location of erosion control devices, including any permanent or temporary
20 erosion control measures shown on an approved grading plan.

21 (16) Location of all required and existing stormwater management features, such as
22 infiltration/filtration basins (rain gardens), underground storage facilities or similar
23 infrastructure.

24 (17) Construction Management Plan: (shown on a survey) must include the following:

25 (a) Provide a plan for construction site dust and trash blowing management.

26 (b) Location of portable hygiene facilities onsite

27 (c) List all subcontractors with contact information.

28 (d) List City of Shorewood construction hours of Monday – Friday 7 AM – 7 PM &
29 Saturday 8 AM – 6 PM

30 (e) Provide details for all construction parking & all material storage onsite.

31 (f) Street Sweeping (city street must be cleaned daily if mud or dust is present)

- 1 (g) An acknowledgement that no parking is allowed on any City Street at any
2 time. The Building official is authorized to issue stop work orders for all violators
3 and add a condition onto every building permit when issued indicating as such.
- 4 d. Information indicating if there is an existing structure on the property, or when any
5 previous structures were demolished.
- 6 e. For commercial permit applications, a SAC Determination Credits Report shall be
7 provided from the Metropolitan Council.
- 8 f. List of subcontractors.
- 9 g. One set of energy calculations demonstrating compliance with Minnesota State
10 Building Code and Minnesota State Energy Code.
- 11 h. *Tree Preservation and Replacement:*
- 12 (1) New construction and additions are subject to the City's tree preservation
13 regulations. Indicate the construction zone and areas of tree removal and tree
14 preservation.
- 15 (2) For single, multi-family dwellings and commercial buildings, on a survey or a
16 landscape plan, indicate the location of the trees to be removed, size, and species of
17 the required tree replacement shall be based on Chapter 1103 of the City's Tree
18 Preservation Plan and the Shorewood Tree Preservation and Replacement Policy
- 19 i. *Stormwater Management Plan:* for all applications increasing impervious surface by
20 1,000 square feet must include the following, except for lots located within a
21 subdivision that has an approved stormwater control as determined by the City
22 Engineer:
- 23 (1) Hardcover calculations current and proposed
- 24 (2) Drainage calculations and modeling meeting the requirements of the current
25 version of the Shorewood Surface Water Management Plan.
- 26 (3) Drainage Map (showing drainage directions with arrows)
- 27 (4) On properties adjacent to water bodies, provide details for how water runoff will be
28 properly channeled by use of swale or other approved means to storm drains, pond
29 areas, or other public facilities subject to the review and approval of the City Engineer.
- 30 (5) Certification by a Minnesota registered Civil Engineer or Surveyor that the building,
31 proposed site grading, and erosion control measures are in accordance with the City-
32 wide surface water management plans and/or grading plans approved by the City
33 Engineer for the specific development or subdivision.
- 34 j. Additional information as may be deemed necessary by the Building Official.

1 **1001.07 FINAL INSPECTION AND CERTIFICATE OF OCCUPANCY.**

2 Subd.1. *As-Built Survey.* The Final inspections and authorization of occupancy of all new
3 buildings and building additions as may be necessary, shall be performed upon receipt of an
4 "as built" survey prepared by an engineer or land surveyor licensed and registered in
5 Minnesota attesting that the grades and elevations of the site and building are in accordance
6 with the approved application material, required building setbacks, locations, preliminary
7 survey and or approved grading plans for the development. The allowable tolerance between
8 the approved application material, preliminary survey and or approved grading plans for the
9 development is 0.2 feet.

10 Subd.2. *Certificate of Occupancy.* (MS 1300.020) No building or structure shall be used or
11 occupied or change in the existing occupancy classification of a building, structure, or portion
12 of a building or structure shall be made until the building official has issued a certificate of
13 occupancy for the building or structure. Issuance of a certificate of occupancy is not approval
14 of any outstanding violation of other ordinances of the municipality, whether known or
15 unknown by the City. Certificates presuming to give authority to violate or cancel the code or
16 ordinances of the municipality are not valid.

17 a. The city will not issue a temporary certificate of occupancy, any items that are not
18 completed and are not life and safety issue will need to be escrowed as detailed in
19 Subd.3.

20 Subd.3. *Required improvements and financial surety.*

21 a. *Required improvements.* As determined by the City Code or the terms of a building
22 permit, the property owner shall be responsible for and install all required
23 improvements and meet all City Codes and standards for required improvements on
24 private property and connected boulevard(s). Examples of required improvements
25 include but are not limited to building code requirements, design, construction and
26 landscaping standards, erosion controls, grading, drainage, driveways, parking and
27 other pavements, as-built grading survey, or similar items as determined by the
28 Building Official. For the purposes of this Chapter, the term "boulevard" shall mean
29 the area of a public right-of-way extending from the back of the curb, or the edge of a
30 roadway where no curb is installed, to the private property line(s) fronting on right-of-
31 way.

32 b. *Security Agreement and Surety.* If the required improvements are not completed
33 prior to final inspection by the Building Official, the property owner, general
34 contractor, builder, or building permit holder, shall furnish to the City a security
35 agreement and financial surety subject to the following:

36 (1) The security agreement shall be in the form and amount as may be determined by
37 the Building Official, but not to exceed 150% of the Building Official's estimated cost
38 for such improvements.

39 (2) The required improvements shall be completed within a time period as may be

1 determined by the Building Official and as specified in the security agreement, but not
2 to exceed the date of October 15th following the date of the security agreement.
3 However, required landscaping improvements delayed by winter weather shall be
4 completed before the date of July 1st following the date of the security agreement.

5 (3) Upon completion of the required improvements, the party having furnished the
6 security agreement and surety may request the Building Official release all or part of
7 the surety provided in this Chapter. The Building Official shall verify completion of the
8 required improvements and may release all or part of the surety to the party having
9 provided the surety. If the Building Official denies release, the Building Official shall
10 state in writing the reasons for such denial. The party having furnished the request for
11 release of surety may appeal the decision to the City Council by filing with the Building
12 Official a written request for such appeal within ten (10) days after receiving notice of
13 denial from the Building Official. The party having furnished the request for release of
14 surety shall be notified of the time and place of such meeting. The City Council may
15 affirm or reject the decision of the Building Official.

16 (4) The surety referred to in this Chapter may be furnished to the City as cash, money
17 order, cashier's check, or irrevocable letter of credit.

18 *c. Failure to Complete Required Improvements.* If the improvements for which a
19 security agreement and surety have been given are not completed within the time
20 period specified in the security agreement, the party having furnished the surety shall,
21 upon written demand from the City, forfeit the security agreement and surety to the
22 City. Thereafter, the City may use the proceeds from the surety to:

23 (1) Pay for reasonable administrative, enforcement and legal costs incurred by the City
24 in its efforts to complete the required improvements or enforce the terms of the
25 security agreement and an administrative charge; and,

26 (2) Pay for reasonable City incurred costs for its direct or contracted installation of the
27 required improvements; and,

28 (3) Reimburse others who may complete the required improvements.

29 After the required improvements have been completed, accepted by the Building
30 Official and paid for, any excess proceeds of the surety shall be returned to the party
31 having furnished the surety.

32 *d. Extensions.* In those situations where, or the City Administrator or their designee,
33 determines that the certification required by Subd. 2 is not feasible due to weather
34 conditions or other circumstances preventing action from being taken, the permittee,
35 prospective owner, or prospective occupant may, in lieu of the certification, submit an
36 agreement, acceptable to the Zoning Administrator, agreeing to provide the
37 certification no later than six months from the date of the agreement. The permittee,
38 prospective owner, and/or prospective occupant shall hold the City harmless from any
39 conditions relating to the grading and elevation of the site and shall bear all costs

1 associated with correcting the grading and elevations, if necessary, to conform with
2 the approved plans and all costs, including legal fees, incurred by the City in collecting
3 costs due hereunder. If the permittee, prospective owner and/or prospective
4 occupant or their successors or assigns fail to pay costs incurred under this Chapter,
5 the City may either bring legal action or specially assess the effected property. The
6 permittee, prospective owner, and/or prospective occupant must sign an agreement
7 that outlines the responsibilities and conditions described in this Chapter.

8 **1001.08 BUILDING DEMOLITION.**

9 Subd. 1. *Demolition permit required.* A demolition permit is required for the demolition of
10 structures within the City. All required information must be submitted prior to review of the
11 demolition permit application. Any application that lacks any of the required information will be
12 considered incomplete. Review of the application will not commence until all the required
13 items are submitted. The Building Official may waive any requirements that do not apply to a
14 proposed permit application. The required information includes:
15

16 a. Hazardous material assessment and hazardous material abatement documentation
17 shall be submitted to the City as required by the Building Official.

18 b. Compliance with other utility or regulatory agencies (electric utility, gas utility,
19 MPCA, watershed, etc.) is required. Approvals or other documentation required by
20 such agencies shall be submitted to the City as required by the Building Official. All
21 utilities connected to the structure to be demolished shall be properly terminated
22 prior to issuance of the demolition permit.

23 c. All debris, including demolished construction material, shall be removed from the
24 site within 24 hours of demolition. Any resulting excavation shall be backfilled with soil
25 free of debris or contaminants.

26 d. A plan for grading, erosion control, and groundcover shall be provided. If the
27 demolition work will disturb greater than one acre of land (including land used for
28 stockpiling, land surrounding the structure that is to be demolished that will be
29 altered during the final excavating work, the land where the demolished structure was
30 located and construction site entrance), a stormwater pollution prevention plan shall
31 be required along with documentation that MS4 requirements are being met.

32 e. A site plan or survey of the site verifying the location and size of the structure(s) to
33 be removed.

34 f. A set of plans showing the area of interior/exterior demolition work.

35 g. A written description of building or structure demolition method.

36 h. A written verification and/or site plan identifying the type of pedestrian protection
37 being provided, including description of type, location, and height of fencing to be
38 used.

1 i. If applicable, a Demolition/Renovation Notification submitted to the Minnesota
2 Pollution Control Agency under Section 40 of the Code of Federal Regulations Part
3 61(M), if the structure is regulated, you must submit a Notice of Intent to Perform a
4 Demolition. Single-family dwellings are generally exempt from this requirement.

5 j. All private wells shall be properly abandoned in accordance with Minnesota
6 Department of Health regulations.

7 k. Any septic tanks or systems shall be pumped and removed in accordance with
8 Minnesota Department of Health regulations.

9 l. Any underground storage tanks shall be removed.

10 m. Requests for a demolition permit shall be made on an application form provided by
11 the City accompanied by the appropriate fee pursuant to the City of Shorewood Fee
12 Schedule.

13 n. Additional information deemed necessary by the Building Official.

14 **1001.09 COMPLETION OF EXTERIOR WORK**

15 Subd. 1. *Findings.* As allowed by Minnesota State Statute § 326B.121. subd. 1a., the City Council
16 finds that the public safety, health and welfare is impacted by exterior building projects that
17 start, but are not finished in a timely manner, that there is benefit to establishing definitive time
18 periods by which work should be completed so that both the City and the responsible party
19 have a mutual understanding of their rights and obligations, that there should be consequences
20 when responsible parties either fail to meet work deadlines, or fail to complete projects, and a
21 mechanism to allow for abatement of nuisance conditions that unfinished projects tend to
22 create. At the same time, the Council recognizes that, owing to weather and other unforeseen
23 circumstances, it is important that any time frame scheme for work completion include
24 flexibility to recognize unavoidable delays that might occur. Accordingly, the Council finds that
25 the Building Official should be authorized to require the following time frames for work
26 completion, and should be authorized to initiate a number of compliance and enforcement
27 actions should a responsible party violate those time frames, or otherwise fail to complete a
28 project in a timely manner.

29
30 Subd. 2. *Scope.* Exterior work authorized by a building permit issued in accordance with the
31 Minnesota State Building Code must be completed within the time frames stated in this
32 Chapter, or within the time frames set by the Building Official at the time of permit issuance,
33 whichever is longer.

34
35 Subd. 3. *Construction and Application.* Exterior work authorized by a building permit issued in
36 accordance with the Minnesota State Building Code must be completed within the specified
37 number of days from the date of issuance of the building permit as follows:

38
39 a. Buildings or structures on single family residential property:
40

Roofs, siding, replacement doors and windows	180 days
Detached structures and sheds	180 days
New construction	365 days
Additions to primary home	365 days
Retaining walls and grading	180 days
Demolition including site restoration	180 days

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b. Buildings or structures on multifamily residential property:

Exterior work on buildings with less than 3 or less units	Same deadlines as single-family residential property
Buildings with 4 or more units	730 days

c. Buildings or structures on commercial or industrial property:

Building exterior work	As determined by Building Official
Exterior structures other than primary building	365 days

d. Notwithstanding the completion deadlines, a building permit expires 180 days from the date of issuance if there is not substantial work completed under the permit as provided in the Minnesota State Building Code. If no work has been completed under the building permit as of its expiration date, the completion deadline for the work under new permit shall be as set forth above.

Subd. 4. *Time limitation.* Upon a showing by the permit holder or property owner that there has been an unavoidable delay in completion of the exterior work, the Building Official, at the Official's discretion, may grant one extension for the completion of the exterior work for a period of not more than 180 days.

Sund. 5. *Violations of Completion of Exterior Work Requirements.*

a. Failure to complete all exterior work authorized by a building permit within the specified completion deadline or deadlines, including any extension, is a violation of this Chapter. In such case, the Building Official, in conjunction with the City Attorney, is authorized to take one or more of the following actions:

(1) Initiate a criminal action by citation for formal complaint. A violation of this Chapter is a misdemeanor.

(2) Order work to cease.

1 (3) Process the violation as a public nuisance abatement matter under City Code or state
2 law.

3
4 (4) Process the violation or violations as administrative offenses and issue one or more
5 administrative citations as prescribed by the City Code. For these actions, the Building
6 Official is authorized to vary from the compliance timeframes therein as appropriate to
7 the violation, based on factors including, but not limited to:

- 8
9 i. The amount of time and extensions already allowed for completion;
10
11 ii. The nature of the work involved and a normal timeframe to complete;
12
13 iii. The visibility of the violation;
14
15 iv. Safety, health, and welfare impacts from the work not being completed.

16
17 (5) Process the matter as a hazardous building under Minnesota Statutes.

18
19 (6) Process the matter in any other way as allowed by statute or federal law.

20
21 Nothing herein shall restrict the right of the City to seek or pursue other remedies as
22 authorized by City Code, State law, or federal law.

23
24 Subd. 6. *Effective Date.* This section applies to exterior work for which a building permit was
25 issued on or after the effective date of this section.

26
27 **1001.10 AUTHORIZATION FOR ADMINISTRATIVE AGREEMENTS.**

28 Subd. 1. *Authorization for Security Agreement and Surety.* The City Council hereby authorizes
29 the City Administrator, or their designee, to enter into and administer a security agreement and
30 surety as described by this Chapter on the City Council's behalf.

31
32 Subd. 2. *Authorization for Stormwater Management Agreement.* The City Council hereby
33 authorizes the City Administrator, or their designee, to enter into and administer a security
34 agreement and surety as described by this Chapter on the City Council's behalf.

35 **1001.11 VIOLATIONS AND PENALTIES**

36 Subd. 1. *Violation and penalties.* A violation of this code is a misdemeanor (M.S. § 326B.082).
37 An administrative citation may also be issued to a property owner and/or building permit holder
38 in accordance with City Code 104.03 for Class C offenses. Each day that a violation continues to
39 exist shall be deemed a separate punishable offense.

40
41 Subd. 2. *No inspections permitted.* Upon determination of the Building Official that a project for
42 which a building permit has been issued is in violation of a requirement of the City Code, an
43 approved development plan, construction management plan, or the terms of an issued building

1 permit, no building permit inspections may be conducted until such time as the violations have
2 been brought into compliance.

3
4 Subd. 3. *Stop work order.* Upon determination of the Building Official that a project for which a
5 building permit has been issued is in violation of a requirement of the City Code, an approved
6 development plan, construction management plan, or the terms of an issued building permit, or
7 work for which a building permit is required but no permit has been obtained, a stop work
8 order may be issued.

9
10 Subd. 4. *Remedies not exclusive.* The remedies listed in this chapter are not exclusive and may
11 be used in conjunction with all legal remedies available under the law or in combination with
12 any enforcement method described herein. For example, if the Building Official determines that
13 a contractor continues to park on the street in violation of their construction management plan,
14 the Building Official may issue a stop work order, postpone all building permit inspections until
15 the violations have been brought into compliance, and seek any other legal remedy available
16 under the law in order to obtain compliance.

17
18 **Section 2.** City Code Section 1004.01, Subd. 2. c. is hereby amended as follows. Language
19 proposed to be removed is ~~stricken~~ and language proposed to be added is underlined.

20
21 *Responsibility of owner and occupant for storage and disposal of garbage and rubbish.* Every
22 owner of a rental dwelling shall supply facilities for the sanitary and safe storage and/r disposal
23 of rubbish and garbage. In the case of single-family attached or detached rental dwelling units,
24 it shall be the responsibility of the occupant to furnish the facilities. Every occupant of a rental
25 dwelling unit shall storage and dispose of all its rubbish, garbage and organic waste in a clean,
26 sanitary and safe manner as prescribed by ~~Chapter 504~~ Title 500 of this code.

27
28 **Section 3: References.** The City Clerk is authorized to correct any numeric references to the
29 requirements of this ordinance located elsewhere in the City Code that may have been altered
30 as a result of the amendments.

31
32 **Section 4: Effective Date.** This Ordinance 621 shall take effect upon publication in the City's
33 official newspaper.

1 ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA this 27th day of
2 May, 2025.

3

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JENNIFER LABADIE, MAYOR

7 ATTEST:

8

9

10 _____
SANDIE THONE, CITY CLERK

**CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

RESOLUTION 25-052

**A RESOLUTION APPROVING THE PUBLICATION OF
ORDINANCE 621 REGARDING AMENDING SHOREWOOD CITY CODE CHAPTER 1001 TO
IMPLEMENT THE DIRECTION OF THE COMPREHENSIVE PLAN RELATIVE TO THE BUILDING
CODE & CHAPTER 1004 TO CORRECT A REFERENCE**

WHEREAS, at a duly called meeting on May 27, 2025, the City Council of the City of Shorewood adopted Ordinance No. 621 entitled “Amending Shorewood City Code Chapter 1001 to Implement the Direction of the Comprehensive Plan Relative to the Building Code & Chapter 1004 to Correct a Reference”; and

WHEREAS, the City Council adopted a lengthy ordinance amending City Code Chapter 1001 and 1004 (Building Regulations) including but not limited to correcting references, establishing permit requirements, escrow procedures and other performance standards; and

WHEREAS, the purpose of this summary is to inform the public of the intent and effect of the ordinance but to publish only a summary of the ordinance with the full ordinance being on file in the office of the City Clerk during regular office hours and available on the city’s website.

**NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SHOREWOOD:**

1. The City Council finds that the above title and summary of Ordinance No. 621 clearly informs the public of the intent and effect of the ordinance.
2. The City Clerk is directed to publish Ordinance No. 621 by title and summary, pursuant to Minnesota Statutes, Section 412.191, Subdivision 4. Such summary is to be substantially the same as the attached ordinance.
3. A full copy of the ordinance is available at Shorewood City Hall and on the city’s website.

Adopted by the City Council of Shorewood, Minnesota this 27th day of May, 2025.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



Title/Subject: 2025 Mill & Overlay Change Order #1; City Projects 24-10, 23-01
Meeting Date: Tuesday, May 27, 2025
Prepared by: Andrew Budde, City Engineer
Reviewed by: Matt Morreim, Director of Public Works
Attachments: Overview Map, Contractor Pricing, Resolution

Background

At the April 28th Council Meeting, the Council awarded the 2025 Mill & Overlay project to GMH Asphalt Corporation. The project bids were well under budget and have provided the opportunity to consider some additional improvements.

Item 1 - Additional Ash Tree Removal: The contract includes the removal of many ash trees within the right of way of Eureka Road and Wild Rose Lane, however there are many other ash trees along the other streets throughout the project that will eventually need to be removed by public works staff since the survival rate of ash trees due to emerald ash borer is less than 1%. Removal with this project will free up public works staff for other efforts, help in the removal of many ash trees throughout the city and ensure that the freshly paved roadways are not damaged with the future removals. Some of the trees that staff are considering are clearly in the right-of-way, some are on the property line, and some are just on private property but leaning towards the street. If the trees were to fall into the right-of-way it would be the city's responsibility for cleaning up the debris within the right-of-way. Staff plans to connect with individual residents when the trees are adjacent to their property to both communicate the opportunity and get concurrence on the removal. Trees on private property will require a right of entry agreement for removal. Trees in manicured turf areas are planned to have the stump ground out, placement of 3" of organic topsoil, and residential turf seeding. We will request residents' water the freshly seeded areas to help ensure a timely and satisfactory turf establishment. Trees in wooded/brushy areas will leave the stump cut off approximately 3" from the ground.

Item 2 - West Lane mill & overlay: Over the last year the public works staff have spent a significant amount of effort patching & maintaining West Lane and staff have received many complaints from residents related to the drainage and pavement condition of the street. It is currently one of the worst condition streets slated to be included in the 2027 mill & overlay and could benefit from being completed sooner.

Item 3 - Freeman Park mill & overlay: Reutiman Lane, which is the entrance road into Freeman Park, is in very poor condition. It was not included in the recently completed pavement management plan because it is not a public street but considered park infrastructure. The Park Fund does not have an adequate revenue to fund the required pavement maintenance in the future therefore staff would like to take this opportunity to complete the improvements. It is

also timely now that the Freeman Park Trail project was recently completed and there are no other major infrastructure projects planned in the park in the near term. Another factor for including this area is that it will not be impacted by the number of communication utilities being installed along other roadways throughout the community and therefore would not need street patching to facilitate utility locating in the near future.

Item 4 - Public Works parking lot mill & overlay: The south portion of public works parking lot is seeing significant wear and tear. Many of the previously applied seal coats are spauling off in larger chunks, larger cracks are starting to form, and some areas have seen settlement and created “bird baths” near the entrance to the garage. The city owned parking lots were not included in the recently completed pavement management plan and therefore this area was not previously identified for improvements. However, staff believes that this would be a good opportunity to make these improvements and, like Freeman Park, is not impacted by the communication utilities being installed throughout the community.

Financial or Budget Considerations: Costs for this work would utilize remaining available CIP funds from the 2025 Mill & Overlay project and utilize both local funds and Municipal State Aid funds where applicable. Costs for administration, engineering, and inspection are included in the summary.

Item 1 - Additional Ash Tree Removal:

Fund:	CIP Item:	Code:	Available Budget:	Estimated Costs:
404-Street	2025 M&O	LR-99-100	\$282,000	\$36,000
405-MSA	Eureka Rd N	ST-23-03	\$62,000	\$46,000

Item 2 - West Lane mill & overlay:

Fund:	CIP Item:	Code:	Available Budget:	Estimated Costs:
404-Street	2025 M&O	LR-99-100	\$282,000	\$41,000

Item 3 - Freeman Park mill & overlay:

Fund:	CIP Item:	Code:	Available Budget:	Estimated Costs:
404-Street	2025 M&O	LR-99-100	\$282,000	\$65,000

Item 4 - Public Works parking lot mill & overlay:

Fund:	CIP Item:	Code:	Available Budget:	Estimated Costs:
404-Street	2025 M&O	LR-99-100	\$282,000	\$52,000

If all of the above Change Order items are authorized the contract with GMH Asphalt Corp would increase by \$199,873.88 from \$1,071,646.13 to \$1,271,520.01.

Action Requested: Staff recommends authorizing approval of Change Order #1 for the 2025 Mill & Overlay Improvements project, City Project 24-10 & 23-01 and increase the contract amount to GMH Asphalt Corp. by \$199,873.88 to \$1,271,520.01.

Motion, second and Simple Majority required.



**CHANGE ORDER 1 ESTIMATED
TOTAL = \$240,000**

**(INCLUDES ENGINEERING &
CONST ADMIN)**

**Public Works-south parking lot:
Length: 200 FT
Width: 240 FT
Area: 2680 SQ YD
\$52,000**

**West Lane:
Length: 1170 FT
Width: 13 FT
Area: 1690 SQ YD
Adjust San MH: 6 EACH
\$41,000**

**Freeman Park-Reutiman Lane:
Length: 1400 FT
Width: 20-30 FT
Area: 3420 SQ YD
\$65,000**

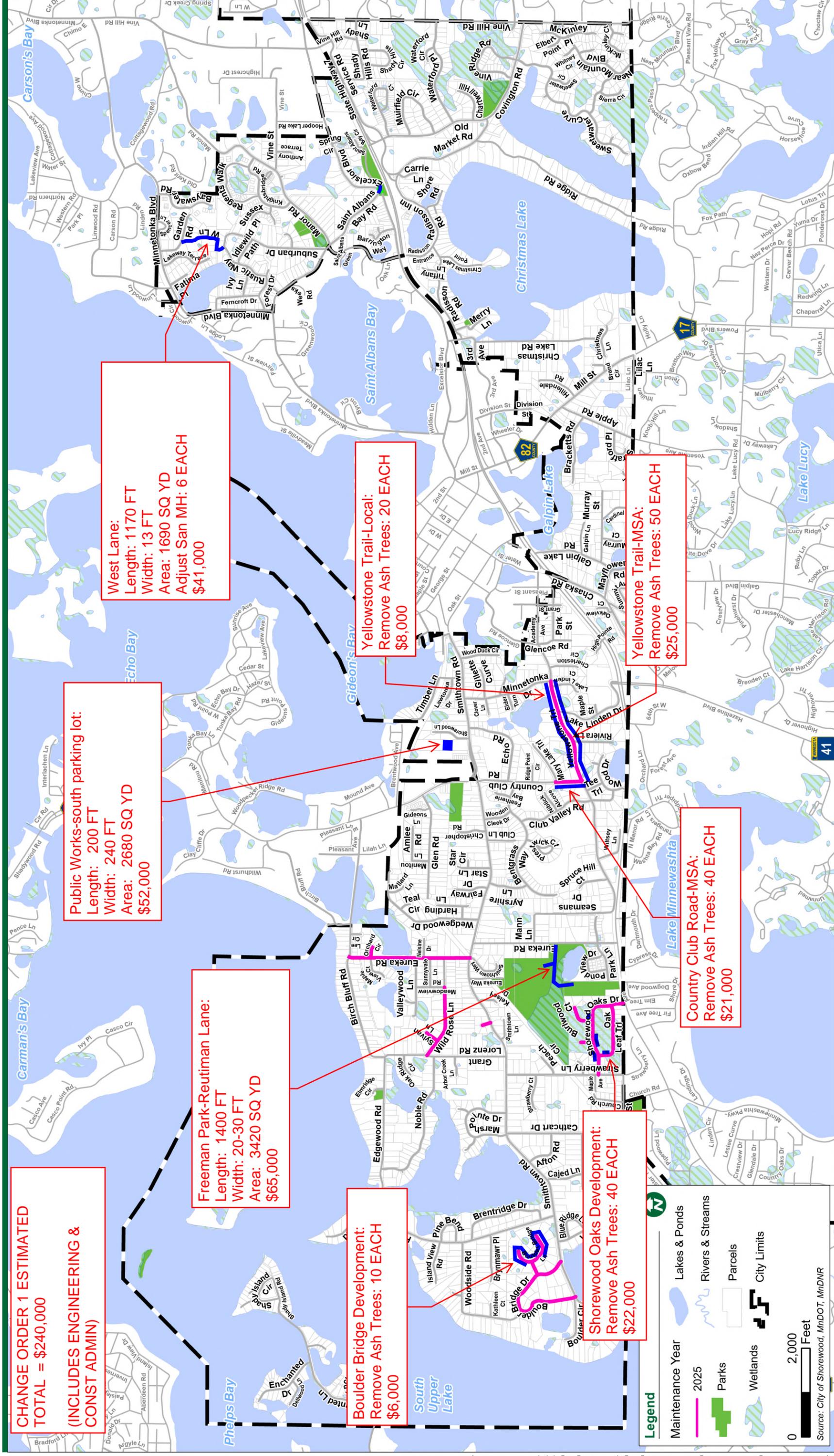
**Boulder Bridge Development:
Remove Ash Trees: 10 EACH
\$6,000**

**Yellowstone Trail-Local:
Remove Ash Trees: 20 EACH
\$8,000**

**Shorewood Oaks Development:
Remove Ash Trees: 40 EACH
\$22,000**

**Country Club Road-MSA:
Remove Ash Trees: 40 EACH
\$21,000**

**Yellowstone Trail-MSA:
Remove Ash Trees: 50 EACH
\$25,000**



Legend

- Maintenance Year: 2025
- Lakes & Ponds
- Rivers & Streams
- Parks
- Wetlands
- Parcels
- City Limits



Source: City of Shorewood, MnDOT, MnDNR

2025 STREET IMPROVEMENTS & MILL & OVERLAY - CHANGE ORDER #1- CONTRACTOR PRICING
CITY OF SHOREWOOD
SAP 216-108-002, SAP 216-114-001, SAP 216-110-001
BMI # 24X.136948

ITEM NO.	MN/DOT SPEC NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
STATE AID STREETS						
1	2021.501	MOBILIZATION	LUMP SUM	1	\$8,930.00	\$8,930.00
2	2563.601	TRAFFIC CONTROL	LUMP SUM	1	\$5,325.00	\$5,325.00
3	2123.61	STREET SWEEPER (WITH PICKUP BROOM)	LUMP SUM	1	\$185.00	\$185.00
5	2101.502	CLEARING	EA	90	\$214.00	\$19,260.00
6	2101.502	GRUBBING	EA	20	\$89.70	\$1,794.00
7	2573.503	SEDIMENT CONTROL LOG TYPE STRAW	LIN FT	40	\$26.40	\$1,056.00
8	2575.604	HYDRAULIC MULCH MATRIX W/ SEED MIX 25-151	SQ YD	1,000	\$1.68	\$1,680.00
9	2574.507	ORGANIC TOPSOIL BORROW	CY	80	\$0.01	\$0.80
SUB TOTAL CHANGE ORDER 1 (STATE AID STREETS):						\$38,230.80
LOCAL STREETS						
1		MOBILIZATION	LUMP SUM	1	\$18,380.00	\$18,380.00
2		TRAFFIC CONTROL	LUMP SUM	1	\$8,855.00	\$8,855.00
3		STREET SWEEPER (WITH PICKUP BROOM)	LUMP SUM	1	\$185.00	\$185.00
3		CLEARING	EACH	70	\$214.00	\$14,980.00
4		GRUBBING	EACH	60	\$89.70	\$5,382.00
5		BITUMINOUS PATCH SPECIAL	SQ YD	790	\$26.90	\$21,251.00
5		MILL BITUMINOUS SURFACE (1.5")	SQ YD	7,920	\$3.20	\$25,344.00
6		TYPE SP 9.5 WEARING COURSE (2,B)	TON	654	\$82.95	\$54,249.30
7		TYPE SP 9.5 LEVELING COURSE MIXTURE (2,B)	TON	220	\$0.01	\$2.20
7		ADJUST GATE VALVE & BOX	EACH	1	\$790.00	\$790.00
8		ADJUST FRAME & RING CASTING -SANITARY	EACH	7	\$1,196.00	\$8,372.00
9		SEDIMENT CONTROL LOG TYPE STRAW	LIN FT	100	\$2.22	\$222.00
9		HYDRAULIC MULCH MATRIX W/ SEED MIX 25-151	SQ YD	2,160	\$1.68	\$3,628.80
10		ORGANIC TOPSOIL BORROW	CU YD	178	\$0.01	\$1.78
SUB TOTAL CHANGE ORDER 1(LOCAL STREETS):						\$161,643.08
TOTAL CHANGE ORDER 1 (STATE AID STREETS + LOCAL STREETS):						\$199,873.88

**CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

RESOLUTION 25-053

**A RESOLUTION TO AUTHORIZE CHANGE ORDER #1 FOR
THE 2025 MILL & OVERLAY IMPROVEMENTS PROJECT
CITY PROJECT 24-10 & 23-01**

WHEREAS, the city council awarded a contract to GMH Asphalt Corp on April 28, 2025 for the 2025 Mill & Overlay Improvements for \$1,071,646.13; and

WHEREAS, the project was under budget and provides an opportunity for the city to complete additional work; and

WHEREAS, the city had the contractor price items for Change Order #1 that included additional ash tree removal, mill & overlay of West Lane, mill & overlay of Freeman Park pavements, and mill & overlay of the south portion of the Public Works parking lot; and

NOW THEREFORE, IT RESOLVED: by the City Council of the City of Shorewood hereby authorizes and approves Change Order #1 for the 2025 Mill & Overlay Improvements Project which will increase the contract amount with GMH Asphalt Corp by \$199,873.88 to \$1,271,520.01.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 27th day of June 2025.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



Title/Subject: Hwy 7 Transportation Management Organization Study Contract
Meeting Date: May 27, 2025
Prepared by: Marc Nevinski, City Administrator
Attachments: Professional Services Contract

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. The communities collectively developed an RFP to retain a consultant to lead the study.

After developing an RFP, entering into a grant agreement with MnDOT (the grant administrator), and receiving a notice to proceed, the City of Shorewood issued an RFP for the Hwy 7 Transportation Management Organization Study. Proposals were issued on January 30, 2025 and were due March 21, 2025. The RFP included a timeline for questions and the publishing of answers to the questions for all proposers to review. RFPs were sent to fifteen firms and posted on the City of Shorewood’s website. Three proposals were submitted from the firms of Alta, Bolton & Menk, and SRF Consulting, all of which include one more sub-consultants.

Corridor communities were invited to participate in the selection process. The following communities chose to participate in the selection process:

- City of Minnetrista – Jasper Krugle, City Administrator
- City of Chanhassen - Charles Howley, City Engineer
- City of Shorewood – Marc Nevinski, City Administrator
- City of Greenwood – Tom Fletcher, Mayor
- City of Minnetonka – Mike Funk, City Manager

The committee met virtually on April 11, 2025 to discuss the proposals. The selection committee reviewed each proposal based on the following:

- Experience and Training of key Staff
- Company’s Experience with Similar Projects
- Quality of the Proposal (Alignment with RFP, proposed deviations)
- Timeline
- Cost

The committee concluded all of the proposals met the project's budget and timeline criteria. However, two proposals stood out. The distinguishing factors among the proposals included:

SRF

- Project manager with strong engineering experience
- Relevant and local experience with TMOs on regional corridors, including operations

Bolton & Menk

- Project manager with strong planning experience
- Experience with Hwy 7 and TMOs
- Recommendation to move up board formation in process

The committee advanced SRF and Bolton & Menk to the interview stage of the selection process. Interviews were conducted virtually on April 24, 2025 with the selection committee and the consulting teams. Both firms interviewed well and had very strong proposals. The selection committee chose SRF as the Hwy 7 TMO Study consultant. The committee noted the experienced staff and the inclusion of an engineer as a project manager. The committee felt this distinction would be important in understanding feasibility and impacts of projects to help the TMO prioritize initiatives.

MnDOT is still reviewing the RFP related documents at the time this memo was prepared. Approval of the contract is subject to MnDOT issuing the City a Notice to Proceed.

Financial Considerations

The TMO Study is being funded completely by a legislatively appropriated grant.

Action Requested

Motion to approve the contract with SRF Consulting for the Highway 7 TMO Study.

A majority vote by the Council is required.

**PROFESSIONAL SERVICES AGREEMENT FOR
Highway 7 Transportation Management Organization Study**

THIS AGREEMENT is made this day of May 27, 2025 (“Effective Date”) by and between SRF Consulting Group, a Minnesota limited liability company with its principal office located at _____ (“Consultant”), and the City of Shorewood, Minnesota, a Minnesota municipal corporation located at 5755 Country Club Road, Shorewood, MN 55331 (the “City”):

RECITALS

- A. Consultant is engaged in the business of providing engineering and planning related consulting services.
- B. The City desires to hire Consultant to provide professional consulting services to study the formation of a Transportation Management Organization along Trunk Highway 7.
- C. Consultant represents that it has the professional expertise and capabilities to provide the City with the requested services.
- D. The City desires to engage Consultant to provide the services described in this Agreement and Consultant is willing to provide such services on the terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the terms and conditions expressed in this Agreement, the City and Consultant agree as follows:

AGREEMENT

- 1. **Services.** Consultant agrees to provide the City with the services as described and subject to the additional conditions in the attached **Exhibit A** (the “Services”). **Exhibit A** is the Consultant’s proposal and includes the project scope, services, and compensation, and shall be incorporated into this Agreement. All Services shall be provided in a manner consistent with the level of care and skill ordinarily exercised by professionals currently providing similar services.
- 2. **Time for Completion.** The Services shall commence upon full execution of this agreement and be completed on or before May 29, 2026, provided that the parties may extend the stated deadlines upon mutual written agreement. This Agreement shall remain in force and effect commencing from the effective date and continuing until the completion of the project, unless terminated by the City or amended pursuant to the Agreement.
- 3. **Consideration.** The City shall pay Consultant for the Services according to the terms on the attached hereto as **Exhibit A**. The consideration shall be for both the Services performed by Consultant and any expenses incurred by Consultant in performing the Services. Consultant shall submit statements to the City upon completion of the Services. The City shall pay Consultant within thirty (35) days after Consultant’s statements are submitted.
- 4. **Termination.** Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

- A. The parties, by mutual written agreement, may terminate this Agreement at any time;
- B. Consultant may terminate this Agreement in the event of a breach of the Agreement by the City upon providing thirty (30) days' written notice to the City;
- C. The City may terminate this Agreement at any time at its option, for any reason or no reason at all; or
- D. The City may terminate this Agreement immediately upon Consultant's failure to have in force any insurance required by this Agreement.

In the event of a termination, the City shall pay Consultant for Services performed to the date of termination and for all costs or other expenses incurred prior to the date of termination.

7. **Amendments.** No amendments may be made to this Agreement except in a writing signed by both parties.

8. **Remedies.** In the event of a termination of this Agreement by the City because of a breach by Consultant, the City may complete the Services either by itself or by contract with other persons or entities, or any combination thereof. These remedies provided to the City for breach of this Agreement by Consultant shall not be exclusive. The City shall be entitled to exercise any one or more other legal or equitable remedies available because of Consultant's breach.

9. **Records/Inspection.** Pursuant to Minnesota Statutes § 16C.05, subd. 5, Consultant agrees that the books, records, documents, and accounting procedures and practices of Consultant, that are relevant to the contract or transaction, are subject to examination by the City and the state auditor or legislative auditor for a minimum of six years. Consultant shall maintain such records for a minimum of six years after final payment. The parties agree that this obligation will survive the completion or termination of this Agreement.

10. **Insurance Requirements.** The Consultant, at its expense, shall procure and maintain in force for the duration of this Agreement the following minimum insurance coverages:

- A. General Liability. The Consultant agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products completed operations, personal injury, advertising injury, and contractual liability. The City shall be endorsed as additional insured.
- B. Automobile Liability. If the Consultant operates a motor vehicle in performing the Services under this Agreement, the Consultant shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000 combined single limit.
- C. Workers' Compensation. The Consultant agrees to provide workers' compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota.

The Consultant shall also carry employers liability coverage with minimum limits are as follows:

- \$500,000 – Bodily Injury by Disease per employee
- \$500,000 – Bodily Injury by Disease aggregate
- \$500,000 – Bodily Injury by Accident

The Consultant shall, prior to commencing the Services, deliver to the City a Certificate of Insurance as evidence that the above coverages are in full force and effect.

The insurance requirements may be met through any combination of primary and umbrella/excess insurance.

With the exception to Professional Liability and Workers' Compensation insurance, the Consultant's policies shall be the primary insurance to any other valid and collectible insurance available to the City with respect to any claim arising out of Consultant's performance under this Agreement.

The Consultant's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall include a 30 day written notice to the City in the event the policies are cancelled, and a 10 day written notice in the event the policies are cancelled for reason of non-payment of premium.

- D. Professional (Errors and Omissions) Liability Insurance. [Only required for professional services provided by accountants, attorneys, engineers, etc.] The Consultant will maintain professional liability insurance for all claims the Consultant may become legally obligated to pay resulting from Consultant's negligent act, error, or omission in the performance of Consultant's professional services required under this Agreement. The Consultant is required to carry the following minimum limits: \$1,000,000 per claim; \$2,000,000 annual aggregate. The retroactive or prior acts date of such coverage shall not be after the effective date of this Agreement, and the Consultant shall maintain such insurance for a period of at least three (3) years following completion of the Services. If such insurance is discontinued, extended reporting period coverage must be obtained by the Consultant to fulfill this requirement.

11. **Independent Consultant.** Consultant is an independent Consultant. Consultant's duties shall be performed with the understanding that Consultant has special expertise as to the services which Consultant is to perform and is customarily engaged in the independent performance of the same or similar services for others. Consultant shall provide or contract for all required equipment and personnel. Consultant shall control the manner in which its services are performed; however, the nature of the Services and the results to be achieved shall be specified by the City. The parties agree that this is not a joint venture and the parties are not co-partners. Consultant is not an employee or agent of the City and has no authority to make any binding commitments or obligations on behalf of the City except to the extent expressly provided in this Agreement. All services provided by Consultant pursuant to this Agreement shall be provided by Consultant as an independent Consultant and not as an employee of the City for any purpose, including but not limited to: income tax withholding, workers' compensation, unemployment compensation, FICA taxes, liability for torts and eligibility for employee benefits.

12. **Indemnification.** To the fullest extent permitted by law, the Consultant agrees to defend, indemnify, and hold harmless the City and its employees, officials, and agents from and against all claims, actions, damages, losses, and expenses, including reasonable attorney fees incurred, to the extent caused by the negligent act, error or omission of the Consultant, its subcontractors or any entity for whom Consultant is legally liable arising out of Consultant's performance or failure to perform its obligations under this Agreement. . The Consultant agrees this indemnity obligation shall survive the completion or termination of this Agreement. Notwithstanding the foregoing, Consultant's obligations to defend the City and its employees, officials, and agents will not apply to claims covered by Consultant's professional liability insurance.

13. **Compliance with Laws.** Consultant shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations in effect as of the date Consultant agrees to provide the Services. Consultant's guests, invitees, members, officers, officials, agents, employees, volunteers, representatives, and subConsultants shall abide by the City's policies prohibiting sexual harassment and tobacco, drug, and alcohol use as defined on the City's Tobacco, Drug, and Alcohol Policy, as well as all other reasonable work rules, safety rules, or policies, and procedures regulating the conduct of persons on City property, at all times while performing duties pursuant to this Agreement. Consultant agrees and understands that a violation of any of these policies, procedures, or rules constitutes a breach of the Agreement and sufficient grounds for immediate termination of the Agreement by the City.

14. **Entire Agreement.** This Agreement, any attached exhibits or attachments, and any addenda signed by the parties shall constitute the entire agreement between the City and Consultant, and supersedes any other written or oral agreements between the City and Consultant. This Agreement may only be modified in a writing signed by the City and Consultant. If there is any conflict between the terms of this Agreement and the referenced or attached items, the terms of this Agreement shall prevail.

15. **Third Party Rights.** The parties to this Agreement do not intend to confer any rights under this Agreement on any third party.

16. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Hennepin County, Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

17. **Conflict of Interest.** Consultant shall use reasonable care to avoid conflicts of interest and appearances of impropriety in representation of the City. In the event of a conflict of interest, Consultant shall advise the City and, either secure a waiver of the conflict, or advise the City that it will be unable to provide the requested Services.

18. **Agreement Not Exclusive.** The City retains the right to hire other professional consultant service providers for this or other matters, in the City's sole discretion.

19. **Data Practices Act Compliance.** Any and all data provided to Consultant, received from Consultant, created, collected, received, stored, used, maintained, or disseminated by Consultant pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. Consultant agrees to notify the City within

three business days if it receives a data request from a third party. This paragraph does not create a duty on the part of Consultant to provide access to public data to the public if the public data are available from the City, except as required by the terms of this Agreement. These obligations shall survive the termination or completion of this Agreement.

20. **No Discrimination.** Consultant agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement. Consultant agrees to comply with the Americans with Disabilities Act as amended (“ADA”), section 504 of the Rehabilitation Act of 1973, and the Minnesota Human Rights Act, Minnesota Statutes, Chapter 363A. Consultant agrees to hold harmless and indemnify the City from costs, including but not limited to damages, attorneys’ fees and staff time, in any action or proceeding brought alleging a violation of these laws by Consultant or its guests, invitees, members, officers, officials, agents, employees, volunteers, representatives and subConsultants. Upon request, Consultant shall provide accommodation to allow individuals with disabilities to participate in all Services under this Agreement. Consultant agrees to utilize its own auxiliary aid or service in order to comply with ADA requirements for effective communication with individuals with disabilities.

21. **Authorized Agents.** The City’s authorized agent for purposes of administration of this contract is the City Administrator of the City, or designee. Consultant’s authorized agent for purposes of administration of this contract is the City Administrator, or designee who shall perform or supervise the performance of all Services.

22. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

Consultant

The City

Marc Nevinski, City Administrator
City of Shorewood
5755 Country Club Rd
Shorewood, MN 55331
952-960-7900
mnevinski@ci.shorewood.mn.us

or such other contact information as either party may provide to the other by notice given in accordance with this provision.

26. **Waiver.** No waiver of any provision or of any breach of this Agreement shall constitute a waiver of any other provisions or any other or further breach, and no such waiver shall be effective unless made in writing and signed by an authorized representative of the party to be charged with such a waiver.

27. **Headings.** The headings contained in this Agreement have been inserted for convenience of reference only and shall in no way define, limit or affect the scope and intent of this Agreement.

28. **Severability.** In the event that any provision of this Agreement shall be illegal or otherwise unenforceable, such provision shall be severed, and the balance of the Agreement shall continue in full force and effect.

29. **Signatory.** Each person executing this Agreement (“Signatory”) represents and warrants that they are duly authorized to sign on behalf of their respective organization. In the event Consultant did not authorize the Signatory to sign on its behalf, the Signatory agrees to assume responsibility for the duties and liability of Consultant, described in this Agreement, personally.

30. **Counterparts and Electronic Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement may be transmitted by electronic mail in portable document format (“pdf”) and signatures appearing on electronic mail instruments shall be treated as original signatures.

31. **Recitals.** The City and Consultant agree that the Recitals are true and correct and are fully incorporated into this Agreement.

[Remainder of page left blank intentionally. Signature page follows.]

IN WITNESS WHEREOF, the City and Consultant have caused this Professional Services Agreement to be executed by their duly authorized representatives in duplicate on the respective dates indicated below.

SRF Consulting Group

By: _____

Name: _____

Title: _____

City of Shorewood:

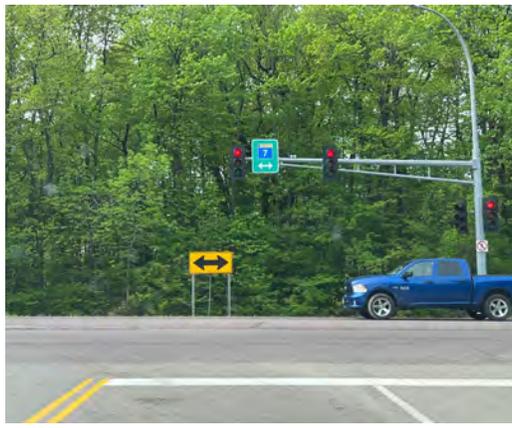
By: _____

Jennifer Labadie, Mayor

By: _____

Sandie Thone, City Clerk

**EXHIBIT A
CONSULTANT PROPOSAL
SCOPE OF SERVICES & FEE SCHEDULE**



City of Shorewood



HIGHWAY 7 TRANSPORTATION MANAGEMENT ORGANIZATION STUDY



In Partnership with:
Bongorno Consulting and Smart Mobility Associates

March 21, 2025

March 21, 2025

Marc Nevinski
City Administrator
City of Shorewood, MN
5755 Country Club Rd
Shorewood, MN 55331

Subject: SRF Proposal for City of Shorewood Highway 7 Transportation Management Organization Study

Dear Marc Nevinski and Members of the Selection Committee:

The City of Shorewood, in partnership with the communities and school districts in Hennepin and Carver counties located along the Highway 7 Corridor, is seeking a consultant to help develop a Transportation Management Organization (TMO) to advocate for safety improvements and increased efficiencies along this increasingly high-risk corridor. In 2024, the Minnesota Legislature provided funding for the creation of a TMO to build on past work, including a safety audit completed in 2022 and a current corridor study anticipated to be completed in mid-2025. SRF Consulting Group, Inc. (SRF) is the ideal partner to undertake this work due to our extensive experience and expertise in developing comprehensive studies and financial plans for TMOs. We have assembled a highly specialized team that not only understands the specific goals and objectives of establishing a successful TMO, but also brings together both local and national experts to ensure the success of the project. Our team is uniquely positioned to guide this initiative, laying the groundwork for future corridor investments driven by an active TMO, beginning in June 2026. SRF will provide the City of Shorewood and its partners with several key advantages:

SAFETY AS #1 PROJECT GOAL | The project goal is to ultimately form a TMO with a clear mission statement that centers on improving the safety and efficiency of Highway 7. There have been previous studies identifying issues that degrade safety and efficiency through the corridor; it is now time to form a TMO with the purpose of advocating for project funding to design and construct improvements which the communities, stakeholders, and MnDOT support.

STRONG PROJECT MANAGEMENT | The SRF Team will be led by **Kevin Jullie, PE**, who has over 30 years of experience designing and managing projects along MnDOT corridors similar to Highway 7. In addition to his strong technical skills, Kevin has a passion for relationship building and collaborating with stakeholders and supporting transportation coalitions make Kevin a great fit to lead our team. Kevin will be supported by **Becky Alper**, who has extensive experience as a transportation planner to drive action and implementation working with TMOs and collaborating with local agencies.

EXTENSIVE TMO EXPERIENCE | We have partnered with two firms with national TMO experience to round out our team. **Bongorno Consulting (Chris Bongorno)** and **Smart Mobility Associates (Jonathan Hopkins)** will bring national expertise and experience to The SRF Team. Chris and Jonathan have a combined 47 years of experience in planning and have been part of TMOs (or similar organizations) throughout their careers.

COMMITMENT OF EXPERIENCED STAFF | In addition to our core team, we have the needed technical expertise and resources to support our key team throughout the project timeline as needed. SRF has over 400 engineers, planners, and technicians to provide project assistance in all areas.

FOCUS ON ENGAGEMENT | We understand the need for engagement with the stakeholders along the corridor to develop the corridor vision and set the TMO Mission Statement. Kevin will be the face of our team and lead our engagement presentations and interactions with the support of Becky.

SOUND METHODOLOGY AND TECHNICAL ANALYSIS | SRF is known for our ability to develop sound methods, technical analysis, implementation strategies, and innovative design solutions. Credible technical information backing the findings and recommendations is imperative to the project. SRF is recognized for our ability to present highly technical information in an understandable format.

The SRF Team is confident that we can successfully implement a TMO for the City of Shorewood and its partners over the next 12 months. If you have any questions regarding our proposal, please contact our Project Manager, Kevin Jullie, at 763.475.0010 or kjullie@srfconsulting.com. This proposal is valid for 90 days after the proposal due date. We acknowledge receipt of Addendum #1 posted on February 25, 2025.

Sincerely,



Kevin Jullie, PE
Project Manager



Susan Miller, PE
Vice President



B. TRANSMITTAL LETTER

PROJECT UNDERSTANDING

The Twin Cities West Metro is experiencing significant growth, and with it, evolving transportation and safety challenges. A Transportation Management Organization (TMO) or a coalition-based approach is a way to create consensus across multiple municipalities and school districts around a shared vision and mission for the Highway 7 Corridor. A TMO or traffic safety coalition (also called coalitions) offer residents, workers, employers, and community leaders flexible options to collaboratively address key concerns in the West Metro about traffic safety and work together toward solutions that can save lives and reduce life-changing crashes across the region.

We recognize that the region is facing urgent traffic safety issues that are impacting both growth and quality of life. Multiple fatalities over the past year—one of which was a pedestrian death—highlight the immediate need for action with impact now. Addressing these concerns through a comprehensive coalition-based approach is critical to reducing traffic fatalities, improving infrastructure, and enhancing enforcement across the region.

Key Issues facing the West Metro

 **Traffic Safety Concerns:** The Twin Cities West Metro has seen an alarming number of traffic fatalities, including the death of a pedestrian, over the past year. These incidents underscore the region’s pressing need to improve traffic safety, particularly in high-risk areas, through better infrastructure, law enforcement, and public awareness efforts.

 **Economic Impacts:** Safe and efficient transportation networks are essential for fostering economic growth and creating vibrant, healthy communities. Traffic crashes not only result in loss of life but also have significant economic costs, including medical expenses, lost productivity, and strain on the local economy. The safety of the workforce is a key concern, as workers are at risk of being involved in crashes while commuting or during their daily activities, directly impacting businesses in the region.

 **Vulnerable Users:** Vulnerable road users such as pedestrians, cyclists, and motorcyclists face an elevated risk of injury or death. Enhancing infrastructure with safer crosswalks, bike lanes, and better lighting in pedestrian-heavy areas is crucial for providing safer travel for all.

 **Traffic Patterns and Distracted Driving:** Distracted driving continues to be a major factor in traffic-related fatalities and injuries. Changing travel patterns, especially due to increased volume in suburban areas, have exacerbated issues with speeding, reckless driving, and other unsafe behaviors. Addressing distracted driving through public campaigns, education, and enforcement will be a central focus of the TMO/coalition’s work.

Our team understands the importance of using available resources as efficiently as possible to ensure that funds are allocated toward

meaningful traffic safety improvements. We are committed to working collaboratively with local stakeholders—including law enforcement, transportation agencies, local businesses, school districts, and the general public—to identify and address the specific traffic safety issues that the Twin Cities West Metro faces. We also recognize that enhancing traffic safety is not just about reducing fatalities but also improving quality of life by fostering safer streets for all road users.

A crucial outcome of this study will be to build the organizational infrastructure to launch and sustain a TMO for the Twin Cities West Metro. Through our team’s extensive experience operationalizing the Highway 55 Corridor Coalition, the Highway 169 Corridor Coalition, Move Minneapolis (TMO), in addition to other coalitions and TMOs, we understand the delicate operating environment and keys to long-term financial sustainability. ***This vital coalition will serve as a collaborative body to support efforts to reduce traffic fatalities, improve safety infrastructure, and engage the public in educational efforts about safe driving, pedestrian safety, and responsible road use.***



Dan McNiel engaging the public

Successful entities like the one envisioned for the Twin Cities West Metro combine the efforts of local governments, law enforcement, advocacy groups, and employers to create safe and effective transportation networks and healthy communities. By facilitating important conversations with all communities, this TMO will be poised to address increased levels of traffic and respond appropriately to the needs of a given area.

We understand the importance of building upon prior efforts along this corridor. Significant work has been done, including safety audits and corridor studies that can inform prioritized opportunity for critical infrastructure investments supported by the key stakeholders of this coalition.



Building broad support is vital. The coalition’s success will depend on getting key stakeholders—from local governments and law enforcement to businesses, schools, and the general public—involved from the start. The organization will need to focus on building a shared vision and common goals for infrastructure investments improving the safety and operation of a multi-modal network across the region.



Coalition Building through Communication Best Practices

Clear and consistent communication will be a cornerstone of the new organization, raising awareness among the public and stakeholders through social media, newsletters, websites, and in-person pop up events. Regular updates will be provided to keep the community informed about ongoing efforts, safety initiatives, and progress toward reducing traffic fatalities.

Engaging employers and local businesses will also be a key part of the newly formed organization’s work. Employers can be powerful advocates for traffic safety and prioritized infrastructure investments, particularly in terms of encouraging safe driving among their employees and supporting workplace safety programs. School districts are another major audience for a TMO as children by definition are non-drivers. School districts have a need to ensure that children safely and efficiently get from home to school and a TMO can leverage school communications to amplify safe biking, walking, and driving campaigns.



A TMO focused on Improving Traffic Safety

TMOs are very versatile and diverse organizations. TMOs span geographies, objectives, and activities. TMOs work well not only in urban environments but also in suburban and rural contexts. There is a great amount of flexibility in terms of mission and vision as well as programming. Some TMOs focus exclusively on education and engagement around transportation options while other TMOs do demonstration projects, own bike fleets, or operate shuttles. A TMO model could offer Hwy 7 communities ample options for pursuing a mission focused on improving traffic safety.



Best Practices and Coalition Models

To ensure the new organization is effective and sustainable, the Highway 7 TMO Study will benefit from a review of successful local examples of similar organizations such as the Twin Cities TMOs, Southwest Corridor Transportation Coalition, I-94 West Coalition, Highway 55 Coalition, 169 Coalition as well as national initiatives in other regions across the United States. These peer models will provide valuable insights into how to design programs that reduce traffic crashes and fatalities while maintaining cost-effectiveness. We will adapt these best practices to meet the specific needs and challenges of the Highway 7 TMO, focusing on high-risk areas and the region’s unique traffic patterns.

We will also explore evidence-based strategies for improving transportation safety, such as speed management, traffic calming measures, pedestrian-friendly infrastructure, and distracted driving prevention campaigns. These strategies will be tailored to the region’s demographics, geography, and transportation network conditions to ensure maximum impact.

By engaging stakeholders across all sectors of the community—including law enforcement, local governments, schools, healthcare providers, and employers—***we will ensure that the TMO/coalition is inclusive, effective, and aligned with the region’s goals for reducing life-changing injuries and fatalities.***



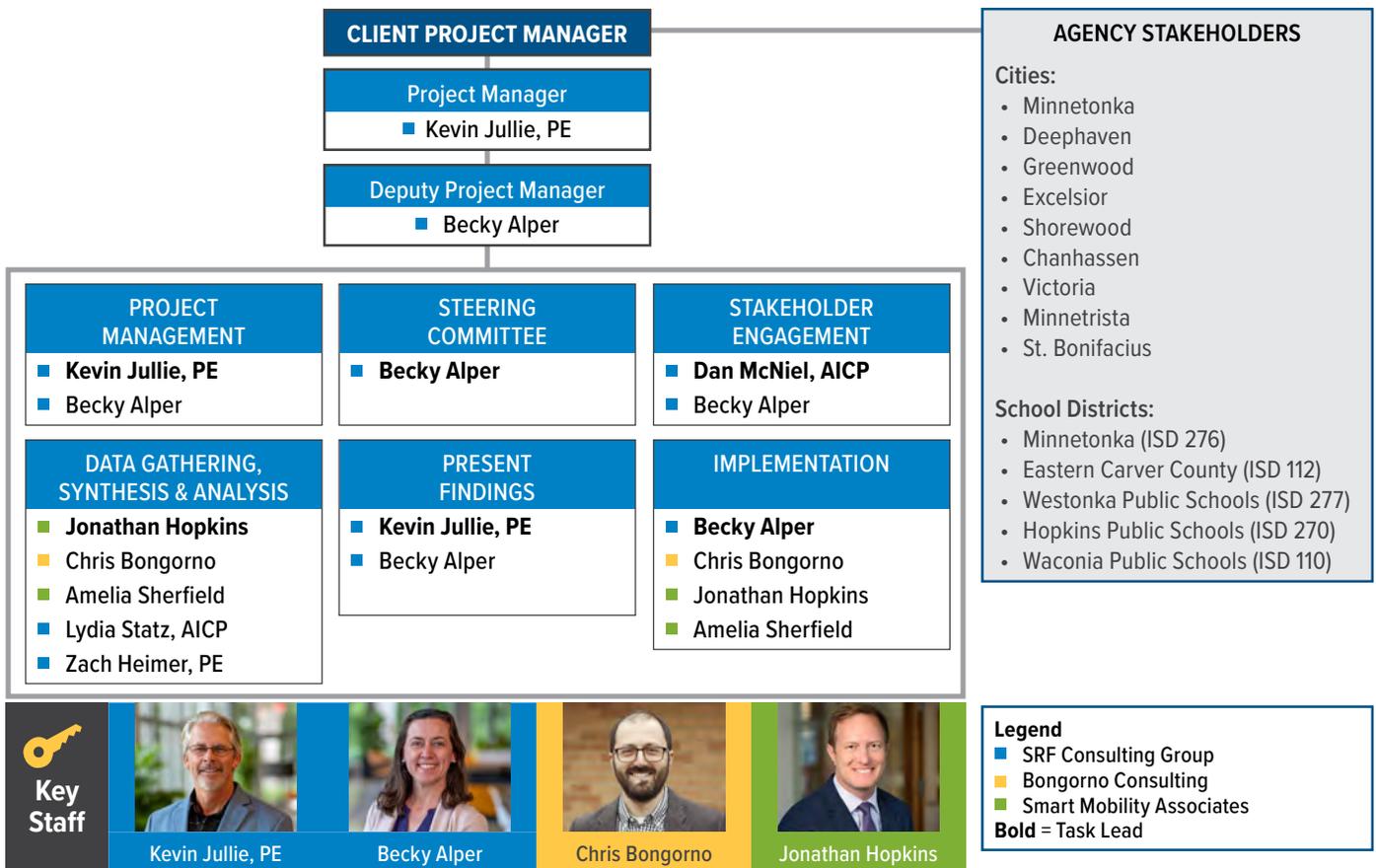
Mikaela Ziegler engaging the public at the Open Streets event



C. KEY STAFF

SRF has assembled a top tier team in partnership with Bongorno Consulting and Smart Mobility Associates. We have intentionally partnered with these firms to bring a blend of highly experienced designers and planners of highway corridors and coalitions together to successfully develop the needed elements of a TMO. **Project Manager Kevin Jullie, PE**, will lead our team. He has extensive experience building project consensus and delivering in multi-jurisdictional settings achieving successfully implemented solutions. Kevin’s calm demeanor and thoughtful approach to team leadership and problem solving will bring the City of Shorewood and their partners the confidence and trust needed to deliver this important project. *In recent years, Kevin has been an active participant in various corridor coalitions with the mission of helping clients secure project funding through leading stakeholder group meetings, public engagement presentations, performing technical analysis, building relationships, and ultimately implementing projects with detailed funding plans.* Supporting Kevin is a full cast of experts to ensure that all tasks are completed in a high-quality manner. Below is an Organization Chart showing each task along with the key personnel responsible for delivering.

Organization Chart





SRF Consulting Group

As a 100 percent employee-owned company, SRF’s 400+ engineers, planners, and designers collaborate with our clients and their stakeholders to develop creative solutions for the most challenging projects. Together, we create vibrant communities and dynamic experiences. Our award-winning projects range from designing roadways, bikeways, parks, and bridges to planning statewide transportation systems, to revitalizing neighborhoods and urban spaces.

Delivered with integrity and passion, SRF’s comprehensive services include:

- Civil, structural, water resources, traffic, and electrical engineering
- Stakeholder and public engagement
- Environmental documentation and permitting
- Project controls: scheduling and cost estimating
- Landscape architecture and urban design
- Site development and utilities
- Funding Grant Applications and administration
- Surveying and construction staking
- Visualizations
- Construction administration and observation
- Real estate: acquisition, relocation, and appraisal

60+  Years of Achievements

400+  Employee Owners

8  Offices in MN, IL, ND, WI, NE, and FL

10k+  Successful Projects Delivered

100+  Awards

\$3.2 Billion  Secured for clients

Bongorno Consulting

BONGORNO CONSULTING
COMMUNITY CENTERED PLANNING

Bongorno Consulting is an Ohio-based limited liability corporation led by Chris Bongorno, a professional planner with more than 17 years of experience in the fields of transportation and community planning, mixed-use and institutional development, place management, and strategic planning. We believe in a Community Centered Planning approach, building solutions that are rooted in and customized to the unique needs of each community.

Chris brings extensive community engagement, project management, and implementation experience to projects. His background includes management and leadership roles with a number of non-profit and for-profit organizations. He has worked in cities across the U.S., where regional growth and reinvestment in core communities has called for an increased emphasis on safe, accessible, equitable multimodal networks. Chris is a transportation demand management certified professional (TDM-CP), one of only five in the Midwest.

Smart Mobility Associates



Smart Mobility Associates (SMA) is dedicated to helping communities grow sustainably by reducing single-occupancy vehicle (SOV) trips and improving multimodal transportation access.

Founded by TDM and transit campaign veteran Jonathan Hopkins, SMA’s core competency is forging public-private partnership to plan, launch, and operate data-driven, high-impact Transportation Management Organizations (TMOs) in support of thriving economies and high quality of life.

What We Do

- TDM Program Planning, Implementation & Operations: From feasibility studies to in-house operations of best-in-class TMOs.
- Shared Mobility Integration: Incorporating bike/scooter share, rideshare, carshare, public transit and MaaS solutions deployment.
- Stakeholder Engagement & Marketing: Building public-private coalitions, training Employee Transportation Coordinators (ETCs), and driving commuter awareness.
- Policy & Funding Strategies: Navigating local politics, securing grant funding, and mobilizing community partner support

Project Manager



31 yrs
exp

Kevin Jullie, PE | SRF

Kevin has more than 31 years of experience designing and managing transportation projects throughout his career for SRF. He has extensive experience with MnDOT corridors from early planning all the way through construction. *In recent years, Kevin has been an active participant in various corridor coalitions with the mission of helping clients secure project funding through leading stakeholder group meetings, public engagement presentations, performing technical analysis, building relationships, and ultimately implementing projects with detailed funding plans.* Kevin values relationships with his clients, agencies, and team members. These relationships, built over many years, are the foundation of his ability to deliver multi-jurisdictional type projects. Kevin has worked extensively with MnDOT West Area staff who will be a critical partner since Highway 7 is a MnDOT Trunk Highway. In addition to his technical background, Kevin serves as a city council member for the City of Rogers. This experience provides him with a unique understanding of how city governments function, prioritize, and fund infrastructure projects. Kevin will bring his distinctive skill set to manage the Highway 7 TMO project.

Southwest Corridor Transportation Coalition (SWCTC). Kevin has been an active participant in SWCTC on behalf of Carver County while advocating for funding of the Highway 212 corridor from the City of Carver to the City of Glencoe, and beyond. This corridor, has seen significant investments over the past five years to upgrade the dangerous two-lane segments to a four-lane access controlled highway. Kevin actively participated in engagement with stakeholders along the corridor, development of alternatives for improvements, preliminary and final design of MnDOT approved layouts and plans, and federal grant applications to secure construction funding. Kevin accompanied the SWCTC to Washington, DC on several occasions to meet with the Minnesota Congressional Delegation to advocate for funding support, which was ultimately successful.

I-94 West Corridor Coalition. Kevin has participated in the I-94 West Corridor Coalition for the past three years, advocating for a variety of projects along this busy corridor in the northwest section of the Metro area and southeast section of outstate, District 3 (MnDOT). Kevin and his team have worked directly with the cities of St. Michael, Rogers, and Maple Grove to advocate and secure funding for major projects along the corridor. Kevin has worked with elected officials, city staff, and members of the business community to build consensus and support the coalition in their mission of working with MnDOT and identifying funding for future projects. The I-94 Coalitions work has resulted in hundreds of millions of dollars invested safety and capacity improvement projects including new interchanges and added lanes on I-94.

Additional Experience:

- Design Manager for MnDOT I-35W and TH 62 Crosstown Commons project in Richfield and Minneapolis
- Project Manager for TH 212 project in Carver County
- Project Manager for TH 10 and Armstrong Blvd. Interchange project in Anoka County

Deputy Project Manager



15 yrs
exp

Becky Alper | SRF

Becky focuses on multimodal policy and behavior change projects with a passion for innovative strategies to prepare communities for the future. With more than 15 years of experience in the transportation field, she has a diverse planning and management background spanning the public, private, and non-profit sectors. Becky started her career at the Minnesota Department of Transportation as a Transit Planner where she led planning efforts around the state, frequently coordinating with local agency partners. Before coming to SRF she directed employer outreach and engagement programs at Twin Cities transportation management organizations, working with diverse stakeholders to accomplish objectives.

Elk River Safety Action Plan, City of Elk River, MN. Developed presentations for the Elk River City Council to highlight key project milestones and solicit feedback from decision makers. Led the writing of the final plan, working with staff in graphics, GIS, planning, engagement, and engineering to tell the story of necessary safety improvements. Collaborated with engineers to identify engineering countermeasures, develop project lists, and identify potential funding sources.

St. Croix, Dunn and Eau Claire Safety Action Plans, St. Croix, Dunn, and Eau Claire Counties, WI. Led the development of the final safety action plan, building upon a basic template to create a stunning new document that highlights important crash statistics, engagement work, and safety strategies to set up these three counties for future funding applications.

Comprehensive Safety Action Plan; Fargo-Moorhead Council of Governments. Led development of the region's first comprehensive safety action plan, elevating key crash statistics about vulnerable road users to improve safety policies and processes.

Prior Experience to SRF:

- Employer Outreach Manager, Move Minnesota/Saint Paul Smart Trips
- Director of Employer Outreach, Move Minneapolis



17 yrs
exp

🔑 Chris Bongorno, TDM-CP | Bongorno Consulting

Chris has more than 17 years of professional planning experience, applying a detail-oriented skill set to work in the fields of transportation and community planning, mixed-use and institutional development, place management, and strategic planning. He brings extensive community engagement, project management, and implementation planning experience to his projects. Chris is one of five Transportation Demand Management Certified Professionals (TDM-CP) in the Midwest and has worked with communities across the United States to evaluate and programs, services, capital projects, and organizational capacity related to housing, transportation, zoning, and real estate development.

MobilISE & FlexRide Strategic Plan, Milwaukee, WI. Bongorno Consulting supported MobilISE, a nonprofit transit advocacy organization in Southeastern Wisconsin, in operationalizing a new transit service and sustaining the dramatic shift in organizational focus the service has brought about. In 2022, Chris facilitated issuance of an RFP, vendor evaluation, and contracting turnkey service to operate the region's FlexRide microtransit service. In 2023, Chris helped MobilISE onboard a new Program Manager and worked with the organization's staff, Board, committees, and community partners to evaluate their strategic priorities, producing a Strategic Plan and 3-year Workplan that provide a guide for MobilISE's operations and sustained growth.

Tempe TDM Plan & TMA Implementation, City of Tempe, AZ. As part of a comprehensive TDM implementation plan for Tempe, Bongorno Consulting conducted a Transportation Management Association (TMA) feasibility analysis that included engagement with a broad base of public and private stakeholders and was successful in solidifying City support for implementation. The project transitioned to implementation in 2023 and Chris continues work with the City of Tempe, Downtown Tempe Authority, and Arizona State University, drafting a series of policies and programs that the new TMA will steward. "Pilot" TMA members have been recruited and the TMA's vision, goals, performance measures, and services are in development. In 2024, Chris drafted a 5-year budget and Workplan that is being used to secure the resources necessary to launch the TMA in 2025.

Additional Experience:

- Downtown Parking & TDM Plan, Downtown Memphis Commission (Memphis, TN)
- Technical Assistance provider for USDOT's Thriving Communities Program in Independence, OR and Macomb, IL
- Lead planner and project manager for the Senior Transportation Connection Sustainable Organizational & Operations Plan

Deputy Project Manager



30 yrs
exp

🔑 Jonathan Hopkins | SMA

Jonathan is a multimodal transportation expert with over 30 years of experience. He has previous experience serving as the executive director for Commute Seattle, a TMO in Seattle, Washington. Jonathan has also led successful programs, including Commute Seattle where TDM efforts resulted in 100,000 new jobs added with only 6,000 additional SOV trips. He has extensive experience harnessing public and private collaboration to achieve public policy goals. He is currently the chair of ACT's global TMO Council.

WPB Mobility Coalition (WPBgo). Planned and launched operations of Florida's first new TMA in the past decade. Raised \$200,000 in funding in the first year and secured an ongoing budget of \$450,000/year without federal grants funding and leveraging 20% private contributions. The program is achieving modeshift results with 30,000 downtown employees, leading a universities working group to transform university TDM products and offerings, and launching an e-bike lottery in 2026. SMA staffs and operates the 501(c)(3) nonprofit from executive director through program staff.

Commute Broward. Provided strategic input on Commute Broward's action plan. Led the strategic design of revenue models for long-term support of this new countywide TMO and created South Florida's first new ETC program in the past decade.

Miami-Dade CITT. Conducting an ongoing feasibility study and implementation plan for multiple TMOs across Florida's largest county. SMA serves as the subject matter expert supporting the prime contract, which will result in recommended geographic areas for TMOs, launch plans, and launch partners.

Additional Experience:

- Major Development Partners: Providing multimodal mitigation plans for high impact construction projects to reduce congestion impacts.
- Transit Campaigns: Leading key strategic public / private partnerships in pursuit of major revenue initiatives.
- Sustainable Energy: Responsible for the community engagement section (20% of score) of an \$800 million EPA grant pursuit.

Support Staff



Amelia Sherfield | Community Engagement | SMA

Amelia has extensive marketing, strategy and program management experience. She previously launched a countywide Employer Transportation Coordinator (ETC) program in south Florida. In addition, Amelia has experience scaling up TMOs such as the WPBgo in Florida. She manages marketing campaigns, employer trainings, and program operations to deliver measurable SOV reductions.



Dan McNeil, AICP | Stakeholder & Community Engagement | SRF

Dan has significant experience facilitating community workshops, leading youth engagement activities, planning for connected and automated vehicles and designing long-range public participation processes. Dan is committed to developing meaningful, measurable and adaptable community engagement and is passionate about incorporating underrepresented perspectives into planning processes. Dan will serve as task lead for all engagement activities, including the Stakeholder Mapping Workshop, Steering Committee facilitation, and communication strategy.

- Focus River Falls, City of River Falls (WI), Engagement Lead
- East Main Avenue Corridor Study, City of Bismarck (ND), Stakeholder Engagement / Website Development
- Long-Range Transportation Plan, Mankato/North Mankato (MN), Public Involvement Plan
- Transportation Policy and Economic Competitiveness Program (TPEC), Opportunities for Connected and Automated Vehicles in Greater Minnesota, Statewide (MN), Community Facilitator



Lydia Statz | Data Collection & Analysis | SRF

Lydia has nine years of planning and project management experience, leading projects ranging from single grant applications to regional mobility and policy plans. She is motivated by helping communities develop ambitious plans that weave together sustainability, livability, and equity goals with implementable funding and investment strategies. Lydia has worked in over 18 states around the country, giving her a strong basis in innovative best practices that she brings to local clients. She has extensive experience leading and facilitating consensus-building conversations with a variety of stakeholders.

- Go West Saint Paul Master Pedestrian and Bicycle Plan, West Saint Paul, MN*
- University of Minnesota Campus Master Transportation Plan, Minneapolis, MN*
- Transportation Safety Action Plan, Saint Paul, MN*

**completed prior to SRF*



Zach Heimer, PE | Data Collection & Analysis | SRF

Zach has eight years of experience working as a design engineer in SRF's Civil Group. Zach's work focuses on preliminary and final design of municipal, State Aid, and federally funded projects. His areas of expertise include 3D modeling, interchange and roundabout design, cost estimation, specification writing, and blowing snow control. Zach has extensive background in construction observation and support which is incorporated into solutions for geometric design, construction staging, and utility coordination.

- TH 14 Corridor Analysis & Design, Olmsted County, Minnesota
- MnDOT Highway 22 Corridor Study from St. Peter to Mapleton, Minnesota
- CSAH 15 & 30TH Street Intersection Safety Improvements, Washington County, Minnesota





D. STATEMENT OF QUALIFICATIONS

Highway 55 Corridor Coalition | SRF

Plymouth, Minnesota

The Highway 55 Corridor Coalition was established in 2001 with the goal of improving safety and operations along Minnesota Trunk Highway 55 from I-494 in Plymouth to the City of Annandale. For the majority of this time, SRF Consulting Group has served as the administrator and facilitator for the Coalition, helping drive many of the safety and mobility projects over this time period. SRF works very closely with the Highway 55 Executive Leadership which consists of city and county elected officials and county staff.

In collaboration with Hennepin and Wright Counties, MnDOT and the Metropolitan Council, the Coalition is comprised of:

- Local municipalities along the corridor
- Businesses, school districts, and neighborhood organizations
- Concerned citizens
- The Mission of the Coalition is founded on three principles:
- Preserve the corridor by securing right-of-way and maintaining current zoning
- Increase safety for all users
- Add capacity, including additional lanes, access control and transit service where appropriate

The Coalition has helped drive the completion of numerous projects over the past 24 years. These projects range from resurfacing lengths of roadway, roadway widening, intersection and safety improvements, and access management enhancements that have improved the safety and mobility of the corridor. Since the Coalition was formed in 2001, over \$20 million has been invested in corridor improvements.



Client Reference: Kent Koch, Mayor of Loretto/Highway 55 Coalition Chair

 763.286.7138

 kkoch@ci.loretto.mn.us

Highway 212 Corridor Coalition | SRF

Carver County, Minnesota

As part of the Southwest Corridor Transportation Coalition (SWCTC), SRF has been a major participant in helping Carver County achieve project funding for safety improvements along this corridor from the City of Carver to Norwood Young America. SRF provided federal grant writing services to help secure over \$50M for the construction of approximately 8 miles of new highway which is scheduled to be completed in 2025. SRF led the preliminary and final design phases of the project development and secured environmental clearances and permitting to build this critical roadway serving the western part of the state. SRF's work included working closely with the coalition identifying a financial plan and developing design alternatives that fit within the available funding.

Specific deliverables included:

- Prepared grant applications for federal and state programs
- Engaged with local, state, and federal elected officials to advocate for the corridor
- Conceptual Design alternatives and high-level cost estimates
- Facilitated stakeholder meetings to get input
- Met with landowners along the corridor to explain likely project impacts
- Performed Preliminary Design including Level 1 MnDOT Staff Approved Layout
- Prepared environmental documentation needed for state and federal approvals
- Delivered a Final Design Plans, specifications, and Cost Estimates for bidding and construction
- Provided design assistance during construction

Client Reference: Darin Mielke, PE, LSIT, PMP, Assistant Public Works Director, Deputy County Engineer

 952.466.5200

 dmielke@carvercountymn.gov

ABC Ramps Transportation Options Implementation Plan | SRF

Minneapolis, Minnesota



The ABC Ramps are unique and large parking structures on the western side of downtown Minneapolis. Built approximately 30 years ago, they have served thousands of commuters on a daily basis. In recent years, however, participation in the carpool programs have declined and single-occupant parking levels have surged. In response, MnDOT undertook an extensive study to explore solutions to these challenges.

The SRF team was selected to conduct the consultant portion of this study, following on an academic research component led by the University of Minnesota. We delved into an in-depth look at ramp management, operations, and program offerings. The outcome of the study was developing an implementation plan that provides recommendations for a series of innovative transportation solutions for the ramps to offer multi-modal options for travelers.

Stakeholder engagement was key, with a Technical Advisory Panel with representatives from Metro Transit, Metropolitan Council, MnDOT Metro District, City of Minneapolis, Minneapolis Downtown Council, Move Minneapolis, and other influential organizations. There was also direct involvement with customers – commuters (parking and transit) and employers – that use the ramps on a daily basis.

Input from these stakeholders strongly suggested that commuters wanted flexibility, reliability, and ways to access options on mobile devices when making their travel choices. It was also very important for them to retain transportation benefits through their employers, and to make that process as simple as possible. Finally, full-time carpooling and transit were found to be challenging for commuters to commit to, as they need the option to drive alone sometimes.

Drawing from University of Minnesota research and national examples, we developed innovative options to incentivize multi-modal travel. These were presented to stakeholders, including agency officials, commuters, and downtown business leaders, to gather input on their attractiveness and opportunities for improvement. This feedback was used to add detail to the concepts and group them into three categories:

- Daily Carpool Program – including a reduced daily carpool fee, removing geographic boundaries, and developing a mobile carpool matching app
- Flexible Commuter Programs – featuring a combined parking & transit monthly contract, working with employers and benefits administrators, and promoting multi-modal transportation app
- Mobility Hub – enhancing the physical space and wayfinding in the ABC Ramps to activate the space and facilitate seamless transfer between modes

The programs were designed to be immediately actionable and scalable over time, as the transportation landscape changes and programs mature. MnDOT and their partners have implemented early components of the recommendations, including a daily carpool program, pilot commuter programs, and activities to enliven the space. Future steps will include more dramatic transformation to retail and office uses in the facilities and enhance walking connections to surround neighborhoods.

Highway 169 Corridor Coalition | SRF

Blue Earth and Hennepin Counties, Minnesota

In the spring of 2009, the U.S. Highway 169 Corridor Coalition, comprised of communities and counties, from Blue Earth County to Hennepin County, was officially established to advocate for the corridor. The Coalition's mission is to work together to enhance safety, reduce congestion and maximize economic development along the U.S. Highway 169 interregional corridor.

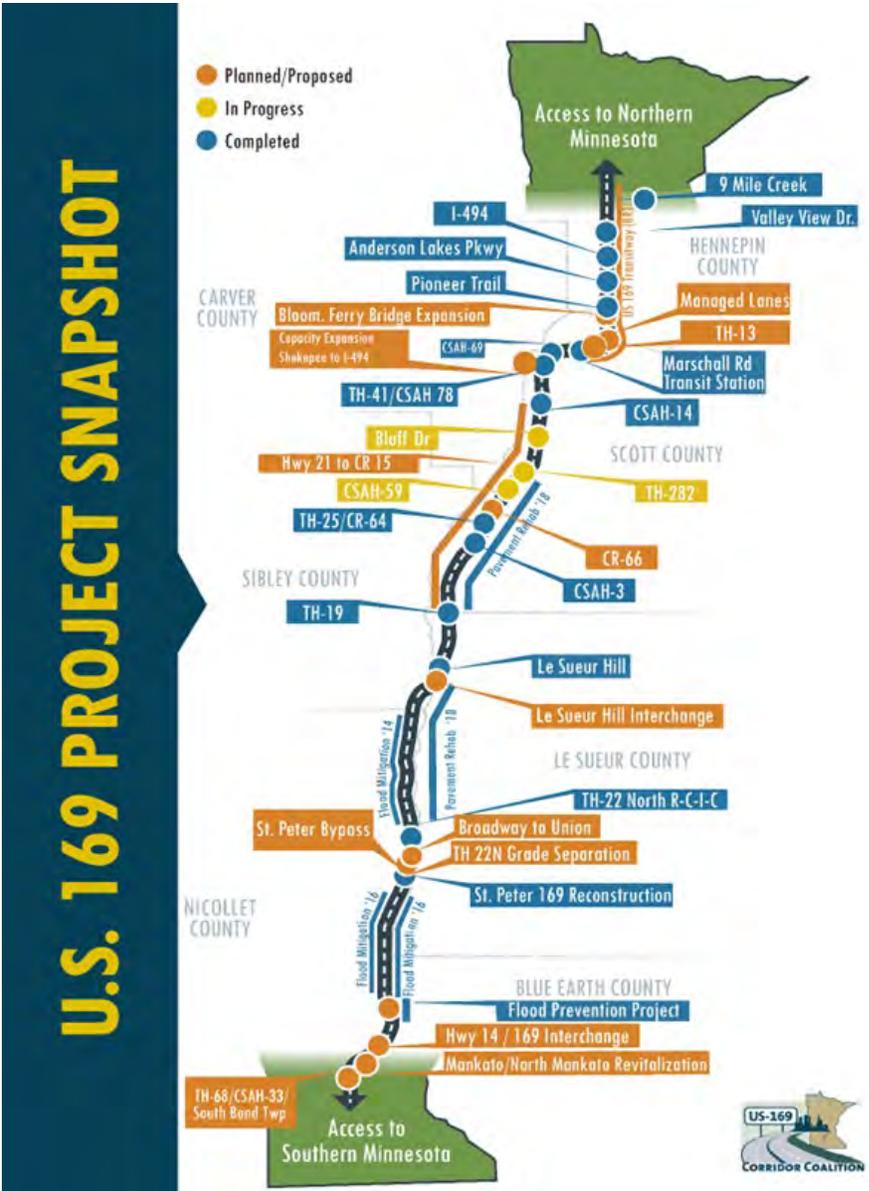
In service of this mission, the Coalition has adopted the following objectives:

1. **Exercise leadership in the development of policies, programs and projects** that will promote the mission described above.
2. **Enlist the assistance and cooperation of the private sector** in achieving the mission.
3. **Enlist the assistance and cooperation of federal, state and regional agencies** in achieving the mission.

US 169 is part of a major intermodal corridor connecting to the Ports of Savage via TH 13, where trucks and rail bring grain into ports to be loaded onto river barges or shipped out by rail. The Ports of Savage is a nationally prominent port for the shipment of grain and other commodities to the rest of the world.

SRF Consulting Group has served as the administrator and facilitator for the Coalition, helping drive many of the safety and mobility projects. SRF works very closely with the Highway 169 Executive Committee which consists of city and county elected officials and county staff. The Executive Committee is the governing body of the U.S. Highway 169 Corridor Coalition. It is responsible for setting the Coalition's budget, approving expenditures of Coalition funds, adoption of the work plan and legislative agenda. It consists of representatives of Voting Members as they are defined in the Coalition's joint powers agreement (JPA).

The Coalition has helped achieve the completion of numerous roadway safety improvements over the past 16 years. These projects range from the Highway 169 Mobility Study to major interchange construction projects, resurfacing lengths of the Highway 169 roadway, as well as safety and access management enhancements that have improved the safety and mobility of the corridor.



Client Reference: Jim DuLaney, City of Shakopee Councilmember

Highway 169 Corridor Coalition Chair

952.380.8250

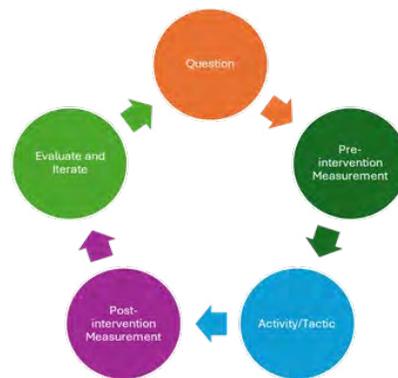
jdulaney@shakopeemn.gov

Design Assistance for Behavior Change Projects | SRF

Move Minneapolis, Minnesota

SRF provided design assistance to develop behavior change pilots to Move Minneapolis, the Transportation Management Organization (TMO) for downtown Minneapolis. Move Minneapolis provides downtown Minneapolis employers, commuters, and residents with education and programming on transportation options. Move Minneapolis desired to better understand how a TMO can influence transportation behavior change focused on in-person workers, hybrid workers, and residents using short-term pilots.

To help Move Minneapolis launch these pilot projects, SRF created a behavior change pilot framework covering common elements of a transportation pilot, including research questions, pre- and post- measurement, interventions, determination of pilot failure or success, and risks. Working iteratively with Move Minneapolis staff, SRF built an easy-to-use pilot development worksheet as well as external facing language to use with clients. SRF also produced recommendations for 2024 behavior change pilots based on Move Minneapolis' current clients, both employers and residences. As a result of these efforts, Move Minneapolis staff had the tools that they needed to successfully launch three small-scale projects tailored to different audiences.



Client Reference: Tiffany Orth, Executive Director of Move Minneapolis

☎ 612.370.9158

✉ tiffany@moveminneapolis.org

“You’ve equipped us well so thank you very much for guiding us and helping us focus in on something that can be meaningful!” - Tiffany, Executive Director of Move Minneapolis

Mobilise & FlexRide Strategic Plan | Bongorno Consulting

Milwaukee, Wisconsin

Bongorno Consulting supported Mobilise, a nonprofit transit advocacy organization in Southeastern Wisconsin, in operationalizing a new transit service and sustaining the dramatic shift in organizational focus the service has brought about. In 2022, BC facilitated issuance of an RFP, vendor evaluation, and contracting turnkey service to operate the region’s FlexRide microtransit service. FlexRide is an innovative, on-demand, workforce transportation service operated by FlexRide Milwaukee, LLC, a subsidiary of Mobilise. In 2023, BC helped Mobilise onboard a new Program Manager and worked with the organization’s staff, Board, committees, and community partners to evaluate the community context, internal capacity and strategic priorities of the organization. The resulting Strategic Plan and 3-year Workplan provide a guide for Mobilise’s operations and sustained growth as the organization continues operation of the FlexRide service and re-centers its efforts around transit advocacy, community convening and thought leadership.



Client Reference: Dave Steele, Executive Director, Mobilise

☎ 414.424.2414

✉ Dave.Steele@mobilisewi.org

WORK PLAN

This section of the proposal outlines our team’s plan to deliver the project, reflecting the requirements outlined in the RFP and achieving successful outcomes in the context of Highway 7 communities. Our team combines local and national expertise to deliver exceptional outcomes for stakeholders, leveraging an unmatched breadth of experience in the TMO and traffic safety coalitions space. We believe that the following attributes of our approach set our response apart.

We have approached this study from the perspective of building a coalition and not just a TMO. This means that we’ve emphasized the development of steering committee membership with an eye toward maximizing the momentum of this new group, focusing on pathways to obtaining funding for safety improvements. This corridor has been studied and then studied again. There is a general consensus along the corridor that now is the time to develop the political and community support to take action on key transportation safety issues impacting the growth and development of Highway 7 communities. Our approach will supply key decision makers with the confidence to launch a new organization that can focus on the important safety issues impacting Highway 7.

- ✓ Smart Mobility Associates’ core competency is forging public-private partnership to plan, launch, and operate data-driven, high-impact TMOs in support of thriving economies and high quality of life.
- ✓ Bongorno Consulting has a wealth of experience in organizational strategic planning, community mobility planning, mixed-use and institutional development, place management.

We know that engagement and awareness building around a TMO are as important as the data analysis. We are excited about the opportunities afforded by creating a TMO for the West Metro, including accessing additional funding mechanisms to reduce congestion and raising awareness about safety issues around the Highway 7 Corridor. Our intent with the activities in this proposal are to ensure the wider world also feels that same excitement and potential and that important stakeholders are brought along during the process.

Last but not least, the safety issues in this corridor that have been brought forward by prior MnDOT studies deserve attention and action. Our emphasis throughout this study will marry the educational elements of a TMO with the geometric infrastructure needs facing the Highway 7 Corridor, both for the people that travel along it as well as the people who live next to it.



Task 1 | Project Management

Kevin Jullie will actively manage the project and act as the point of contact between Shorewood’s Project Manager and the team. Kevin has over 31 years of experience as a licensed Civil Engineer in Minnesota specializing in roadway safety improvements as well as coalition building. He manages complex projects requiring the coordination of diverse stakeholders.

Working with Kevin, Deputy Project Manager Becky Alper has over 15 years of experience in transportation with the last ten years focused on transportation demand management. Her work experience includes being a direct employee of two Twin Cities area TMOs – Move Minneapolis and Move Minnesota.

Kevin will ensure that the SRF Team performs our work to a consistently high standard following approved practices, procedures, policies, and SRF’s Quality Management Plan (QMP). Kevin will facilitate up to 26 30-minute biweekly virtual project coordination meetings throughout the project. He will have primary responsibility for action items from previous meetings and advise on any agenda items for future meetings. Kevin will also develop and maintain a project contact list, schedule, action/progress log, and stakeholder register.

Kevin will communicate regularly with Shorewood’s Project Manager about any issues that may arise, along with viable solutions and recommended actions. He will prepare monthly billings and submit the final invoice and a project record that includes all meeting minutes, stakeholder engagement materials, and final deliverables.

- ### TASK 1 DELIVERABLES
- ✓ Monthly status reports and invoices
 - ✓ Organize, host, facilitate, and document all meetings
 - ✓ Up to 26 30-minute bi-weekly virtual project coordination meetings with City of Shorewood Project Manager
 - ✓ One kick off virtual meeting of up to two hours with City of Shorewood Project Manager



Task 2 | Develop a Steering Committee

In collaboration with the project team, SRF will guide the development of a Steering Committee with representatives from key stakeholders across the region with special emphasis on identifying members with the greatest probability of involvement and alignment around solutions. These influential members, including school district representatives, municipal leaders, as well as major employers who rely on the corridor, will help shape the course of the study and the direction of the new organization, providing feedback throughout the study.

For a successful Steering Committee launch, we foresee a number of 1:1 or small group meetings with key stakeholders to refine our proposed membership list. We have found it to be best practice to also identify a **Core Technical Team (CTT)** that includes the client project manager and technical representatives from some of the key communities or organizations involved. The CTT serves as a core channel of insight into the needs of their departments and their city, county, district, or organization, and can play a key role in nominating representatives for the Steering Committee. The CTT can meet prior to Steering Committee meetings to ensure their needs are addressed in future meetings.

TMOs can be established to accomplish a variety of different objectives, such as:

1. **Unified advocacy** on behalf of stakeholders for improved and safer transportation infrastructure and travel options along the corridor.
2. **Operation of transportation services on the corridor.** Some TMOs operate on-demand services or shuttles on behalf of a coalition in underserved areas.
3. **Mode shift through engagement and education.** This is typically done in partnership with employers and attractions on the corridor, to encourage and incentivize carpools, vanpools, and transit use.

It is our understanding that the Highway 7 TMO will seek to accomplish that first objective, unified advocacy for improved safety and operations.

A carefully crafted Steering Committee will help set up any future TMO activities for success. SRF anticipates approximately 20 people will be invited to join the Steering Committee to keep the group focused on the task at hand. SRF will make recommendations of who the project team should invite based on factors such as: level of influence in the region, ability to regularly attend meetings, potential for leveraging future funding, and experience in a certain sector.

TMO Structure - Coalition Approach

TMOs vary greatly in structure and purpose.

- Mission focus (advocacy, operations, improved safety)
- IRS classification (501c3, c4, c6, or government entity)
- Need for a separate, long-term partnership steering committee
- Board composition and size
- Funding strategies (local government, private sector, federal grants, other grants)
- Staffing model and timing for hiring

To build relationships and momentum toward a TMO/coalition, the SRF Team proposes the first Steering Committee meetings to be in-person. Allowing for that “water cooler” time will tease out some of the nuances of issues facing the corridor, creating an atmosphere of trust. SRF anticipates having Steering Committees held every other month on a consistent day of the week and time to allow for maximum attendance.



An initial summary of anticipated meeting agendas includes:

Meeting #	Approximate Timeframe	Agenda Items
1	July 2025	Introductions, establish a purpose and charter, overview of TMO/coalition structures and common funding strategies, with examples of similar local organizations, common objectives, discuss corridor needs and desired benefits of new organization, socialize timeline and scope, discuss outreach and engagement plan.
2	August/September 2025	Review prior studies and existing conditions, conduct mission/vision workshop, dive deeper into TMO and corridor coalitions models and funding, discuss desired impact of new organization in the first 24 months of operation.
3	October 2025	Review proposed mission/vision informed by Meeting #2, presentation of up to three options for TMO/coalition structure and governance, discussion of tradeoffs and preferred approaches.
4	November/ December 2025	Funding deep dive, narrow down Highway 7 organizational model, discuss potential work plan items with tie back to corridor needs, present update on phase 1 engagement and outreach plan.
5	January 2026	Introduce proposed organizational structure and discuss any refinement needed, introduce proposed funding model, introduce draft work plan.
6	February/ March 2026	Finalize organizational structure, proposed board seat allocation, proposed funding model, proposed 24-month work plan, present update on phase 2 engagement and outreach plan.
First board meeting	April/May 2026	First board meeting of new organization with approval of mission/vision, 24-month workplan, funding model, org structure.

TASK 2 DELIVERABLES

- ✓ Develop a representational list of steering committee members
- ✓ Plan, host, and document up to six steering committee meetings including refreshments at a centrally located location along the Highway 7 Corridor

Task 3 | Stakeholder Engagement and Communication

Task 3.1-3.2

The SRF Team will use our extensive expertise in project communications, public relations, stakeholder and community engagement, and strategic community outreach to support the TMO/coalition study effort. We understand that connecting with the community and key stakeholders is a cornerstone of this study process, and that careful, tailored communications is a key to the study's success. Built into our stakeholder engagement and communication process will be feedback points to ensure we are building consensus across stakeholders and project partners. This is a critical component to help determine how the group moves forward into implementation.

The SRF Team will build an Outreach and Engagement Plan. This plan will include the details of when, how, where and why we are connecting with the public and stakeholders. The Outreach and Engagement Plan will be a cornerstone for all project communications through the study, and will be updated as needed as the study progresses. It will include tactics, methods, and core messaging for continued traditional and social media communications for

communications across the study area. Our team will deploy this strategy to ensure consistent and impactful project messaging across media outlets, building off of current City of Shorewood contact lists, if available. The strategy will include paid and earned media and will be buttressed by social media messaging.

All communications materials will maintain a consistent brand standard and messaging. We are well-versed in developing catchy, graphic-rich materials that capture attention and will "sell" the study effort. Our team has the capability to add engaging content and customize existing websites. We will build off the core messaging of the project to develop compelling materials that explain the economic benefits of a TMO/coalition and promote those benefits to residents, workers, visitors, and the broader community. We will develop a mission and vision for a transportation corridor tailored to the community's needs, long-term goals, and sustainable growth. The mission will be action oriented, while the vision will aim for longer-term ideas for the transportation system.

Primary Elements of a TMO

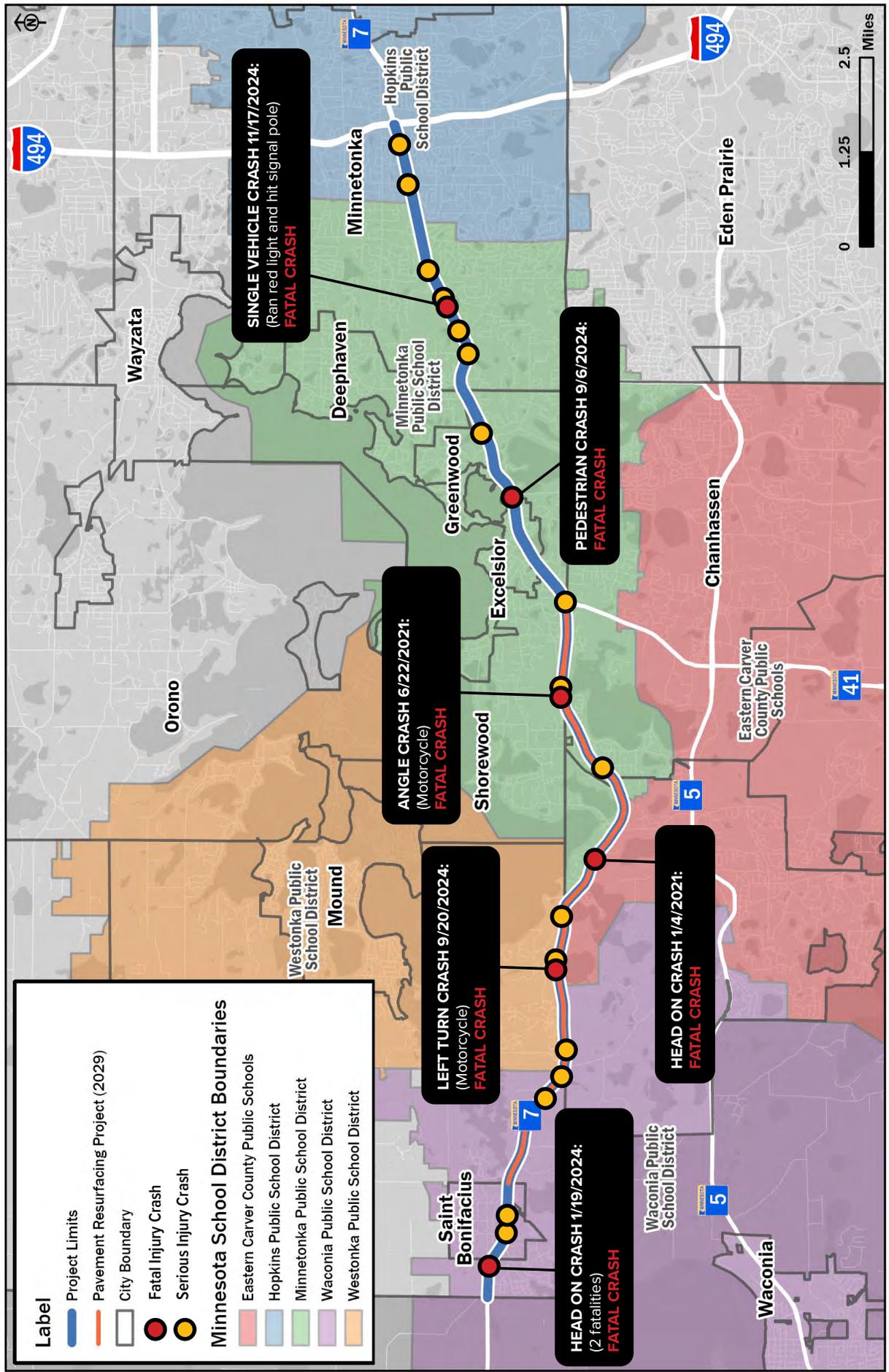
- ✓ A well-defined problem within a specific geography
- ✓ Solutions tailored to the specific audience
- ✓ Sufficient financial resources and support

TASK 3 DELIVERABLES

- ✓ Communication and Engagement Plan
- ✓ Communication materials
- ✓ Engagement results and summaries
- ✓ Draft vision and mission for the corridor

PROJECT SNAPSHOT

The map below illustrates the communities and school districts along the corridor from the Carver County border to I-494. Also noted are reported vehicular and pedestrian crashes at various locations. These crashes highlight the critical need for safety improvements along this stretch of TH 7.





Task 4 | Data Gathering, Synthesis and Analysis

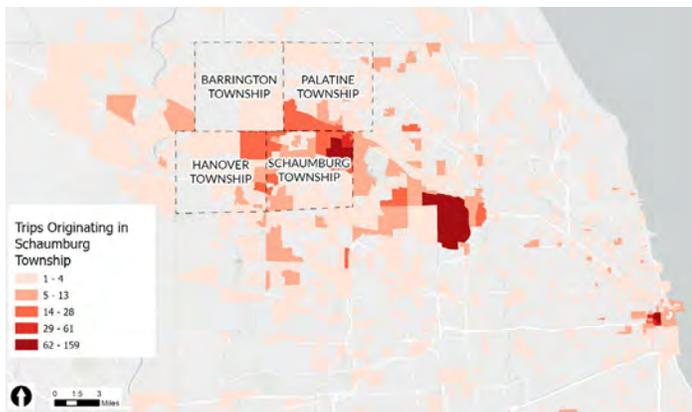
Task 4.1

We acknowledge in this proposal that this project will build on several past projects that have been conducted in the region related to transportation and transit planning. The consultant team will assemble relevant MnDOT studies, corridor-specific data (traffic volumes, crash rates, modal choices), and other relevant reports to address the corridor’s concerns and opportunities that have prompted this TMO study. Civil Engineer **Zach Heimer**, will contribute his engineering knowledge to ensure a thorough review of important crash history and highway geometric issues facing the corridor.

In many cases, SRF has been directly involved in this work, and we have a working relationship with public agencies, non-profits, and key influencers in the transportation sector, and will be able to efficiently hit the ground running on this task. Our team will review, at a minimum, the following documents in addition to the recent work listed in the RFP:

- ✓ Comprehensive and community plans
- ✓ Safe Routes to School Plans
- ✓ Strategic Plans from business associations, chambers of commerce, convention and visitors bureaus, etc.

We will summarize relevant recommendations from these projects, as well as conduct analysis of additional travel patterns and economic indicators impacting the corridor. SRF will use data from the American Community Survey and the Minnesota Department of Employment and Economic Development to focus on the core issues that this group of stakeholders can help address through a TMO/coalition. **Lydia Statz**, in our planning group, will compile key metrics.



We propose using Replica data (see sample analysis above) to understand existing travel patterns their connection to crash history along the corridor. Replica provides modeled trip data nationwide using Census data to determine user characteristics. A variety of demographics are available, including age, income, employee industry, home language, and race. Trip information by origin and destination pair including travel mode, purpose, and time of day is also available. This important data will allow us to further make the case for safety strategies that improve conditions for the traveling public along Highway 7.

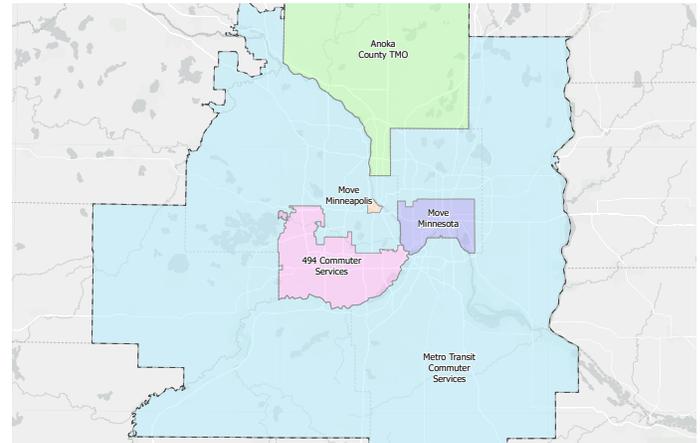
Task 4.2-4.3 Research and Preparation of TMO Options

How are Twin Cities area TMOs currently funded?

In the Twin Cities there are currently four existing TMOs:

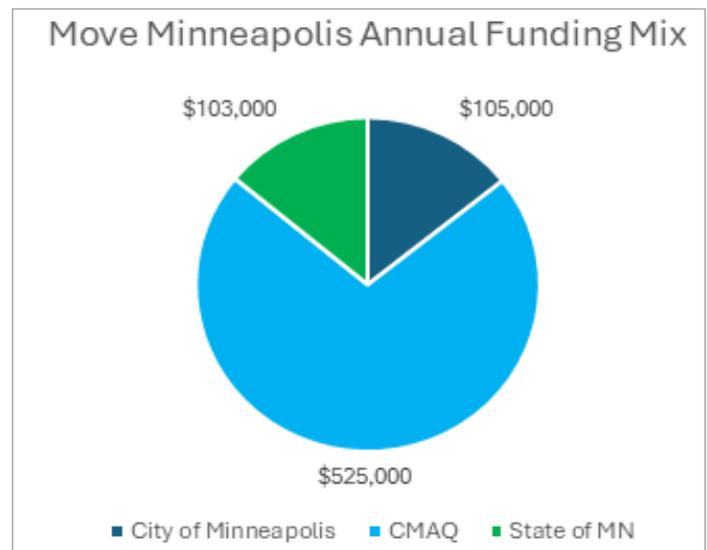
- ✓ 494 Commuter Services
- ✓ Anoka County TMO
- ✓ Move Minnesota (Saint Paul TMO)
- ✓ Move Minneapolis (Downtown Minneapolis TMO)

Map of Existing TMOs



Metro Transit Commuter Services fills in the gaps in services where there is no TMO. All four TMOs as well as Metro Transit Commuter Services currently receive federal CMAQ (Congestion Mitigation Air Quality) funding on an annual basis through a set aside. CMAQ requires an 80 percent match, so TMOs look for other funding sources for a 20 percent local share.

Example funding mix from one of the four local TMOs in the Twin Cities:



SRF has partnered with two nationwide expert firms to augment our staff perspective. **Jonathan Hopkins**, Smart Mobility Associates, is a national expert on TMO organization structures and funding options. His extensive experience includes leading one of the most established TMOs in the country and launching new ones. Jonathan previously ran the TMO Commute Seattle as its executive director where he managed all facets of the organization. More recently, Jonathan and Smart Mobility Associates successfully launched a TMO in Florida, partnering with multiple public and private sector funders.

Chris Bongorno, with Bongorno Consulting, contributes expertise in development of TMO organization & action plans. He has led numerous successful feasibility studies and strategic planning efforts around the country, including work in Cleveland, Ohio; Tempe, Arizona; Memphis, Tennessee; Milwaukee, Wisconsin; and San Jose, California. Chris regularly works with communities as they move from planning to implementation.

We will conduct a thorough review of various approaches and strategies used by TMOs and traffic safety corridor coalitions that could be adapted to the Highway 7 Corridor. Our team will identify and analyze best practices and successful case studies from similar regions, tailoring the findings to the unique needs of Highway 7. For organizational structure and governance, we will develop up to three (3) viable models that account for local priorities, stakeholders, and potential partnerships, ensuring flexibility and long-term sustainability. Additionally, we will explore diverse funding strategies, evaluating options such as public-private partnerships, government grants, and alternative revenue models to secure the financial stability of the TMO over time. Our recommendations will provide a comprehensive, data-driven foundation for the effective implementation of a TMO/coalition on Highway 7.

TASK 4 DELIVERABLES

- ✓ Tech memo synthesizing data and findings from existing studies
- ✓ Summary document of characteristics of a TMO/coalition and implications for the Highway 7 Corridor, up to three options for organizational structure and governance of a Highway 7 TMO/coalition

Task 5.0 | Present Findings and Recommendations to City Councils/School Boards

Our approach will involve two key presentations to each council or board. The first presentation will focus on sharing the initial findings and progress of the study, including a summary of the research conducted, the strategies and options identified, and the Steering Committee’s preliminary recommendations. This session will provide an opportunity for each council or board to offer feedback, ask questions, and engage with the evolving work of the study. The second presentation will be a follow-up session designed to invite participation in the launch of the TMO/coalition. We will outline the next steps for implementation and encourage participation through

various avenues, such as funding contributions, board membership, or other forms of collaboration.

🔑
Key Stakeholders:

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

Following both presentations, we will revise the recommendations as needed based on the feedback from the councils and boards, ensuring that the final proposal reflects a consensus among the communities and school districts along Highway 7. We will also facilitate the process of extending invitations to join the TMO/coalition, helping to organize and document official actions to secure their commitment, whether through financial support, governance roles, or other forms of participation. There are many different potential roles, including funder, board member, and partner. Our goal is to create a clear and inclusive pathway for each council or board to be actively involved in the successful launch and long-term sustainability of the TMO/coalition.

TASK 5 DELIVERABLES

- ✓ Two in-person presentations per school board/city council, up to 32 presentations total
- ✓ Two standard slide decks
 - » One from the first round of outreach detailing an overview of the corridor needs, how a TMO/coalition can help solve these issues
 - » One from the second round of outreach introducing mission/vision of the TMO/coalition, invitations to join the TMO/coalition, presenting draft work plan, structure, and financial plan, invitation to join the TMO/coalition





Task 6 | Implementation

The ultimate outcome of this yearlong study will be the official launch of a fully operational TMO/coalition with appropriate legal documentation, a mission and vision endorsed by stakeholders, a clear set of actionable strategies, and a board prepared to deliver on the vision. SRF will assist the Highway 7 project team with pursuing implementation. A crucial part of implementation will be the development of a detailed financial plan and Strategic Work Plan.

SRF will identify potential revenue streams, including Met Council and Hennepin and Carver County grants, potential philanthropic options, and partnerships to ensure the long-term sustainability of the TMO. SRF will work in concert with the Steering Committee to develop a detailed two-year financial plan specifying a comprehensive budget that outlines projected costs of operations with contingencies for unforeseen changes in funding.

Planning is an important part of any successful organization. A crucial step will be to establish a realistic and strategic work plan. Key elements of a strategic work plan include:

- ✓ Description of Activities
- ✓ Staff responsibility for each activity
- ✓ An implementation schedule for each activity
- ✓ How the activity meets the vision, goals, and objectives of the new organization
- ✓ Clearly identified and measurable performance indicators

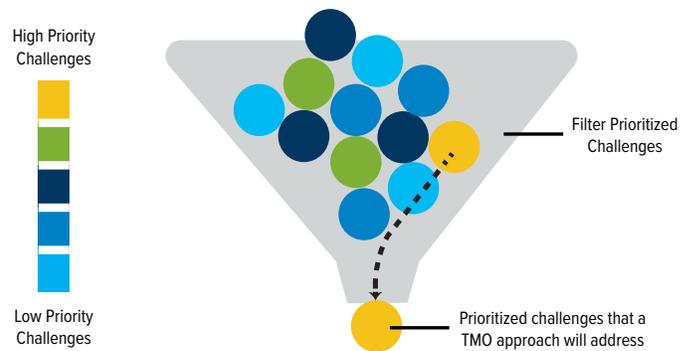
A work plan is also a useful product to invite potential funders to be a part of the TMO journey and share the vision and objectives that go alongside basic implementation activities.

SRF will facilitate the first TMO/coalition board meeting. The proposed agenda for that meeting will include approval of mission/vision, 24-month workplan, funding model, org structure.

TASK 6 DELIVERABLES

- ✓ 24 month strategic work plan
- ✓ Detailed financial plan
- ✓ Incorporation documents
- ✓ Bylaws
- ✓ IRS applications as required
- ✓ Facilitation of the first TMO organizational board meeting, including agenda and minutes

Prioritization Process





E. REFERENCES

Client Reference: Tiffany Orth, Executive Director of Move Minneapolis

81 S 9th St, Minneapolis, MN 55402

 612.370.9158

 tiffany@moveminneapolis.org

“SRF equipped us well so thank you very much for guiding us and helping us focus in on something that can be meaningful!” - Tiffany, Executive Director of Move Minneapolis

Client Reference: Darin Mielke, PE, LSIT, PMP, Assistant Public Works Director, Deputy County Engineer

600 E Fourth St, Chaska, MN 55318

 952.466.5200

 dmielke@carvercountymn.gov

Client Reference: Kent Koch, Mayor of Loretto/Highway 55 Coalition Chair

279 N Medina St, Loretto, MN 55357

 763.286.7138

 kkoch@ci.loretto.mn.us

Client Reference: Jim DuLaney, City of Shakopee Councilmember, Highway 169 Corridor Coalition Chair

485 Gorman St. Shakopee, MN 55379

 952.380.8250

 jdulaney@shakopeemn.gov

Bongorno Consulting Client Reference: Dave Steele, Executive Director, MobilisE

790 N Milwaukee St Suite 316, Milwaukee, WI 53202

 414.424.2414

 Dave.Steele@mobilisewi.org





F. DEVIATIONS FROM RFP

+ OPTIONAL VALUE ADD TASKS



Grant Writing Support

SRF has the capacity and skillset to provide grant writing support to assist with TMO implementation and financial sustainability. For this task, SRF will assist the City of Shorewood team with completing grant application requirements for funding streams based on the Financial Plan.

SRF believes the City of Shorewood project team could apply for Regional Solicitation funds in the TDM category.



Graphics/Website Development

SRF has a full in-house creative staff of animators, videographers, 3D modelers, graphic and web designers, and communication professionals who work with clients to translate complicated transportation and infrastructure topics in an informative, understandable, and visually compelling manner.

Our project experience covers diverse audiences from public outreach to highly technical informational videos. Each project has its own challenges and requires a tailored approach.

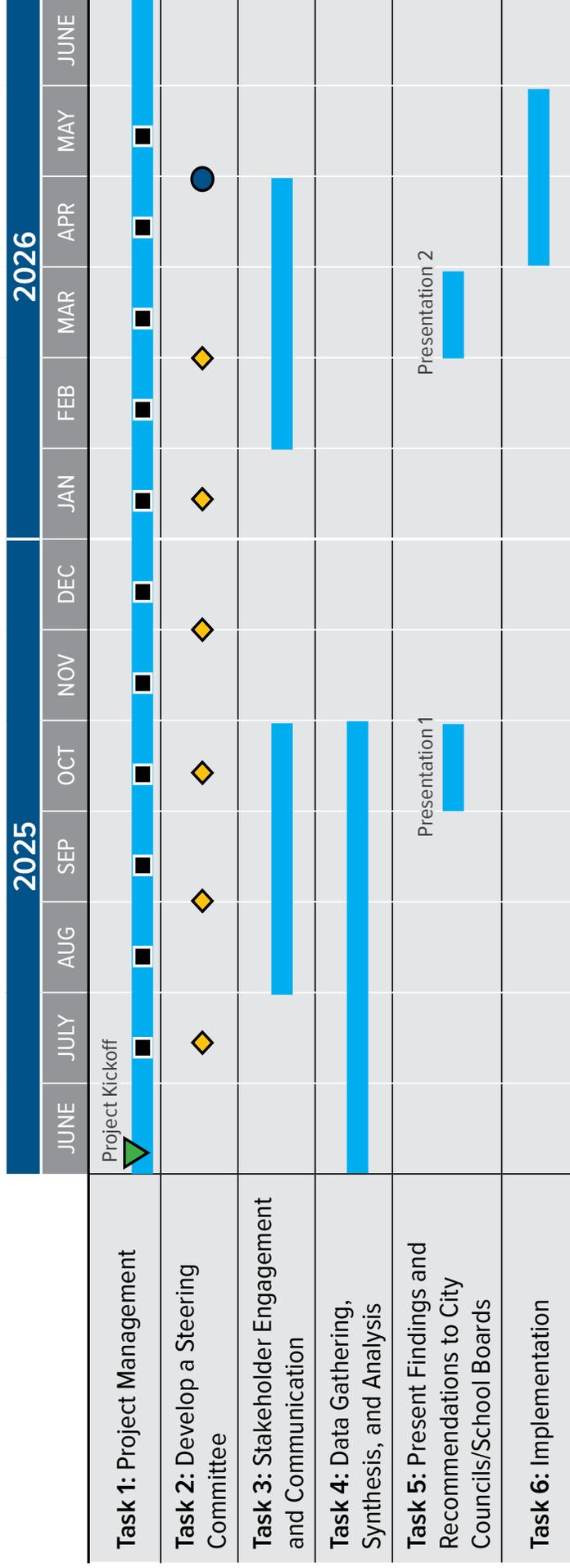




G. TIMELINE



SRF is committed to having this study completed by May 29, 2026 with the understanding that the legislative grant expires June 30, 2026.



■ PM Meetings ◆ Steering Committee Meetings ● TMO/Coalition Board Meeting

Notes:

- Kevin Jullie will check in with Marc Nevinski (or his delegate) monthly to provide a project status update.
- We have identified six Steering Committee meetings to occur throughout the project timeline.
- Stakeholder Engagement and Communication will be closely coordinated with the Steering Committee.
- We envision Stakeholder Activity most active early in the process (Aug. – Oct.) and again later in the process (Feb. – Apr.)
- Present Findings and Recommendations will coincide with Stakeholder Activity with presentations in Oct. and Mar.
- Implementation will be the final deliverable and occur during April and May.



H. COMPENSATION PROPOSAL

Hwy 7 TMO Study

SRF Consulting Group, Inc.

Project Activities	SRF Consulting Group								Smart Mobility Associates			Bongorno Consulting			
	Project Manager	Deputy PM	Engagement Lead	Engagement Support	Planner	Engineer	Attorney	Hours	Amount	President	Technical Support	Amount	Principal	Amount	
Fully Loaded Rate	248	200	155	136	184	180	240			220	110		170		
Task 1 - Project Management															
Task 1 Subtotal	32	32					64					\$0		\$0	
<u>Deliverables:</u> Monthly status reports and invoices, organization, hosting, facilitating and documenting all meetings															
Task 2 - Develop a Steering Committee															
Task 2 Subtotal	42	56	24				122			24		\$5,280	24	\$4,080	
<u>Deliverable:</u> Up to 6 steering committee meetings															
Task 3 - Stakeholder Engagement and Communication															
Task 3 Subtotal	8	24	32				64			30		\$6,600	30	\$5,100	
<u>Deliverable:</u> Communication and Engagement Plan; communication materials; engagement results and summaries; draft vision and mission for the corridor															
Task 4 - Data Gathering, Synthesis, and Analysis															
Task 4 Subtotal	16	56			24	32	128			48	46	\$15,620	56	\$9,520	
<u>Deliverable:</u> Tech Memo synthesizing data and findings from existing studies; summary document of characteristics of a TMO and implications for the Hwy 7 corridor, and 2-3 options for a Hwy 7 TMO.															
Task 5 - Present Findings and Recommendations to City Councils/School Boards															
Task 5 Subtotal	72	108					180			12		\$2,640	20	\$3,400	
<u>Deliverable:</u> Up to 32 total presentations (to each council or board) about the TMO; revisions to recommendations; facilitate invitations to join TMO with record of official action.															
Task 6 - Implementation															
Task 6 Subtotal	10	26					52		16	24	28	\$8,360	40	\$6,800	
<u>Deliverable:</u> 24-month work plan; incorporation documents, detailed financial plan, facilitation of first board meeting															
Labor Subtotal								\$127,736				\$38,500		\$28,900	
Expenses								\$264				\$2,110		\$2,110	
Mileage	200		miles @	miles @	\$0.67		per mile	\$134							
Parking								\$60				\$100		\$100	
Transit								\$30				\$10		\$10	
Reproduction	400		copies @	copies @	\$0.10		each	\$40							
Hotel										4 nights @	\$200	\$800	4 nights @	\$200	\$800
Airfare										2 airfare @	\$600	\$1,200	2 airfare @	\$600	\$1,200
Subconsultants															
Smart Mobility Associates								\$40,610							
Bongorno Consulting								\$31,010							
Project Total								\$199,620				\$40,610		\$31,010	

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

ANNUAL
COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

MARC NEVINSKI, CITY ADMINISTRATOR

REPORT PREPARED BY
SHOREWOOD'S FINANCE DEPARTMENT
JEANNE SCHMUCK, FINANCE DIRECTOR/TREASURER
MICHELLE NGUYEN, SENIOR ACCOUNTANT

MEMBER OF GOVERNMENT FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA

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City of Shorewood, Minnesota

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INTRODUCTORY SECTION

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Shorewood, Minnesota
Elected and Appointed Officials
December 31, 2024

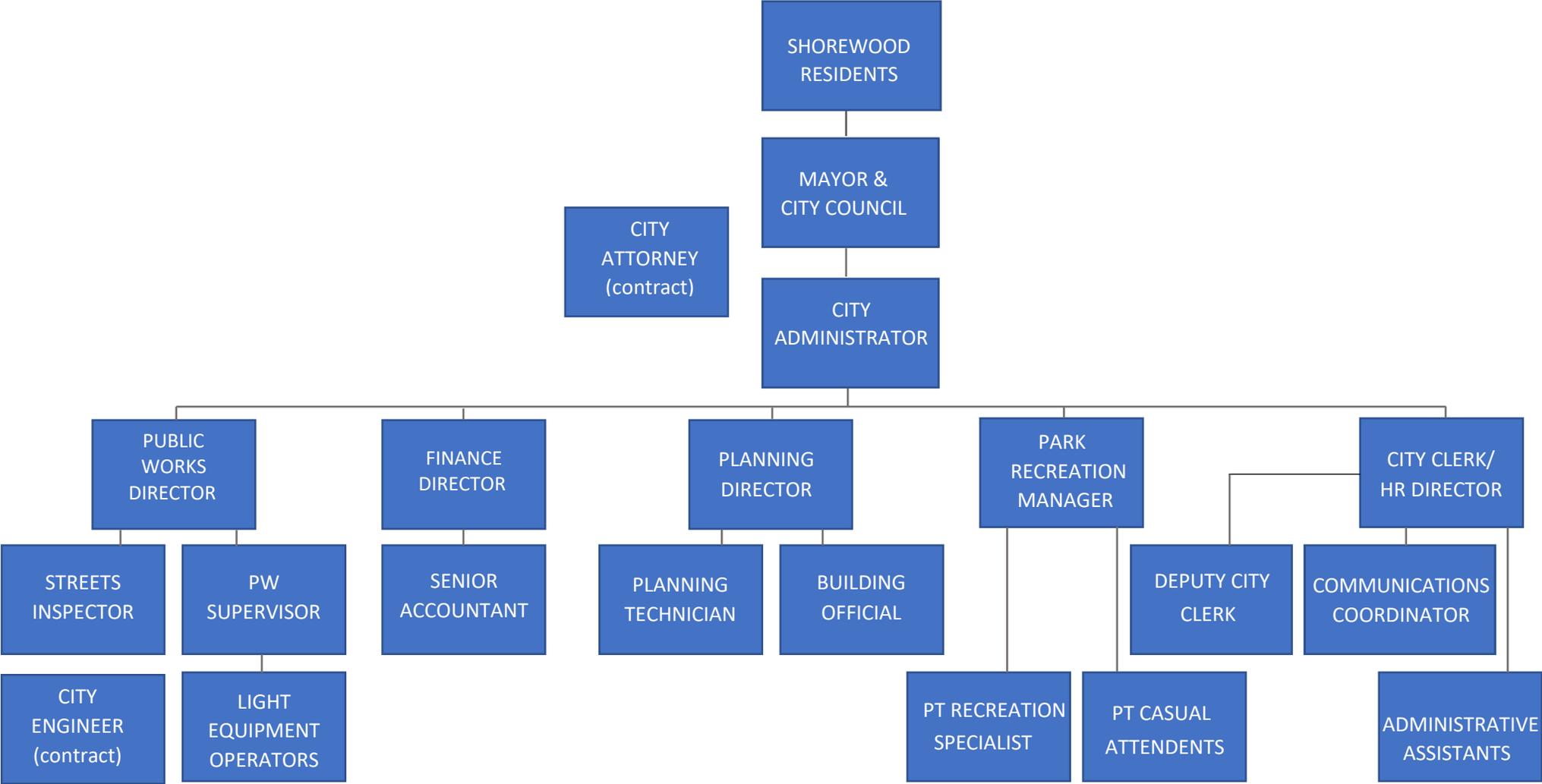
ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jennifer Labadie	Mayor	12/31/24
Paula Callies	Council Member	12/31/24
Dustin Maddy	Council Member	12/31/26
Guy Sanschagrin	Council Member	12/31/26
Scott Zerby	Council Member	12/31/24

APPOINTED

<u>Name</u>	<u>Title</u>
Marc Nevinski	City Administrator
Jeanne Schmuck	Finance Director/Treasurer

CITY OF SHOREWOOD • ORGANIZATIONAL CHART



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May 21, 2025

Honorable Mayor and Members of the City Council
City of Shorewood, Minnesota

Mayor and City Council Members:

The Annual Comprehensive Financial Report of the City of Shorewood, Minnesota, for the fiscal year ended December 31, 2024, is hereby transmitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB) and meets the requirements of the Office of Minnesota State Auditor.

The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established internal controls designed to protect the City's assets from loss, theft, or misuse, and to provide sufficient information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The City of Shorewood's financial statements have been audited by the firm of Abdo, Certified Public Accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial statement presentation. Based on the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements, for the year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City's MD&A can be found in the financial section of this report immediately following the independent auditor's report.

City Profile

The City of Shorewood is a suburban community located southwest of the Twin Cities on the southern shore of Lake Minnetonka, in a setting of rolling hills and picturesque lakes and creeks. Shorewood has a convenient location, a comprehensive system of highways, and is a short distance from downtown Minneapolis and St. Paul, and the MSP International Airport. The City is predominately a residential community with limited commercial businesses and two commercial shopping malls. The City is six square miles in area and had an estimated population of 7,958 as of 2024. The City, which is currently over 95% developed, continues to experience some growth in its residential base.

Incorporated as a Village in 1956, and later becoming a city in 1974, the City of Shorewood operates under the Council-Administrator, Plan A, form of government. Policy making and legislative authority are vested in a governing council consisting of the Mayor and four-member council, all elected at-large on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The Mayor is elected to a four-year term. The City Administrator is responsible for overseeing the day-to-day operations of the government, and to assign responsibility to City staff for the efficient and effective delivery of City services.

The Economic Development Authority (EDA) of the City was created in 2001 pursuant to Minnesota Statutes to carry out economic and industrial development and redevelopment consistent with policies established by the Council. Its board is comprised of the members of the City Council. The EDA activities are blended, and separate financial statements are not issued for this component unit.

The City provides its residents and businesses with a broad range of municipal services consisting of police and fire protection, street maintenance, recreation programs, park maintenance, community and economic development, and administrative services, including building inspections. During 2024, the City operated four enterprises: water utility, sanitary sewer utility, stormwater management utility, and a recycling program.

Economic Conditions and Outlook

Governance

The City Council, in its leadership role, has effectively established a focus for government in Shorewood and has established overall goals and expectations for the City. The Council's budget calendar consists of three phases: first is planning. This includes review of the previous year's work plan and identifies goals and priorities for the next twelve months.

The second phase is capital finance planning. The City has examined the Capital Improvement Plan process and has established priorities for Plan development. Those projects are incorporated into a financial management plan that includes both operating and capital spending plans to determine the overall feasibility of the plans and the effect of that proposed spending level on the balances and tax necessary to support that level of investment.

The third phase is budgeting. The annual operating budget is developed based on decisions made in the first two phases and serves as the foundation of the City of Shorewood's financial planning and control. Departments submit budget requests to Finance in July and the City Administrator presents the proposed budget to the City Council for review. Budget work sessions are held with the City Council in

July and August. The City Council adopts a preliminary budget and tax levy prior to September 30 of each year. After individual property tax estimates are mailed to all property owners in November, the City Council holds a Truth-in-taxation public hearing on the proposed budget and adopts the final budget in December each year.

The budget is organized by fund and function. The City's department directors develop their budgets with subsequent review and input from the City Administrator and Finance Director. Any changes in the overall budget must be approved by the City Council.

Cooperative Public Service Delivery

Shorewood is committed to working cooperatively with other Lake Minnetonka area cities to carefully consider methods to efficiently deliver public services. The City has various contractual arrangements and entered into joint powers agreements with other government jurisdictions and with private entities for providing many of these services. The City is also involved in cooperative employee training, disaster preparedness and other areas of mutual interest as an active participant in the Lake Minnetonka area.

The City has been a member of the South Lake Minnetonka Police Department (SLMPD) since its creation in 1973. The other members of this joint powers organization are the cities of Excelsior, Greenwood, and Tonka Bay.

The City of Shorewood, along with the cities of Deephaven, Excelsior, Greenwood, and Tonka Bay, has been a member of the Excelsior Fire District since 2000. The Excelsior Fire District is a joint powers organization. A combined police and fire public safety building that serves the South Lake Minnetonka Area cities was completed in late 2003.

The City contracts with Hennepin County for property assessment services. The Hennepin County Assessor analyzes property sales information, sets taxable values, and handles the valuation appeal process.

The City is a member of the Lake Minnetonka Communications Commission, which was formed through a Joint Powers Agreement between eleven area cities to oversee the franchise agreement with the cable operator and to promote awareness and use of community television.

Debt Administration

As of December 31, 2024, the City's debt outstanding totaled \$23,275,000.

On August 25, 2020, the City issued \$7,500,000 series 2020A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds to finance various street and utility improvements. Of the total bonds, \$3,030,000 are considered street reconstruction bonds secured by the City's G.O. tax pledge, and \$4,470,000 are utility revenue bonds secured by revenues of the City's water, sanitary sewer, and stormwater utilities. In 2020, S&P Global Ratings assigned its AA+ rating to the series 2020A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds.

On July 28, 2021, the City issued \$4,325,000 series 2021A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds to finance various street and utility improvements. Of the total bonds, \$3,285,000 are considered street reconstruction bonds secured by the City's G.O. tax pledge, and \$1,040,000 are utility revenue bonds secured by revenues of the City's water, sanitary

sewer, and stormwater utilities. In 2021, S&P Global Ratings assigned its AA+ rating to the series 2021A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds.

On December 1, 2022, the City issued \$7,570,000 series 2022A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds to finance various street and utility improvements. Of the total bonds, \$3,535,000 are considered street reconstruction bonds secured by the City's G.O. tax pledge, and \$4,035,000 are utility revenue bonds secured by revenues of the City's water, sanitary sewer, and stormwater utilities. The series 2022A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds were not rated.

On July 12, 2023, the City issued \$5,645,000 series 2023A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds to finance various street and utility improvements. Of the total bonds, \$3,380,000 are considered street reconstruction bonds secured by the City's G.O. tax pledge, and \$2,265,000 are utility revenue bonds secured by revenues of the City's water, sanitary sewer, and stormwater utilities. The series 2023A General Obligation (G.O.) Street Reconstruction and Utility Revenue bonds were not rated.

Long-term Financial Planning

The City has implemented various financial/budgetary policies to guide the City Council and staff when making financial decisions to ensure the long-term stability and flexibility of City finances and operations. These policies include the following:

- The original budget should be balanced with revenues and other sources equal to expenditures and other uses.
- By Policy, the City Council has set the Unassigned fund balance level in the General Fund 60% of the next year's expenditure budget including transfers. This policy ensures the long-term economic stability of the organization by providing adequate working capital given the periodic nature of tax receipts and by providing for unexpected shortfalls or emergencies. In accordance with this policy, the City Council may use any General Fund reserve in excess of 60% to reduce the budgeted tax levy, or for one-time projects, or transfer to any of the City's capital funds.
- The City will maintain a ten-year capital improvement plan to provide for capital asset acquisition, maintenance, replacement, and retirement.
- The City will continue to accumulate resources for future capital equipment and improvement projects. Through 2020, this was accomplished with the use of General Fund operating transfers to various capital project funds. Commencing in 2021, the City directly funded its capital program by levying property taxes to capital projects funds rather than using transfers.

Major Initiatives

The City closed out two large public improvement projects – Smithtown Ponds and Strawberry Lane – which were started in 2023. A third project – Birch Bluff Road – will be closed out in 2025. The City also completed a mill and overlay project of fifteen street segments and made several small drainage improvements. A slightly larger drainage improvement was made to Church Street, connecting storm sewer to the Smithtown Ponds system, utilizing new stormwater infrastructure in western Shorewood.

Finally, the City initiated a filter replacement project at the Southeast Well and passed a resolution dedicating its remaining American Rescue Plan funds to the project. Work will be completed by the end of 2025.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shorewood for its annual comprehensive financial report for the fiscal year ended December 31, 2023.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards, and must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Shorewood has received the Certificate for the past 28 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We would like to express our appreciation to the employees of the Administration, Finance, Planning, and Public Works departments for their contribution to the preparation of this report. We would also like to thank the Mayor and City Council members for their continued support in planning and conducting the financial operations of the City in a responsible and prudent manner.

Respectfully submitted,



Marc Nevinski
City Administrator



Jeanne Schmuck
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shorewood
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Shorewood, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Shorewood, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As described in Note 7 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Employer's Contributions, and the related note disclosures starting on page 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Abdo
Minneapolis, Minnesota
May 21, 2025



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Management's Discussion and Analysis

As management of the City of Shorewood, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net position table on the following pages. The increase this year was due to an increase in property taxes, capital grants and contributions, and operating grants and contributions in governmental activities. The increase from prior year is due to some one-time grant receipts and overall increase in tax revenue for debt service payments.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to interest earnings and licenses and permits in excess of expectations. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.
- The unassigned fund balance in the General fund as shown in the financial analysis of the city's funds section increased from prior year. The increase is mainly due to licenses and permits revenue and interest revenue in excess of expectation during the year.
- The City's total bonded debt decreased during the fiscal year. The decrease was caused by regularly scheduled debt principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Figure 1 illustrates how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Required Components of the
City's Annual Financial Report

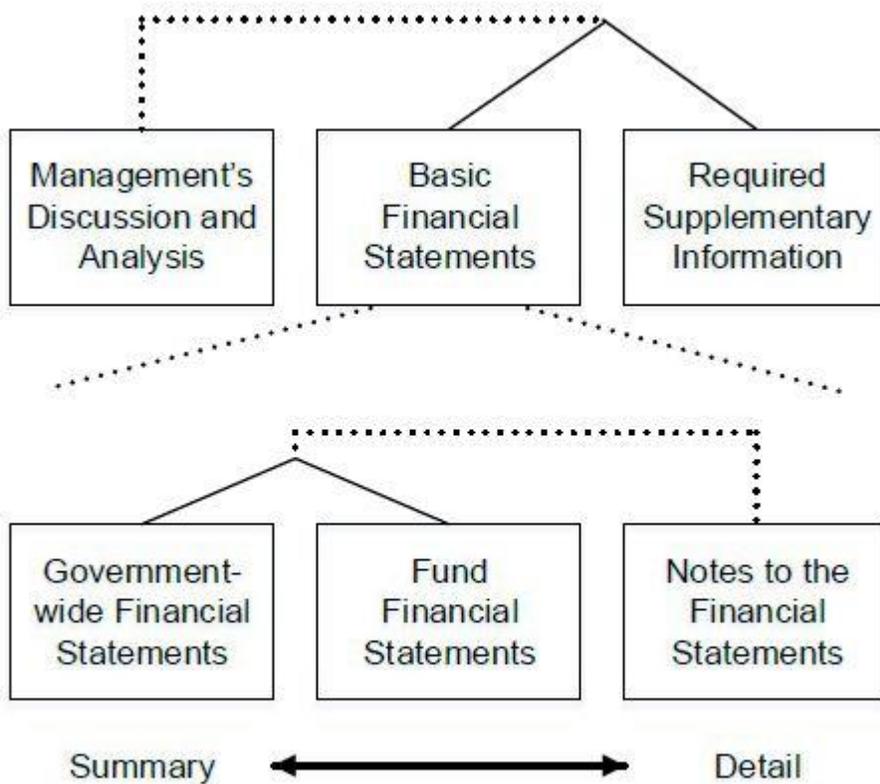


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City’s component units	The activities of the City that are not proprietary	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and interest on long-term debt. The business-type activities of the City include water, sewer, stormwater management utility, and recycling.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements start on page 37 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds, seven of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Reconstruction, and MSA Construction fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 42 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, stormwater management utility, and recycling.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds. The Water, Sewer, and Stormwater Management Utility funds are considered to be major funds of the City, while the Recycling fund is a nonmajor fund.

The basic proprietary fund financial statements start on page 47 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 51 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 80 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules starts on page 84 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred inflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, infrastructure, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shorewood's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets						
Cash and temporary investments	\$ 12,542,564	\$ 13,358,262	\$ (815,698)	\$ 3,140,976	\$ 3,972,352	\$ (831,376)
Receivables	4,149,218	4,296,604	(147,386)	1,134,465	1,139,006	(4,541)
Due from other governments	2,313,994	1,757,192	556,802	-	-	-
Internal balances	(922,587)	(951,136)	28,549	922,587	951,136	(28,549)
Prepaid items	141,633	180,332	(38,699)	11,288	10,724	564
Land held for resale	150,068	150,068	-	-	-	-
Capital assets	23,405,306	23,126,835	278,471	24,066,380	23,643,819	422,561
Total Assets	<u>41,780,196</u>	<u>41,918,157</u>	<u>(137,961)</u>	<u>29,275,696</u>	<u>29,717,037</u>	<u>(441,341)</u>
Deferred Outflows of Resources	<u>176,762</u>	<u>281,064</u>	<u>(104,302)</u>	<u>50,513</u>	<u>71,964</u>	<u>(21,451)</u>
Liabilities						
Noncurrent liabilities	13,154,161	14,024,016	(869,855)	11,534,324	11,905,890	(371,566)
Other liabilities	1,026,705	1,985,619	(958,914)	360,951	354,497	6,454
Total Liabilities	<u>14,180,866</u>	<u>16,009,635</u>	<u>(1,828,769)</u>	<u>11,895,275</u>	<u>12,260,387</u>	<u>(365,112)</u>
Deferred Inflows of Resources	<u>4,270,601</u>	<u>4,349,410</u>	<u>(78,809)</u>	<u>140,462</u>	<u>96,912</u>	<u>43,550</u>
Net Position						
Net investment in capital assets	11,626,663	11,461,228	165,435	13,063,437	14,164,285	(1,100,848)
Restricted	1,252,027	1,075,338	176,689	-	-	-
Unrestricted	10,626,801	9,303,610	1,323,191	4,227,035	3,267,417	959,618
Total Net Position	<u>\$ 23,505,491</u>	<u>\$ 21,840,176</u>	<u>\$ 1,665,315</u>	<u>\$ 17,290,472</u>	<u>\$ 17,431,702</u>	<u>\$ (141,230)</u>
Net Position as a Percent of Total						
Net investment in capital assets	49.5 %	52.5 %		75.6 %	81.3 %	
Restricted	5.3	4.9		-	-	
Unrestricted	45.2	42.6		24.4	18.7	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

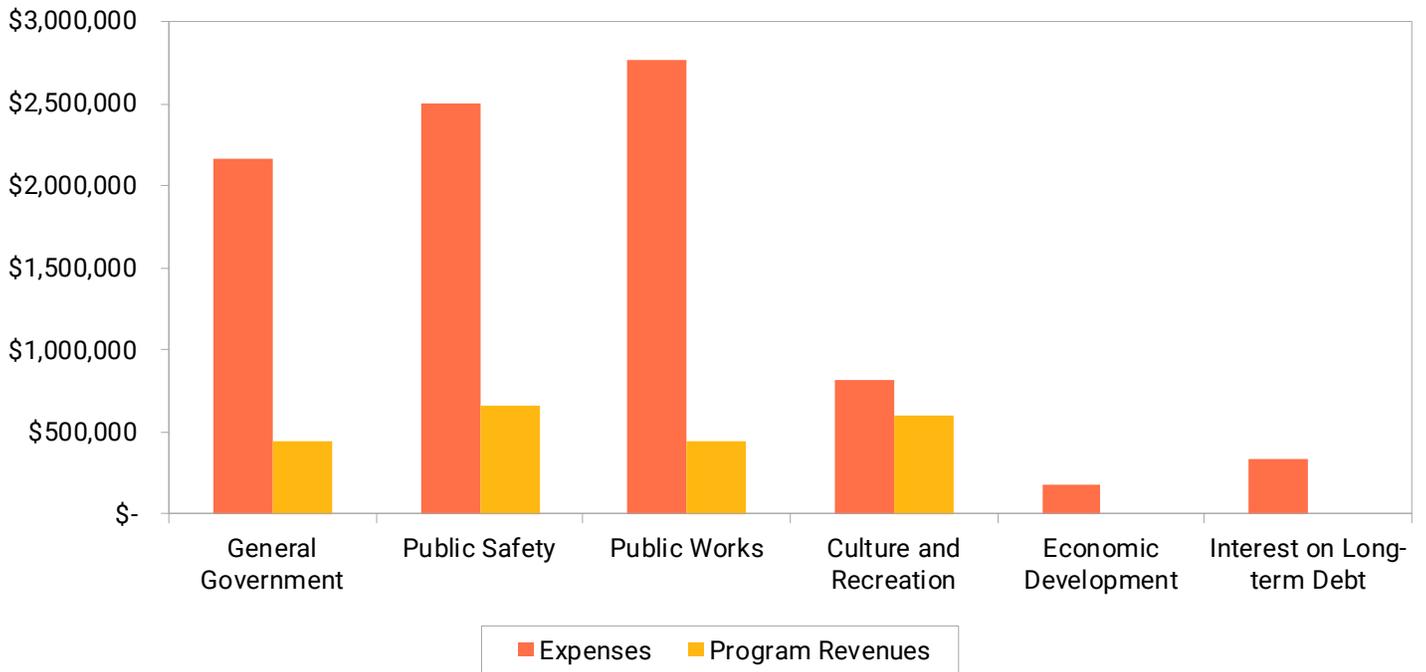
City of Shorewood's Changes in Net Position

Governmental Activities. Governmental activities increased the City's net position as shown below. Key elements of this activity are as follows:

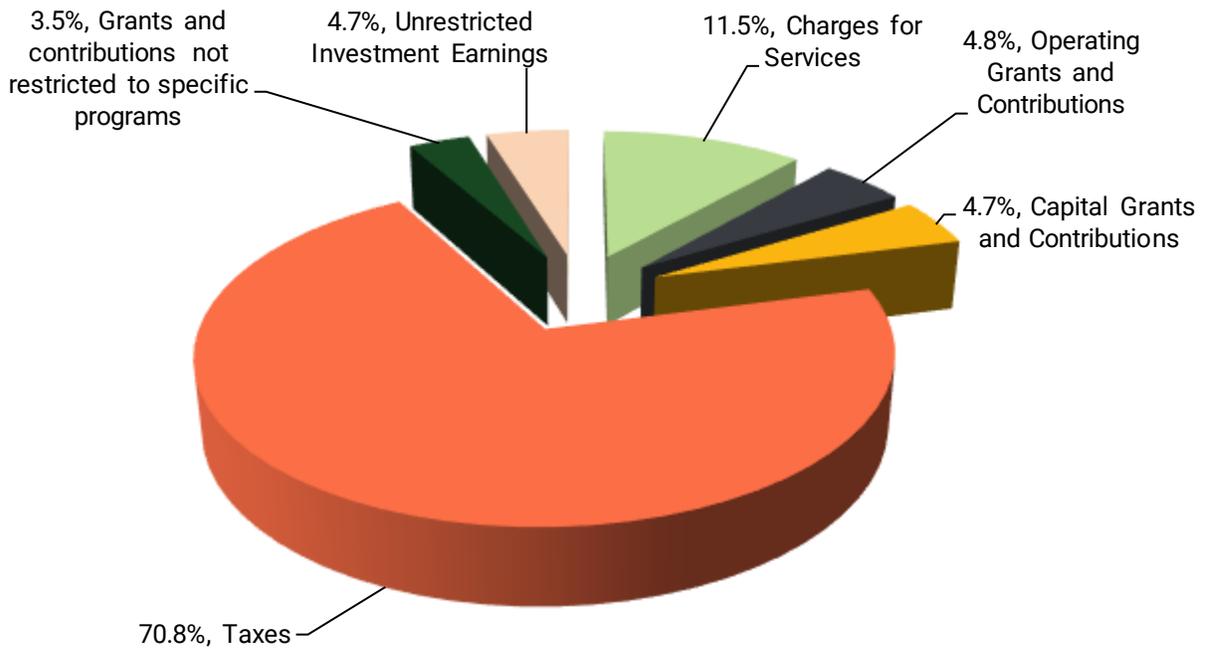
	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 1,201,551	\$ 842,142	\$ 359,409	\$ 3,021,464	\$ 3,039,386	\$ (17,922)
Operating grants and contributions	490,658	770,050	(279,392)	35,258	55,743	(20,485)
Capital grants and contributions	480,193	78,000	402,193	89,380	150,367	(60,987)
General Revenues						
Taxes						
Property taxes	7,091,478	6,503,371	588,107	-	-	-
Tax increment	211,151	211,460	(309)	-	-	-
Franchise taxes	-	-	-	324,387	322,864	1,523
Grants and contributions not restricted to specific programs	361,371	126,205	235,166	-	-	-
Unrestricted investment earnings	480,936	546,725	(65,789)	186,962	355,270	(168,308)
Gain on disposal of capital assets	-	57,597	(57,597)	-	1,032	(1,032)
Total Revenues	10,317,338	9,135,550	1,181,788	3,657,451	3,924,662	(267,211)
Expenses						
General government	2,162,283	2,055,674	106,609	-	-	-
Public safety	2,506,777	2,428,574	78,203	-	-	-
Public works	2,770,130	2,954,652	(184,522)	-	-	-
Culture and recreation	816,818	752,833	63,985	-	-	-
Economic development	183,504	184,894	(1,390)	-	-	-
Interest on long-term debt	342,511	316,345	26,166	-	-	-
Water	-	-	-	1,192,063	1,098,778	93,285
Sewer	-	-	-	1,739,672	1,691,518	48,154
Stormwater Management Utility	-	-	-	523,079	453,616	69,463
Recycling	-	-	-	213,867	165,627	48,240
Total Expenses	8,782,023	8,692,972	89,051	3,668,681	3,409,539	259,142
Increase (Decrease) in Net Position						
Before Transfers	1,535,315	442,578	1,092,737	(11,230)	515,123	(526,353)
Transfers	130,000	25,000	105,000	(130,000)	(25,000)	(105,000)
Change in Net Position	1,665,315	467,578	1,197,737	(141,230)	490,123	(631,353)
Net Position, January 1	21,840,176	21,372,598	467,578	17,431,702	16,941,579	490,123
Net Position, December 31	\$ 23,505,491	\$ 21,840,176	\$ 1,665,315	\$ 17,290,472	\$ 17,431,702	\$ (141,230)

- Total revenues increased mainly due to increases in property taxes, charges for services grants and other grants not specific to programs.
- Total expenses increased mainly due to the increase in public safety expenses related to police protection services.

Expenses and Program Revenues - Governmental Activities



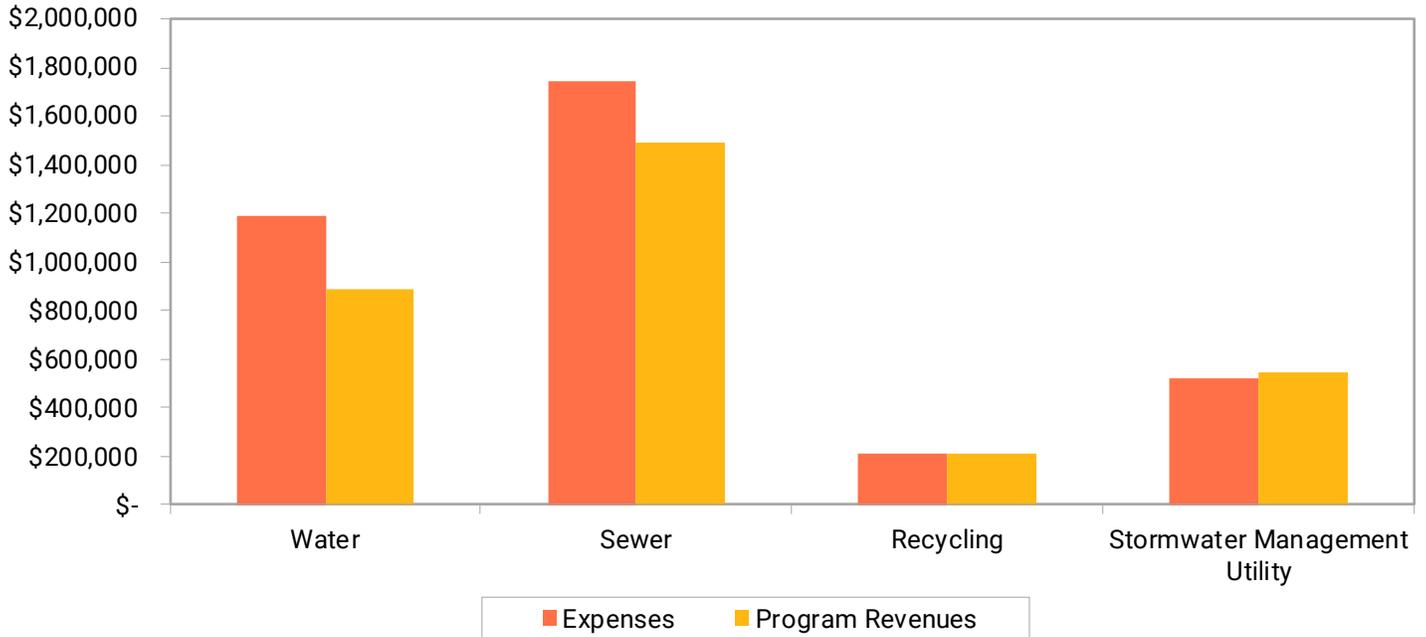
Revenues by Source - Governmental Activities



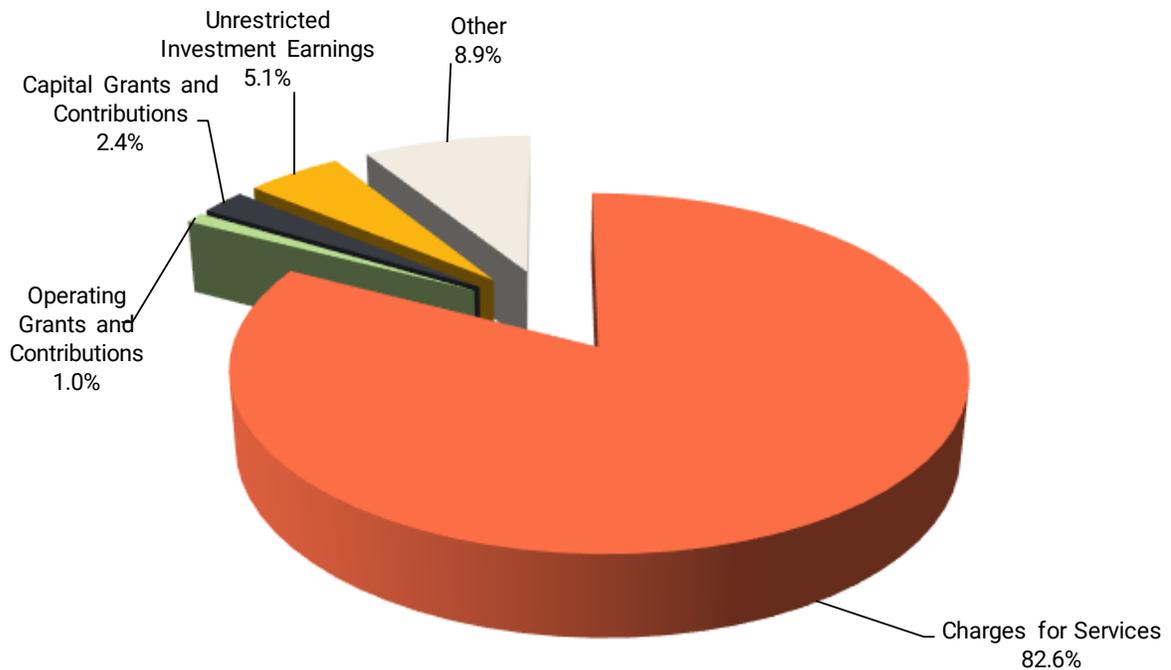
Business-type Activities. Business-type activities decreased the City’s net position at the close of the most recent fiscal year. Key elements of this decrease are as follows:

- Operating expenses increased from the preceding year in all utility funds mainly due to increases in personal services.
- Charges for services along with unrestricted investment earnings decreased from the prior year mainly due to the weather and market conditions.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2024.

	General	Debt Service	Street Reconstruction	MSA Construction	Other Governmental Funds	Total Governmental Funds	Prior Year Totals	Total Increase/ (Decrease)
Fund Balances								
Nonspendable prepaid items	\$ 141,633	\$ -	\$ -	\$ -	\$ -	\$ 141,633	\$ 180,332	\$ (38,699)
Restricted for								
Debt service	-	1,157,388	-	-	-	1,157,388	995,077	162,311
Public Safety	342,512	-	-	-	-	342,512	342,512	-
Street reconstruction	-	-	588,489	-	-	588,489	1,029,871	(441,382)
Committed to community center operations	-	-	-	-	74,329	74,329	78,404	(4,075)
Assigned to capital outlay	-	-	3,059,014	41,508	543,840	3,644,362	4,312,642	(668,280)
Unassigned	6,711,208	-	-	-	(961,256)	5,749,952	4,237,651	1,512,301
Total Fund Balances	\$ 7,195,353	\$ 1,157,388	\$ 3,647,503	\$ 41,508	\$ (343,087)	\$ 11,698,665	\$ 11,176,489	\$ 522,176

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 51 of this report.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Balances			
Nonspendable	\$ 141,633	\$ 180,332	\$ (38,699)
Restricted	342,512	342,512	-
Unassigned	6,711,208	5,827,347	883,861
Total General Fund Balances	\$ 7,195,353	\$ 6,350,191	\$ 845,162
General Fund Expenditures	\$ 6,380,904	\$ 5,938,232	
Unassigned as a percent of expenditures	105.2%	98.1%	
Total Fund Balance as a percent of expenditures	112.8%	106.9%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was primarily due to increase intergovernmental and interest revenue in excess of expectation.

Other major governmental fund analysis is shown below:

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
Debt Service Fund			
Restricted	\$ 1,157,388	\$ 995,077	\$ 162,311
<i>The Debt Service fund increased in fund balance during the year due to tax revenues exceeding debt service payments during the year.</i>			
Street Construction			
Assigned to Capital Outlay and Restricted to Capital Outlay	\$ 3,647,503	\$ 4,738,489	\$ (1,090,986)
<i>The Street Construction fund decreased in fund balance due to capital expenditures exceeding bond proceeds and other revenues during the year.</i>			
MSA Construction			
Assigned to Capital Outlay	\$ 41,508	\$ 39,869	\$ 1,639
<i>The MSA Construction fund increased in fund balance during the year due to a gain on investments.</i>			

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The ending net position of the enterprise funds at the end of the year was as follows:

	Ending Net Position 2024	Ending Net Position 2023	Increase/ (Decrease)
Water Utility	\$ 7,444,728	\$ 7,677,961	\$ (233,233)
<i>Decrease primarily due to operating expenses exceeding revenues.</i>			
Sewer Utility	\$ 3,251,397	\$ 3,455,125	\$ (203,728)
<i>Decrease primarily due to operating expenses exceeding revenues.</i>			
Stormwater Management Utility	\$ 6,150,849	\$ 5,872,097	\$ 278,752
<i>Increase primarily due to an increase in operating revenues from the prior year.</i>			

General Fund Budgetary Highlights

	2024		Variance with Final Budget	2023
	Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues	\$ 6,355,291	\$ 7,201,066	\$ 845,775	\$ 6,828,163
Expenditures	6,380,291	6,380,904	(613)	5,938,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	820,162	845,162	889,931
Other Financing Sources (Uses)				
Transfers in	25,000	25,000	-	25,000
Transfers out	(105,000)	-	105,000	(102,300)
Total Other Financing Sources (Uses)	(80,000)	25,000	105,000	(77,300)
Net Change in Fund Balances	(105,000)	845,162	950,162	812,631
Fund Balances, January 1	6,350,191	6,350,191	-	5,537,560
Fund Balances, December 31	<u>\$ 6,245,191</u>	<u>\$ 7,195,353</u>	<u>\$ 950,162</u>	<u>\$ 6,350,191</u>

The City’s General fund budget was not amended during the year. Actual revenues were over the final budget and expenditures were also over the final budget amounts as shown above.

- The largest revenue variance was primarily in licenses and permits for an increase in building permit revenue due to an increased number of projects during the year.
- The largest expenditure variances were mainly in public works for general maintenance and general government professional services.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year for governmental and business-type activities is mainly due to the following:

- Completion of the following projects:
 - Shorewood Oaks Drainage
- Additions to the following projects:
 - Strawberry Lane
 - Birch Bluff Road
 - Eureka Road Street and Utility
 - Freeman Trail Park
 - Mill Street Trail
 - Water System Improvement
 - Lift Station 11 Rehab
 - Shorewood Lane Ravine Stabilization
 - Smithtown Ponds
 - 2022 Catch Basin & Culvert Repairs
 - 2023 Drainage and Utility
 - 2024 Mill & Overlay
 - 2025 Mill & Overlay
 - Galpin Lake Road/Trail
 - Southeast Well Improvement

Additional information on the City's capital assets can be found in Note 3C starting on page 63 of this report.

City of Shorewood's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 741,826	\$ 741,826	\$ -	\$ 1,322,989	\$ 1,322,989	\$ -
Construction in Progress	7,840,972	6,456,137	1,384,835	8,668,555	7,768,798	899,757
Buildings	1,937,462	1,974,139	(36,677)	-	-	-
Improvements other than Buildings	1,397,790	1,533,527	(135,737)	-	-	-
Infrastructure	10,699,758	11,596,263	(896,505)	13,901,972	14,304,518	(402,546)
Machinery and Equipment	787,498	824,943	(37,445)	172,864	247,514	(74,650)
Total	<u>\$ 23,405,306</u>	<u>\$ 23,126,835</u>	<u>\$ 278,471</u>	<u>\$ 24,066,380</u>	<u>\$ 23,643,819</u>	<u>\$ 422,561</u>
Percent Increase/(Decrease)			1.2%			1.8%

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of general obligation debt as noted in the table below. While all of the City’s bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Shorewood’s Outstanding Debt

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
General Obligation Revenue Bonds	\$ -	\$ -	\$ -	\$ 11,185,000	\$ 11,560,000	\$ (375,000)
General Obligation Construction Bonds	12,090,000	12,585,000	(495,000)	-	-	-
Unamortized Bond Premiums	104,663	110,478	(5,815)	69,719	73,592	(3,873)
Total	\$ 12,194,663	\$ 12,695,478	\$ (500,815)	\$ 11,254,719	\$ 11,633,592	\$ (378,873)
Percent Increase/(Decrease)			-3.9%			-3.3%

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. Additional information on the City’s long-term debt can be found in Note 3E starting on page 66 of this report.

Economic Factors and Next Year’s Budgets and Rates

- Property valuations within the City increased 9.2% from 2023 to 2024 and 3.0% from 2024 to 2025.
- The unemployment rate for Hennepin County was 3.2% in March 2025. This is consistent with the State of Minnesota’s average unemployment rate of 3.9% and compares favorably to the national average unemployment rate of 4.2%.

All of these factors were considered in preparing the City’s General fund budget for the 2025 fiscal year. For 2025, budgeted revenues and other financing sources are equivalent to budgeted expenditures and other financing uses. Total property taxes levied for 2025 increased by 6.7% from total property taxes levied for 2024. The City’s tax capacity rate increased from 22.359% for 2024 property taxes to 23.072% for 2025 property taxes.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Shorewood, 5755 Country Club Road, Shorewood, Minnesota 55331.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Shorewood, Minnesota
Statement of Net Position
December 31, 2024

Exhibit 1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 12,542,564	\$ 3,140,976	\$ 15,683,540
Receivables			
Interest	64,676	-	64,676
Taxes	62,709	-	62,709
Accounts	23,864	846,859	870,723
Special assessments	6,183	287,606	293,789
Lease	3,991,786	-	3,991,786
Due from other governments	2,313,994	-	2,313,994
Internal balances	(922,587)	922,587	-
Prepaid items	141,633	11,288	152,921
Land held for resale	150,068	-	150,068
Capital assets			
Land and construction in progress	8,582,798	9,991,544	18,574,342
Depreciable assets (net of accumulated depreciation)	14,822,508	14,074,836	28,897,344
Total Assets	<u>41,780,196</u>	<u>29,275,696</u>	<u>71,055,892</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>176,762</u>	<u>50,513</u>	<u>227,275</u>
Liabilities			
Accounts and contracts payable	495,338	151,211	646,549
Deposits payable	321,998	-	321,998
Accrued salaries payable	6,859	4,940	11,799
Due to other governments	23,763	67,086	90,849
Accrued interest payable	143,210	137,714	280,924
Unearned revenue	35,537	-	35,537
Noncurrent liabilities			
Due within one year			
Long-term liabilities	855,405	535,659	1,391,064
Due in more than one year			
Long-term liabilities	11,570,651	10,789,304	22,359,955
Net pension liability	728,105	209,361	937,466
Total Liabilities	<u>14,180,866</u>	<u>11,895,275</u>	<u>26,076,141</u>
Deferred Inflows of Resources			
Deferred lease resources	3,779,404	-	3,779,404
Deferred pension resources	491,197	140,462	631,659
Total Deferred Inflow of Resources	<u>4,270,601</u>	<u>140,462</u>	<u>4,411,063</u>
Net Position			
Net investment in capital assets	11,626,663	13,063,437	24,690,100
Restricted for			
Debt service	909,515	-	909,515
Public safety	342,512	-	342,512
Unrestricted	<u>10,626,801</u>	<u>4,227,035</u>	<u>14,853,836</u>
Total Net Position	<u>\$ 23,505,491</u>	<u>\$ 17,290,472</u>	<u>\$ 40,795,963</u>

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,162,283	\$ 449,391	\$ -	\$ -
Public safety	2,506,777	631,997	34,048	-
Public works	2,770,130	-	450,115	-
Culture and recreation	816,818	120,163	6,495	480,193
Economic development	183,504	-	-	-
Interest on long-term debt	342,511	-	-	-
Total Governmental Activities	<u>8,782,023</u>	<u>1,201,551</u>	<u>490,658</u>	<u>480,193</u>
Business-type Activities				
Water	1,192,063	790,502	11,614	88,060
Sewer	1,739,672	1,489,346	3,826	1,320
Stormwater management utility	523,079	545,166	1,086	-
Recycling	213,867	196,450	18,732	-
Total Business-type Activities	<u>3,668,681</u>	<u>3,021,464</u>	<u>35,258</u>	<u>89,380</u>
Total	<u>\$ 12,450,704</u>	<u>\$ 4,223,015</u>	<u>\$ 525,916</u>	<u>\$ 569,573</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,712,892)	\$ -	\$ (1,712,892)
(1,840,732)	-	(1,840,732)
(2,320,015)	-	(2,320,015)
(209,967)	-	(209,967)
(183,504)	-	(183,504)
(342,511)	-	(342,511)
<u>(6,609,621)</u>	<u>-</u>	<u>(6,609,621)</u>
-	(301,887)	(301,887)
-	(245,180)	(245,180)
-	23,173	23,173
-	1,315	1,315
-	<u>(522,579)</u>	<u>(522,579)</u>
<u>(6,609,621)</u>	<u>(522,579)</u>	<u>(7,132,200)</u>
6,103,216	-	6,103,216
988,262	-	988,262
211,151	-	211,151
-	324,387	324,387
361,371	-	361,371
480,936	186,962	667,898
130,000	(130,000)	-
<u>8,274,936</u>	<u>381,349</u>	<u>8,656,285</u>
1,665,315	(141,230)	1,524,085
<u>21,840,176</u>	<u>17,431,702</u>	<u>39,271,878</u>
<u>\$ 23,505,491</u>	<u>\$ 17,290,472</u>	<u>\$ 40,795,963</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Shorewood, Minnesota

Exhibit 3

Balance Sheet
Governmental Funds
December 31, 2024

	General	Debt Service	Street Reconstruction	MSA Construction	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and temporary investments	\$ 6,795,503	\$ 1,157,388	\$ 3,815,169	\$ 41,508	\$ 732,996	\$ 12,542,564
Receivables						
Accrued interest	64,676	-	-	-	-	64,676
Taxes	62,709	-	-	-	-	62,709
Accounts	23,864	-	-	-	-	23,864
Special assessments	6,183	-	-	-	-	6,183
Lease	3,991,786	-	-	-	-	3,991,786
Due from other governments	5,363	-	-	1,993,188	315,443	2,313,994
Due from other funds	348,958	-	-	-	-	348,958
Prepaid items	141,633	-	-	-	-	141,633
Land held for resale	-	-	-	-	150,068	150,068
Total Assets	\$ 11,440,675	\$ 1,157,388	\$ 3,815,169	\$ 2,034,696	\$ 1,198,507	\$ 19,646,435
Liabilities						
Accounts and contracts payable	\$ 59,410	\$ -	\$ 167,666	\$ -	\$ 268,262	\$ 495,338
Deposits payable	321,998	-	-	-	-	321,998
Accrued salaries payable	6,044	-	-	-	815	6,859
Due to other governments	22,791	-	-	-	972	23,763
Due to other funds	-	-	-	-	349,161	349,161
Advances from other funds	-	-	-	-	922,384	922,384
Unearned revenue	35,537	-	-	-	-	35,537
Total Liabilities	445,780	-	167,666	-	1,541,594	2,155,040
Deferred Inflows of Resources						
Unavailable revenue - property taxes	13,981	-	-	-	-	13,981
Unavailable revenue - assessments	6,157	-	-	-	-	6,157
Unavailable revenue - intergovernmental	-	-	-	1,993,188	-	1,993,188
Deferred lease resources	3,779,404	-	-	-	-	3,779,404
Total Deferred Inflows of Resources	3,799,542	-	-	1,993,188	-	5,792,730
Fund Balances						
Nonspendable prepaid items	141,633	-	-	-	-	141,633
Restricted for						
Debt service	-	1,157,388	-	-	-	1,157,388
Public safety	342,512	-	-	-	-	342,512
Street reconstruction	-	-	588,489	-	-	588,489
Committed to community center operations	-	-	-	-	74,329	74,329
Assigned to capital outlay	-	-	3,059,014	41,508	543,840	3,644,362
Unassigned	6,711,208	-	-	-	(961,256)	5,749,952
Total Fund Balances	7,195,353	1,157,388	3,647,503	41,508	(343,087)	11,698,665
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,440,675	\$ 1,157,388	\$ 3,815,169	\$ 2,034,696	\$ 1,198,507	\$ 19,646,435

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 Governmental Funds
 December 31, 2024

Exhibit 4

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 11,698,665
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	62,075,943
Less: accumulated depreciation	(38,670,637)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bonds payable	(12,090,000)
Unamortized premium on bonds	(104,663)
Compensated absences payable	(231,393)
Net pension liability	(728,105)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Taxes receivable	13,981
Special assessments receivable	6,157
Intergovernmental	1,993,188
Governmental funds do not report long-term amounts to pensions.	
Deferred outflows of pension resources	176,762
Deferred inflows of pension resources	(491,197)
Governmental funds do not report a liability for accrued interest until due and payable.	
	(143,210)
Total Net Position - Governmental Activities	\$ 23,505,491

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

Exhibit 5

	General	Debt Service	Street Reconstruction	MSA Construction	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 5,654,784	\$ 988,262	\$ 128,000	\$ -	\$ 572,151	\$ 7,343,197
Licenses and permits	561,581	-	-	-	-	561,581
Intergovernmental	195,836	-	-	-	359,574	555,410
Charges for services	298,791	-	-	-	178,781	477,572
Fines and forfeitures	69,438	-	-	-	-	69,438
Special assessments	4,438	-	-	-	-	4,438
Interest on investments	240,417	25,938	192,499	1,639	20,443	480,936
Miscellaneous	175,781	-	-	-	411,450	587,231
Total Revenues	<u>7,201,066</u>	<u>1,014,200</u>	<u>320,499</u>	<u>1,639</u>	<u>1,542,399</u>	<u>10,079,803</u>
Expenditures						
Current						
General government	2,162,968	-	-	-	-	2,162,968
Public safety	2,401,272	-	-	-	-	2,401,272
Public works	1,163,697	-	-	-	74,043	1,237,740
Culture and recreation	540,686	-	-	-	157,122	697,808
Capital outlay						
General government	-	-	-	-	88,158	88,158
Public safety	112,281	-	-	-	-	112,281
Public works	-	-	1,411,485	-	450,434	1,861,919
Culture and recreation	-	-	-	-	90,088	90,088
Economic development	-	-	-	-	183,504	183,504
Debt service						
Principal	-	495,000	-	-	-	495,000
Interest and service charges	-	356,889	-	-	-	356,889
Total Expenditures	<u>6,380,904</u>	<u>851,889</u>	<u>1,411,485</u>	<u>-</u>	<u>1,043,349</u>	<u>9,687,627</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>820,162</u>	<u>162,311</u>	<u>(1,090,986)</u>	<u>1,639</u>	<u>499,050</u>	<u>392,176</u>
Other Financing Sources (Uses)						
Transfers in	25,000	-	-	-	105,000	130,000
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>130,000</u>
Net Change in Fund Balances	845,162	162,311	(1,090,986)	1,639	604,050	522,176
Fund Balances, January 1	<u>6,350,191</u>	<u>995,077</u>	<u>4,738,489</u>	<u>39,869</u>	<u>(947,137)</u>	<u>11,176,489</u>
Fund Balances, December 31	<u>\$ 7,195,353</u>	<u>\$ 1,157,388</u>	<u>\$ 3,647,503</u>	<u>\$ 41,508</u>	<u>\$ (343,087)</u>	<u>\$ 11,698,665</u>

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2024

Exhibit 6

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 522,176
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	1,600,641
Depreciation expense	(1,322,170)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>	
Principal repayments	495,000
Amortization of bond premium	5,815
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	8,563
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	79,181
Pension revenue	34,048
<p>Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Taxes	(40,568)
Special assessments	1,678
Intergovernmental	242,377
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	38,574
Change in Net Position - Governmental Activities	\$ 1,665,315

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2024

Exhibit 7

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,638,012	\$ 5,638,012	\$ 5,654,784	\$ 16,772
Licenses and permits	232,225	232,225	561,581	329,356
Intergovernmental	115,450	115,450	195,836	80,386
Charges for services	256,360	256,360	298,791	42,431
Fines and forfeitures	60,000	60,000	69,438	9,438
Special assessments	5,000	5,000	4,438	(562)
Interest on investments	20,000	20,000	240,417	220,417
Miscellaneous	28,244	28,244	175,781	147,537
Total Revenues	<u>6,355,291</u>	<u>6,355,291</u>	<u>7,201,066</u>	<u>845,775</u>
Expenditures				
Current				
General government	2,021,555	2,021,555	2,162,968	(141,413)
Public safety	2,445,937	2,445,937	2,401,272	44,665
Public works	1,322,600	1,322,600	1,163,697	158,903
Culture and recreation	477,918	477,918	540,686	(62,768)
Capital outlay				
Public safety	112,281	112,281	112,281	-
Total Expenditures	<u>6,380,291</u>	<u>6,380,291</u>	<u>6,380,904</u>	<u>(613)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(25,000)</u>	<u>(25,000)</u>	<u>820,162</u>	<u>845,162</u>
Other Financing Sources (Uses)				
Transfers in	25,000	25,000	25,000	-
Transfers out	(105,000)	(105,000)	-	105,000
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>25,000</u>	<u>105,000</u>
Net Change in Fund Balances				
	(105,000)	(105,000)	845,162	950,162
Fund Balances, January 1				
	<u>6,350,191</u>	<u>6,350,191</u>	<u>6,350,191</u>	<u>-</u>
Fund Balances, December 31				
	<u>\$ 6,245,191</u>	<u>\$ 6,245,191</u>	<u>\$ 7,195,353</u>	<u>\$ 950,162</u>

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

Exhibit 8

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Stormwater Management Utility	Nonmajor Recycling	
Assets					
Current Assets					
Cash and temporary investments	\$ 989,603	\$ 1,343,459	\$ 411,388	\$ 396,526	\$ 3,140,976
Receivables					
Accounts	199,333	378,515	219,833	49,178	846,859
Special assessments	74,955	32,739	15,549	4,051	127,294
Prepaid Items	2,822	2,822	2,822	2,822	11,288
Due from other funds	67	136	-	-	203
Total Current Assets	<u>1,266,780</u>	<u>1,757,671</u>	<u>649,592</u>	<u>452,577</u>	<u>4,126,620</u>
Noncurrent Assets					
Special assessments receivable	154,986	3,610	1,183	533	160,312
Advances to other funds	922,384	-	-	-	922,384
Capital assets					
Land	-	-	1,322,989	-	1,322,989
Construction in progress	1,943,843	1,115,077	5,609,635	-	8,668,555
Machinery and equipment	389,016	469,773	-	-	858,789
Infrastructure	14,182,495	10,873,509	5,806,025	-	30,862,029
Less accumulated depreciation	(8,040,473)	(8,519,467)	(1,086,042)	-	(17,645,982)
Net Capital Assets	<u>8,474,881</u>	<u>3,938,892</u>	<u>11,652,607</u>	<u>-</u>	<u>24,066,380</u>
Total Noncurrent Assets	<u>9,552,251</u>	<u>3,942,502</u>	<u>11,653,790</u>	<u>533</u>	<u>25,149,076</u>
Total Assets	<u>10,819,031</u>	<u>5,700,173</u>	<u>12,303,382</u>	<u>453,110</u>	<u>29,275,696</u>
Deferred Outflows of Resources					
Deferred pension resources	23,696	19,807	5,687	1,323	50,513
Liabilities					
Current Liabilities					
Accounts and contracts payable	35,617	7,541	106,937	1,116	151,211
Accrued salaries payable	2,887	1,504	455	94	4,940
Due to other governments	13,718	53,368	-	-	67,086
Accrued interest payable	40,668	34,843	62,203	-	137,714
Compensated absences - current	21,705	17,885	5,717	352	45,659
Bonds payable - current	131,226	84,999	273,775	-	490,000
Total Current Liabilities	<u>245,821</u>	<u>200,140</u>	<u>449,087</u>	<u>1,562</u>	<u>896,610</u>
Noncurrent Liabilities					
Bonds payable	2,976,380	2,121,740	5,666,599	-	10,764,719
Net pension liability	98,196	81,930	23,719	5,516	209,361
Compensated absences	11,688	9,630	3,078	189	24,585
Total Noncurrent Liabilities	<u>3,086,264</u>	<u>2,213,300</u>	<u>5,693,396</u>	<u>5,705</u>	<u>10,998,665</u>
Total Liabilities	<u>3,332,085</u>	<u>2,413,440</u>	<u>6,142,483</u>	<u>7,267</u>	<u>11,895,275</u>
Deferred Inflows of Resources					
Deferred pension resources	65,914	55,143	15,737	3,668	140,462
Net Position					
Net investment in capital assets	5,485,734	1,860,738	5,716,965	-	13,063,437
Unrestricted	1,958,994	1,390,659	433,884	443,498	4,227,035
Total Net Position	<u>\$ 7,444,728</u>	<u>\$ 3,251,397</u>	<u>\$ 6,150,849</u>	<u>\$ 443,498</u>	<u>\$ 17,290,472</u>

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

Exhibit 9

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Stormwater Management Utility	Nonmajor Recycling	
Operating Revenues					
Charges for services	\$ 779,848	\$ 1,487,020	\$ 545,045	\$ 196,450	\$ 3,008,363
Intergovernmental	464	-	-	18,479	18,943
Total Operating Revenues	<u>780,312</u>	<u>1,487,020</u>	<u>545,045</u>	<u>214,929</u>	<u>3,027,306</u>
Operating Expenses					
Personal services	361,314	309,285	86,985	21,749	779,333
Supplies	15,968	2,339	2,966	1,580	22,853
Repairs and maintenance	32,004	57,794	53,184	-	142,982
Depreciation	437,331	140,298	145,151	-	722,780
Professional services	13,212	-	83,027	-	96,239
Contracted services	67,334	22,686	2,686	165,652	258,358
Water purchases	46,156	-	-	-	46,156
Utilities	70,148	4,448	-	-	74,596
Disposal charges	-	1,114,624	-	-	1,114,624
Other	53,946	6,748	1,549	24,886	87,129
Total Operating Expenses	<u>1,097,413</u>	<u>1,658,222</u>	<u>375,548</u>	<u>213,867</u>	<u>3,345,050</u>
Operating Income (Loss)	<u>(317,101)</u>	<u>(171,202)</u>	<u>169,497</u>	<u>1,062</u>	<u>(317,744)</u>
Nonoperating Revenues (Expenses)					
Special assessments	6,581	-	-	-	6,581
Interest on investments	81,154	53,952	36,192	15,664	186,962
Franchise taxes	-	-	324,387	-	324,387
Miscellaneous	15,223	6,152	1,207	253	22,835
Interest expense	(96,199)	(82,573)	(148,732)	-	(327,504)
Amortization of bond premiums	1,549	1,123	1,201	-	3,873
Total Nonoperating Revenues (Expenses)	<u>8,308</u>	<u>(21,346)</u>	<u>214,255</u>	<u>15,917</u>	<u>217,134</u>
Income (Loss) Before Contributions and Transfers	<u>(308,793)</u>	<u>(192,548)</u>	<u>383,752</u>	<u>16,979</u>	<u>(100,610)</u>
Capital Contributions	88,060	1,320	-	-	89,380
Transfers Out	<u>(12,500)</u>	<u>(12,500)</u>	<u>(105,000)</u>	<u>-</u>	<u>(130,000)</u>
Change in Net Position	<u>(233,233)</u>	<u>(203,728)</u>	<u>278,752</u>	<u>16,979</u>	<u>(141,230)</u>
Net Position, January 1	<u>7,677,961</u>	<u>3,455,125</u>	<u>5,872,097</u>	<u>426,519</u>	<u>17,431,702</u>
Net Position, December 31	<u>\$ 7,444,728</u>	<u>\$ 3,251,397</u>	<u>\$ 6,150,849</u>	<u>\$ 443,498</u>	<u>\$ 17,290,472</u>

The notes to the financial statements are an integral part of this statement.

City of Shorewood, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

Exhibit 10

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Stormwater Management Utility	Nonmajor Recycling	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 779,875	\$ 1,490,886	\$ 544,051	\$ 212,690	\$ 3,027,502
Other receipts related to operations	21,804	6,152	1,207	253	29,416
Payments to suppliers, contractors and other governments	(301,277)	(1,179,517)	(178,029)	(203,436)	(1,862,259)
Payments to employees	(338,638)	(283,211)	(82,655)	(19,085)	(723,589)
Net Cash Provided (Used) by Operating Activities	<u>161,764</u>	<u>34,310</u>	<u>284,574</u>	<u>(9,578)</u>	<u>471,070</u>
Cash Flows from					
Noncapital Financing Activities					
Transfers out	(12,500)	(12,500)	(105,000)	-	(130,000)
Franchise fees	-	-	324,387	-	324,387
Decrease in due from other funds	28,685	(136)	-	-	28,549
Net Cash Provided (Used) by Noncapital Financing Activities	<u>16,185</u>	<u>(12,636)</u>	<u>219,387</u>	<u>-</u>	<u>222,936</u>
Cash Flows from Capital					
and Related Financing Activities					
Connection fees received	88,060	1,320	-	-	89,380
Acquisition of capital assets	(297,704)	(82,665)	(719,287)	-	(1,099,656)
Principal paid on revenue bonds	(93,809)	(65,772)	(215,419)	-	(375,000)
Interest paid on revenue bonds	(97,176)	(83,551)	(150,686)	-	(331,413)
Net Cash Provided by Capital and Related Financing Activities	<u>(400,629)</u>	<u>(230,668)</u>	<u>(1,085,392)</u>	<u>-</u>	<u>(1,716,689)</u>
Cash Flows from Investing Activities					
Interest received on investments	82,241	55,012	37,880	16,174	191,307
Net Increase (Decrease) in					
Cash and Cash Equivalents	(140,439)	(153,982)	(543,551)	6,596	(831,376)
Cash and Cash Equivalents, January 1	1,130,042	1,497,441	954,939	389,930	3,972,352
Cash and Cash Equivalents, December 31	<u>\$ 989,603</u>	<u>\$ 1,343,459</u>	<u>\$ 411,388</u>	<u>\$ 396,526</u>	<u>\$ 3,140,976</u>

The notes to the financial statements are an integral part of this statement.

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City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Shorewood, Minnesota (the City), operates under the "Optional Plan A" form of government as defined in the State of Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended Component Unit

The Economic Development Authority (EDA) of the City was created pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent within the City in accordance with policies established by the City Council. The EDA Board is comprised of the members of the City Council and has a December 31 year end. Because the EDA's Board is the same as the City Council, and the EDA creates both financial benefits and burdens for the primary government, the EDA is blended and reported in the Capital Project fund. Separate financial statements are not issued for this component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Street Reconstruction fund* accounts for the resources accumulated and payments made for the periodic reconstruction of City streets and roadways.

The *MSA Construction fund* accounts for the accumulation of Municipal State Aid (MSA) to fund the periodic reconstruction of MSA designated roads.

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

The *Water fund* accounts for the activities of the City's water distribution system.

The *Sewer fund* accounts for the activities of the City's sewage collection system.

The *Stormwater Management Utility fund* accounts for the activities of the City's stormwater collection system.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, stormwater management utility, and recycling enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC’s) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City’s investment policy has further restricted the City’s investments to items 1, 2, 3, and 7 above. Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City’s recurring fair value measurements are listed in detail on page 68 and are valued using quoted market prices (Level 1 inputs).

The City has the following recurring fair value measurements as of December 31, 2024:

- Municipal Bonds of \$1,606,369 are valued using a matrix pricing model (Level 2 inputs)

Investment Policy

The City’s investment policy incorporates Minnesota statutes as described above which reduces the City’s exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City’s investment policy limit the City’s investments to the list on page 60 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In accordance with the City’s investment policy, the investment officer shall structure all investments, deposits and repurchase agreements so that the custodial risk is categorized as either insured or registered, or securities held by the City or its agent in the City’s name or uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the City’s name. All investments are placed in safekeeping at financial institutions.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. In accordance with the City’s investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2024 the City had no investments of 5.0 percent or more of its total investment portfolio.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy and also detailed in the description of concentration of credit risk, the City manages its exposure to declines in fair values by “laddering” their investment maturities to ensure that a portion of the portfolio is maturing monthly, or as needed to meet projected expenditures. The City also permits no more than 30 percent of total investments to extend beyond five (5) years and does not directly invest in securities maturing more than 15 years from the date of purchase.

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City’s investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days’ notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property Taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the City during January, July and December each year.

Delinquent taxes receivable include the past six years’ uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the governmental fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts has a zero balance at the end of 2024. Unbilled utility enterprise fund receivables are also included for services provided in 2024. The City annually certifies delinquent utility accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established in the enterprise funds.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Lease Receivable

The City also has a lease receivable recorded for four cell-tower leases that meet the criteria for GASB 87. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the four leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of the City are accounted for using the consumption method.

Land Held for Resale

These assets represent land owned by the City with the intent to sell to developers. This land is recorded at the lesser of historical cost or net realizable value.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. For financial statement purposes only, a capitalization threshold is established for each capital asset category as follows:

Assets	Threshold
Land and Land Improvements	\$ 10,000
Other Improvements	25,000
Buildings	25,000
Building Improvements	25,000
Machinery and Equipment	5,000
Vehicles	5,000
Infrastructure	100,000
Other Assets	5,000

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	15 - 20
Buildings and Improvements	7 - 40
System Improvements/Infrastructure	15 - 40
Machinery and Equipment	5 - 15
Vehicles	5 - 15

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Compensated Absences

It is the City's policy to permit employees to accumulate a portion of earned but unused vacation and sick pay benefits. Accumulated vacation and sick pay are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the case of an employee leaving, the General fund would be responsible for liquidation of the liability.

Postemployment Benefits Other Than Pensions

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. It was determined, in accordance with GASB Statement 75, at December 31, 2024 that the City has a zero liability.

Long-term Obligations

In the government-wide financial statement and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense related to GERP for the year ended December 31, 2024 is as follows:

	GERF
City's proportionate share	\$ 104,694
Proportionate share of State's contribution	650
Total pension expense	\$ 105,344

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items listed below reported in the statement of net position and governmental funds balance sheet.

- *Unavailable revenues* are presented in the governmental funds from three sources: property taxes, special assessments and intergovernmental. These arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.
- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items, land held for resale, and amounts due from other funds.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 60 percent of operating expenditures and transfers out for cash-flow timing needs.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund. An annual budget was also prepared for the Shorewood Community and Event Center Special revenue fund but was not formally approved for the Local Fiscal Recovery ARPA fund. Annual appropriations lapse at fiscal yearend. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30th, the proposed budget is presented to the City Council for review. In early December, the City Council holds public hearings and a final budget is prepared and adopted.

The appropriated budget is prepared by fund, function and department. The City’s department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level.

The City’s budget was not amended during the year.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General Fund	\$ 6,380,291	\$ 6,380,904	\$ 613

These excess expenditures were funded by greater than anticipated revenues.

C. Deficit Fund Balance

The following funds had a deficit fund balance as of December 31, 2024:

Fund	Amount
Nonmajor Capital Project	
TIF 2 Oppidan Senior Housing	\$ 914,068
Park Capital Improvement	47,188

The deficits are expected to be eliminated with future tax increments, charges for services and property taxes.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any Federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$3,235,952, and the bank balance was \$3,248,051. The entire bank balance was covered by Federal depository insurance or by collateral held by the City's agent in the City's name.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Investments

At year end, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Minnesota Municipal Money Market fund	N/A	less than 1 year	\$ 10,840,999	\$ -	\$ -	\$ -
Non-pooled Investments at Fair Value						
Municipal Bonds	AAA	less than 1 year	1,127,463	-	1,127,463	-
Municipal Bonds	Aaa	more than 3 years	478,906	-	478,906	-
Total Investments			<u>\$ 12,447,368</u>	<u>\$ -</u>	<u>\$ 1,606,369</u>	<u>\$ -</u>

(1) Ratings are provided by various credit ratings agency where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

	Primary Government
Carrying Amount of Deposits	\$ 3,235,952
Investments	12,447,368
Cash on Hand	220
Total	<u>\$ 15,683,540</u>

B. Lease Receivable

The City has two lease agreements with New Singular Wireless and two lease agreements with T-Mobile. As of December 31, 2024, the following leases:

Description	Total Lease Receivable	Interest Rate	Issue Date	Payment Terms	Payment Amount	Balance at Year End
Old Market Road - New Singular Wireless (1) - Water Tower	\$ 518,040	1.21 %	7/1/2002	126 Annual	\$ 55,000	\$ 366,926
Old Market Road - T-Mobile (1) - Water Tower	936,901	1.74	5/24/2004	336 Annual	36,465	849,489
Smithtown Road - New Cingular Wireless (2) - Water Tower	1,256,594	1.70	5/1/2000	300 Annual	33,431	1,192,872
Smithtown Road - T-Mobile (2) - Water Tower	1,643,101	1.70	1/3/2000	336 Annual	35,855	1,582,499
Totals						<u>\$ 3,991,786</u>

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 741,826	\$ -	\$ -	\$ 741,826
Construction in progress	6,456,137	1,384,835	-	7,840,972
Total Capital Assets not Being Depreciated	<u>7,197,963</u>	<u>1,384,835</u>	<u>-</u>	<u>8,582,798</u>
Capital Assets Being Depreciated				
Buildings	4,062,125	88,158	-	4,150,283
Improvements other than buildings	3,048,505	-	-	3,048,505
Infrastructure	42,410,774	-	-	42,410,774
Machinery and equipment	3,755,935	127,648	-	3,883,583
Total Capital Assets Being Depreciated	<u>53,277,339</u>	<u>215,806</u>	<u>-</u>	<u>53,493,145</u>
Less Accumulated Depreciation for				
Buildings	(2,087,986)	(124,835)	-	(2,212,821)
Improvements other than buildings	(1,514,978)	(135,737)	-	(1,650,715)
Infrastructure	(30,814,511)	(896,505)	-	(31,711,016)
Machinery and equipment	(2,930,992)	(165,093)	-	(3,096,085)
Total Accumulated Depreciation	<u>(37,348,467)</u>	<u>(1,322,170)</u>	<u>-</u>	<u>(38,670,637)</u>
Total Capital Assets Being Depreciated, Net	<u>15,928,872</u>	<u>(1,106,364)</u>	<u>-</u>	<u>14,822,508</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,126,835</u>	<u>\$ 278,471</u>	<u>\$ -</u>	<u>\$ 23,405,306</u>

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,322,989	\$ -	\$ -	\$ 1,322,989
Construction in progress	7,768,798	1,145,341	(245,584)	8,668,555
Total Capital Assets not Being Depreciated	<u>9,091,787</u>	<u>1,145,341</u>	<u>(245,584)</u>	<u>9,991,544</u>
Capital Assets Being Depreciated				
Infrastructure	30,616,445	245,584	-	30,862,029
Machinery and equipment	858,789	-	-	858,789
Total Capital Assets Being Depreciated	<u>31,475,234</u>	<u>245,584</u>	<u>-</u>	<u>31,720,818</u>
Less Accumulated Depreciation for				
Infrastructure	(16,311,927)	(648,130)	-	(16,960,057)
Machinery and equipment	(611,275)	(74,650)	-	(685,925)
Total Accumulated Depreciation	<u>(16,923,202)</u>	<u>(722,780)</u>	<u>-</u>	<u>(17,645,982)</u>
Total Capital Assets Being Depreciated, Net	<u>14,552,032</u>	<u>(477,196)</u>	<u>-</u>	<u>14,074,836</u>
Business-type Activities Capital Assets, Net	<u>\$ 23,643,819</u>	<u>\$ 668,145</u>	<u>\$ (245,584)</u>	<u>\$ 24,066,380</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities		
General government		\$ 55,159
Public safety		1,090
Public works		1,014,461
Culture and recreation		251,460
Total Depreciation Expense - Governmental Activities		<u>\$ 1,322,170</u>
Business-type Activities		
Water		\$ 437,331
Sewer		140,298
Stormwater management utility		145,151
Total Depreciation Expense - Business-type Activities		<u>\$ 722,780</u>

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Construction and Other Commitments

The City has active construction projects as of December 31, 2024. At year end, the commitments with the contractors for these projects are as follows:

Project	Spent to Date	Remaining Commitment
Birch Bluff Street	\$ 3,862,491	\$ 213,087
2024 Mill and Overlay	933,721	103,697
Shorewood Drainage & Utility	84,723	24,682
Total	<u>\$ 4,880,935</u>	<u>\$ 341,466</u>

D. Interfund Receivables, Payables and Transfers

Interfund Balances

The composition of interfund balances as of December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Major Governmental	Nonmajor Governmental		
General	Park Capital Improvement	Cash flow	\$ 348,958
Major Enterprise			
Water	TIF 2 Oppidan Senior Housing	Project funding	922,384
Sewer	Shorewood Community and Events	Project funding	203
	Interfund Activity Eliminated from Government-wide Statements		<u>(348,958)</u>
Total Internal Balances			<u>\$ 922,587</u>

Interfund Transfers

The City made transfers during the fiscal year 2024 as shown and described below:

Fund	Transfers in		
	General	Nonmajor Governmental	Total
Transfers Out			
Water	\$ 12,500	\$ -	\$ 12,500
Sewer	12,500	-	12,500
Stormwater Management Utility	-	105,000	105,000
Total	<u>\$ 25,000</u>	<u>\$ 105,000</u>	<u>\$ 130,000</u>

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

The City annually budgets transfers for specific purposes. Annual transfers are made for administrative costs, part of capital improvement plans, as well as annual budgets. For the year ended December 31, 2024, the City made no unbudgeted one-time transfers.

E. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General Obligation Street Reconstruction Bonds

The following bonds will be repaid from future tax levies.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Street Reconstruction Bonds of 2020	\$ 3,030,000	1.00 - 1.63 %	08/25/20	02/01/41	\$ 2,460,000
G.O. Street Reconstruction Bonds of 2021	3,285,000	1.00 - 2.00	07/28/21	02/01/34	2,755,000
G.O. Street Reconstruction Bonds of 2022	3,535,000	4.31	12/01/22	02/01/43	3,495,000
G.O. Street Reconstruction Bonds of 2023	3,380,000	3.78	07/12/23	02/01/44	<u>3,380,000</u>
Total Street Reconstruction Bonds					<u>\$ 12,090,000</u>

The annual service requirements to maturity for the general obligation street reconstruction bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 705,000	\$ 336,236	\$ 1,041,236
2026	715,000	321,091	1,036,091
2027	730,000	305,581	1,035,581
2028	740,000	289,705	1,029,705
2029	760,000	273,363	1,033,363
2030 - 2034	3,885,000	1,100,891	4,985,891
2035 - 2039	2,335,000	658,115	2,993,115
2040 - 2044	<u>2,220,000</u>	<u>198,061</u>	<u>2,418,061</u>
Total	<u>\$ 12,090,000</u>	<u>\$ 3,483,043</u>	<u>\$ 15,573,043</u>

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future net revenues pledged from the Water, Sewer, and Stormwater funds and are backed by the taxing power of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Bonds of 2020	\$ 4,470,000	1.00 - 1.63 %	08/25/20	02/01/41	\$ 4,105,000
G.O. Utility Revenue Bonds of 2021	1,040,000	1.00 - 2.00	07/28/21	02/01/42	950,000
G.O. Utility Revenue Bonds of 2022	4,035,000	4.31	12/01/22	02/01/43	3,865,000
G.O. Utility Revenue Bonds of 2023	2,265,000	3.78	07/12/23	02/01/44	2,265,000
 Total Revenue Bonds					 <u><u>\$ 11,185,000</u></u>

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2025	\$ 490,000	\$ 314,985	\$ 804,985
2026	505,000	302,819	807,819
2027	515,000	290,211	805,211
2028	520,000	277,289	797,289
2029	540,000	263,919	803,919
2030 - 2034	2,850,000	1,104,135	3,954,135
2035 - 2039	3,260,000	682,000	3,942,000
2040 - 2044	2,505,000	182,976	2,687,976
 Total	 <u><u>\$ 11,185,000</u></u>	 <u><u>\$ 3,418,334</u></u>	 <u><u>\$ 14,603,334</u></u>

Annual revenues from operations, principal and interest payments on the bonds, and percentage of revenues required to cover principal and interest payments are as follows:

	Water	Sewer	Storm
Net Operating Revenues	\$ 779,875	\$ 1,490,886	\$ 544,051
Principal and Interest	190,985	149,323	366,105
Percentage of Revenues	24%	10%	67%

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
Street reconstruction bonds	\$ 12,585,000	\$ -	\$ (495,000)	\$ 12,090,000	\$ 705,000
Unamortized premium on bonds	110,478	-	(5,815)	104,663	-
Compensated Absences	<u>269,967</u>	<u>163,478</u>	<u>(202,052)</u>	<u>231,393</u>	<u>150,405</u>
Governmental Activity Long-term Liabilities	<u>\$ 12,965,445</u>	<u>\$ 163,478</u>	<u>\$ (702,867)</u>	<u>\$ 12,426,056</u>	<u>\$ 855,405</u>
Business-type Activities					
Bonds Payable					
General obligation revenue bonds	\$ 11,560,000	\$ -	\$ (375,000)	\$ 11,185,000	\$ 490,000
Unamortized premium on bonds	73,592	-	(3,873)	69,719	-
Compensated Absences	<u>-</u>	<u>130,884</u>	<u>(60,640)</u>	<u>70,244</u>	<u>45,659</u>
Business-type Activity Long-term Liabilities	<u>\$ 11,633,592</u>	<u>\$ 130,884</u>	<u>\$ (439,513)</u>	<u>\$ 11,324,963</u>	<u>\$ 535,659</u>

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were \$172,727, \$157,688 and \$134,178, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$937,466 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$24,241.

City's Proportionate Share of the Net Pension Liability	\$	937,466
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		24,241
Total	\$	961,707

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0254 percent at the end of the measurement period and 0.0238 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$104,694 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$650 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$43,132 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 86,574	\$ -
Changes in Actuarial Assumptions	4,476	338,897
Net Difference Between Projected and Actual Investment Earnings	-	272,962
Changes in Proportion	43,559	19,800
Contributions Paid to PERA Subsequent to the Measurement Date	92,666	-
Total	\$ 227,275	\$ 631,659

The \$92,666 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (288,144)
2026	(24,084)
2027	(112,971)
2028	(71,851)

E. Long-term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

-The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	<u>1 Percent Decrease (6.0%)</u>	<u>Current (7.0%)</u>	<u>1 Percent Increase (8.0%)</u>
General Employees Fund	\$ 2,047,576	\$ 937,466	\$ 24,299

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Joint Ventures

A. South Lake Minnetonka Police Department

The City participates in a joint powers agreement with the cities of Excelsior, Greenwood and Tonka Bay, which establishes the South Lake Minnetonka Police Department (the Department) for the purpose of providing police protection within the four communities. The agreement creates a coordinating committee, comprised of the Mayors of each participating community, as the governing body, which meets quarterly. Each year, the coordinating committee adopts an operating budget, which is approved by all participating cities. The cost of the operating budget is divided between the participating cities based upon a five-year average demand for service in each City.

Any budget shortfall is made up first from department reserves, with any excess shortfall assessed to each participating community according to the formula. The most recent year of audited information is December 31, 2023. Separate financial statements can be obtained by writing to the South Lake Minnetonka Police Department, 24150 Smithtown Road, Shorewood, Minnesota 55331.

The following is a summary of the Department's statements of net position as of December 31, 2023 and 2022:

South Lake Minnetonka Police Department
Summary of Statements of Net Position
December 31, 2023 and 2022

	2023	2022
Assets	\$ 3,022,094	\$ 3,741,379
Deferred Outflows of Resources	3,539,796	3,947,932
Total Assets and Deferred Outflows of Resources	\$ 6,561,890	\$ 7,689,311
Liabilities	\$ 2,751,113	\$ 6,414,154
Deferred Inflows of Resources	3,355,007	105,177
Net Position	455,770	1,169,980
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,561,890	\$ 7,689,311

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Joint Ventures (Continued)

The following is a summary of the Department's statements of activities for the years ended December 31, 2023 and 2022:

South Lake Minnetonka Police Department
Summary Statements of Activities
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues	\$ 3,453,099	\$ 3,606,447
Expenses	4,218,221	3,683,765
Net Revenues	(765,122)	(77,318)
General Revenues	50,912	13,600
Change in Net Position	(714,210)	(63,718)
Net Position, January 1	1,169,980	1,233,698
Net Position, December 31	\$ 455,770	\$ 1,169,980

B. Excelsior Fire District

In August of 2000, the cities of Deephaven, Excelsior, Greenwood, Shorewood and Tonka Bay entered a joint powers agreement to provide fire protection and medical response service to their residents and created an entity called the Excelsior Fire District (the District). The Board of Directors is comprised of ten members and five alternate members. Each Member City appoints two representatives on the Board of Directors and one alternate. The City is billed for service based on a formula that determines its share of the total expenditures. The most recent year of audited information is December 31, 2024. Separate financial statements can be obtained by writing to the Excelsior Fire District, 24100 Smithtown Road, Shorewood, Minnesota 55331.

The following is a summary of the District's statements of net position as of December 31, 2024 and 2023:

Excelsior Fire District
Summary of Statements of Net Position
December 31, 2024 and 2023

	2024	2023
Assets	\$ 8,963,194	\$ 8,718,546
Deferred Outflows of Resources	1,365,927	1,420,581
Total Assets and Deferred Outflows of Resources	\$ 10,329,121	\$ 10,139,127
Liabilities	\$ 1,188,240	\$ 1,068,135
Deferred Inflows of Resources	564,096	579,070
Net Position	8,576,785	8,491,922
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 10,329,121	\$ 10,139,127

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Joint Ventures (Continued)

The following is a summary of the District's statements of activities for the years ended December 31, 2024 and 2023:

Excelsior Fire District
Summary Statements of Activities
For the Years Ended December 31, 2024 and 2023

	2024	2023
Revenues	\$ 2,089,127	\$ 2,162,568
Expenses	2,124,542	2,446,618
Net Revenues	(35,415)	(284,050)
General Revenues	120,278	-
Change in Net Position	84,863	(284,050)
Net Position, January 1	8,491,922	8,775,972
Net Position, December 31	\$ 8,576,785	\$ 8,491,922

The District issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Excelsior Fire District, 24100 Smithtown Road, Shorewood, Minnesota 55331.

Note 6: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

The City's statutory debt limit is \$83,972,205 computed as three percent of \$2,799,073,511 which is the taxable market value of property within the City. Long-term debt issued and financed partially or entirely by special assessments, tax increments or the net revenues of enterprise fund operations is excluded from the debt limit computation. The City has no debt that is subject to the statutory debt limit.

City of Shorewood, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 7: Change in Accounting Principle

During the fiscal year 2024, the city adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provision of the statement results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of this statement.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Shorewood, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0254 %	\$ 937,466	\$ 24,241	\$ 961,707	\$ 2,146,180	43.7 %	86.7 %
6/30/2023	0.0238	1,330,869	36,753	1,367,622	1,895,405	70.2	83.1
6/30/2022	0.0248	1,964,168	57,522	2,021,690	1,854,789	105.9	76.7
6/30/2021	0.0252	1,076,153	32,902	1,109,055	1,752,124	61.4	87.0
6/30/2020	0.0236	1,414,928	43,582	1,458,510	1,681,543	84.1	79.0
6/30/2019	0.0215	1,188,687	36,832	1,225,519	1,520,104	78.2	80.2
6/30/2018	0.0202	1,120,613	36,648	1,157,261	1,346,370	83.2	79.5
6/30/2017	0.0202	1,289,555	16,197	1,305,752	1,299,857	99.2	75.9
6/30/2016	0.0203	1,648,259	21,459	1,669,718	1,257,395	131.1	68.9
6/30/2015	0.0210	1,088,329	-	1,088,329	1,339,457	81.3	78.2

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 172,727	\$ 172,727	\$ -	\$ 2,303,031	7.50 %
12/31/2023	157,688	157,688	-	2,102,511	7.50
12/31/2022	134,178	134,178	-	1,789,036	7.50
12/31/2021	139,392	139,392	-	1,858,566	7.50
12/31/2020	128,591	128,591	-	1,714,547	7.50
12/31/2019	118,391	118,391	-	1,578,547	7.50
12/31/2018	107,641	107,641	-	1,435,208	7.50
12/31/2017	97,079	97,079	-	1,294,390	7.50
12/31/2016	96,454	96,454	-	1,286,047	7.50
12/31/2015	93,614	93,614	-	1,248,182	7.50

City of Shorewood, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of Shorewood, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024 was eliminated. A one-time non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

Shorewood Community and Event Center - This fund was established to account for the resources accumulated from events and activities held at the City's community center, and the payment of expenditures related to operations of the community center. The City has committed charges for services revenues for operations. Property taxes support the community center when fees generated from facility rental are not sufficient to cover expenditures.

Local Fiscal Recovery Fund ARPA - This fund was established to account for the resources accumulated from the American Rescue Plan Act and the payment of expenditures.

City of Shorewood, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2024

Exhibit A-1

	Special Revenue			Total Nonmajor Funds
	Shorewood Community and Event Center	Local Fiscal Recovery ARPA	Capital Projects	
Assets				
Cash and temporary investments	\$ 79,081	\$ 178,536	\$ 475,379	\$ 732,996
Due from other governments	-	-	315,443	315,443
Land held for resale	-	-	150,068	150,068
	<u>\$ 79,081</u>	<u>\$ 178,536</u>	<u>\$ 940,890</u>	<u>\$ 1,198,507</u>
Liabilities				
Accounts and contracts payable	\$ 3,734	\$ 178,536	\$ 85,992	\$ 268,262
Accrued salaries payable	815	-	-	815
Due to other governments	-	-	972	972
Advances from other funds	-	-	922,384	922,384
Due to other funds	203	-	348,958	349,161
Total Liabilities	<u>4,752</u>	<u>178,536</u>	<u>1,358,306</u>	<u>1,541,594</u>
Fund Balances				
Committed to community center operations	74,329	-	-	74,329
Assigned to capital outlay	-	-	543,840	543,840
Unassigned	-	-	(961,256)	(961,256)
Total Fund Balances	<u>74,329</u>	<u>-</u>	<u>(417,416)</u>	<u>(343,087)</u>
Total Liabilities and Fund Balances	<u>\$ 79,081</u>	<u>\$ 178,536</u>	<u>\$ 940,890</u>	<u>\$ 1,198,507</u>

City of Shorewood, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2024

Exhibit A-2

	Special Revenue			Total Nonmajor Funds
	Shorewood Community and Event Center	Local Fiscal Recovery ARPA	Capital Projects	
Revenues				
Taxes	\$ 105,000	\$ -	\$ 467,151	\$ 572,151
Intergovernmental	-	359,574	-	359,574
Charges for services	66,281	-	112,500	178,781
Interest on investments	3,046	-	17,397	20,443
Miscellaneous				
Contributions and donations	-	-	8,000	8,000
Refunds and reimbursements	-	-	403,450	403,450
Total Revenues	<u>174,327</u>	<u>359,574</u>	<u>1,008,498</u>	<u>1,542,399</u>
Expenditures				
Current				
Public works	-	74,043	-	74,043
Culture and recreation	157,122	-	-	157,122
Capital outlay				
General government	-	-	88,158	88,158
Public works	-	306,340	144,094	450,434
Culture and recreation	21,280	-	68,808	90,088
Economic development	-	-	183,504	183,504
Total Expenditures	<u>178,402</u>	<u>380,383</u>	<u>484,564</u>	<u>1,043,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,075)	(20,809)	523,934	499,050
Other Financing Sources				
Transfers in	-	-	105,000	105,000
Net Change in Fund Balances	(4,075)	(20,809)	628,934	604,050
Fund Balances, January 1	<u>78,404</u>	<u>20,809</u>	<u>(1,046,350)</u>	<u>(947,137)</u>
Fund Balances, December 31	<u>\$ 74,329</u>	<u>\$ -</u>	<u>\$ (417,416)</u>	<u>\$ (343,087)</u>

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NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Park Capital Improvement - This fund accounts for park land acquisition and other capital improvements in the City parks.

Equipment Replacement - This fund was established for the purpose of funding the replacement of capital equipment.

Trail Construction - This fund was established to accounts for the resources accumulated and payments made for trail improvements and construction.

Community Infrastructure - This fund was established for the purpose of funding future improvements in the City.

TIF #2 Oppidan Senior Housing fund - This fund accounts for the resources accumulated and payments made for the senior housing project.

City of Shorewood, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2024

Exhibit B-1

	Park Capital Improvement	Equipment Replacement	Trail Construction	Community Infrastructure	TIF 2 Oppidan Senior Housing	Total
Assets						
Cash and temporary investments	\$ -	\$ 308,401	\$ 876	\$ 84,495	\$ 81,607	\$ 475,379
Due from other governments	315,443	-	-	-	-	315,443
Land held for resale	-	-	-	150,068	-	150,068
Total Assets	<u>\$ 315,443</u>	<u>\$ 308,401</u>	<u>\$ 876</u>	<u>\$ 234,563</u>	<u>\$ 81,607</u>	<u>\$ 940,890</u>
Liabilities						
Accounts and contracts payable	\$ 13,673	\$ -	\$ -	\$ -	\$ 72,319	\$ 85,992
Due to other governments	-	-	-	-	972	972
Advances from other funds	-	-	-	-	922,384	922,384
Due to other funds	348,958	-	-	-	-	348,958
Total Liabilities	<u>362,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995,675</u>	<u>1,358,306</u>
Fund Balances						
Assigned to capital outlay	-	308,401	876	234,563	-	543,840
Unassigned	(47,188)	-	-	-	(914,068)	(961,256)
Total Fund Balances	<u>(47,188)</u>	<u>308,401</u>	<u>876</u>	<u>234,563</u>	<u>(914,068)</u>	<u>(417,416)</u>
Total Liabilities and Fund Balances	<u>\$ 315,443</u>	<u>\$ 308,401</u>	<u>\$ 876</u>	<u>\$ 234,563</u>	<u>\$ 81,607</u>	<u>\$ 940,890</u>

City of Shorewood, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2024

Exhibit B-2

	Park Capital Improvement	Equipment Replacement	Trail Construction	Community Infrastructure	TIF 2 Oppidan Senior Housing	Total
Revenues						
Taxes	\$ 128,000	\$ 128,000	\$ -	\$ -	\$ 211,151	\$ 467,151
Charges for services	112,500	-	-	-	-	112,500
Interest on investments	40	11,815	28	3,391	2,123	17,397
Miscellaneous						
Contributions and donations	8,000	-	-	-	-	8,000
Refunds and reimbursements	313,938	3,854	-	85,658	-	403,450
Total Revenues	<u>562,478</u>	<u>143,669</u>	<u>28</u>	<u>89,049</u>	<u>213,274</u>	<u>1,008,498</u>
Expenditures						
Capital outlay						
General government	-	-	-	88,158	-	88,158
Public works	-	144,094	-	-	-	144,094
Culture and recreation	68,808	-	-	-	-	68,808
Economic development	-	-	-	-	183,504	183,504
Total Expenditures	<u>68,808</u>	<u>144,094</u>	<u>-</u>	<u>88,158</u>	<u>183,504</u>	<u>484,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	493,670	(425)	28	891	29,770	523,934
Other Financing Sources						
Transfers in	105,000	-	-	-	-	105,000
Net Change in Fund Balances	598,670	(425)	28	891	29,770	628,934
Fund Balances, January 1	<u>(645,858)</u>	<u>308,826</u>	<u>848</u>	<u>233,672</u>	<u>(943,838)</u>	<u>(1,046,350)</u>
Fund Balances, December 31	<u>\$ (47,188)</u>	<u>\$ 308,401</u>	<u>\$ 876</u>	<u>\$ 234,563</u>	<u>\$ (914,068)</u>	<u>\$ (417,416)</u>

City of Shorewood, Minnesota

Exhibit C-1

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual (Continued on the Following Pages)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
General property taxes	\$ 5,638,012	\$ 5,638,012	\$ 5,517,279	\$ (120,733)	\$ 5,192,383
Fiscal disparities	-	-	137,505	137,505	154,209
Total taxes	<u>5,638,012</u>	<u>5,638,012</u>	<u>5,654,784</u>	<u>16,772</u>	<u>5,346,592</u>
Licenses and permits					
Business	6,825	6,825	9,538	2,713	10,089
Nonbusiness	225,400	225,400	552,043	326,643	315,440
Total licenses and permits	<u>232,225</u>	<u>232,225</u>	<u>561,581</u>	<u>329,356</u>	<u>325,529</u>
Intergovernmental					
State					
Property tax credits	-	-	57	57	42
Other	112,750	112,750	193,982	81,232	449,358
Local					
Other	2,700	2,700	1,797	(903)	55
Total intergovernmental	<u>115,450</u>	<u>115,450</u>	<u>195,836</u>	<u>80,386</u>	<u>449,455</u>
Charges for services					
General government	212,260	212,260	244,909	32,649	236,323
Culture and recreation	44,100	44,100	53,882	9,782	43,677
Total charges for services	<u>256,360</u>	<u>256,360</u>	<u>298,791</u>	<u>42,431</u>	<u>280,000</u>
Fines and forfeitures	<u>60,000</u>	<u>60,000</u>	<u>69,438</u>	<u>9,438</u>	<u>80,525</u>
Special assessments	<u>5,000</u>	<u>5,000</u>	<u>4,438</u>	<u>(562)</u>	<u>13,103</u>
Interest (loss) on investments	<u>20,000</u>	<u>20,000</u>	<u>240,417</u>	<u>220,417</u>	<u>195,621</u>
Miscellaneous revenue					
Refunds and reimbursements	25,000	25,000	48,476	23,476	34,030
Contributions and donations	3,244	3,244	61,356	58,112	35,678
Other	-	-	65,949	65,949	67,630
Total miscellaneous revenue	<u>28,244</u>	<u>28,244</u>	<u>175,781</u>	<u>147,537</u>	<u>137,338</u>
Total Revenues	<u>6,355,291</u>	<u>6,355,291</u>	<u>7,201,066</u>	<u>845,775</u>	<u>6,828,163</u>

City of Shorewood, Minnesota

Exhibit C-1

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual (Continued)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 27,451	\$ 27,451	\$ 27,451	\$ -	\$ 27,020
Supplies	3,000	3,000	2,125	875	2,735
Other services and charges	69,700	69,700	41,498	28,202	52,928
Total mayor and city council	<u>100,151</u>	<u>100,151</u>	<u>71,074</u>	<u>29,077</u>	<u>82,683</u>
Administrative					
Personal services	572,201	572,201	591,335	(19,134)	540,460
Supplies	18,000	18,000	18,425	(425)	21,209
Other services and charges	92,500	92,500	78,497	14,003	71,607
Total administrative	<u>682,701</u>	<u>682,701</u>	<u>688,257</u>	<u>(5,556)</u>	<u>633,276</u>
Elections					
Personal services	22,000	22,000	30,881	(8,881)	-
Supplies	10,200	10,200	9,760	440	1,609
Other services and charges	3,000	3,000	1,317	1,683	25
Total elections	<u>35,200</u>	<u>35,200</u>	<u>41,958</u>	<u>(6,758)</u>	<u>1,634</u>
Finance					
Personal services	204,102	204,102	160,447	43,655	191,857
Supplies	23,000	23,000	22,037	963	20,739
Other services and charges	13,200	13,200	152,765	(139,565)	7,155
Total finance	<u>240,302</u>	<u>240,302</u>	<u>335,249</u>	<u>(94,947)</u>	<u>219,751</u>
Professional services					
Other services and charges	<u>320,000</u>	<u>320,000</u>	<u>361,204</u>	<u>(41,204)</u>	<u>381,617</u>
Planning and zoning					
Personal services	295,701	295,701	317,758	(22,057)	298,238
Supplies	1,500	1,500	2,475	(975)	2,474
Other services and charges	41,500	41,500	19,314	22,186	15,815
Total planning and zoning	<u>338,701</u>	<u>338,701</u>	<u>339,547</u>	<u>(846)</u>	<u>316,527</u>
Municipal building					
Supplies	39,000	39,000	28,614	10,386	29,607
Other services and charges	265,500	265,500	297,065	(31,565)	231,398
Total municipal building	<u>304,500</u>	<u>304,500</u>	<u>325,679</u>	<u>(21,179)</u>	<u>261,005</u>
Total general government	<u>2,021,555</u>	<u>2,021,555</u>	<u>2,162,968</u>	<u>(141,413)</u>	<u>1,896,493</u>

City of Shorewood, Minnesota

Exhibit C-1

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police protection					
Other services and charges	\$ 1,541,043	\$ 1,541,043	\$ 1,545,366	\$ (4,323)	\$ 1,486,703
Fire protection					
Other services and charges	666,726	666,726	666,726	-	570,184
Protective inspection					
Personal services	201,768	201,768	159,663	42,105	138,084
Supplies	2,800	2,800	1,304	1,496	1,403
Other services and charges	33,600	33,600	28,213	5,387	15,338
Total protective inspection	238,168	238,168	189,180	48,988	154,825
Total public safety	2,445,937	2,445,937	2,401,272	44,665	2,211,712
Public works					
General maintenance					
Personal services	630,070	630,070	590,917	39,153	632,350
Supplies	200,900	200,900	145,236	55,664	195,823
Other services and charges	200,800	200,800	177,511	23,289	174,040
Total general maintenance	1,031,770	1,031,770	913,664	118,106	1,002,213
Snow and ice removal					
Personal services	63,830	63,830	60,759	3,071	69,606
Supplies	87,000	87,000	50,915	36,085	46,289
Total snow and ice removal	150,830	150,830	111,674	39,156	115,895
City engineer					
Other services and charges	140,000	140,000	138,359	1,641	139,789
Total	140,000	140,000	138,359	1,641	139,789
Total public works	1,322,600	1,322,600	1,163,697	158,903	1,257,897

City of Shorewood, Minnesota

Exhibit C-1

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Personal services	\$ 332,940	\$ 332,940	\$ 356,299	\$ (23,359)	\$ 268,787
Supplies	53,150	53,150	40,343	12,807	33,333
Other services and charges	91,828	91,828	144,044	(52,216)	69,894
Total culture and recreation	<u>477,918</u>	<u>477,918</u>	<u>540,686</u>	<u>(62,768)</u>	<u>372,014</u>
Total current	6,268,010	6,268,010	6,268,623	(613)	5,738,116
Capital outlay					
Public safety	<u>112,281</u>	<u>112,281</u>	<u>112,281</u>	<u>-</u>	<u>200,116</u>
Total Expenditures	<u>6,380,291</u>	<u>6,380,291</u>	<u>6,380,904</u>	<u>(613)</u>	<u>5,938,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>820,162</u>	<u>845,162</u>	<u>889,931</u>
Other Financing Sources (Uses)					
Transfers in	25,000	25,000	25,000	-	25,000
Transfers out	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>	<u>105,000</u>	<u>(102,300)</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>25,000</u>	<u>105,000</u>	<u>(77,300)</u>
Net Change in Fund Balances	(105,000)	(105,000)	845,162	950,162	812,631
Fund Balances, January 1	<u>6,350,191</u>	<u>6,350,191</u>	<u>6,350,191</u>	<u>-</u>	<u>5,537,560</u>
Fund Balances, December 31	<u>\$ 6,245,191</u>	<u>\$ 6,245,191</u>	<u>\$ 7,195,353</u>	<u>\$ 950,162</u>	<u>\$ 6,350,191</u>

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City of Shorewood, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Special Revenue Fund - Shorewood Community and Event Center
For the Year Ended December 31, 2024

Exhibit C-2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 105,000	\$ 105,000	\$ 105,000	\$ -
Charges for services	61,500	61,500	66,281	4,781
Interest on investments	-	-	3,046	3,046
Total Revenues	<u>166,500</u>	<u>166,500</u>	<u>174,327</u>	<u>7,827</u>
Expenditures				
Current				
Culture and recreation	161,257	161,257	157,122	4,135
Capital outlay				
Culture and recreation	<u>29,000</u>	<u>29,000</u>	<u>21,280</u>	<u>7,720</u>
Total Expenditures	<u>190,257</u>	<u>190,257</u>	<u>178,402</u>	<u>11,855</u>
Net Change in Fund Balances	(23,757)	(23,757)	(4,075)	19,682
Fund Balances, January 1	<u>78,404</u>	<u>78,404</u>	<u>78,404</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 54,647</u>	<u>\$ 54,647</u>	<u>\$ 74,329</u>	<u>\$ 19,682</u>

City of Shorewood, Minnesota

Debt Service Funds

Combining Balance Sheet

December 31, 2024

	2016A Public Safety Building	2016B Public Safety Building	2016C Public Safety Building	2020A Street Reconstruction
Assets				
Cash and temporary investments	<u>\$ 41,048</u>	<u>\$ 663</u>	<u>\$ 14,394</u>	<u>\$ 250,254</u>
Fund Balances				
Restricted for debt service	<u>\$ 41,048</u>	<u>\$ 663</u>	<u>\$ 14,394</u>	<u>\$ 250,254</u>

<u>2021A Street Reconstruction</u>	<u>2022A Street Reconstruction</u>	<u>2023A Street Reconstruction</u>	<u>Total</u>
<u>\$ 330,781</u>	<u>\$ 230,318</u>	<u>\$ 289,930</u>	<u>\$ 1,157,388</u>
<u>\$ 330,781</u>	<u>\$ 230,318</u>	<u>\$ 289,930</u>	<u>\$ 1,157,388</u>

City of Shorewood, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2024

	2016A Public Safety Building	2016B Public Safety Building	2016C Public Safety Building	2020A Street Reconstruction
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 228,492
Interest on investments	-	-	-	5,224
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,716</u>
Expenditures				
Debt service				
Principal	-	-	-	190,000
Interest and other charges	-	-	-	29,384
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,384</u>
Net Change in Fund Balances	-	-	-	14,332
Fund Balances, January 1	<u>41,048</u>	<u>663</u>	<u>14,394</u>	<u>235,922</u>
Fund Balances, December 31	<u>\$ 41,048</u>	<u>\$ 663</u>	<u>\$ 14,394</u>	<u>\$ 250,254</u>

2021A Street Reconstruction	2022A Street Reconstruction	2023A Street Reconstruction	Total
\$ 310,023	\$ 289,416	\$ 160,331	\$ 988,262
6,676	4,471	9,567	25,938
<u>316,699</u>	<u>293,887</u>	<u>169,898</u>	<u>1,014,200</u>
265,000	40,000	-	495,000
32,693	151,497	143,315	356,889
<u>297,693</u>	<u>191,497</u>	<u>143,315</u>	<u>851,889</u>
19,006	102,390	26,583	162,311
<u>311,775</u>	<u>127,928</u>	<u>263,347</u>	<u>995,077</u>
<u>\$ 330,781</u>	<u>\$ 230,318</u>	<u>\$ 289,930</u>	<u>\$ 1,157,388</u>

City of Shorewood, Minnesota
 Supplementary Information
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2024 and 2023

Exhibit E-1

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes	\$ 7,343,197	\$ 6,698,984	9.62 %
Licenses and permits	561,581	325,529	72.51
Intergovernmental	555,410	575,563	(3.50)
Charges for services	477,572	427,406	11.74
Fines and forfeitures	69,438	80,525	(13.77)
Special assessments	4,438	13,103	(66.13)
Interest on investments	480,936	479,095	0.38
Miscellaneous	587,231	914,146	(35.76)
Total Revenues	\$ 10,079,803	\$ 9,514,351	5.94 %
Per Capita	\$ 1,267	\$ 1,211	4.63 %
Expenditures			
Current			
General government	\$ 2,162,968	\$ 1,896,493	14.05 %
Public safety	2,401,272	2,211,712	8.57
Public works	1,237,740	1,257,897	(1.60)
Culture and recreation	697,808	529,207	31.86
Capital outlay			
General government	88,158	-	100.00
Public safety	112,281	200,116	(43.89)
Public works	1,861,919	4,998,586	(62.75)
Culture and recreation	90,088	768,526	(88.28)
Economic development	183,504	184,894	(0.75)
Debt service			
Principal	495,000	1,220,000	(59.43)
Interest and service charges	356,889	240,811	48.20
Total Expenditures	\$ 9,687,627	\$ 13,508,242	(28.28) %
Per Capita	\$ 1,217	\$ 1,719	(29.18) %
Total Long-term Indebtedness	\$ 12,090,000	\$ 12,585,000	(3.93) %
Per Capita	\$ 1,519	\$ 1,601	(5.13)
General Fund Balance - December 31	\$ 7,195,353	\$ 6,350,191	13.31 %
Per Capita	\$ 904	\$ 808	11.90

The purpose of this report is to provide a summary of financial information concerning the City of Shorewood to interested citizens. The complete financial statements may be examined at City Hall, 5755 Country Club Road, Shorewood, Minnesota 55331. Questions about this report should be directed to the City of Shorewood at 952-960-7900.

STATISTICAL SECTION (UNAUDITED)

CITY OF SHOREWOOD
SHOREWOOD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Shorewood's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relocates to the services the government provides and the activities it performs.

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 9,394,897	\$ 11,523,309	\$ 11,985,886	\$ 12,826,709
Restricted	-	-	-	4,693
Unrestricted	<u>6,717,068</u>	<u>5,683,683</u>	<u>5,346,350</u>	<u>4,918,411</u>
Total Governmental Activities Net Position	<u>\$ 16,111,965</u>	<u>\$ 17,206,992</u>	<u>\$ 17,332,236</u>	<u>\$ 17,749,813</u>
Business-type Activities				
Net investment in capital assets	\$ 7,713,545	\$ 7,641,711	\$ 8,101,693	\$ 10,742,410
Unrestricted	<u>6,572,980</u>	<u>6,849,858</u>	<u>6,998,091</u>	<u>5,241,328</u>
Total Business-type Activities Net Position	<u>\$ 14,286,525</u>	<u>\$ 14,491,569</u>	<u>\$ 15,099,784</u>	<u>\$ 15,983,738</u>
Total Primary Government				
Net investment in capital assets	\$ 17,108,442	\$ 19,165,020	\$ 20,087,579	\$ 23,569,119
Restricted	-	-	-	4,693
Unrestricted	<u>13,290,048</u>	<u>12,533,541</u>	<u>12,344,441</u>	<u>10,159,739</u>
Total Primary Government	<u>\$ 30,398,490</u>	<u>\$ 31,698,561</u>	<u>\$ 32,432,020</u>	<u>\$ 33,733,551</u>

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 13,225,553	\$ 13,518,983	\$ 12,609,077	\$ 12,052,201	\$ 11,461,228	\$ 11,626,663
-	25,071	260,107	502,775	1,075,338	1,252,027
5,230,287	6,200,606	8,521,693	8,817,622	9,303,610	10,626,801
<u>\$ 18,455,840</u>	<u>\$ 19,744,660</u>	<u>\$ 21,390,877</u>	<u>\$ 21,372,598</u>	<u>\$ 21,840,176</u>	<u>\$ 23,505,491</u>
\$ 11,258,274	\$ 11,173,838	\$ 12,539,096	\$ 11,787,231	\$ 14,164,285	\$ 13,063,437
4,820,296	5,006,194	4,030,725	5,154,348	3,267,417	4,227,035
<u>\$ 16,078,570</u>	<u>\$ 16,180,032</u>	<u>\$ 16,569,821</u>	<u>\$ 16,941,579</u>	<u>\$ 17,431,702</u>	<u>\$ 17,290,472</u>
\$ 24,483,827	\$ 24,692,821	\$ 25,148,173	\$ 23,839,432	\$ 25,625,513	\$ 24,690,100
-	25,071	260,107	502,775	1,075,338	1,252,027
10,050,583	11,206,800	12,552,418	13,971,970	12,571,027	14,853,836
<u>\$ 34,534,410</u>	<u>\$ 35,924,692</u>	<u>\$ 37,960,698</u>	<u>\$ 38,314,177</u>	<u>\$ 39,271,878</u>	<u>\$ 40,795,963</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 1,318,558	\$ 1,504,101	\$ 1,568,635	\$ 1,416,928
Public safety	2,080,769	2,111,155	2,194,434	2,321,660
Public works	1,971,483	1,544,264	1,553,274	2,033,598
Culture and recreation	613,494	476,999	489,690	552,147
Economic development	-	682,787	650,944	92,428
Interest on long-term debt	318,357	361,602	160,832	107,408
Total Governmental Activities Expenses	<u>6,302,661</u>	<u>6,680,908</u>	<u>6,617,809</u>	<u>6,524,169</u>
Business-type activities				
Water	721,184	775,802	751,143	743,832
Sewer	944,263	989,147	994,611	1,063,771
Stormwater management utility	99,312	111,373	117,741	148,975
Recycling	131,185	132,654	137,693	136,740
Total Business-type Activities Expenses	<u>1,895,944</u>	<u>2,008,976</u>	<u>2,001,188</u>	<u>2,093,318</u>
Total Expenses	<u>\$ 8,198,605</u>	<u>\$ 8,689,884</u>	<u>\$ 8,618,997</u>	<u>\$ 8,617,487</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 260,440	\$ 256,069	\$ 228,775	\$ 214,354
Public safety	617,557	608,410	546,388	759,963
Public works	940	263	-	-
Culture and recreation	108,884	156,271	96,381	102,856
Operating grants and contributions	86,370	95,802	90,788	106,059
Capital grants and contributions	184,605	1,400,957	835,083	930,543
Total Governmental Activities Program Revenues	<u>1,258,796</u>	<u>2,517,772</u>	<u>1,797,415</u>	<u>2,113,775</u>
Business-type activities				
Charges for services				
Water	544,748	421,290	416,938	464,450
Sewer	858,066	878,999	913,115	933,748
Stormwater management utility	227,676	275,171	341,180	381,997
Recycling	154,929	154,180	156,951	156,797
Operating grants and contributions	26,198	48,724	32,152	23,879
Capital grants and contributions	5,706	388,077	349,472	117,563
Total Business-type Activities Program Revenues	<u>1,817,323</u>	<u>2,166,441</u>	<u>2,209,808</u>	<u>2,078,434</u>
Total Program Revenues	<u>\$ 3,076,119</u>	<u>\$ 4,684,213</u>	<u>\$ 4,007,223</u>	<u>\$ 4,192,209</u>

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,457,243	\$ 1,359,466	\$ 1,710,164	\$ 1,784,522	\$ 2,055,674	\$ 2,162,283
2,409,631	2,358,675	2,416,020	2,518,562	2,428,574	2,506,777
2,042,093	2,353,240	2,048,851	2,238,620	2,954,652	2,770,130
542,404	545,469	586,378	668,101	752,833	816,818
201,768	233,354	246,166	210,209	184,894	183,504
88,461	115,468	131,005	169,095	316,345	342,511
<u>6,741,600</u>	<u>6,965,672</u>	<u>7,138,584</u>	<u>7,589,109</u>	<u>8,692,972</u>	<u>8,782,023</u>
800,646	862,039	992,447	1,111,661	1,098,778	1,192,063
1,265,449	1,243,533	1,469,004	1,564,635	1,691,518	1,739,672
319,521	244,857	253,764	372,106	453,616	523,079
163,473	164,643	208,592	162,586	165,627	213,867
<u>2,549,089</u>	<u>2,515,072</u>	<u>2,923,807</u>	<u>3,210,988</u>	<u>3,409,539</u>	<u>3,668,681</u>
<u>\$ 9,290,689</u>	<u>\$ 9,480,744</u>	<u>\$ 10,062,391</u>	<u>\$ 10,800,097</u>	<u>\$ 12,102,511</u>	<u>\$ 12,450,704</u>
\$ 237,329	\$ 258,022	\$ 263,652	\$ 301,257	\$ 319,260	\$ 449,391
634,897	654,469	658,966	455,728	409,641	631,997
-	-	-	-	-	-
101,453	52,267	81,487	97,326	113,241	120,163
100,381	698,407	110,896	127,375	770,050	490,658
206,544	92,662	1,193,542	407,678	78,000	480,193
<u>1,280,604</u>	<u>1,755,827</u>	<u>2,308,543</u>	<u>1,389,364</u>	<u>1,690,192</u>	<u>2,172,402</u>
464,816	601,465	776,390	830,440	954,653	790,502
995,647	1,057,522	1,175,178	1,287,635	1,391,743	1,489,346
404,877	411,374	496,293	487,463	516,600	545,166
169,929	163,198	174,156	174,126	176,390	196,450
18,169	16,403	17,165	22,685	55,743	35,258
205,149	209,375	192,962	77,400	150,367	89,380
<u>2,258,587</u>	<u>2,459,337</u>	<u>2,832,144</u>	<u>2,879,749</u>	<u>3,245,496</u>	<u>3,146,102</u>
<u>\$ 3,539,191</u>	<u>\$ 4,215,164</u>	<u>\$ 5,140,687</u>	<u>\$ 4,269,113</u>	<u>\$ 4,935,688</u>	<u>\$ 5,318,504</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net Revenues (Expenses)				
Governmental activities	\$ (5,043,865)	\$ (4,163,136)	\$ (4,820,394)	\$ (4,410,394)
Business-type activities	(78,621)	157,465	208,620	(14,884)
 Total Primary Government	<u>\$ (5,122,486)</u>	<u>\$ (4,005,671)</u>	<u>\$ (4,611,774)</u>	<u>\$ (4,425,278)</u>
 General Revenues and Other Changes in Net Position				
General Revenues				
Governmental activities				
Taxes				
Property taxes	\$ 4,931,075	\$ 5,127,950	\$ 5,189,101	\$ 5,370,570
Tax increment	-	-	-	-
Franchise taxes	-	-	-	154,279
Grants and contributions not restricted to specific programs	5,840	5,844	23,644	6,542
Unrestricted investment earnings	60,283	99,369	75,256	87,279
Gain on sale of capital assets	30,000	-	5,500	19,500
Transfers of capital assets	(245,121)	-	(395,707)	(1,945,177)
Transfers	270,121	25,000	47,844	1,134,978
 Total Governmental Activities General Revenues	<u>5,052,198</u>	<u>5,258,163</u>	<u>4,945,638</u>	<u>4,827,971</u>
 Business-type activities				
Unrestricted investment earnings	68,119	72,579	51,732	88,639
Taxes				
Franchise taxes	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers of capital assets	245,121	-	395,707	1,945,177
Transfers	(270,121)	(25,000)	(47,844)	(1,134,978)
 Total Business-type Activities General Revenues	<u>43,119</u>	<u>47,579</u>	<u>399,595</u>	<u>898,838</u>
 Total Primary Government	<u>\$ 5,095,317</u>	<u>\$ 5,305,742</u>	<u>\$ 5,345,233</u>	<u>\$ 5,726,809</u>
 Change in Net Position				
Governmental activities	\$ 8,333	\$ 1,095,027	\$ 125,244	\$ 417,577
Business-type activities	(35,502)	205,044	608,215	883,954
 Total Primary Government	<u>\$ (27,169)</u>	<u>\$ 1,300,071</u>	<u>\$ 733,459</u>	<u>\$ 1,301,531</u>

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (5,460,996)	\$ (5,209,845)	\$ (4,830,041)	\$ (6,199,745)	\$ (7,002,780)	\$ (6,609,621)
(290,502)	(55,735)	(91,663)	(331,239)	(164,043)	(522,579)
<u>\$ (5,751,498)</u>	<u>\$ (5,265,580)</u>	<u>\$ (4,921,704)</u>	<u>\$ (6,530,984)</u>	<u>\$ (7,166,823)</u>	<u>\$ (7,132,200)</u>
\$ 5,520,347	\$ 5,855,939	\$ 5,976,604	\$ 6,152,956	\$ 6,503,371	\$ 7,091,478
204,093	236,140	245,116	245,253	211,460	211,151
309,822	315,725	319,409	-	-	-
6,542	7,766	334,555	67,098	126,205	361,371
187,417	96,326	(1,749)	60,415	546,725	480,936
143,802	2,500	-	-	57,597	-
(64,730)	(40,731)	(422,677)	(369,256)	-	-
(140,270)	25,000	25,000	25,000	25,000	130,000
<u>6,167,023</u>	<u>6,498,665</u>	<u>6,476,258</u>	<u>6,181,466</u>	<u>7,470,358</u>	<u>8,274,936</u>
160,334	141,466	83,775	36,639	355,270	186,962
-	-	-	322,102	322,864	324,387
20,000	-	-	-	1,032	-
64,730	40,731	422,677	369,256	-	-
140,270	(25,000)	(25,000)	(25,000)	(25,000)	(130,000)
<u>385,334</u>	<u>157,197</u>	<u>481,452</u>	<u>702,997</u>	<u>654,166</u>	<u>381,349</u>
<u>\$ 6,552,357</u>	<u>\$ 6,655,862</u>	<u>\$ 6,957,710</u>	<u>\$ 6,884,463</u>	<u>\$ 8,124,524</u>	<u>\$ 8,656,285</u>
\$ 706,027	\$ 1,288,820	\$ 1,646,217	\$ (18,279)	\$ 467,578	\$ 1,665,315
94,832	101,462	389,789	371,758	490,123	(141,230)
<u>\$ 800,859</u>	<u>\$ 1,390,282</u>	<u>\$ 2,036,006</u>	<u>\$ 353,479</u>	<u>\$ 957,701</u>	<u>\$ 1,524,085</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 99,216	\$ 6,687	\$ 132,477	\$ 157,914
Restricted	-	-	-	-
Unassigned	<u>4,402,951</u>	<u>4,597,896</u>	<u>4,029,572</u>	<u>4,261,500</u>
Total General Fund	<u>\$ 4,502,167</u>	<u>\$ 4,604,583</u>	<u>\$ 4,162,049</u>	<u>\$ 4,419,414</u>
All Other Governmental Funds				
Restricted	\$ 31,805	\$ 18,449	\$ 61,998	\$ 462,758
Committed	-	-	-	15,163
Assigned	3,304,064	3,261,170	4,055,571	2,611,279
Unassigned	<u>-</u>	<u>(972,608)</u>	<u>(1,685,146)</u>	<u>(1,017,869)</u>
Total All Other Governmental Funds	<u>\$ 3,335,869</u>	<u>\$ 2,307,011</u>	<u>\$ 2,432,423</u>	<u>\$ 2,071,331</u>

Table 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 226,960	\$ 249,734	\$ 250,664	\$ 166,569	\$ 180,332	\$ 141,633
-	-	-	-	342,512	342,512
4,042,429	5,073,739	5,398,172	5,370,991	5,827,347	6,711,208
<u>\$ 4,269,389</u>	<u>\$ 5,323,473</u>	<u>\$ 5,648,836</u>	<u>\$ 5,537,560</u>	<u>\$ 6,350,191</u>	<u>\$ 7,195,353</u>
\$ 67,863	\$ 2,014,612	\$ 1,182,111	\$ 3,045,667	\$ 2,024,948	\$ 1,745,877
32,168	57,382	87,159	74,514	78,404	74,329
3,047,701	2,957,739	3,904,439	4,020,070	4,312,642	3,644,362
(1,015,544)	(1,012,641)	(1,068,169)	(1,068,321)	(1,589,696)	(961,256)
<u>\$ 2,132,188</u>	<u>\$ 4,017,092</u>	<u>\$ 4,105,540</u>	<u>\$ 6,071,930</u>	<u>\$ 4,826,298</u>	<u>\$ 4,503,312</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 4,949,126	\$ 5,129,620	\$ 5,221,374	\$ 5,497,225
Licenses and permits	275,567	340,112	315,574	565,687
Intergovernmental	156,771	97,735	461,633	885,140
Charges for services	116,337	169,400	409,244	216,851
Fines and forfeitures	65,234	48,868	76,056	67,734
Special assessments	-	-	-	3,846
Interest (loss) on investments	60,283	99,369	75,256	87,279
Miscellaneous	1,344,340	2,432,208	1,365,593	1,581,105
Total Revenues	<u>6,967,658</u>	<u>8,317,312</u>	<u>7,924,730</u>	<u>8,904,867</u>
Expenditures				
General government	1,247,105	1,413,329	1,493,020	1,362,881
Public safety	1,579,400	1,623,749	1,722,628	1,837,273
Public works	726,905	786,780	751,394	1,018,191
Culture and recreation	344,793	361,128	409,010	373,164
Capital outlay	1,885,739	4,177,073	2,892,039	4,544,518
Debt service				
Principal	735,000	6,480,000	870,000	900,000
Interest and service charges	330,931	434,990	181,605	127,045
Total Expenditures	<u>6,849,873</u>	<u>15,277,049</u>	<u>8,319,696</u>	<u>10,163,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>117,785</u>	<u>(6,959,737)</u>	<u>(394,966)</u>	<u>(1,258,205)</u>
Other Financing Sources (Uses)				
Transfers in	1,313,634	1,412,313	1,871,243	2,317,723
Sale of capital assets	-	-	-	19,500
Bonds issued	-	5,910,000	950,000	-
Payment on refunding bonds	-	-	(920,000)	-
Bond premium	-	98,295	-	-
Transfers out	<u>(1,043,513)</u>	<u>(1,387,313)</u>	<u>(1,823,399)</u>	<u>(1,182,745)</u>
Total Other Financing Sources (Uses)	<u>270,121</u>	<u>6,033,295</u>	<u>77,844</u>	<u>1,154,478</u>
Net Change in Fund Balances	<u>\$ 387,906</u>	<u>\$ (926,442)</u>	<u>\$ (317,122)</u>	<u>\$ (103,727)</u>
Debt Service as a Percentage of Noncapital Expenditures	18.5%	17.9%	57.2%	16.2%

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 6,035,929	\$ 6,411,517	\$ 6,543,402	\$ 6,399,986	\$ 6,698,984	\$ 7,343,197
514,891	535,220	556,916	361,873	325,529	561,581
270,445	765,716	434,679	241,105	575,563	555,410
141,123	85,422	195,427	121,688	427,406	477,572
65,575	52,115	56,978	68,409	80,525	69,438
10,822	5,395	6,432	6,675	13,103	4,438
187,417	96,326	(1,749)	60,415	479,095	480,936
773,601	1,185,960	1,178,386	1,240,121	914,146	587,231
<u>7,999,803</u>	<u>9,137,671</u>	<u>8,970,471</u>	<u>8,500,272</u>	<u>9,514,351</u>	<u>10,079,803</u>
1,397,824	1,524,219	1,641,103	1,704,766	1,896,493	2,162,968
1,924,204	1,870,788	1,950,567	2,046,942	2,211,712	2,401,272
1,066,712	1,120,619	1,072,369	1,202,259	1,257,897	1,237,740
366,977	368,957	382,188	422,336	529,207	697,808
2,303,481	3,319,602	5,717,399	2,968,023	6,152,122	2,335,950
925,000	940,000	955,000	1,695,000	1,220,000	495,000
108,305	109,498	148,034	165,832	240,811	356,889
<u>8,092,503</u>	<u>9,253,683</u>	<u>11,866,660</u>	<u>10,205,158</u>	<u>13,508,242</u>	<u>9,687,627</u>
<u>(92,700)</u>	<u>(116,012)</u>	<u>(2,896,189)</u>	<u>(1,704,886)</u>	<u>(3,993,891)</u>	<u>392,176</u>
1,506,035	1,247,415	127,300	635,249	127,300	130,000
143,802	-	-	-	39,597	-
-	3,030,000	3,285,000	3,535,000	3,380,000	-
-	-	-	-	-	-
-	-	-	-	116,293	-
<u>(1,646,305)</u>	<u>(1,222,415)</u>	<u>(102,300)</u>	<u>(610,249)</u>	<u>(102,300)</u>	<u>-</u>
3,532	3,055,000	3,310,000	3,560,000	3,560,890	130,000
<u>\$ (89,168)</u>	<u>\$ 2,938,988</u>	<u>\$ 413,811</u>	<u>\$ 1,855,114</u>	<u>\$ (433,001)</u>	<u>\$ 522,176</u>
15.9%	15.6%	15.3%	15.8%	17.8%	10.5%

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property
(Shown by Year of Tax Collectability)

	2015	2016	2017	2018
Taxable Market Value				
Personal property	\$ 6,348,000	\$ 6,514,900	\$ 7,209,300	\$ 8,236,300
Real estate	1,449,497,111	1,517,977,665	1,581,429,840	1,677,305,455
Total Taxable Market Value	<u>\$ 1,455,845,111</u>	<u>\$ 1,524,492,565</u>	<u>\$ 1,588,639,140</u>	<u>\$ 1,685,541,755</u>
Estimated Actual Value of Taxable Property	<u>\$ 1,472,996,800</u>	<u>\$ 1,539,170,100</u>	<u>\$ 1,602,654,100</u>	<u>\$ 1,697,548,000</u>
Taxable Market Value as a Percentage of Estimated Actual Value	<u>98.84 %</u>	<u>99.05 %</u>	<u>99.13 %</u>	<u>99.29 %</u>
Tax Capacity				
Personal property	\$ 122,460	\$ 125,798	\$ 139,686	\$ 160,226
Real estate	15,926,414	16,691,552	17,449,210	18,551,740
Total Tax Capacity	16,048,874	16,817,350	17,588,896	18,711,966
Contribution to Fiscal Disparities Pool	(399,759)	(395,610)	(420,193)	(412,101)
Receivable from Fiscal Disparities Pool	377,934	376,674	413,438	438,619
Tax increments	-	-	-	-
Net Tax Capacity	<u>\$ 16,027,049</u>	<u>\$ 16,798,414</u>	<u>\$ 17,582,141</u>	<u>\$ 18,738,484</u>
Tax Levies				
General	<u>\$ 4,931,464</u>	<u>\$ 5,079,408</u>	<u>\$ 5,180,996</u>	<u>\$ 5,369,245</u>
Direct Tax Rate				
General	<u>30.723 %</u>	<u>30.227 %</u>	<u>29.450 %</u>	<u>28.635 %</u>

Source: Hennepin County Assessor

Note: Property in the county is reassessed annually. The county assesses property at approximately 90 percent of actual value for all types of real and personal property.

Table 5

2019	2020	2021	2022	2023	2024
\$ 8,263,100 1,747,567,847	\$ 9,172,300 1,817,805,973	\$ 9,601,700 1,931,742,095	\$ 6,051,100 2,026,656,225	\$ 7,663,200 2,556,607,800	\$ 7,253,100 2,791,820,411
<u>\$ 1,755,830,947</u>	<u>\$ 1,826,978,273</u>	<u>\$ 1,941,343,795</u>	<u>\$ 2,032,707,325</u>	<u>\$ 2,564,271,000</u>	<u>\$ 2,799,073,511</u>
<u>\$ 1,766,719,600</u>	<u>\$ 1,838,064,900</u>	<u>\$ 1,951,455,600</u>	<u>\$ 2,042,143,800</u>	<u>\$ 2,570,594,200</u>	<u>\$ 2,805,180,300</u>
<u>99.38 %</u>	<u>99.40 %</u>	<u>99.48 %</u>	<u>99.54 %</u>	<u>99.75 %</u>	<u>99.78 %</u>
\$ 161,512 19,352,293	\$ 179,696 20,168,358	\$ 188,284 21,514,374	\$ 117,272 22,605,244	\$ 148,734 28,970,939	\$ 140,532 31,847,435
19,513,805 (425,312) 489,439 (201,352)	20,348,054 (446,375) 531,568 (234,715)	21,702,658 (479,578) 601,301 (256,177)	22,722,516 (531,591) 647,785 (256,177)	29,119,673 (513,801) 571,263 (256,177)	31,987,967 (523,628) (256,177) -
<u>\$ 19,376,580</u>	<u>\$ 20,198,532</u>	<u>\$ 21,568,204</u>	<u>\$ 22,582,533</u>	<u>\$ 28,920,958</u>	<u>\$ 31,208,162</u>
<u>\$ 5,530,322</u>	<u>\$ 5,856,611</u>	<u>\$ 5,973,743</u>	<u>\$ 6,173,291</u>	<u>\$ 6,510,948</u>	<u>\$ 7,115,274</u>
<u>28.539 %</u>	<u>29.008 %</u>	<u>27.660 %</u>	<u>27.328 %</u>	<u>22.417 %</u>	<u>22.360 %</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Property Tax Capacity Rates - Direct and Overlapping Governments
(Per \$1,000 of Tax Capacity)

Table 6

Year Taxes Payable	Overlapping Rates									Totals		
	City	County	(1)		Watershed District		Misc.	School District No. 276		School District No. 277 Watershed District No. 3		
			School District		No. 3	No. 4		District No. 3	District No. 4			
			No. 276	No. 277								
2015	30.723 %	46.398 %	25.093 %	20.377 %	1.738 %	1.855 %	9.785 %	113.737 %	113.854 %	109.021 %		
2016	30.227	45.356	22.887	19.991	1.724	1.745	9.530	109.724	109.745	106.828		
2017	29.450	44.087	22.770	20.744	1.738	1.992	9.319	107.364	107.618	105.338		
2018	28.635	42.808	23.133	20.298	1.694	2.269	8.973	105.243	105.818	102.408		
2019	28.539	41.861	21.209	19.873	1.569	2.204	8.550	101.728	102.363	100.392		
2020	29.008	41.084	21.167	19.062	1.493	2.160	8.219	100.971	101.638	98.866		
2021	27.660	38.210	20.923	17.306	1.422	1.992	7.813	96.028	96.598	92.411		
2022	27.328	38.535	21.002	16.531	1.368	1.968	7.849	96.082	96.682	91.611		
2023	22.417	34.542	17.720	12.865	1.220	1.757	6.944	82.843	83.380	77.988		
2024	22.360	34.681	17.823	17.448	1.135	1.753	6.723	82.722	83.340	82.347		

Source: Hennepin County Assessor

(1) Includes vocational school

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Principal Taxpayers
Current Year and Nine Years Ago

Table 7

Taxpayer	2024			2015		
	Tax Capacity	Rank	Percent of Total Tax Capacity	Tax Capacity	Rank	Percent of Total Tax Capacity
PHS Shorewood LLC C/O Presbyterian Homes	\$ 271,461	1	0.85 %	\$ -	-	- %
DMA Investments, LLC	269,325	2	0.84	-	-	-
Kraus-Anderson	186,050	3	0.58	-	-	-
Big Box One, LLC	147,890	4	0.46	158,530	2	0.94
Shurgard Storage Centers Inc.	126,950	5	0.40	130,310	3	0.77
Shurgard Storage Centers Inc.	111,640	6	0.35	120,404	4	0.72
South Lake Office Building LLC	93,630	7	0.29	-	-	-
Alerus	85,309	8	0.27	76,210	5	0.45
Jack & Gretchen Norqual	81,109	9	0.25	-	-	-
Waterford Center LLP	75,250	10	0.24	65,876	6	0.39
Shorewood Village Shopping Center, Inc.	-	-	-	180,000	1	1.07
Two S Properties	-	-	-	62,688	7	0.37
W of Shorewood LLC	-	-	-	57,750	8	0.34
Minnetonka Country Club	-	-	-	53,790	9	0.32
Steven R. Litman Trust	-	-	-	55,888	10	0.33
Totals	<u><u>\$ 1,448,614</u></u>		<u><u>4.53 %</u></u>	<u><u>\$ 961,446</u></u>		<u><u>5.70 %</u></u>

Source: Hennepin County Assessor

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Total Levy	(1) Collection of Current Year's Levy	Percentage of Levy Collected	Collection in Subsequent Years	Total Collections	Percent of Total Collections to Levy
2015	\$ 4,931,464	\$ 4,907,222	99.51 %	23,096	\$ 4,930,318	99.98 %
2016	5,079,408	5,091,851	100.24 *	30,615	5,122,466	100.85 *
2017	5,180,996	5,184,635	100.07 *	7,895	5,192,530	100.22 *
2018	5,369,245	5,342,453	99.50	18,763	5,361,216	99.85
2019	5,530,322	5,488,052	99.24	46,041	5,534,093	100.07 *
2020	5,856,611	5,840,102	99.72	11,881	5,851,983	99.92
2021	5,973,743	5,970,610	99.95	8,212	5,978,822	100.09 *
2022	6,173,291	6,154,733	99.70	13,534	6,168,267	99.92
2023	6,510,948	6,478,111	99.50	26,184	6,504,295	99.90
2024	7,115,274	7,096,607	99.74	-	7,096,607	99.74

(1) Includes state paid property tax credits.

* Noted collections more than 100 percent of levy due to current year adjustment of market value or other adjustments.

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Ratio of Net Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities		Business- type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Lease Revenue Bonds	General Obligation Revenue Bonds			
2015	\$ -	\$ 7,400,000	\$ 1,900,000	\$ 10,295,000	2.21 %	1,253
2016	-	6,915,732	1,635,000	9,300,000	2.12	1,129
2017	-	6,063,169	1,370,000	8,550,732	1.69	992
2018	-	5,150,606	1,100,000	7,433,169	1.42	811
2019	-	4,213,045	830,000	6,250,606	1.15	656
2020	3,030,000	3,260,483	5,025,000	11,315,483	2.01	1,426
2021	6,315,000	2,292,922	5,790,000	14,397,922	2.55	1,850
2022	9,660,000	775,360	9,475,000	19,910,360	3.33	2,544
2023	12,695,478	-	11,633,592	24,329,070	3.69	3,108
2024	12,194,663	-	11,255,244	23,449,907	3.36	2,984

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Demographic and Economic Statistics table on page 133 for personal income and population data.

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Ratios of General Bonded Debt Outstanding and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Table 10

Fiscal Year	Total Governmental Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property	Per Capita
2015	\$ 7,400,000	\$ -	\$ 7,400,000	0.50 %	992
2016	6,915,732	-	6,915,732	0.45	923
2017	6,063,169	-	6,063,169	0.38	787
2018	5,150,606	4,693	5,145,913	0.30	669
2019	4,213,045	-	4,213,045	0.24	531
2020	6,290,483	25,071	6,265,412	0.34	805
2021	8,607,922	260,107	8,347,815	0.43	1,067
2022	10,435,360	502,775	9,932,585	0.49	1,269
2023	12,695,478	732,826	11,962,652	0.47	1,528
2024	12,194,663	909,515	11,285,148	0.40	1,436

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See the Schedule of Demographic and Economic Statistics for population data.
 See the Schedule of Tax Capacity, Market Value and Estimated Actual Value of Taxable Property for property value data.

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Computation of Direct and Overlapping Debt
December 31, 2024

Table 11

	Gross Bonded Debt Used For Net Debt Calculation	Net Debt	Percentage Applicable to City *	Amount of Net Debt Applicable to City
Direct Debt				
City of Shorewood	\$ 12,090,000	\$ 11,009,164	100.00 %	\$ 11,009,164
Overlapping Debt				
School District #276	\$ 187,869,998	\$ 185,643,021	23.69 %	\$ 43,978,832
School District #277	67,615,000	66,630,924	1.98	1,319,292
Hennepin County	1,199,355,000	1,192,537,479	1.24	14,787,465
Hennepin Suburban Park District	55,385,000	48,916,041	1.67	816,898
Hennepin Regional RR Authority	76,945,000	76,774,733	1.24	952,007
Metropolitan Council	178,505,000	40,609,929	0.56	227,416
Total Overlapping Debt	<u>1,765,674,998</u>	<u>1,611,112,127</u>	<u>3.85 %</u>	<u>62,081,909</u>
Total Direct and Overlapping Debt	<u>\$ 1,777,764,998</u>	<u>\$ 1,622,121,291</u>	<u>4.51 %</u>	<u>\$ 73,091,073</u>

Source: Hennepin County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of each overlapping government's tax capacity within the City's boundaries and dividing it by that government's total tax capacity.

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 43,675,353	\$ 45,734,777	\$ 47,659,174	\$ 50,566,253
Total Net Debt Applicable to Limit	<u>7,400,000</u>	<u>6,915,732</u>	<u>6,063,169</u>	<u>5,150,606</u>
Legal Debt Margin	<u>\$ 36,275,353</u>	<u>\$ 38,819,045</u>	<u>\$ 41,596,005</u>	<u>\$ 45,415,647</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>16.94%</u>	<u>15.12%</u>	<u>12.72%</u>	<u>10.19%</u>

Note: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Table 12

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 52,674,928	\$ 54,809,348	\$ 58,240,314	\$ 60,981,220	\$ 76,928,130	\$ 83,972,205
4,213,045	6,290,483	8,607,922	10,435,360	12,695,478	12,585,000
<u>\$ 48,461,883</u>	<u>\$ 48,518,865</u>	<u>\$ 49,632,392</u>	<u>\$ 50,545,860</u>	<u>\$ 64,232,652</u>	<u>\$ 71,387,205</u>
<u>8.00%</u>	<u>11.48%</u>	<u>14.78%</u>	<u>17.11%</u>	<u>16.50%</u>	<u>14.99%</u>

Legal Debt Margin Calculation

Taxable Market Value	<u>\$ 2,799,073,511</u>
Debt Limit (3% of Market Value)	\$ 83,972,205
Debt Applicable to Limit	
General obligation bonds	12,194,663
Less: amount available in debt service funds	<u>(909,515)</u>
Total Net Debt Applicable to Limit	<u>11,285,148</u>
Legal Debt Margin	<u>\$ 72,687,057</u>

City of Shorewood, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Table 13

Fiscal Year	General Obligation Revenue Bonds					
	(1)	(2)	Net	Debt Service		Coverage
	Gross Revenue	Expenses	Revenue Available	Principal	Interest	
2015	\$ 581,484	\$ 412,646	\$ 168,838	\$ 260,000	\$ 18,798	0.61 %
2016	727,126	439,737	287,389	265,000	18,183	1.01
2017	709,647	412,513	297,134	265,000	15,883	1.06
2018	593,249	394,141	199,108	270,000	15,607	0.70
2019	687,690	456,445	231,245	270,000	13,043	0.82
2020	881,528	495,522	386,006	275,000	13,188	1.34
2021	3,148,255 *	2,123,164 *	1,025,091	275,000 *	66,830 *	3.00
2022	3,091,259	2,362,910	728,349	350,000	69,092	1.74
2023	3,342,612	2,199,326	1,143,286	180,000	182,661	1.74
2024	3,101,754	2,408,403	693,351	375,000	331,413	0.98

(1) Including interest and other income

(2) Excluding depreciation and interest on bonds

* Beginning in 2021, gross revenue, expenses, principal and interest include water, sewer and stormwater management utility funds.

Fiscal Year	Lease Revenue Bonds			
	Revenue from	Debt Service		Coverage
	Lease Payments	Principal	Interest	
2015	\$ 958,569	\$ 680,000	\$ 284,419	0.99 %
2016	776,980	6,420,000	389,201	0.11
2017	950,216	805,000	119,500	1.03
2018	1,317,700	830,000	103,150	1.41
2019	538,050	855,000	86,300	0.57
2020	924,750	865,000	69,100	0.99
2021	922,300	880,000	61,050	0.98
2022	934,400	910,000	35,550	0.99
2023	772,650	765,000	11,950	0.99
2024	-	-	-	-

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Table 14

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	Percent of Population Which Has a Bachelor's or Post Graduate Degree (4)	Unemployment Rate (5)
2014	7,458	\$ 466,700,130	\$ 61,295	43.7	63.1	3.3 %
2015	7,496	438,823,336	58,541	45.3	62.8	3.4
2016	7,708	505,143,780	65,535	46.4	65.9	2.6
2017	7,693	522,331,621	67,897	47.1	66.1	2.5
2018	7,934	545,208,612	68,718	46.7	67.3	2.6
2019	7,779	561,674,916	72,204	46.2	69.4	4.4
2020	7,827	565,140,708	72,204	46.2	69.4	2.4
2021	7,827	597,747,990	76,370	47.7	71.3	3.2
2022	7,859	658,906,419	83,841	48.0	72.0	2.2
2024	7,958	697,303,834	87,623	48.0	72.8	2.3

Data Sources:

- (1) Metropolitan Council/US Census Bureau
- (2) US Census Bureau
- (3) US Census Bureau
- (4) US Census Bureau
- (5) Bureau of Labor Statistics - Hennepin County

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Principal Employers
 Current Year and Nine Years Ago

Table 15

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Minnewashta Elementary School	123	1	6.92 %	123	1	9.83 %
Cub Foods	121	2	6.81	121	2	9.67
Xcel Energy	75	3	4.22	75	3	6.00
Alerus	34	4	1.91	-	-	-
Beacon Bank	-	-	-	34	4	2.72
City of Shorewood	29 *	5	1.63	26	5	2.08
Park Nicollet Clinic	20 *	6	1.13	20	6	1.60
Total	402		22.62 %	399		35.46 %
Total City Employment	1,777			1,251		

Source: City of Shorewood

Sources: City of Shorewood, Metropolitan Council

* Includes part-time and temporary seasonal employees.

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 16

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	9	10	10	10	10	10	10	10	12	12
Public works										
Maintenance	6	6	6	6	7	8	8	8	10	10
Culture and recreation										
Parks	2	2	2	2	2	2	2	2	1	1
Water	1	1	1	1	1	1	1	1	1	1
Sewer	2	1	1	1	1	1	1	1	1	1
Total	20	20	20	20	21	22	22	22	25	25

Source: City of Shorewood

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 17

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building permits issued	684	786	844	1,035	1,014	1,362	1,611	946	864	933
Public works										
Street sweeping (hours)	1,400	1,450	1,600	1,600	1,600	1,600	1,650	1,650	1,650	700
Snowplowing (hours)	530	400	500	500	500	500	500	500	500	500
Equipment repair (hours)	1,551	1,705	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,600
Water										
New connections	4	5	16	43	43	40	40	40	13	15
Water mains breaks	6	4	7	7	7	3	3	3	3	4
Average daily consumption (thousands of gallons)	465	339	361	360	360	360	360	360	360	400
Sewer										
Average daily treatment flow (thousands of gallons)	762	872	942	844	1,101	1,045	992	852	853	855

Source: City of Shorewood

Note: Indicators are not available for the general government function.

City of Shorewood, Minnesota
 Statistical Section (Unaudited)
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Table 18

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public works										
Highways and streets										
Streets (miles)	51	51	51	51	51	51	51	51	51	51
Street lights	194	195	195	195	195	195	195	195	195	195
Traffic signals	5	5	5	5	5	5	5	5	5	5
Culture and recreation										
Parks division										
Parks	7	7	7	7	7	7	7	7	7	7
Parks acreage	102	102	102	102	102	102	102	102	102	102
Baseball diamonds	5	5	5	5	5	5	5	5	5	5
Basketball courts	1	1	1	1	1	1	1	1	1	1
Bike trails (miles)	5.80	5.80	5.80	5.80	5.80	8.00	8.00	8.00	8.00	8.00
Hockey rinks/outdoor	3	2	2	1	1	1	1	1	1	1
Softball diamonds	3	3	3	3	3	3	3	3	3	3
Swimming areas	1	-	-	-	-	-	-	-	-	-
Tennis courts	5	5	5	5	5	5	5	5	5	5
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Utilities										
Water										
Miles of water main	28	29	30	31	31	32	36	36	36	38
Consumers	1,340	1,398	1,479	1,479	1,479	1,565	1,580	1,580	1,580	1,565
Maximum daily capacity (gallons)	919,000	919,000	919,000	919,000	919,000	919,000	919,000	919,000	919,000	919,000
Sewer										
Miles of sanitary sewer	60	60	60	60	62	62	63	63	63	63
Lift stations	14	14	14	14	14	14	14	14	14	14
Maximum daily treatment capacity (gallons)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Storm sewer										
Miles of storm sewer	12	12	12	13	13	13	13	14	14	16

Source: City of Shorewood

Note: No capital asset indicators are available for the general government function.



Lighting the path forward

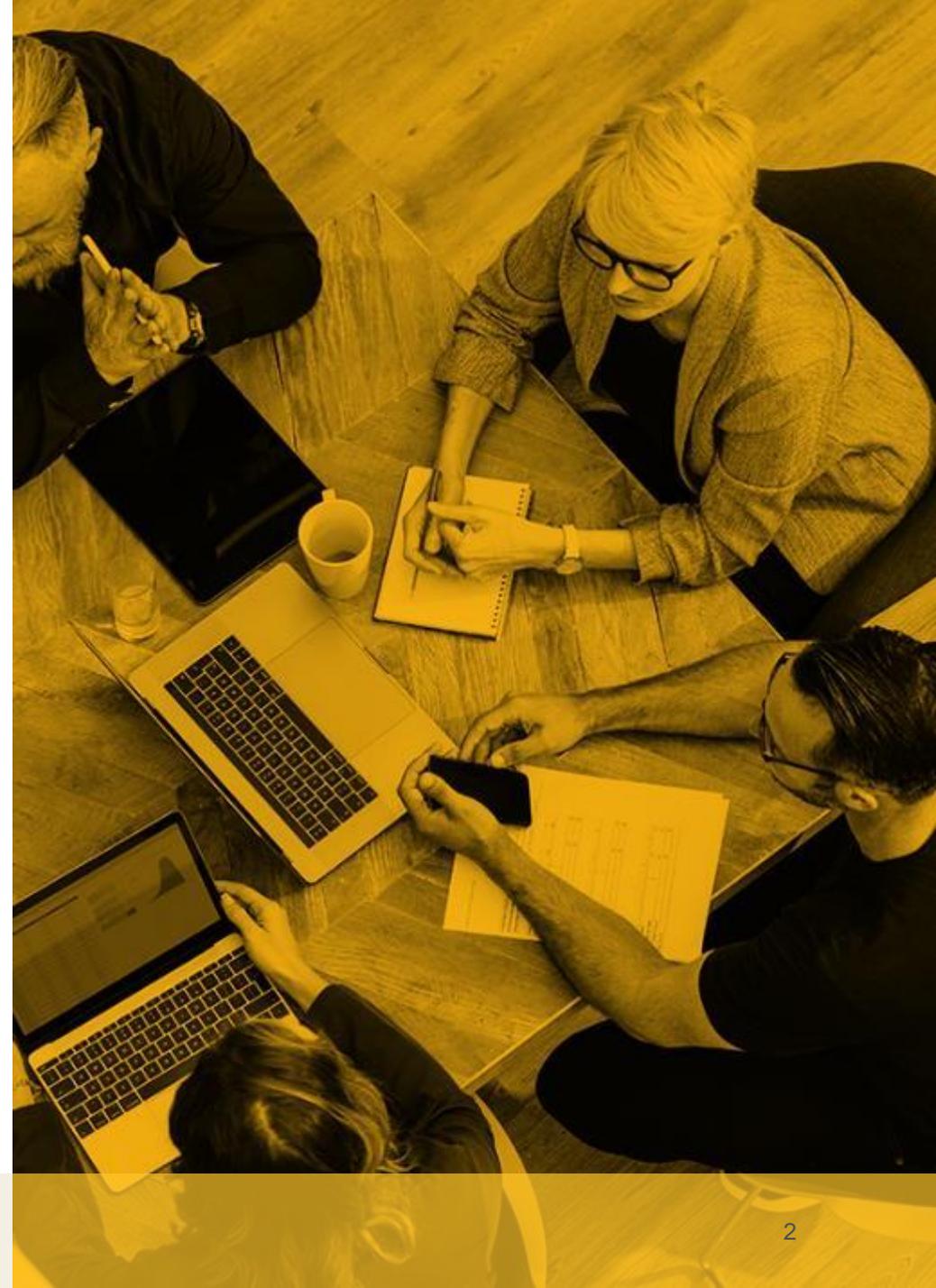
City of Shorewood

2024 Financial Statement Audit



Introduction

- Audit Results
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion



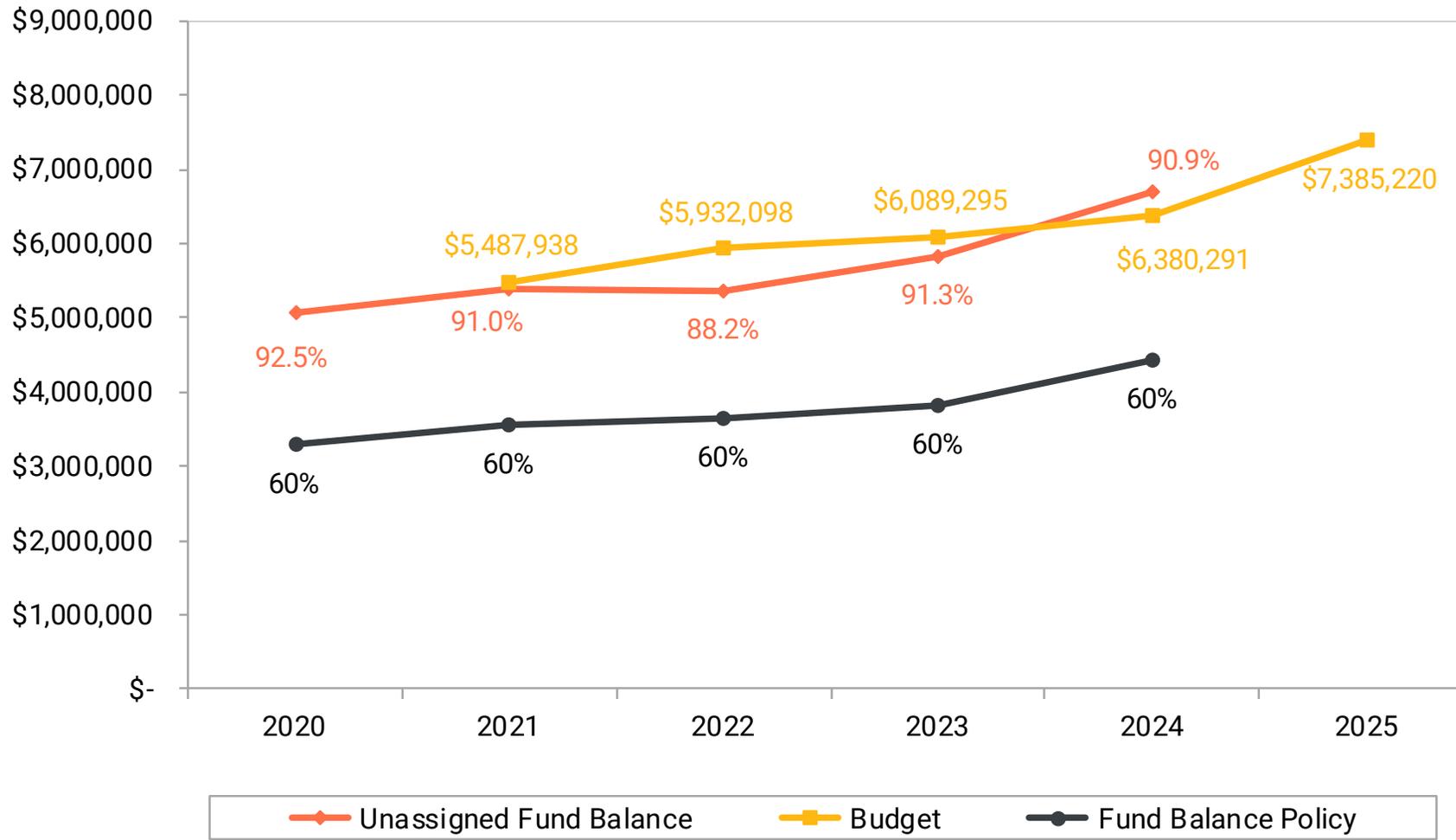
- Unmodified/Clean
Opinion

Minnesota Legal Compliance



No Legal Compliance
Findings Reported

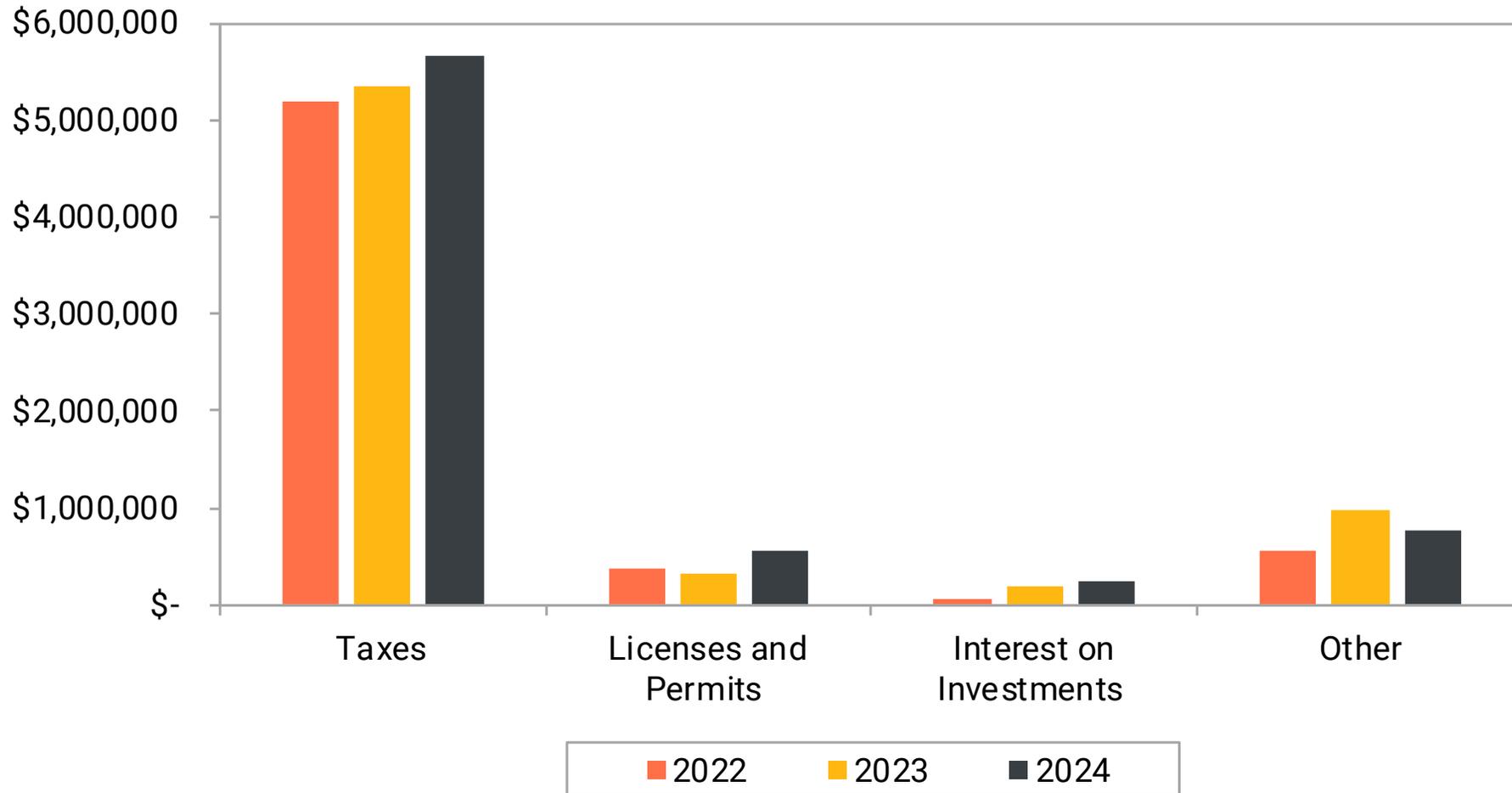
General Fund to Future Budget



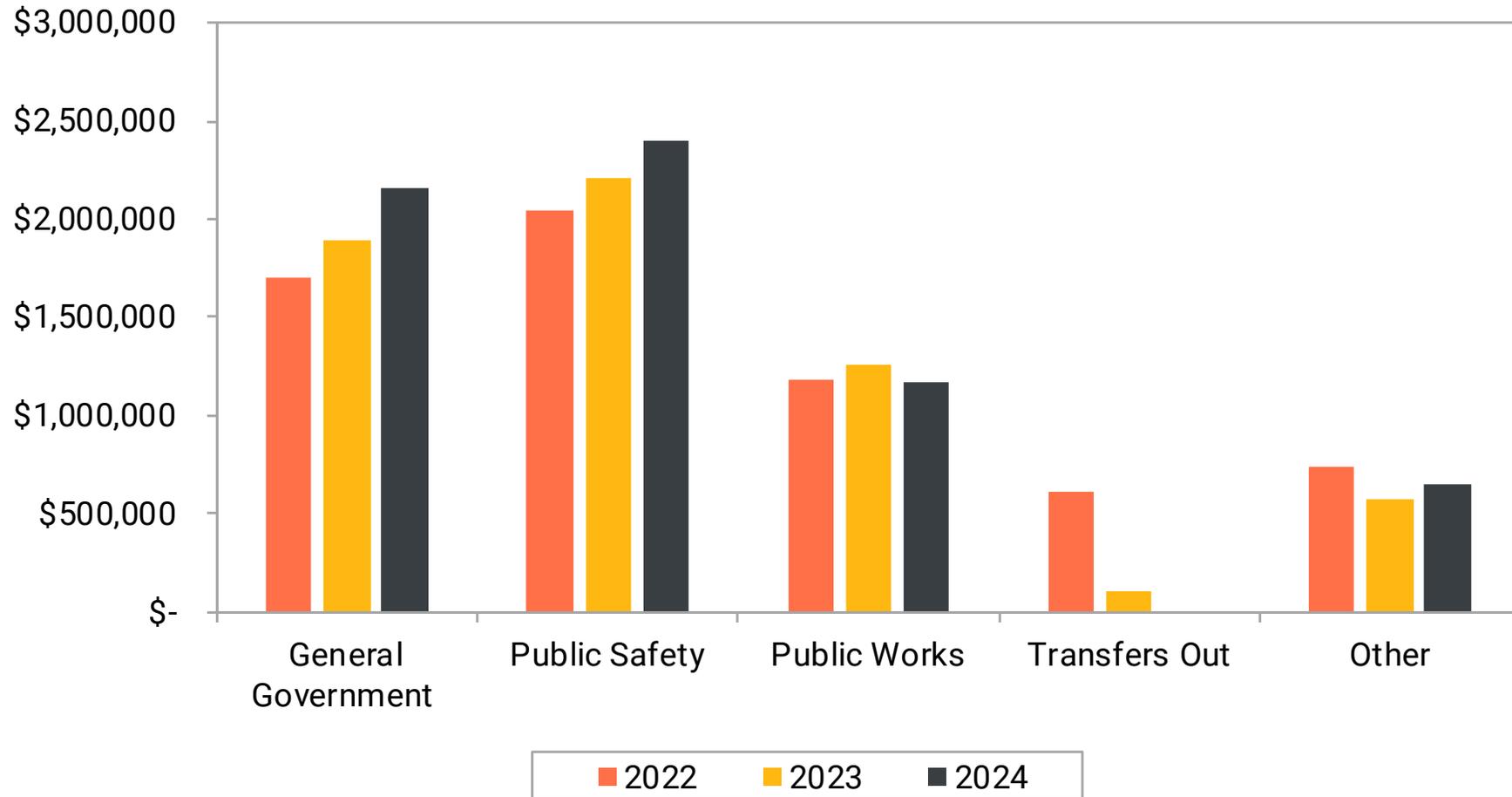
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 6,355,291	\$ 7,201,066	\$ 845,775
Expenditures	<u>6,380,291</u>	<u>6,380,904</u>	<u>(613)</u>
Excess of Revenues Over Expenditures	<u>(25,000)</u>	<u>820,162</u>	<u>845,162</u>
Other Financing Sources (Uses)			
Transfers in	25,000	25,000	-
Transfers out	<u>(105,000)</u>	<u>-</u>	<u>105,000</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>25,000</u>	<u>105,000</u>
Net Change in Fund Balances	(105,000)	845,162	950,162
Fund Balances, January 1	<u>6,350,191</u>	<u>6,350,191</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 6,245,191</u></u>	<u><u>\$ 7,195,353</u></u>	<u><u>\$ 950,162</u></u>

General Fund Revenues and Transfers

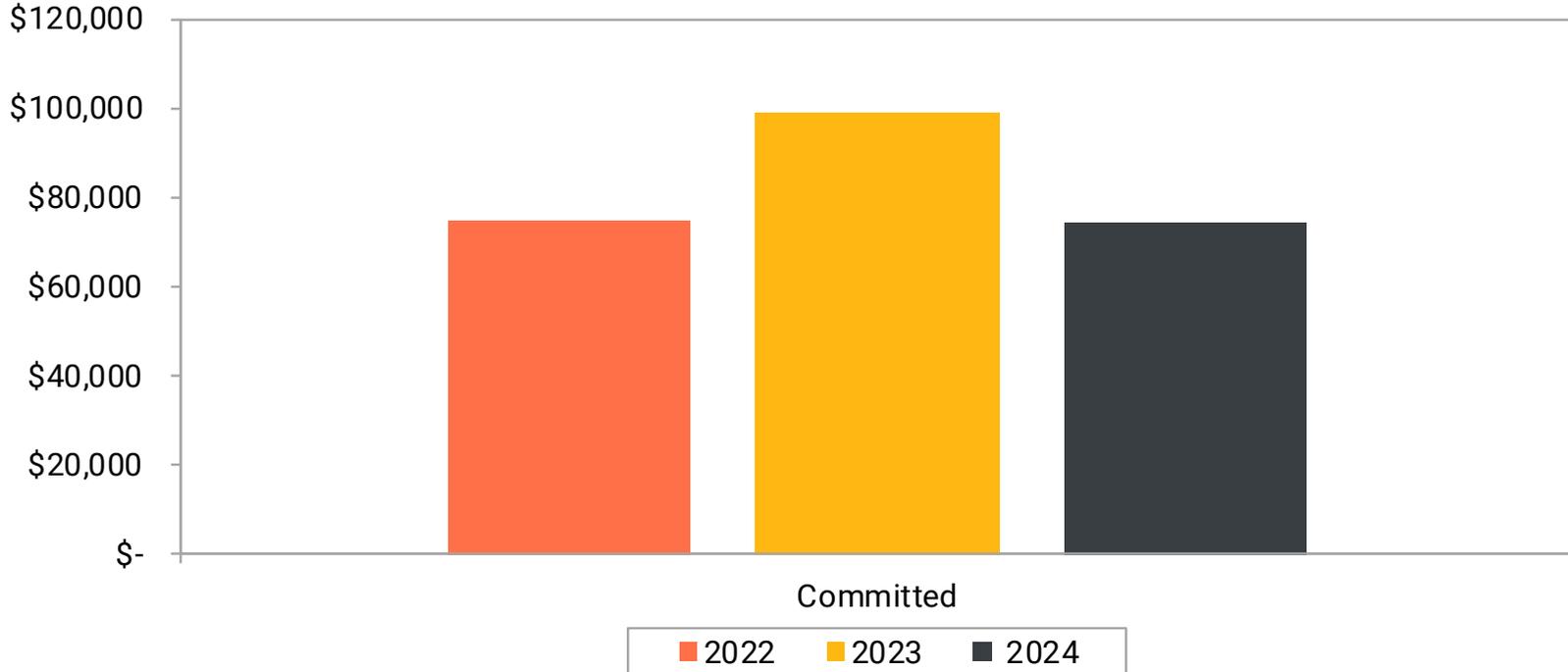


General Fund Expenditures and Transfers

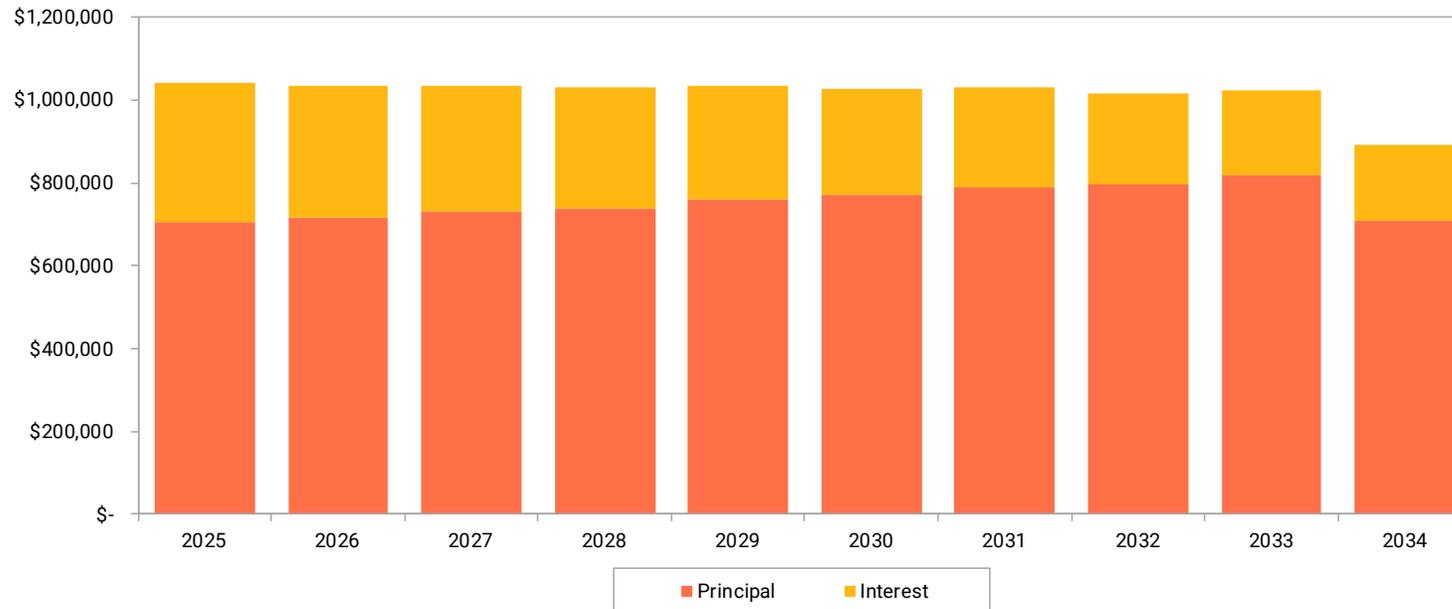


Special Revenue Fund Balances

	December 31,		Increase (Decrease)
	2023	2024	
Nonmajor			
Shorewood Community and Event Center	\$ 78,404	\$ 74,329	\$ (4,075)
Local Fiscal Recovery Fund ARPA	20,809	-	(20,809)
Total	\$ 99,213	\$ 74,329	\$ (24,884)

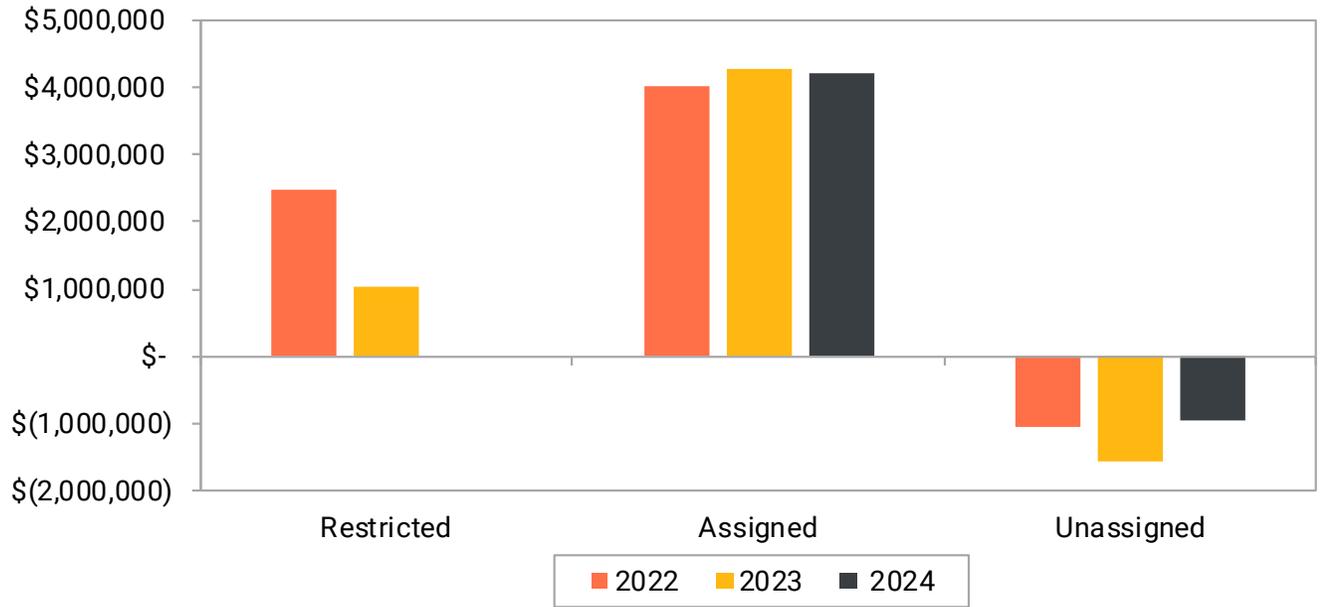


Debt Description	Cash and Investments	Total Assets	Bonds Outstanding	Final Maturity Date
2016A Public Safety Building	\$ 41,048	\$ 41,048	\$ -	Matured
2016B Public Safety Building	663	663	-	Matured
2016C Public Safety Building	14,394	14,394	-	Matured
2020A Street Reconstruction	250,254	250,254	2,460,000	2041
2021A Street Reconstruction	330,781	330,781	2,755,000	2034
2022A Street Reconstruction	230,318	230,318	3,495,000	2043
2023A Street Reconstruction	289,930	289,930	3,380,000	2044
Total	\$ 1,157,388	\$ 1,157,388	\$ 12,090,000	
			Total Interest Remaining	
			\$ 3,483,043	



Debt Service Funds

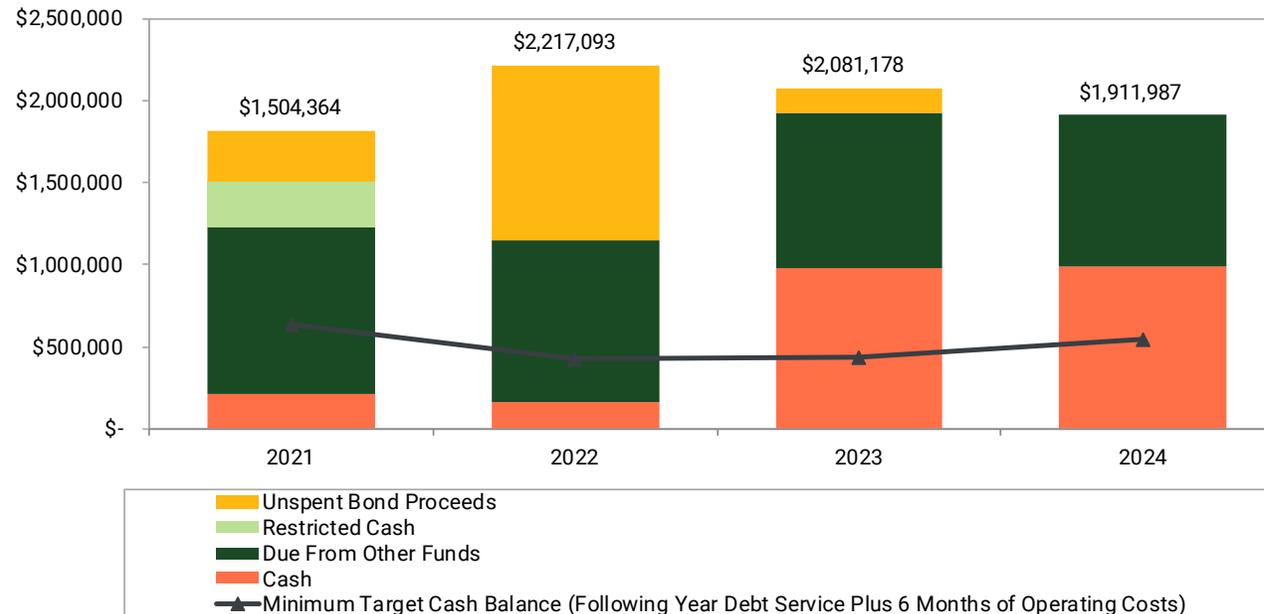
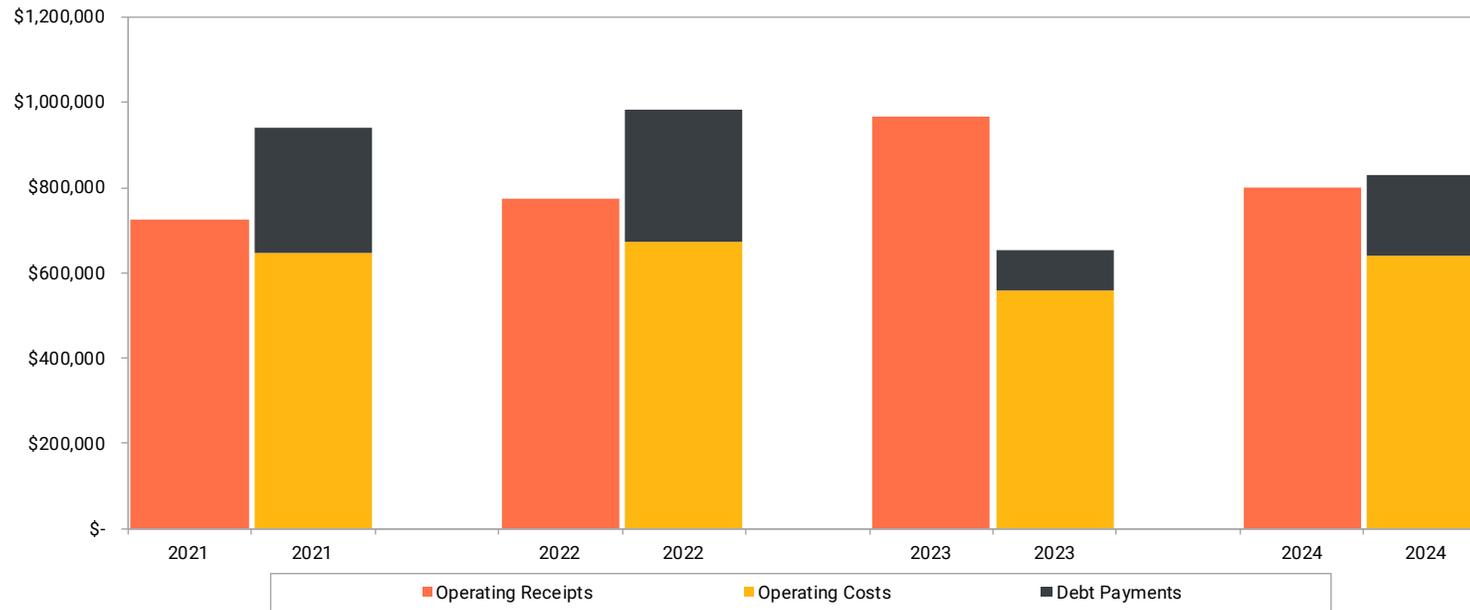
Fund	Fund Balances		Increase (Decrease)
	December 31,		
	2023	2024	
Major			
Street Reconstruction	\$ 4,738,489	\$ 3,647,503	\$ (1,090,986)
MSA Construction	39,869	41,508	1,639
Nonmajor			
Park Capital Improvement	(645,858)	(47,188)	598,670
Equipment Replacement	308,826	308,401	(425)
Trail Construction	848	876	28
Community Infrastructure	233,672	234,563	891
TIF 2 Oppidan Senior Housing	(943,838)	(914,068)	29,770
Total	\$ 3,732,008	\$ 3,271,595	\$ (460,413)



Capital Projects Fund Balances

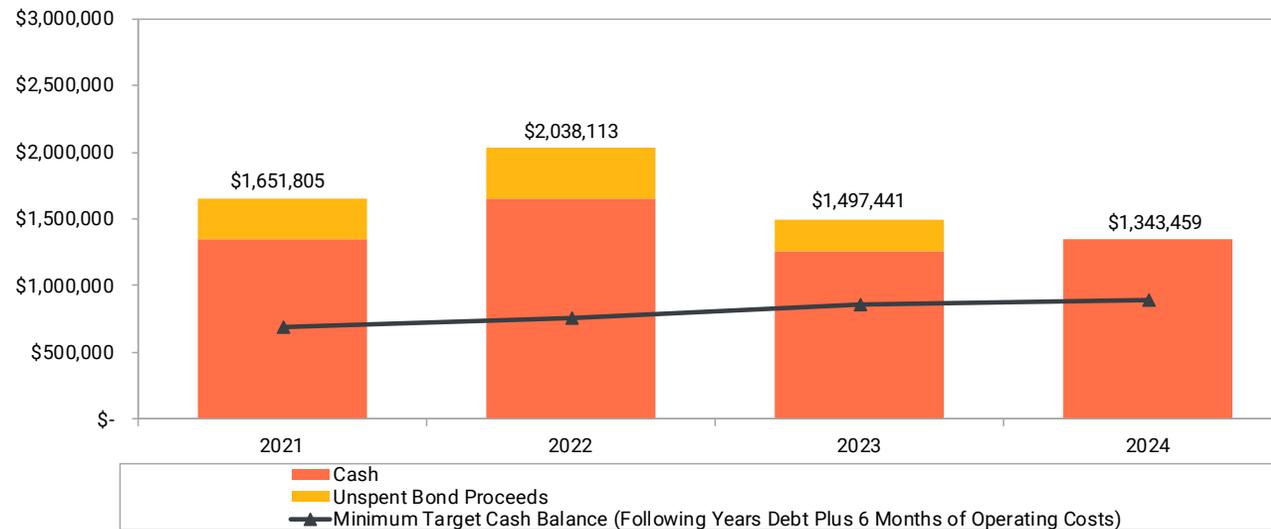
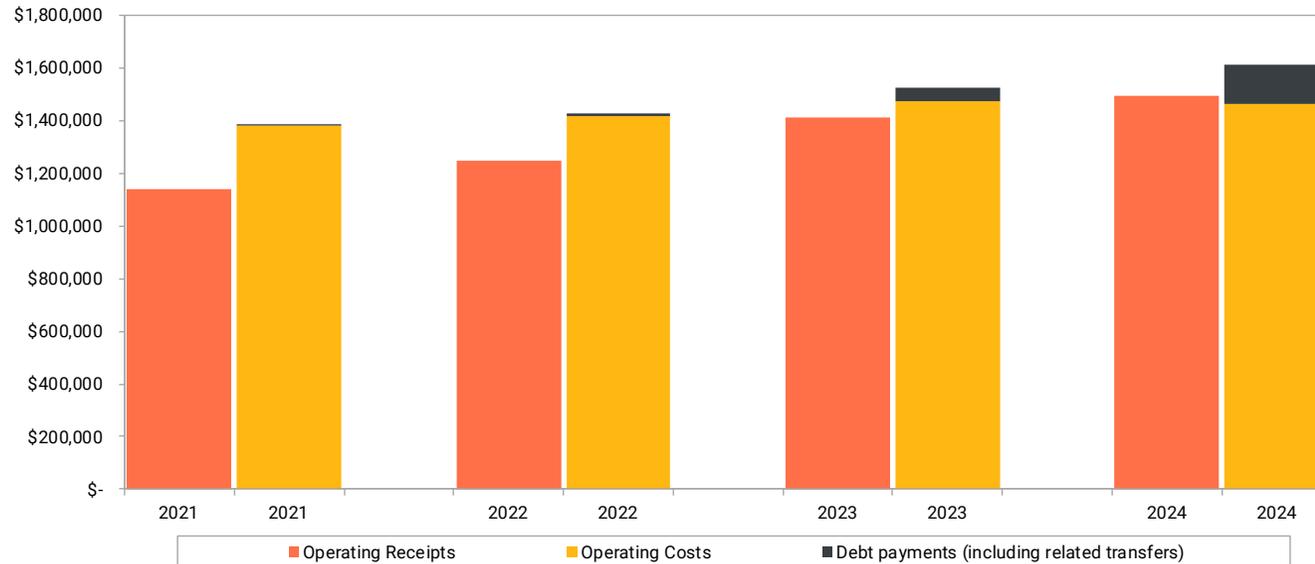
Water Fund

Cash Flows from Operations and Cash Balances

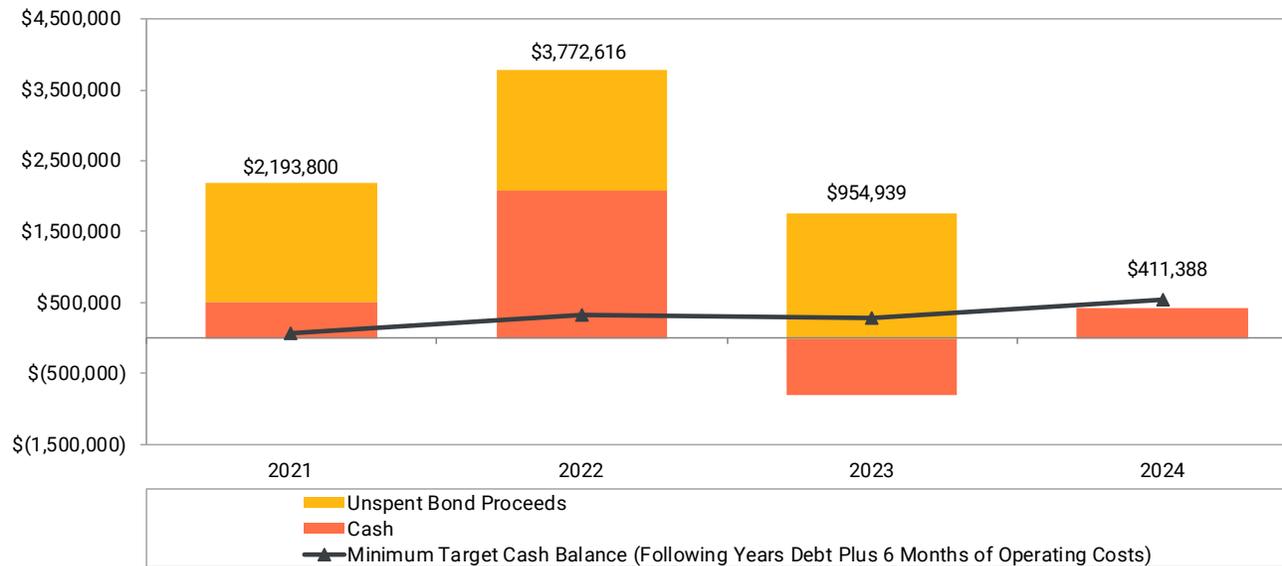
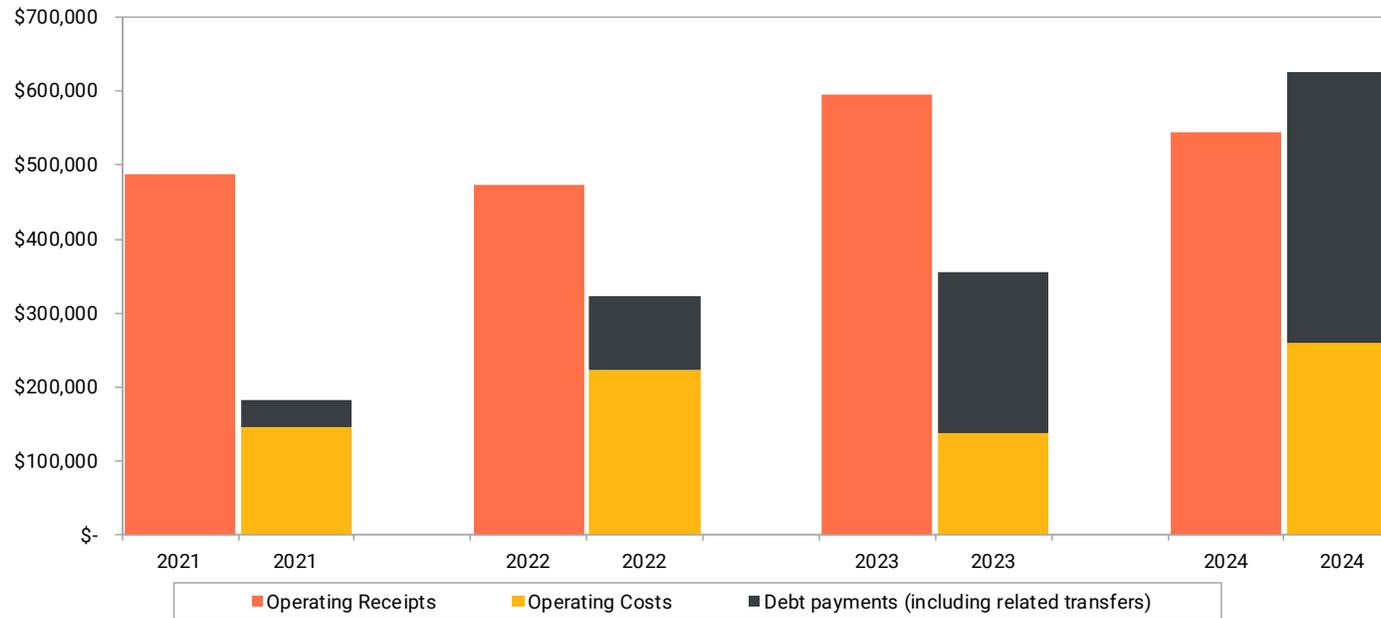


Sewer Fund

Cash Flows from Operations and Cash Balances

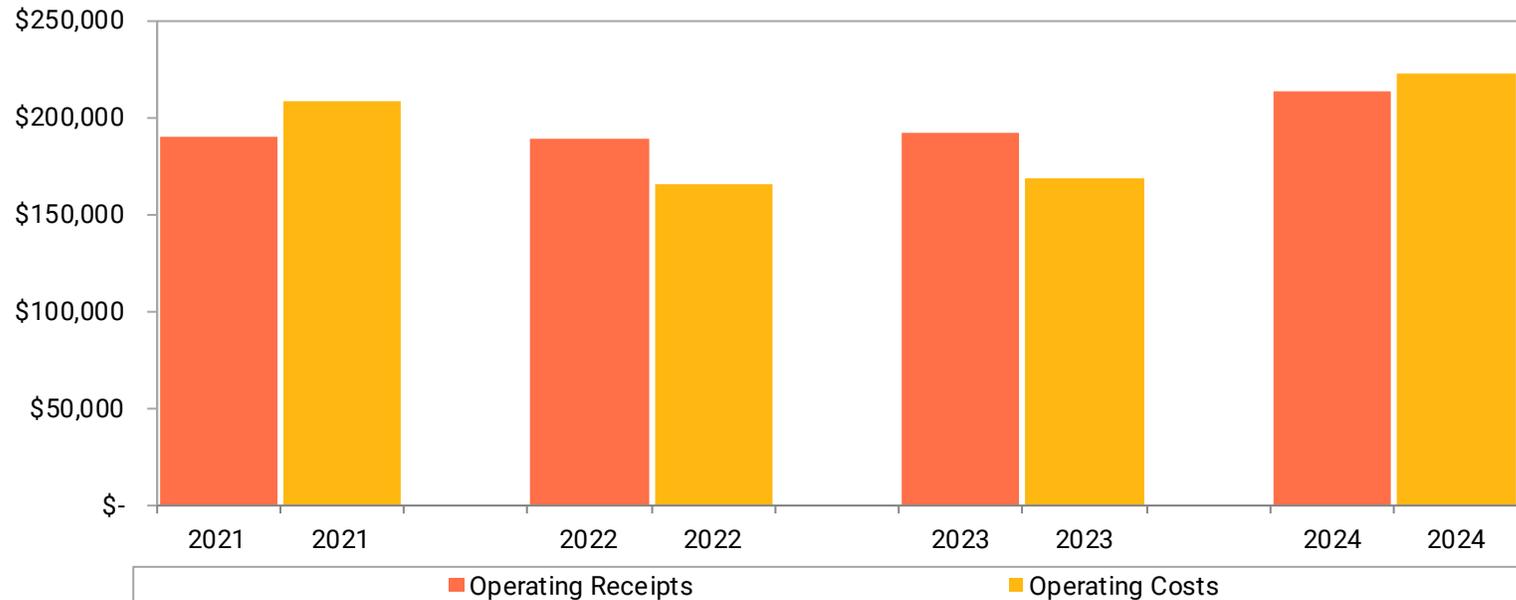


Stormwater Management Utility Fund

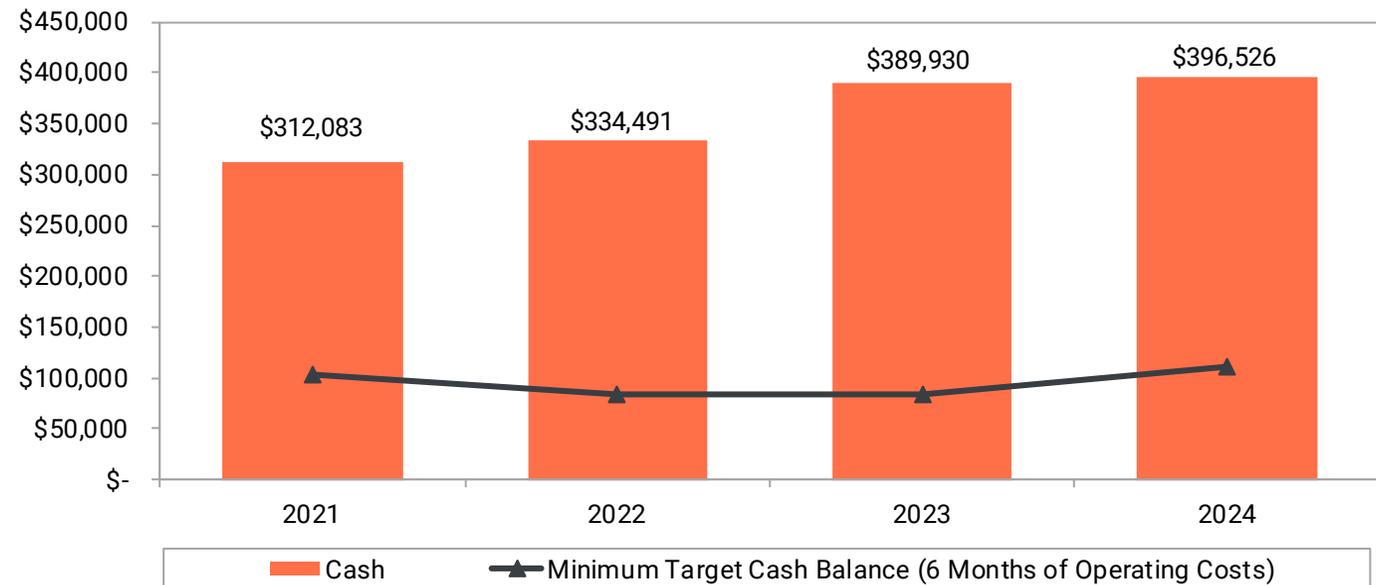


Cash Flows from Operations and Cash Balances

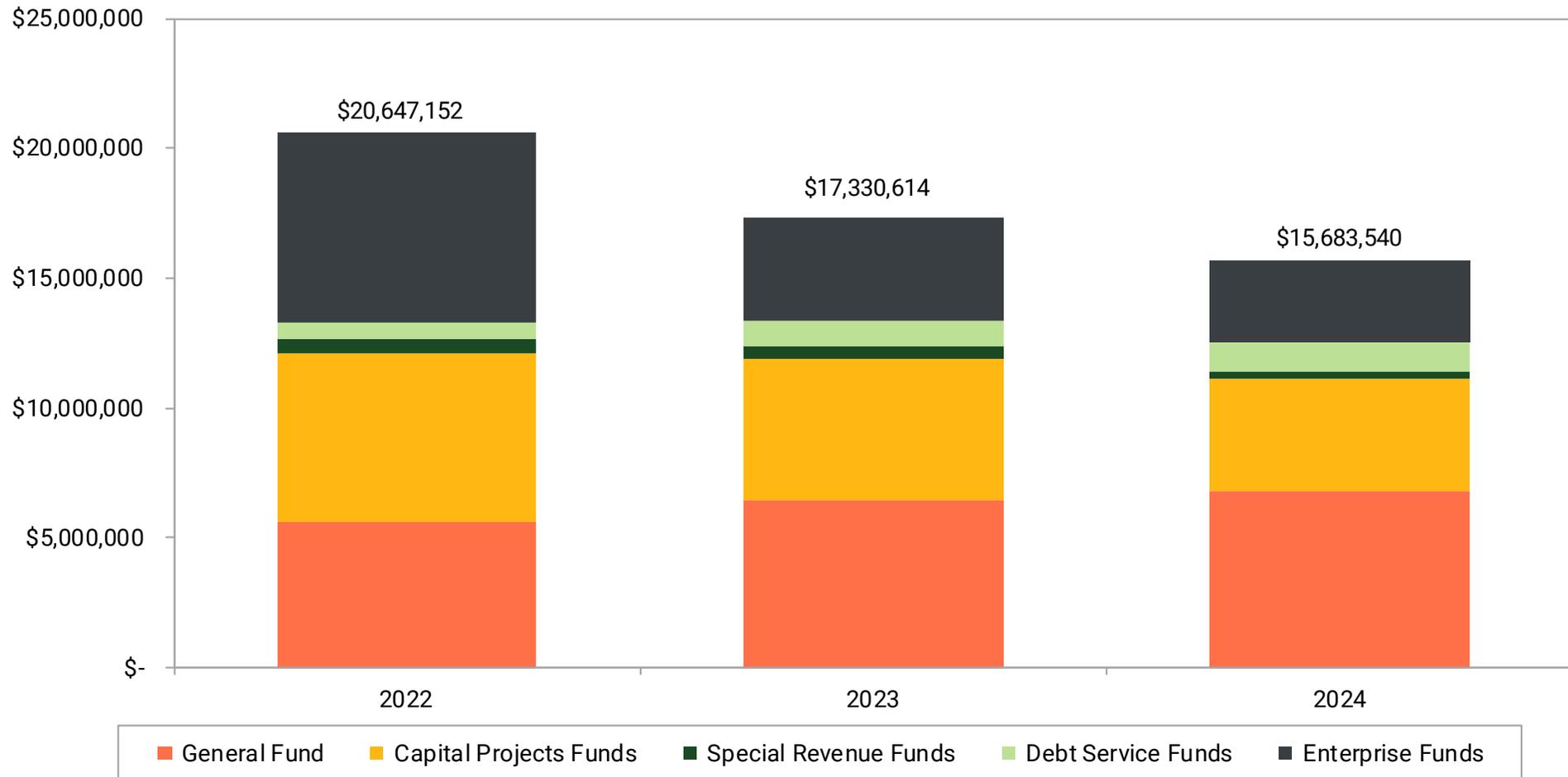
Recycle Fund



Cash Flows from Operations and Cash Balances



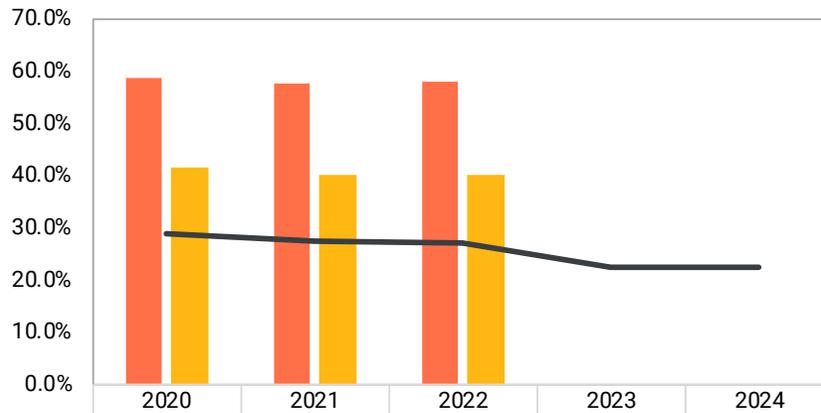
Cash and Investments Balances



Taxes

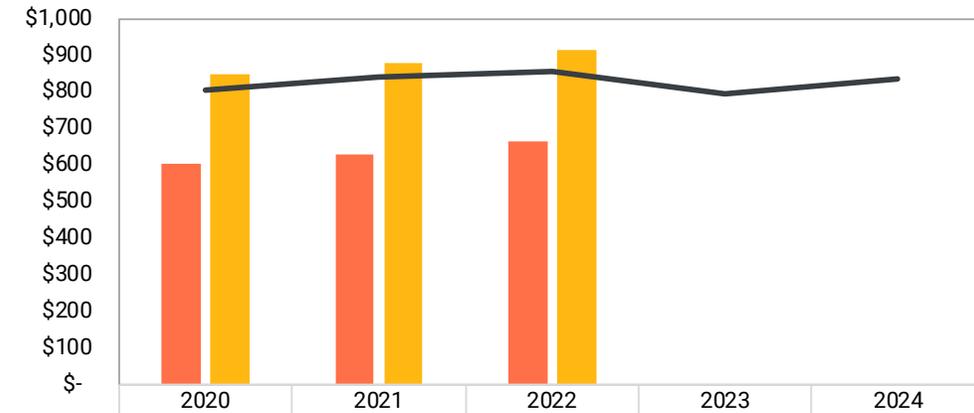
Key Performance Indicators

Tax Rates



	2020	2021	2022	2023	2024
Class 4 Cities	58.8%	57.6%	58.1%	N/A	N/A
Cities in Hennepin County	41.5%	40.1%	40.1%	N/A	N/A
City of Shorewood	29.0%	27.7%	27.3%	22.4%	22.4%

Taxes Per Capita

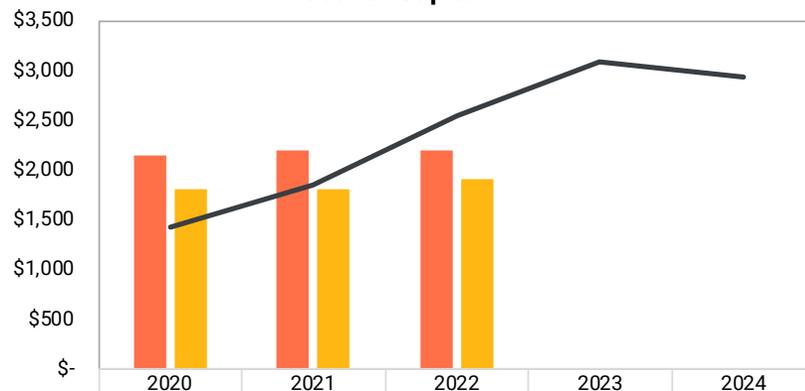


	2020	2021	2022	2023	2024
Class 4 Cities	\$606	\$630	\$664	N/A	N/A
Cities in Hennepin County	\$847	\$878	\$918	N/A	N/A
City of Shorewood	\$808	\$840	\$859	\$797	\$834

Debt

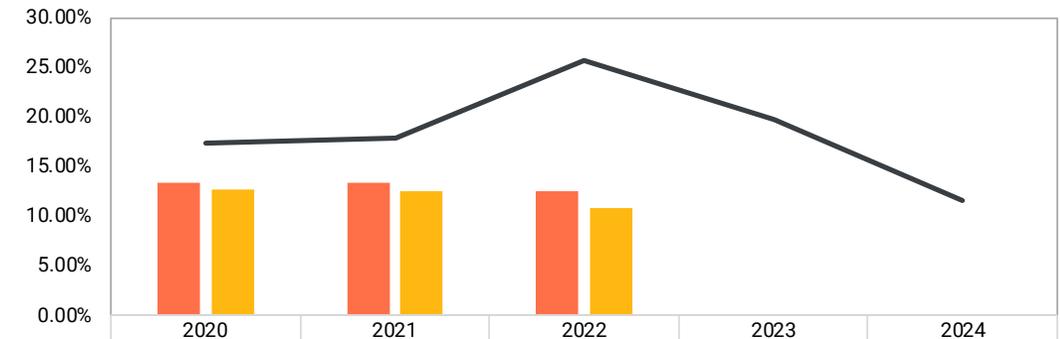
Key Performance Indicators

Debt Per Capita



	2020	2021	2022	2023	2024
Class 4 Cities	\$2,150	\$2,198	\$2,195	N/A	N/A
Cities in Hennepin County	\$1,803	\$1,817	\$1,914	N/A	N/A
City of Shorewood	\$1,426	\$1,850	\$2,544	\$3,096	\$2,947

Debt Service Expenditures as a Percent of Current Expenditures

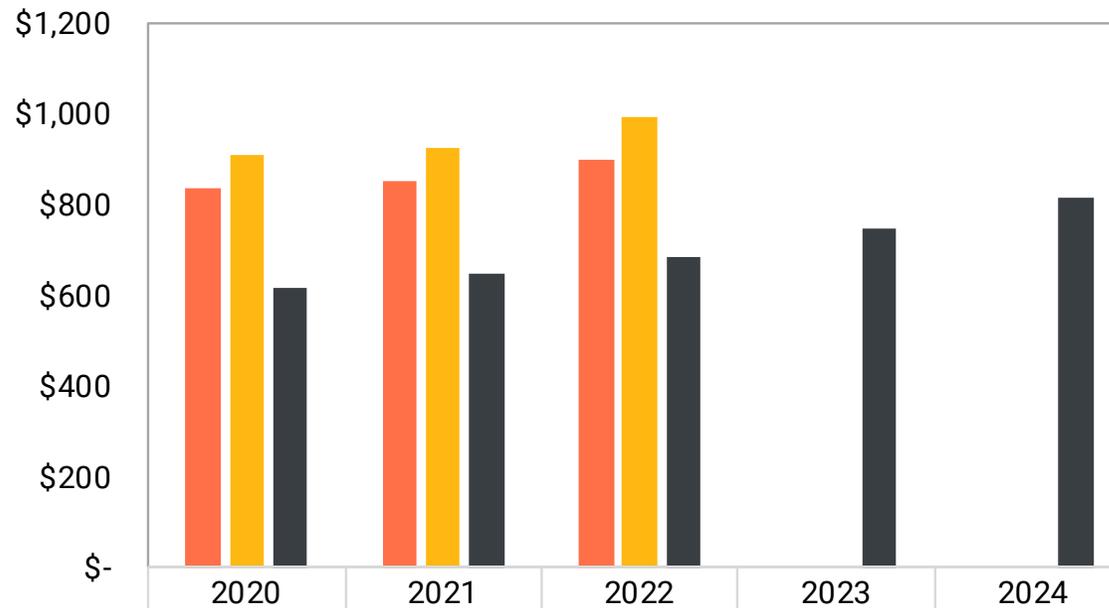


	2020	2021	2022	2023	2024
Class 4 Cities	13.39%	13.38%	12.54%	N/A	N/A
Cities in Hennepin County	12.80%	12.62%	10.93%	N/A	N/A
City of Shorewood	17.34%	17.94%	25.71%	19.86%	11.59%

Expenditures

Key Performance Indicators

Current Expenditures Per Capita



■ Class 4 Cities	\$839	\$856	\$901	N/A	N/A
■ Cities in Hennepin County	\$913	\$929	\$995	N/A	N/A
■ City of Shorewood	\$616	\$648	\$687	\$750	\$817

Your Abdo Team



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Executive Governance Summary

City of Shorewood

Shorewood, Minnesota

For the year ended December 31, 2024



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

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Mankato, MN 56001
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Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

May 21, 2025

Management, Honorable Mayor and City Council
City of Shorewood, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Shorewood, Minnesota (the City) for the year ended December 31, 2024 and have issued our report thereon dated May 21, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City changed accounting policies during the year ended December 31, 2024 related to the accounting and financial reporting for compensated absences (GASB 101). We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements listed below.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable and the net pension liability.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.
- Management's estimate of future paid sick time usage is based on historical usage data.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit or the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 21, 2025.



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management’s Discussion and Analysis, the Schedules of Employer’s Share of the Net Pension Liability and the Schedules of Employer’s Contributions, which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City’s financial statements:

GASB Statement No. 102 – <i>Certain Risk Disclosures</i>	<i>Effective: 12/31/2025</i>
GASB Statement No. 103 – <i>Financial Reporting Model Improvements</i>	<i>Effective: 12/31/2026</i>
GASB Statement No. 104 – <i>Disclosure of Certain Capital Assets</i>	<i>Effective: 12/31/2026</i>

Further information on upcoming [GASB pronouncements](#).



* * * *

Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Minneapolis, Minnesota
May 21, 2025





Other Required Report

City of Shorewood

Shorewood, Minnesota

For the year ended December 31, 2024



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Mankato Office

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City of Shorewood, Minnesota
Other Required Report
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For the Year Ended December 31, 2024

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**INDEPENDENT AUDITOR’S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

Honorable Mayor and City Council
City of Shorewood, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Shorewood, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
May 21, 2025