

**CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JUNE 26, 2023**

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

For those wishing to listen live to the meeting, please go to ci.shorewood.mn.us/current_meeting 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 ___
Callies ___
Maddy ___
Sanschagrín ___

- 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 June 12, 2023 Minutes
- B. City Council Regular Meeting Minutes of June 12, 2023 Minutes
- C. Approval of the Verified Claims List Claims List
- D. Approve Seasonal Public Works Hire City Clerk/HR Director Memo

3. MATTERS FROM THE FLOOR This is an opportunity for members of the public to bring an item, which is not on tonight's agenda, to the attention of the Council. 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. Tim Litfin, Minnetonka Community Ed- Tour de Tonka Update City Administrator Memo

5. PARKS

- A. Report by Commissioner Hirner on May and June Park Commission Meeting/Park Tours Minutes

6. PLANNING

- A. Report by Commissioner Eggenberger on 06/06/23 Planning Commission Meeting Minutes
- B. Variance to setback from side yard abutting a public street Planning Director Memo
Location: 4805 Rustic Way Resolution 23-062
Applicant: John and Amanda Lhotka

7. ENGINEERING/PUBLIC WORKS

- A. Approve Pavement Management Software Public Works Director Memo

8. GENERAL/NEW BUSINESS

- A. Appointment to Fill Council Vacancy City Administrator Memo
Resolution 23-063
- B. Review Council Assignments City Administrator Memo
Resolution 23-064
- C. Approve Proposed SLMPD JPA City Administrator Memo
Resolution 23-065
- D. Approve the South Lake Minnetonka Police Dept. 2024 Budget City Administrator Memo
Resolution 23-066
- E. Bond Sale Results Finance Director Memo
Resolution 23-067
- F. Approve New Retail Liquor License – Red’s Savoy Pizza at 19215 State Hwy 7 City Clerk/HR Director Memo
Resolution 23-068
- G. Adult Use Cannabis Discussion City Administrator Memo

9. STAFF AND COUNCIL REPORTS

- A. Staff
 - 1. Spring Clean-Up/Shred Event Update Communications Coordinator Memo
 - 2. Matters From The Floor - Response to Alan Yelsey City Administrator Memo
- B. Mayor and City Council

10. ADJOURN

CITY OF SHOREWOOD
CITY COUNCIL WORK SESSION MEETING
MONDAY, JUNE 12, 2023

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 Labadie, Callies, Maddy, and Sanschagrín; City Attorney Shepherd; City Administrator Nevinski; Parks and Recreation Director Crossfield; City Clerk/HR Director Thone; Finance Director Rigdon; Planning Director Darling; Director of Public Works Morreim; and, City Engineer Budde

Absent: None

B. Review Agenda

Maddy moved, Callies seconded, approving the agenda as presented. Motion passed 4/0.

2. COUNCIL CANDIDATE REVIEWS/INTERVIEWS

City Administrator Nevinski noted that there was a bit of a technical glitch with the form available on the City's website. He stated in order not to miss anyone who may have wanted to apply, they have extended the deadline to June 20, 2023 at 12:00 noon. He stated that Woody Love has chosen to withdraw his application for the Council opening and will be interviewing this evening.

5:30 P.M. Nathaniel Gorham

Nathaniel Gorham introduced himself and gave an overview of his background and experience and shared reasons why he was interested in serving on the Council again.

The Council asked questions about what he felt were the biggest challenges for the City and his work with the Planning Commission.

Mayor Labadie recessed the meeting at 5:48 p.m. and reconvened at 6:00 p.m.

5:45 P.M. ~~Woody Love~~

6:00 P.M. Scott Zerby

Scott Zerby introduced himself and gave an overview of his background, experience, and shared reasons why he was interested in serving on the Council again. He noted that he served for a total of eighteen years, with eight years as mayor.

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The Council asked questions about the possibility of running again once this vacant term is completed, decisions that have turned out to be controversial, serving as a Councilmember rather than Mayor, and past differences in opinion between he and Mayor Labadie on past City projects.

Mayor Labadie recessed the meeting at 6:17 p.m. and reconvened at 6:28 p.m.

3. MINNETONKA COMMUNITY ED ADVISORY COUNCIL INTERVIEW

6:30 P.M. Tad Shaw

City Administrator Nevinski explained that the position on the Minnetonka Community Ed Advisory Council represents the City and form the discussion around community education needs and interests. He noted that Tad Shaw has served in this position for the last few years. He noted that this position is appointed on an annual basis.

Tad Shaw gave an overview of his background, experience, and interest in continuing to serve on the Minnetonka Community Ed Advisory Council.

The Council asked questions and discussed the activities of the Minnetonka Community Ed Advisory Council, Tour de Tonka, member cities, and the past civic service and education emphasis of the Advisory Council compared to its current focus on the Tour de Tonka. They discussed the change from the activities of the Advisory Council and the move away from voting on any actions with the sole focus being on Tour de Tonka and the possibility of speaking with the new superintendent about possibly changing it back to a voting body.

ADJOURN

Maddy moved, Sanschagrín seconded, Adjourning the City Council Work Session Meeting of June 12, 2023, at 6:51 P.M. Motion passed 4/0.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, JUNE 12, 2023

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 Callies, Maddy, and Sanschagrin; City Attorney Shepherd; City Administrator Nevinski; City Clerk/HR Director Thone; Finance Director Rigdon; Planning Director Darling; Park and Recreation Director Crossfield; Director of Public Works Morreim; and, City Engineer Budde

Absent: None

C. Review Agenda

Maddy moved, Callies seconded, approving the agenda as presented. All in favor, motion passed.

2. CONSENT AGENDA

Mayor Labadie reviewed the items on the Consent Agenda.

Councilmember Sanschagrin asked for a clarification on item C., regarding an item on the Verified Claims List. He referenced the listed expenses for herbicide in an amount of \$1,375.00 and asked what those were for.

Public Works Director Morreim explained that those charges are for the contractor, Greener Blade and the applications were done at the City's direction under the guidance of the IPM. He stated that he has printed off the information and can find a way to distribute the details to the Council about those items, if they are interested.

Councilmember Maddy asked about item 2.E., regarding the Juneteenth holiday. He stated that it states that the cost to the City is about \$10,000 and asked for clarification on whether this was a budget increase or if it just reflected the cost of the services that the City will not be providing that day.

City Administrator Nevinski confirmed that this understanding was correct and this amount reflects an unbudgeted daily cost for this holiday that the City has to account for. He clarified that it is a budget neutral item, but needed to be documented.

Councilmember Callies asked about item 2.F., related to the kitchen rental rates. She asked for clarification of a 'home based kitchen'.

Park and Recreation Director Crossfield explained that when a food manager is getting their license to prepare foods, they have a health inspector come out and inspect the kitchen where they will be preparing food, which is what is considered their 'home based kitchen'.

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

- A. City Council Work Session Minutes of May 22, 2023**
- B. City Council Regular Meeting Minutes of May 22, 2023**
- C. Approval of the Verified Claims List**
- D. Approve Part-Time Administrative Assistant New Hire**
- E. Approve Addition of Juneteenth Holiday to City Calendar, Adopting RESOLUTION NO. 23-056, "A Resolution Establishing Juneteenth as a City Holiday."**
- F. Approve Shorewood Community and Event Center Kitchen Rental Rates, Adopting RESOLUTION NO. 23-057, " A Resolution to Update the 2023 City Master Fee Schedule Pertaining to Kitchen Rental Fee at the Shorewood Community and Event Center."**
- G. Approve Extension for Development Approvals – Location: Excelsior Wood (20325 Excelsior Boulevard) for Red Granite Construction, Adopting RESOLUTION NO. 23-058, " A Resolution Approving an Extension to the Final Plat Approval for Excelsior Woods for Property at 20325 Excelsior Boulevard."**
- H. Approve Seasonal Public Works Hire**
- I. Accept Resignation of PT Community Center Attendant and Authorize Recruitment**
- J. Approve PT Community Center Attendant**
- K. Authorize Execution of Hennepin County Regional Railroad Authority Permit**
- L. Approve Drainage and Utility Easement Agreement, City Project 21-01, Adopting RESOLUTION NO. 23-059, 'A Resolution Approving Birch Bluff Improvement Project Easements, City Project 21-01''**
- M. Approve a Special Assessment for 25530 Birch Bluff Road, Adopting RESOLUTION NO. 23-61, "A Resolution Approving and Adopting a Special Assessment."**

Motion passed.

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3. MATTERS FROM THE FLOOR

Anna Quade, 23675 Smithtown Road, asked about the 2040 Comprehensive Plan that was approved by the City last year and the process to adjust the plan.

Planning Director Darling stated that if the change is for a piece of property that a party has a controlling interest in, they can make an application to make a change to the Comprehensive Plan. She noted that she is available to discuss this in greater detail if residents would like to contact her and make an appointment.

Chris Chazlin, 25630 Maple View Court, noted that he had lived in Shorewood for seventeen years and congratulated the Council to continuing to hold Matters from the Floor as part of their meetings. He stated that he had signed the petition relating to the Eureka Road project and noted that they are still awaiting a response to their request for no scoping study because of the expense and the need for repairs. He stated that the condition of the road has gotten worse since the Birch Bluff project has begun. He stated that there is a desire from the public for some type of open forum meeting, similar to what was done for that project last year in order to give the public a chance to come forward and express their opinion on the project.

City Engineer Budde stated that since they received the petition, the City has paused their efforts in scoping the project and noted that he has been focusing on the Birch Bluff and Strawberry Lane projects. He stated that they plan to start pushing out the on-line engagement with the public in early July and plan to hold an open house sometime in early August.

Rick Stromberg, 5510 Wedgewood Avenue, stated that he has walked his dogs for almost thirty years on the light rail trail down to Freeman Park and around the woods at least once a day. He stated that he has seen the woods deteriorate with the buckthorn problem. He stated that the Council does not seem to care very much about controlling the buckthorn even though it is considered a non-native invasive species. He stated that he had sent pictures to the Council last fall that showed that there was not any new growth of native trees. He stated that as the trees die out, nothing will be there except for buckthorn. He stated that with relation to the Smithtown Ponds project, there is a lot of new dirt over there and some trees have been planted, but noted that some of them are already dying. He asked if the City had a plan in place to keep the buckthorn from migrating to that area from Freeman Park.

Mayor Labadie explained that the City had halted its buckthorn mitigation efforts while they were getting professional opinions and researching the Integrated Pest Management. She noted that the City has received a grant relating to buckthorn management in Freeman Park.

Planning Director Darling stated that staff met earlier today to discuss how the City can move forward with the buckthorn removal grant. She stated that the grant is from the DNR for Buckthorn eradication and noted that some of the work included using daubing of chemicals on the cut buckthorn. She explained that the project was put on hold while they were studying the Integrated Pest Management (IPM) plan and noted that the Council has given staff the authorization to move forward because the chemicals used for daubing are consistent with the IPM plan. She stated that Public Works director Morreim will begin working with contractors to get estimates so the City can move forward with this project and not lose the grant funds.

Alan Yelsey, 26335 Peach Circle, offered criticism related to his feeling that it is disrespectful for Mayor Labadie and Councilmember Maddy to publicly disrespect and diminish the value of citizen

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input in comments that have been recorded at past meetings. He expressed frustration that residents are only given three minutes to make their statements and are not allowed to have a discussion about their items. He stated that he felt this was a very anti-democratic approach to running a government. He stated that regarding safety, when the Smithtown Ponds project was proposed, neighbors asked the City to make sure that they were not going to be in hazard due to mosquitos and the ponds are sitting, filled with water and no mitigation or protection has taken place. He stated that he feels this is a very poor practice and is dangerous to the residents and asked the City to remedy that situation immediately. He stated that there is also a pile of about fifteen to twenty feet of sand sitting on Strawberry Lane. He shared a story of a time when he was in elementary school where a friend of his died from playing in a similar pile of sand. He urged the City to take some safety precautions for both of these issues. He stated that the City is also attempting to charge him two-thousand dollars to gain access to data from the City that is available in electronic form which he also feels is undemocratic. He expressed frustration with the City's decision to go into bonding debt without the public realizing the extent of the debt. He stated that he feels the City is being run by an engineering firm that profits from every project that is undertaken and has also received a large amount of money for just planning.

Mayor Labadie reviewed the concerns raised by Mr. Yelsey and asked if staff could respond to those concerns at the next Council meeting.

City Administrator Nevinski stated that staff can prepare reports in response to the concerns that had been raised.

Mr. Stromberg stated that he has seen mosquito control active in the area mentioned by Mr. Yelsey.

Mayor Labadie asked staff to address that item at the next meeting.

Christine Sanschagrín, 27725 Island View Road, stated that if there is a safety issue with a pile of sand, she feels it would be important to address it immediately and not wait until the next Council meeting. She stated that especially because it is now summer and children are out of school. She urged the Council to address that issue immediately and not wait for their next meeting.

Mayor Labadie clarified that staff will be giving the Council a summary at the next Council meeting. She explained that she had faith that City staff was taking adequate safety precautions in the immediate future.

City Engineer Budde stated that he will contact the contractor in the morning to discuss ways to mitigate any potential safety issues. He stated that he also plans to go take a look at the area to confirm that it is a safety issue.

4. REPORTS AND PRESENTATIONS

A. Fall/Winter 2022-2023 Photo Contest Winners

City Clerk/HR Director Thone gave an overview of the Fall/Winter 2022-2023 Photo Contest Winners:

Fall Delights: Christine Hall, Fall Submissions

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Winter Wonder: Carrie Massine, Stunning Winter Snow on Sweetwater

People and Pets: Molly Bragg, Paddle Boarding

Wildlife: John Felix Makey, Stoic Green Heron

City Clerk/HR Director Thone encouraged residents to submit their photos for the upcoming Spring/Summer Photo Contests.

B. Excelsior Chamber of Commerce – Excelsior Fireworks

City Administrator Nevinski noted that typically, the city participates with the Excelsior Chamber of Commerce to help provide fireworks in the area and noted that the City's budget usually includes about \$7,500 for this event.

Tiffany King, Executive Director, Excelsior/Lake Minnetonka Chamber of Commerce, gave an overview of the Chamber as a 501(c) 6 non-profit organization. She reviewed the history of past Fourth of July events, logistics of deploying fireworks, and budget and funding details. She stated that they have appreciated the continued public partnership with the area municipalities

Mayor Labadie expressed her appreciation for the data and information presented by Ms. King and noted that the Council had frequently asked for this information in the past.

City Administrator Nevinski stated that the City had already budgeted \$7,500 for 2023 for support of this event.

Mayor Labadie suggested that in the future, it may make more sense for this presentation to be made in the fall when the Council is working on their budget for the following year.

Callies moved, Maddy seconded, to Approve the budgeted \$7,500 for the Excelsior Chamber of Commerce event for the Fourth of July, as planned. All in favor, motion passed.

City Administrator Nevinski stated that in the future they will plan for this presentation and decision to happen in closer conjunction with the actual budget cycle and adoption.

Ms. King noted that she has volunteer opportunities available for the Fourth of July events next month and encouraged people to contact her if they were interested in assisting.

- 5. PARKS**
- 6. PLANNING**
- 7. ENGINEERING/PUBLIC WORKS**
- 8. GENERAL/NEW BUSINESS**

A. Appointment to Minnetonka Community Education Advisory Council

City Administrator Nevinski noted that the Council Work Session held earlier this evening, Mr. Tad Shaw interviewed to fill the remaining term for this open position. He explained that the seat is open and will expire January 31, 2024.

Mayor Labadie clarified that this position is an 'advisory' position and not a voting position and noted that Mr. Shaw has served in this position for many years. She stated that she would like to request that whoever the City appoints in this position provide an update to the Council in November, so they have that information prior to appointing for the next calendar year.

Councilmember Callies stated that she would like to hear more about what the Minnetonka Community Education Advisory Council does and noted that it may be possible that the City needs to do more to promote this position in the future. She stated that she does not think the Council has a great understanding about what this position does so it is hard to ask for people to join as a representative.

Sanschagrın moved, Maddy seconded, Adopting RESOLUTION NO. 23-060, "A Resolution Making an Appointment to the Minnetonka Community Education Advisory Council." All in favor, motion passed.

B. Approve Comparable Cities for Compensation Study

City Administrator Nevinski reminded the Council that at their last meeting they had approved a contract with David Drown Associates to complete a compensation study for the City. He explained that one of the ways that the Council is able to weigh in and help set some direction with the study is to approve a list of comparable cities for inclusion in the compensation study. He reviewed the suggested inclusion of a 'spotlight' community as a point of reference and noted that staff felt that Minnetonka would be a good 'spotlight' city.

Mayor Labadie asked if the price of the contract would change based on the number of cities that are analyzed.

City Administrator Nevinski stated that would not change the price of the contract with David Drown Associates.

Councilmember Callies stated that she feels the proposed list may be too large unless the consultant felt this was an appropriate number of cities.

Councilmember Sanschagrın noted that it struck him that some of these cities are more comparable than others. He suggested that cities like Mound, Minnetrista, Orono, Victoria, and Spring Lake Park may be more comparable to Shorewood. He stated that perhaps they could keep the overall list, but also have data that shows the comparisons with cities who may be more comparable than the others.

City Administrator Nevinski stated that he thinks that is good feedback for the consultant. He explained that his understanding is that the more data they have to analyze the better the outcome will be.

Councilmember Callies asked if David Drown Associates would present to the Council data from 25 cities and noted that she feels that information may be overwhelming unless they can adequately summarize the data.

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City Administrator Nevinski noted that even if David Drown Associates includes 25 cities in their analysis, he did not believe that they would turn around and give 25 data sets to the Council for review.

Mayor Labadie stated that she feels that it would make sense for Chanhassen to be the 'spotlight' city.

Councilmember Callies stated that Chanhassen still has a lot of area that can be developed and Minnetonka is more established, which is more similar to Shorewood. She asked Planning Director Darling if she had an opinion on which city would be best as a 'spotlight' city.

Planning Director Darling agreed that Minnetonka is pretty much fully developed and dependent on redevelopment, which is where Shorewood will be within the next few years.

Councilmember Sanschagrín reiterated that he would like to see the compensation study include the larger 25 city group, but that a closer look them be taken with a smaller subset of cities that are more similar to Shorewood.

The Council discussed potential spotlight communities.

City Administrator Nevinski reminded the Council that the spotlight city would not be included in the data analysis which means it would not impact the pool of data and was just a point of reference with a city that Shorewood sort of competes with.

Councilmember Maddy asked why staff had recommended choosing Minnetonka as the spotlight city.

City Administrator Nevinski stated that he believes the recommendation came down to the development patterns.

Mayor Labadie asked Public Works Director Morreim to weigh in on what city he thinks may be more comparable as a spotlight city.

Public Works Director Morreim stated that based on the conversation relating to prospective positions, he thinks they would be transferable to any of the proposed spotlight cities. He noted that members of his staff have come from places like Chanhassen or Mound. He stated that in his opinion the skills are transferrable and they just need to be scaled up or down depending on the size of the cities. He stated that, in his opinion, any of the four suggested spotlight cities would be a good fit.

Councilmember Sanschagrín stated that he would remove Eden Prairie because it is so large and Hopkins because it is so urban. He stated that would leave either Minnetonka or Chanhassen and he feels he would be fine supporting either of those cities as the spotlight city.

Sanschagrín moved, Maddy seconded, to Approve the Attached List of Comparable Cities and the Spotlight City of Minnetonka to be used to complete the 2023 Compensation Study." All in favor, motion passed.

9. STAFF AND COUNCIL REPORTS

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A. Staff

Park and Recreation Director Crossfield reminded the Council that the Silverwood Park Grand Opening celebration would take place on June 20, 2023 at 5:00 p.m. She noted that they are still open to last minute registrations for the Tai Chi in the Parks events coming up. She stated that the second Park tour will be held June 13, 2023 and will begin at Badger Park at 6:00 p.m. She noted that they will also be touring Manor Park, South Shore Park, and the Christmas Lake Boat Launch.

Public Works Director Morreim stated that there will be two summer seasonal staff members who will begin work this week. He stated that they finished flushing watermain on June 7, 2023. He stated that they are working on studying the iron content in the water and noted that he would provide a more robust update to the Council in July when he has more information. He stated that there were a lot of activities in Freeman Park this last weekend between soccer and baseball as well as work being done on Strawberry which is adjacent to the park. He stated that they had worked with the Police Department to recommend that people not utilize Eureka and Highway 7 and explained that they encouraged this because they really did not want to close anything down. He noted that overall he think things went pretty well but there were a few hiccups with things like bathroom maintenance and some parking on Eureka.

Mayor Labadie stated that she had received a notice from Tonka United who said they just finished help reorganize the fields for the splash tourney and their 'field guy', Eli, was very impressed with the mowing job. She noted that they had asked that this compliment be passed onto the Public Works crew.

City Engineer Budde gave an update on the Birch Bluff project and noted that the Army Corps of Engineers has jurisdiction but are not requiring any archeological investigations as part of the project so he is hopeful that they will have the permit in hand sometime this week. He stated that the Smithtown Pond project is coming together nicely and the contractor should be paving the trail within the next week and the site should be mostly wrapped up within the next two weeks.

Planning Director Darling reported that the City received the 2022 Population estimates as of April 1, 2022 which show that the City has 7,779 people, which is a drop of forty-eight people from 2021. She stated that she has been working with the Met Council because she believes that they have under counted some of the units for places like Shorewood Landings and the Minnetonka Country Club. She noted that she did not think they would be willing to adjust the numbers very much and explained that if this number is revised, she will report that information to the Council.

City Attorney Shepherd updated the Council on the Strawberry Lane condemnation and noted that the City has secured title and possession of the property so the project can move forward. He stated that commissioners have been selected to review and determine the amount of the award which will be forthcoming most likely in the fall. He stated that the May 26, 2023 City Council meeting, Councilmember Sanschagrín had expressed a desire to abstain from voting on a matter. He stated that Councilmember Sanschagrín admittedly did not have a conflict and the instruction and advice he gave him at the time was to go ahead and vote. He stated that Councilmember Sanschagrín has pointed out that under Roberts Rules of Order he had a right to abstain for any reason, not just because of a conflict. He stated that he wanted to apologize for making that error and noted that abstention, when there is not a conflict of interest is, in essence, a 'no' vote.

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City Administrator Nevinski stated that there was discussion at the last meeting about the South Lake Minnetonka Police Department Joint Powers Agreement (JPA). He stated that the working group met last week to discuss some minor points within the JPA as well as the term of the agreement. He noted that he believes that they have agreed on a twenty year period of the JPA with an auto-renewal for another twenty years. He reviewed some of the other items discussed by the working group related to look-backs and arbitration.

City Administrator Nevinski noted that there will be a budget workshop meeting for the South Lake Minnetonka Police Department next week and a draft of the JPA will also be shared at that time.

B. Mayor and City Council

Councilmember Sanschagrín expressed his appreciation to City Attorney Shepherd for clarifying his recent guidance and noted that he accepted his apology.

Councilmember Callies stated that she went to the Public Works Facility for Public Works Week. She stated that it was nice to see things spruced up a bit, but noted that she feels they could use a more comfortable break room.

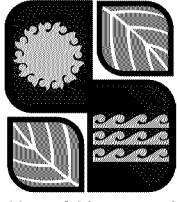
10. ADJOURN

Sanschagrín moved, Maddy seconded, Adjourning the City Council Regular Meeting of June 12, 2023, at 8:22 P.M. All in favor, motion passed.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk



City of Shorewood

City Council Meeting Item

Item
2C

Title/Subject: Verified Claims
Meeting Date: June 26, 2023
Prepared by: Michelle Nguyen, Senior Accountant
Reviewed by: Joe Rigdon, Finance Director
Attachments: Claims Lists

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 – 06/16/2023	\$53,648.60
AP-Payroll-06/16/2023	\$65,037.68
AP-06/26/2023	\$1,695,393.78
AP-06/26/2023	\$1,620.00

Total Claims: Checks No. 68101 – 68137 & ACH **\$1,815,700.06**

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.

Connection to Vision/Mission: Consistency in providing residents quality public services, a healthy environment, a sustainable tax base, and sound financial management through effective, efficient, and visionary leadership.

Clearing House

Distribution Report

User: mnguyen
Printed: 06/16/2023 - 1:27PM
Batch: 00016.06.2023



Account Number	Debit	Credit	Account Description
700-00-1010-0000	0.00	53,648.60	CASH AND INVESTMENTS
700-00-2170-0000	53,648.60	0.00	GROSS PAYROLL CLEARING
	<hr/>	<hr/>	
	53,648.60	53,648.60	
	<hr/>	<hr/>	
Report Totals:	53,648.60	53,648.60	
	<hr/>	<hr/>	

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
 Printed: 06/16/2023 - 1:46PM
 Batch: 00003.06.2023 - Payroll-06-16-2023



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 4	AFSCME CO 5 MEMBER HEALTH FUND-UNION DENTAL			Check Sequence: 1	ACH Enabled: True
June-2023	PR Batch 00002.06.2023 Dental - Union	210.00	06/16/2023	700-00-2185-0000	PR Batch 00002.06.2023 Dental - Union
	Check Total:	210.00			
Vendor: 5	EFTPS - FEDERAL W/H			Check Sequence: 2	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 Federal Income Tax	7,659.36	06/16/2023	700-00-2172-0000	PR Batch 00002.06.2023 Federal Income T
PR-06-16-2023	PR Batch 00002.06.2023 FICA Employee Portio	5,015.83	06/16/2023	700-00-2174-0000	PR Batch 00002.06.2023 FICA Employee
PR-06-16-2023	PR Batch 00002.06.2023 FICA Employer Portio	5,015.83	06/16/2023	700-00-2174-0000	PR Batch 00002.06.2023 FICA Employer I
PR-06-16-2023	PR Batch 00002.06.2023 Medicare Employee Pc	1,173.05	06/16/2023	700-00-2174-0000	PR Batch 00002.06.2023 Medicare Emplo
PR-06-16-2023	PR Batch 00002.06.2023 Medicare Employer Pc	1,173.05	06/16/2023	700-00-2174-0000	PR Batch 00002.06.2023 Medicare Emplo
	Check Total:	20,037.12			
Vendor: 6	HEALTH PARTNERS-MEDICAL			Check Sequence: 3	ACH Enabled: True
June-2023	PR Batch 00001.06.2023 Health Insurance-HSA	7,000.00	06/02/2023	700-00-2171-0000	PR Batch 00001.06.2023 Health Insurance
June-2023	PR Batch 00002.06.2023 Health Insurance-HSA	7,612.85	06/16/2023	700-00-2171-0000	PR Batch 00002.06.2023 Health Insurance
June-2023	PR Batch 00001.06.2023 Health Ins - CoPay-1	3,650.00	06/02/2023	700-00-2171-0000	PR Batch 00001.06.2023 Health Ins - CoP
June-2023	PR Batch 00002.06.2023 Health Ins - CoPay-2	4,077.08	06/16/2023	700-00-2171-0000	PR Batch 00002.06.2023 Health Ins - CoP
	Check Total:	22,339.93			
Vendor: 1166	HEALTHPARTNER-DENTAL			Check Sequence: 4	ACH Enabled: True
June-2023	PR Batch 00002.06.2023 Dental - Non Union	1,467.51	06/16/2023	700-00-2184-0000	PR Batch 00002.06.2023 Dental - Non Uni
June-2023-COBRA	PR Batch 00002.06.2023 Dental - Non Union	48.65	06/16/2023	700-00-2184-0000	PR Batch 00002.06.2023 Dental - Non Uni
	Check Total:	1,516.16			
Vendor: 2	ICMA RETIREMENT TRUST-302131-457			Check Sequence: 5	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 Deferred-MissionSq-FI	3,032.68	06/16/2023	700-00-2176-0000	PR Batch 00002.06.2023 Deferred-Missio
PR-06-16-2023	PR Batch 00002.06.2023 Deferred-MissionSq-P	91.99	06/16/2023	700-00-2176-0000	PR Batch 00002.06.2023 Deferred-Missio
	Check Total:	3,124.67			

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 11	MINNESOTA DEPARTMENT OF REVENUE			Check Sequence: 6	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 State Income Tax	3,440.34	06/16/2023	700-00-2173-0000	PR Batch 00002.06.2023 State Income Tax
	Check Total:	3,440.34			
Vendor: 1091	MSRS-MN DEFERRED COMP PLAN 457			Check Sequence: 7	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 Deferred Comp-MSRS	1,500.00	06/16/2023	700-00-2176-0000	PR Batch 00002.06.2023 Deferred Comp-1
	Check Total:	1,500.00			
Vendor: 665	OPTUM BANK			Check Sequence: 8	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 HSA-OPTUM BANK	1,371.15	06/16/2023	700-00-2183-0000	PR Batch 00002.06.2023 HSA-OPTUM B.
	Check Total:	1,371.15			
Vendor: 9	PERA			Check Sequence: 9	ACH Enabled: True
PR-06-16-2023	PR Batch 00002.06.2023 MN-PERA Deduction	5,338.50	06/16/2023	700-00-2175-0000	PR Batch 00002.06.2023 MN-PERA Dedu
PR-06-16-2023	PR Batch 00002.06.2023 MN PERA Benefit Em	6,159.81	06/16/2023	700-00-2175-0000	PR Batch 00002.06.2023 MN PERA Benef
	Check Total:	11,498.31			
	Total for Check Run:	65,037.68			
	Total of Number of Checks:	9			

Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
 Printed: 06/22/2023 - 9:18AM
 Batch: 00004.06.2023 - AP-06-26-2023



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1338	A TOO Z PROCESS SERVICE			Check Sequence: 1	ACH Enabled: False
1427	Correct Code Violation-Inspection Svc-5815 Clu	102.00	06/26/2023	101-00-3414-0000	
	Check Total:	102.00			
Vendor: 105	ADVANCED IMAGING SOLUTIONS			Check Sequence: 2	ACH Enabled: True
INV307241	Konica Minolta/C658 Copier-Toner	15.23	06/26/2023	101-19-4221-0000	
INV307629	Konica Minolta/C658 Copier	867.37	06/26/2023	101-19-4221-0000	
	Check Total:	882.60			
Vendor: 1339	AMERICAN TECHNOLOGY SOLUTIONS, INC.			Check Sequence: 3	ACH Enabled: False
57201	Turf Aeration-Freeman Park	900.00	06/26/2023	101-52-4400-0000	
	Check Total:	900.00			
Vendor: 817	ARCPOINT LABS OF EDEN PRAIRIE			Check Sequence: 4	ACH Enabled: False
2843	Drug Testing	73.75	06/26/2023	101-32-4305-0000	
	Check Total:	73.75			
Vendor: 677	BOLTON & MENK, INC.			Check Sequence: 5	ACH Enabled: True
313555	Catchbasin & Culvert Repairs-2022	229.50	06/26/2023	631-00-4303-0000	
313556	Mill & Overlay-2022	78.50	06/26/2023	416-00-4303-0000	
313557	General Engineering	8,265.00	06/26/2023	101-31-4303-0000	
313557	General Engineering-Watermain Scoping-Colto	548.00	06/26/2023	611-00-4303-0000	
313557	General Engineering-Allee Wengert- Survey Rej	130.00	06/26/2023	611-00-4303-0000	
313558	Beverly Drive Wetland	306.00	06/26/2023	631-00-4303-0000	
313559	Birch Bluff St-Utility Imprvmt	25,871.96	06/26/2023	414-00-4303-0000	
313561	Eureka Road Street & Utility	2,351.50	06/26/2023	418-00-4303-0000	
313564	Freeman Park Trail Improvement	6,783.00	06/26/2023	402-00-4400-0000	
313566	GIS-Utilities-Street	130.00	06/26/2023	101-31-4303-0000	
313566	GIS-Utilities-Stormwater	3,600.00	06/26/2023	631-00-4303-0000	
313566	GIS-Utilities-Water	539.00	06/26/2023	601-00-4303-0000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
313566	GIS-Utilities-Sewer	416.00	06/26/2023	611-00-4303-0000	
313568	Glen Rd-Manitou Ln-Amlee Rd St	367.50	06/26/2023	407-00-4303-0000	
313570	Grant Street Drainage	159.00	06/26/2023	631-00-4303-0000	
313572	Lift Station 10 Rehabilitation	2,188.00	06/26/2023	611-00-4303-0000	
313574	Lift Station 11 Rehabilitation	8,281.10	06/26/2023	611-00-4303-0000	
313585	Lift Station 7 Rehabilitation	1,922.50	06/26/2023	611-00-4303-0000	
313587	Lift Station 9 Rehabilitation	688.50	06/26/2023	611-00-4303-0000	
313590	Maple Shores Development- Pass thru	3,037.00	06/26/2023	101-00-3414-0000	
313590	Maple Shores Development-Deduct from Escrov	759.00	06/26/2023	880-00-2200-0000	
313592	Mary Lake Outlet	751.50	06/26/2023	631-00-4303-0000	
313594	Mill Street Trail	1,153.00	06/26/2023	417-00-4303-0000	
313596	MS4 Administration	644.00	06/26/2023	631-00-4302-0009	
313600	Shorewood Ln Ravine Restore	3,707.00	06/26/2023	631-00-4303-0000	
313609	Smithtown Pond	2,181.50	06/26/2023	631-00-4303-0000	
313611	Strawbery Ln St Recon & Til	31,061.89	06/26/2023	409-00-4303-0000	
313612	Walnut Grove Villas - Deduct from Escrow Acct	3,938.50	06/26/2023	880-00-2200-0000	
	Check Total:	110,088.45			
Vendor: 125	BOYER FORD TRUCKS			Check Sequence: 6	ACH Enabled: True
008P23949	Brakes & Springs & Parts	1,517.50	06/26/2023	101-32-4221-0000	
	Check Total:	1,517.50			
Vendor: 1221	CAMPBELL KNOTSON P.A.			Check Sequence: 7	ACH Enabled: True
3526-0000G-17	General Matters/Administration	4,005.50	06/26/2023	101-16-4304-0000	
3526-0001G-17	Planning & Zoning	383.00	06/26/2023	101-18-4304-0000	
3526-0001G-17	Planning & Zoning-24250 Smithtown Rd-TSML	122.50	06/26/2023	101-00-3414-0000	
3526-0002G-14	Public Works	1,277.50	06/26/2023	101-16-4304-0000	
3526-0004G-16	Ugerots Litigation	2,265.73	06/26/2023	101-16-4304-0000	
3526-0008G-7	Strawberry Lane Condemnation	1,939.90	06/26/2023	409-00-4304-0000	
3526-0009G-5	Code Enforcement-5815 Club Lane	70.00	06/26/2023	101-00-3414-0000	
3526-0999G-20	Prosecution	3,098.60	06/26/2023	101-16-4304-0000	
	Check Total:	13,162.73			
Vendor: 1289	JASON GARY CARLSON			Check Sequence: 8	ACH Enabled: True
Feb-Jun-2023	Mileage Reimbursement: Feb/15/23 - Jun/14/23	117.90	06/26/2023	101-18-4331-0000	
Sept-Nov-2022	Mileage Reimbursement: Sept/30/22 - Nov/1/22	83.13	06/26/2023	101-18-4331-0000	
	Check Total:	201.03			
Vendor: 915	CINTAS			Check Sequence: 9	ACH Enabled: False
5163439632	City Hall-First Aid Supplies	59.48	06/26/2023	101-19-4245-0000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	59.48			
Vendor: 1341 22247	CITY OF BLOOMINGTON Water Testing	112.00	06/26/2023	Check Sequence: 10 601-00-4400-0000	ACH Enabled: False
	Check Total:	112.00			
Vendor: 147 3rd Qtr-2023	CITY OF MOUND Fire Svc & Protection Payment	6,913.25	06/26/2023	Check Sequence: 11 101-22-4400-0000	ACH Enabled: True Quarterly
	Check Total:	6,913.25			
Vendor: 456 S886730 S917648	CORE & MAIN, LP Hydrant Parts Hydrant Drain Plunger	793.38 70.36	06/26/2023 06/26/2023	Check Sequence: 12 601-00-4245-0000 601-00-4245-0000	ACH Enabled: False
	Check Total:	863.74			
Vendor: 1283 109	CREME DE LA CREME PROVISIONS Cookies-SLWD Opening	262.50	06/26/2023	Check Sequence: 13 101-53-4246-0000	ACH Enabled: False
	Check Total:	262.50			
Vendor: 1035 Apr-Jun-2023	NELIA CRISWELL #8574 Reimbursement Apr - Jun-2023-Wellness	120.00	06/26/2023	Check Sequence: 14 101-13-4101-0000	ACH Enabled: True
	Check Total:	120.00			
Vendor: 166 0132872-IN	EARL F. ANDERSEN Street Signs	923.04	06/26/2023	Check Sequence: 15 101-32-4245-0000	ACH Enabled: False
	Check Total:	923.04			
Vendor: 1342 26305SR-6/23	JORDAN & ANGELA ENSRUD Partial Escrow Refund-26305 Smithtown Road	3,000.00	06/26/2023	Check Sequence: 16 880-00-2200-0000	ACH Enabled: False
	Check Total:	3,000.00			
Vendor: 179 3rd Qtr-2023 3rd Qtr-2023	EXCELSIOR FIRE DISTRICT Building Operations	50,028.98 135,632.81	06/26/2023 06/26/2023	Check Sequence: 17 101-22-4620-0000 101-22-4400-0000	ACH Enabled: False
	Check Total:	185,661.79			

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 417	ROBERT HANSON			Check Sequence: 18	ACH Enabled: True
2023-EyeGlasses	2023-Eye Glasses	100.00	06/26/2023	101-32-4245-0000	
	Check Total:	100.00			
Vendor: 211	HAWKINS, INC.			Check Sequence: 19	ACH Enabled: True
6498502	Chemicals Water Treatment	190.00	06/26/2023	601-00-4245-0000	
6501326	Chemicals Water Treatment	1,748.16	06/26/2023	601-00-4245-0000	
	Check Total:	1,938.16			
Vendor: 471	HENNEPIN COUNTY ACCOUNTS RECEIVABLE			Check Sequence: 20	ACH Enabled: False
1000208236	Assessment Fee-2nd Half-2023	85,000.00	06/26/2023	101-16-4400-0000	
	Check Total:	85,000.00			
Vendor: 985	HENNEPIN COUNTY ACCOUNTS RECEIVABLE			Check Sequence: 21	ACH Enabled: False
1000207608	REC0001086-View Recorded Documents	7.50	06/26/2023	101-18-4400-0000	RecordEase Payment
	Check Total:	7.50			
Vendor: 215	HENNEPIN COUNTY INFORMATION TECHNOLOGY DEPARTMENT			Check Sequence: 22	ACH Enabled: True
1000207332	Monthly Radio Fleet & MESB	215.92	06/26/2023	101-32-4321-0000	
	Check Total:	215.92			
Vendor: 1308	HI-LINE INC.			Check Sequence: 23	ACH Enabled: False
11044950	Misc. Hardware for Equipment	241.70	06/26/2023	101-32-4221-0000	
11046961	Misc. Hardware for Equipment	436.47	06/26/2023	101-32-4221-0000	
	Check Total:	678.17			
Vendor: 896	HUEBSCH SERVICES			Check Sequence: 24	ACH Enabled: True
20228088	City Hall- Mats	208.65	06/26/2023	101-19-4400-0000	
20231392	SCEC - Mats	76.95	06/26/2023	201-00-4400-0000	
20234701	City Hall - Mats	208.65	06/26/2023	101-19-4400-0000	
	Check Total:	494.25			
Vendor: 1333	INTEGRITY LOCKSMITH			Check Sequence: 25	ACH Enabled: False
7103	ADA Door Opener Replacement	2,453.00	06/26/2023	201-00-4223-0000	
	Check Total:	2,453.00			
Vendor: 1332	JERRY'S PRINTING			Check Sequence: 26	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
93428	Postcards - SLWD Opening	275.45	06/26/2023	101-53-4351-0000	
	Check Total:	275.45			
Vendor: 247	DREW KRIESEL			Check Sequence: 27	ACH Enabled: False
May-2023	Building Maint. Services & Installed Ballasts &	584.00	06/26/2023	201-00-4400-0000	
May-2023	Building General Supplies Exp-Menards & Sam'	393.41	06/26/2023	201-00-4245-0000	
May-2023	Events Program/Class Services	1,033.00	06/26/2023	201-00-4248-0000	
May-2023	Tableclothes on June 1st & Time Svc	149.00	06/26/2023	201-00-4400-0000	
May-2023	Tableclothes on May 14 & Time Svc	205.98	06/26/2023	201-00-4400-0000	
	Check Total:	2,365.39			
Vendor: 1326	KUECHLE UNDERGROUND			Check Sequence: 28	ACH Enabled: False
PV#2-Strawberry	P.V.#2 - Strawberry Lane Reconstruction	388,721.86	06/26/2023	409-00-4680-0000	
	Check Total:	388,721.86			
Vendor: 251	LAKE MINNETONKA CONSERVATION DISTRICT			Check Sequence: 29	ACH Enabled: True
2023Q3Shor	Quarterly Levy Payment	5,565.50	06/26/2023	101-11-4433-0000	
	Check Total:	5,565.50			
Vendor: 1343	GILLEN & MILLER LEVANDER			Check Sequence: 30	ACH Enabled: False
22027-00000M-2	Land Use Permit - 24560 Smithtown Road - Adr	225.00	06/26/2023	880-00-2200-0000	
	Check Total:	225.00			
Vendor: 1081	MARTIN MARIETTA MATERIALS			Check Sequence: 31	ACH Enabled: False
38880794	Roadway Patching Materials	250.00	06/26/2023	101-32-4250-0000	
	Check Total:	250.00			
Vendor: UB*00535	Ronald & Rita Mason			Check Sequence: 32	ACH Enabled: False
	Refund Check 008776-000, 6085 High Pointe R	58.42	06/22/2023	611-00-2010-0000	
	Refund Check 008776-000, 6085 High Pointe R	25.04	06/22/2023	631-00-2010-0000	
	Refund Check 008776-000, 6085 High Pointe R	25.04	06/22/2023	621-00-2010-0000	
	Check Total:	108.50			
Vendor: UB*00537	Francisco & Lacey Mesa			Check Sequence: 33	ACH Enabled: False
	Refund Check 006050-000, 6115 Sweetwater C	53.99	06/22/2023	601-00-2010-0000	
	Refund Check 006050-000, 6115 Sweetwater C	63.00	06/22/2023	611-00-2010-0000	
	Refund Check 006050-000, 6115 Sweetwater C	26.99	06/22/2023	631-00-2010-0000	
	Refund Check 006050-000, 6115 Sweetwater C	27.00	06/22/2023	621-00-2010-0000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	170.98			
Vendor: 283	METRO SALES, INC.			Check Sequence: 34	ACH Enabled: True
INV2302368	Ricoh/MP-C3002 Color Copier	500.00	06/26/2023	101-19-4221-0000	Ricoh/MP-C3002 Color Copier
	Check Total:	500.00			
Vendor: 1281	MEYER CONTRACTING, INC			Check Sequence: 35	ACH Enabled: False
PV#6-StwnPd-ShwdO	PV#6-Smithtown Pond-Shorewood Oaks Draina	195,670.06	06/26/2023	412-00-4680-0000	
	Check Total:	195,670.06			
Vendor: UB*00533	Stephen & Sarah Min			Check Sequence: 36	ACH Enabled: False
	Refund Check 008593-000, 19245 Waterford Pl	44.01	06/22/2023	601-00-2010-0000	
	Refund Check 008593-000, 19245 Waterford Pl	51.33	06/22/2023	611-00-2010-0000	
	Refund Check 008593-000, 19245 Waterford Pl	22.01	06/22/2023	631-00-2010-0000	
	Refund Check 008593-000, 19245 Waterford Pl	22.00	06/22/2023	621-00-2010-0000	
	Check Total:	139.35			
Vendor: 1068	MISSION COMMUNICATIONS, LLC			Check Sequence: 37	ACH Enabled: True
1076654	Pressure Transducer-Water	575.44	06/26/2023	601-00-4221-0000	
	Check Total:	575.44			
Vendor: 305	MNSPECT, LLC			Check Sequence: 38	ACH Enabled: False
98884-IN	Inspection Services	1,900.60	06/26/2023	101-24-4400-0000	
	Check Total:	1,900.60			
Vendor: 1149	NEW LOOK CONTRACTING, INC.			Check Sequence: 39	ACH Enabled: False
PV#1-BBR-S&U	P.V.#1-Birch Bluff Road Street & Utility Improv	312,686.09	06/26/2023	414-00-4680-0000	
	Check Total:	312,686.09			
Vendor: 1340	SUSAN & MICHAEL NEWBURG			Check Sequence: 40	ACH Enabled: False
26045BBR-2023	26045 Birch Bluff Road-Drainage & Utility Easc	151,500.00	06/26/2023	414-00-4610-0000	
	Check Total:	151,500.00			
Vendor: UB*00536	Lori Jane & Chris Alan Norgren			Check Sequence: 41	ACH Enabled: False
	Refund Check 009174-000, 25000 Bentgrass W:	184.53	06/22/2023	601-00-2010-0000	
	Refund Check 009174-000, 25000 Bentgrass W:	215.28	06/22/2023	611-00-2010-0000	
	Refund Check 009174-000, 25000 Bentgrass W:	92.27	06/22/2023	631-00-2010-0000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Refund Check 009174-000, 25000 Bentgrass W;	92.26	06/22/2023	621-00-2010-0000	
	Check Total:	584.34			
Vendor: 325	ON SITE SANITATION -TWIN CITIES			Check Sequence: 42	ACH Enabled: True
1548791	Cathcart Park-26655 W- 62nd St	76.56	06/26/2023	101-52-4400-0000	
1548792	Freeman Park-6000 Eureka Rd	417.60	06/26/2023	101-52-4400-0000	
1548793	Silverwood Pk-5755 Covington R	76.56	06/26/2023	101-52-4400-0000	
1548794	South Shore-5355 St Albans Bay	76.56	06/26/2023	101-52-4400-0000	
1548795	Christmas Lk Rd-5625 Merry Ln	266.80	06/26/2023	101-52-4400-0000	
	Check Total:	914.08			
Vendor: 903	PERRILL			Check Sequence: 43	ACH Enabled: True
260299	ROWay Web App-Monthly	75.00	06/26/2023	611-00-4400-0000	
260299	ROWay Web App-Monthly	75.00	06/26/2023	601-00-4400-0000	
	Check Total:	150.00			
Vendor: 685	BRENDA PRICCO			Check Sequence: 44	ACH Enabled: True
Feb-Jun-2023	Mileage Feb/9/2023-Jun/8/2023	66.16	06/26/2023	101-13-4331-0000	
	Check Total:	66.16			
Vendor: 864	QUALITY FLOW SYSTEMS, INC.			Check Sequence: 45	ACH Enabled: True
44965	Field Repair- L.S.11-Access Cover	3,387.00	06/26/2023	631-00-4400-0000	
	Check Total:	3,387.00			
Vendor: UB*00534	Bruce & Paula Saunders			Check Sequence: 46	ACH Enabled: False
	Refund Check 005815-000, 6165 Mckinley Cir	34.62	06/22/2023	601-00-2010-0000	
	Refund Check 005815-000, 6165 Mckinley Cir	40.39	06/22/2023	611-00-2010-0000	
	Refund Check 005815-000, 6165 Mckinley Cir	17.31	06/22/2023	631-00-2010-0000	
	Refund Check 005815-000, 6165 Mckinley Cir	17.31	06/22/2023	621-00-2010-0000	
	Check Total:	109.63			
Vendor: UB*00538	Claire Schmid-Debo			Check Sequence: 47	ACH Enabled: False
	Refund Check 007635-001, 6150 Pond View Dr	12.32	06/22/2023	601-00-2010-0000	
	Refund Check 007635-001, 6150 Pond View Dr	14.37	06/22/2023	611-00-2010-0000	
	Refund Check 007635-001, 6150 Pond View Dr	6.16	06/22/2023	631-00-2010-0000	
	Refund Check 007635-001, 6150 Pond View Dr	6.16	06/22/2023	621-00-2010-0000	
	Check Total:	39.01			

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: UB*00532	Sojourn Suites LLC			Check Sequence: 48	ACH Enabled: False
	Refund Check 006665-000, 5845 Country Club	62.24	06/22/2023	611-00-2010-0000	
	Refund Check 006665-000, 5845 Country Club	26.68	06/22/2023	631-00-2010-0000	
	Refund Check 006665-000, 5845 Country Club	26.67	06/22/2023	621-00-2010-0000	
	Check Total:	115.59			
Vendor: 360	SOUTH LAKE MINNETONKA POLICE DEPARTMENT			Check Sequence: 49	ACH Enabled: False
April-2023-HCPF	Monthly-Henn Cty Process Fee	31.48	06/26/2023	101-21-4400-0000	
July-2023-OB	Monthly-Operating Budget Exp	123,434.83	06/26/2023	101-21-4400-0000	
May-2023-HCPF	Monthly-Henn Cty Process Fee	75.00	06/26/2023	101-21-4400-0000	
	Check Total:	123,541.31			
Vendor: 1317	SPARTAN PROMOTIONAL GROUP, INC			Check Sequence: 50	ACH Enabled: False
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Vendor: 1101	SPRINGBROOK HOLDING COMPANY LLC			Check Sequence: 51	ACH Enabled: True
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INV-013515	Springbrook-CivicPay Fees	15.75	06/26/2023	631-00-4450-0000	
INV-013515	Springbrook-CivicPay Fees	15.75	06/26/2023	611-00-4450-0000	
INV-013515	Springbrook-CivicPay Fees	15.75	06/26/2023	601-00-4450-0000	
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Vendor: 1336	TOPPERS AND MORE			Check Sequence: 54	ACH Enabled: False
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01-7018834	Water Utility Van Upgrade-2019 Ford F-150	707.00	06/26/2023	403-00-4640-0000	
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19054	Monthly Water Testing	150.00	06/26/2023	601-00-4400-0000	

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Vendor: 392	VALLEY-RICH CO. INC.			Check Sequence: 57	ACH Enabled: False
32079	Watermain Break5767 Vine Hill Road	4,658.75	06/26/2023	601-00-4400-0000	
	Check Total:	4,658.75			
Vendor: 421	VERIZON WIRELESS			Check Sequence: 58	ACH Enabled: False
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9936249481	612-292-2968/7023/1196 & 612-368-0176	80.88	06/26/2023	611-00-4321-0000	Acct #842017386-00001
9936249481	612-292-2968/7023/1196 & 612-368-0176	80.89	06/26/2023	631-00-4321-0000	Acct #842017386-00001
9936249481	612-581-4949-Sandie Thone	41.11	06/26/2023	101-13-4321-0000	Acct #842017386-00001
9936249481	612-581-2856-Eric Wilson	41.11	06/26/2023	101-13-4321-0000	Acct #842017386-00001
9936249481	612-581-4018-Jason Carlson	41.11	06/26/2023	101-18-4321-0000	Acct #842017386-00001
9936249481	612-581-6609-Wade Woodward	41.11	06/26/2023	101-24-4321-0000	Acct #842017386-00001
9936249481	612-581-3780-Marie Darling	41.11	06/26/2023	101-18-4321-0000	Acct #842017386-00001
9936249481	612-581-3931-Marc Nevinski	41.11	06/26/2023	101-13-4321-0000	Acct #842017386-00001
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287679	Asphalt Material for Patching	243.48	06/26/2023	101-32-4250-0000	
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287949	Asphalt Material for Patching	248.80	06/26/2023	101-32-4250-0000	
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288182	Asphalt Material for Patching	558.93	06/26/2023	101-32-4250-0000	
288264	Asphalt Material for Patching	1,278.75	06/26/2023	101-32-4250-0000	
288339	Asphalt Material for Patching	3,539.58	06/26/2023	101-32-4250-0000	
288508	Asphalt Material for Patching	1,843.26	06/26/2023	101-32-4250-0000	
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831363748	C.H. Svcs	1,839.02	06/26/2023	101-19-4380-0000	C.H. Svcs
831363748	P.W. Bldg Svc	487.22	06/26/2023	101-32-4380-0000	P.W. Bldg Svc
831363748	P.W. Street Lights Svc	4,217.81	06/26/2023	101-32-4399-0000	P.W. Street Lights Svc

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
831363748	Parks	755.24	06/26/2023	101-52-4380-0000	Parks
831363748	Amesbury	80.51	06/26/2023	601-00-4394-0000	Amesbury
831363748	Boulder Bridge	278.90	06/26/2023	601-00-4396-0000	Boulder Bridge
831363748	S.E. Area Svc	4,956.40	06/26/2023	601-00-4398-0000	S.E. Area Svc
831363748	Lift Station Street Lights	1,271.73	06/26/2023	611-00-4380-0000	L.S. Street Lights
832130937	5655 Merry Lane	34.75	06/26/2023	101-52-4380-0000	5655 Merry Lane
832281221	5500 Old Market Rd	59.77	06/26/2023	601-00-4398-0000	5500 Old Market Rd
	Check Total:	13,981.35			
Vendor: 414	ZIEGLER INC			Check Sequence: 61	ACH Enabled: True
IN001027287	Filter Lube	43.10	06/26/2023	101-32-4212-0000	
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	Total for Check Run:	1,695,393.78			
	Total of Number of Checks:	61			

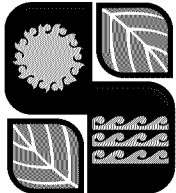
Accounts Payable

Computer Check Proof List by Vendor

User: mnguyen
 Printed: 06/22/2023 - 9:38AM
 Batch: 00005.06.2023 - AP-06-26-2023-2



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 405	WESTSIDE WHOLESALE TIRE & SUPPLY			Check Sequence: 1	ACH Enabled: True
927109	Tires for Skid Steer	1,620.00	06/26/2023	101-32-4245-0000	
	Check Total:	<u>1,620.00</u>			
	Total for Check Run:	<u>1,620.00</u>			
	Total of Number of Checks:	<u>1</u>			



City of Shorewood

City Council Meeting Item

Title/Subject: Approve Public Works Seasonal Hire: Spencer Ellis
Meeting Date: June 12, 2023
Prepared by: Sandie Thone, City Clerk/Human Resources Director
Reviewed by: Matt Morreim, Public Works Director
Attachments: None

Item
2D

Background: On February 27, 2023 City Council approved the recruitment for two Public Works Seasonal positions. Each year the Public Works department hires temporary seasonal workers who perform maintenance in the city’s parks and other duties as assigned. Due to a previous new hire backing out of the position, the position was offered to the next candidate in line.

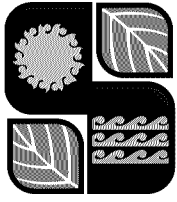
On June 1st, staff interviewed candidate Spencer Ellis for the seasonal position. Spencer has experience working for the City of Minnetonka as a seasonal public works employee. He has experience as a baseball umpire and a basketball official. Spencer attended the University of South Dakota.

Financial Considerations: As delineated below and planned for in the 2023 Budget.

Action Requested: Staff respectfully recommends the city council approve Spencer Ellis’ appointment as Public Works Seasonal working full-time at the rate of \$18.00 per hour. This temporary, seasonal position is not eligible for benefits and is exempt under the seasonal 185-calendar day limit for PERA. Spencer’s anticipated start date will be Monday, July 3, 2023.

Motion, second and simple majority vote required.

Connection to Vision/Mission: Consistency in providing residents quality public services, a sustainable tax base, and sound financial management through effective, efficient, and visionary leadership.



Item
4A

City Council Meeting Item

Title/Subject: Presentation of 2023 Tour de Tonka
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator

Background

Tim Litfin, Executive Director of Minnetonka Community Education, will present plans for the 2023 Tour de Tonka, which is scheduled for Saturday August 5, 2023.

CITY OF SHOREWOOD
PARK COMMISSION MEETING
TUESDAY, MAY 23, 2023

FREEMAN PARK EDDY STATION
6000 EUREKA ROAD
CATHCART PARK
26655 WEST 62ND STREET

DRAFT MINUTES

1. CONVENE PARK COMMISSION MEETING

Chair Hirner convened the park tour meeting at 6:06 p.m.

A. Roll Call

Present: Chair Hirner, Commissioners Levy, Garske, Wenner, Czerwonka
City Council Liaison Sanschagrín; Parks and Recreation Director
Crossfield; Planning Director Darling; and Lead Field Supervisor
Heitz

Absent: none

2. AGENDA

Motion by Garske, 2nd by Levy to approve the agenda as shown. Motion passed unanimously.

3. PARK TOURS

Discussion occurred on assigned Park Commission liaison report months and moving the July 11 Park Commission meeting to July 25.

June – Levy
August - Wenner

Freeman Park:

Items that were discussed during the tour:

- Heitz described drainage projects that had been completed between softball fields
- Bids are now open for the Freeman Park Trail project
- Crossfield informed the group that three athletic associations would like to contribute towards the building of artificial turf fields for soccer, football and lacrosse at the park
- Darling mentioned the buckthorn removal process that would be taking place via a grant that was awarded as well as the city matching funds.
- There is a significant drop between the concrete pad for the south picnic shelter and the grass
- The water fountain had broken parts and the pad was heaving
- A commissioner recommending placing nerf targets throughout the park.
- A commissioner noted a broken fence post

Cathcart Park:

Items that were discussed during the tour:

- A receptacle is hanging from a light pole near the playground
- Boards around hockey rink need painting or replacement
- Request for more picnic tables in the park
- Playground needs paint touch ups
- Busted fence post on chain link fence.

4. ADJOURN AT 7:57 p.m.

**CITY OF SHOREWOOD
PARK COMMISSION MEETING
TUESDAY, JUNE 13, 2023**

**BADGER PARK
5745 COUNTRY CLUB RD
MANOR PARK
20630 MANOR RD
SOUTH SHORE COMM. PARK
5355 ST. ALBANS BAY RD
CHRISTMAS LAKE BOAT LAUNCH
5655 MERRY LN**

DRAFT MINUTES

1. CONVENE PARK COMMISSION MEETING

Chair Hirner convened the park tour meeting at 6:15 p.m.

A. Roll Call

Present: Chair Hirner, Commissioners Levy, Garske, Wenner, Czerwonka
City Council Liaison Sanschagrín; Parks and Recreation Director
Crossfield; Planning Director Darling; and Lead Field Supervisor
Heitz, Councilmember Calles (joined at Manor Park)

Absent: None

2. PARK TOURS

Badger Park:

Items that were discussed during the tour:

- Heitz informed the group that they have had some minor issues with vandalism at the restrooms but nothing that rose to the level of needing to close for an extended period of time
- Heitz explained the fence issues and additional netting requested for Badger field, Hirner requested staff to review what is typical of netting/fencing for Lacrosse fields
- Holes in netting need to be tied up
- Observed young trees in poor health/dead along trail near field
- New signage is needed for restroom doors
- Questions about rules for e-bikes
- Discussion of if there should be a charcoal bin or would adding one cause more issues, Commissioners asked Heitz to make a recommendation in the future
- Badger Park parking lots are tilted up, instead of straight down.

Manor Park:

Items that were discussed during the tour:

- Net is torn on tennis courts
- Retaining walls need work, likely replacement in a few years
- Trip hazard on the sidewalk outside the restroom.

South Shore Community Park:

Items that were discussed during the tour:

- General agreement that making the park senior focused was a good idea
- Requested staff to engage with the community gardeners to see what they would like at the park
- Discussed potential for a share shed for gardening tools, adaptive gardening tools and excess produce exchange area
- Discussed potential for a little free library
- Shade structures
- Fire pit?

Christmas Lake Boat Landing:

Items that were discussed during the tour:

- Boat landing could benefit from a bike rack installation. Inspectors at the site note that they have not noticed much demand in the past, but we may need to add in the future.
- Picnic table

3. ADJOURN AT 8:02

CITY OF SHOREWOOD
PLANNING COMMISSION MEETING
TUESDAY, JUNE 6, 2023

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

MINUTES

CALL TO ORDER

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

ROLL CALL

Present: Chair Gorham; Commissioners Eggenberger, Huskins, and Holker; Planning Director Darling; and Council Liaison Maddy

Absent: Commissioner Johnson

1. APPROVAL OF AGENDA

Huskins moved, Holker seconded, approving the agenda for June 6, 2023, as presented. Motion passed 4/0.

2. APPROVAL OF MINUTES

- **May 2, 2023**

Commissioner Holker noted a small change needed on page 2 under Review C, where it should state "may be amended from time to time".

Holker moved, Huskins seconded, approving the Planning Commission Meeting Minutes of May 2, 2023, as amended. Motion passed 4/0.

3. MATTERS FROM THE FLOOR – NONE

4. PUBLIC HEARINGS - NONE

5. OTHER BUSINESS

- A. Variance to Setback from Side yard Abutting a Public Street
Location: 4805 Rustic Way
Applicants: John and Amanda Lhotka

Planning Director Darling gave an overview of the request for a variance to the setback for a side yard abutting a public street at 4805 Rustic Way. She explained that the applicants would like to expand their home by constructing an addition on the west side to provide a 3-stall garage, including a storage area and a bonus room upstairs. She stated that their request requires about a 9 foot variance. She noted that the on street parking in this area is very constrained so the hope is that the 3-stall garage would provide adequate parking for the family and allow for guest parking outside the garage area. She stated that it was inaccurately noted in the staff report that this property was riparian and clarified that it is not. She gave a brief overview of the analysis of the variance request and explained that staff is proposing that

CITY OF SHOREWOOD PLANNING COMMISSION MEETING

JUNE 6, 2023

Page 2 of 4

they reduce the amount of the variance request for storage area from about 9 feet to about 4 feet. Staff recommends approval of the variance request subject to the condition that they reduce the request to about 4 feet and acquire all necessary permits.

Commissioner Huskins asked about the neighboring properties that have less than code requirements for setback. He asked if those properties were considered legally non-conforming.

Planning Director Darling stated that she believed that most of them are legally non-conforming. She noted that one of them was constructed in the last 10-15 years and believes that they probably had a variance in order to construct.

Commissioner Huskins asked if the other setbacks on the property conformed to code.

Planning Director Darling stated that the other setbacks are conforming.

Commissioner Huskins stated that the application is for more than just a 3-car garage and asked what the practical difficulties are that the Commission should be paying attention to.

Planning Director Darling stated that when she looks at the application, the mud room that they are proposing meets required setbacks so she did not include any practical difficulties on that item. She stated that the only portion of the application where they need a variance is the portion outlined in the report and is primarily for the storage room and a bit of the garage space and upper level.

Chair Gorham reviewed the recommendation presented by staff for the change in the variance.

Commissioner Eggenberger asked which version of the proposed plan had been circulated to the neighbors.

Planning Director Darling stated that it was the original plan and noted that the new updated plans were just received by the City earlier today.

John Lhotka, 4805 Rustic Way, stated that they moved here in 2018 and love the neighborhood and the home. He stated that they have just had ongoing challenges when it comes to the space that they have, in particular, the garage area and explained some of the reasons why they had asked for the additional area for storage. He stated that he does not like this latest revised design because of the loss of the storage area that they had wanted. He stated that staff had mentioned that they may be able to put their stuff in a shed, but because of the lot he is not sure where they could put a shed, because the only real buildable area on the lot is where they are proposing the garage. He stated that both he and his wife work from home and noted that he has been working from his son's room and the plans are for the upstairs space to be used for office space as well we extra storage for their home. He reiterated that he would prefer the original proposal rather than the alternative with the smaller amount of storage space available.

Commissioner Huskins stated that in the drawings there are proposed decks and asked if there were currently decks.

Mr. Lhotka stated that currently there is a deck off the back that they will lose and the front deck will be replaced in essentially the same location, but with different materials. He stated

CITY OF SHOREWOOD PLANNING COMMISSION MEETING

JUNE 6, 2023

Page 3 of 4

that they have spoken with basically all of their neighbors who are all in support of their request. He noted that he believed that many of them had submitted letters to the City.

Tommy Everson, Everson Architects, Edina, reviewed the survey information that showed the buildable area of the lot, the footprint of the house, the proposed addition, and the setbacks. He stated that they could not find a similar situation in the City where the home on a peninsula with essentially 3 front yard setbacks. He stated that the lot is also irregularly shaped which makes much of it unbuildable. He stated that the solution proposed by City staff solves the parking issue, but does not solve the storage issue. He stated that Mr. Lhotka does not want to build a garage just for 3 cars and nothing else, so what staff has proposed is not practical.

Commissioner Holker stated that he mentioned a few times that with the alternative plan that they would remain short on storage space, but there would be an extra stall.

Mr. Everson stated that was true, but there is no street parking and the driveway is not conducive to parking and noted that the home is essentially a rambler with a lookout basement.

Mr. Lhotka noted that the home is not even 3,000 square feet and noted that it may look larger than that because they have tall ceilings and a high/steep roofline. He noted that he feels that they have tried to do everything they can to minimize the impact and feels that their original plan did that but also provided the storage they need.

Commissioner Eggenberger stated that he did not have a problem with the original plan as presented. He stated that he does not think the additional storage space changes site lines. He stated that the neighbors have all seen the original plan and were in favor of it. He would suggest that the Commission recommend approval of the original plan without the staff recommendation to reduce the size of the variance request.

Chair Gorham asked about his thoughts on the minimum to alleviate the difficulty.

Commissioner Eggenberger stated that he feels their original proposal to have storage space just makes sense. He stated that if he were a neighbor, he would rather have things in the storage space than just sitting out. He noted that to him, it is a common sense kind of situation and not that big of a deal.

Commissioner Huskins stated that he agreed and noted that many of the other homes in the area do not conform with the setbacks for the zoning in the area. He stated that he had been persuaded by the applicants description of what their true needs are. He stated that given the character of the neighborhood and the support of the neighbors, he would be comfortable recommending approval of the original proposed plans without the changes recommended by staff.

Commissioner Eggenberger noted that one of the overriding factors for him was that this property essentially has 3 front yards.

Commissioner Holker stated that she is a bit on the fence because while a 3-car garage is great, many people live without them.

Chair Gorham stated that one of the things that resonated with him was not being able to locate a shed on the property. He stated that the site is awkward and there are three front

setbacks. He stated that the applicant appears to be trying to do the minimum, and he believes that there is enough practical difficulty present for him to vote for approval.

Commissioner Holker stated that she was fine approving this request but questioned when the Commission would 'put their stake in the ground' and say this is the code.

Chair Gorham stated that he wanted to make sure that there was a unique-enough situation here in order to justify granting this request.

Eggenberger moved, Huskins seconded, to recommend approval of the variance to setback from side yard abutting a public street located at 4805 Rustic Way for John and Amanda Lhotka, as originally proposed by the applicant, with the conditions as proposed by staff without the reduction in the variance request suggested by staff. Motion passed 4/0.

Planning Director Darling noted that this would come before the Council on June 26, 2023.

6. REPORTS

A. Council Meeting Report

Council Liaison Maddy gave an overview of the discussion and action taken at recent Council meetings. He noted that Councilmember Callies would be the liaison to the Commission for the remainder of the year.

B. Draft Next Meeting Agenda

Planning Director Darling stated that there are currently two incomplete applications in process. She noted that Councilmember Patrick Johnson has resigned which leaves an opening on the Council. She suggested that any interested Commissioners apply on the City's website and noted that the deadline is June 9, 2023.

C. Update Sign Code Amendments

Planning Director Darling noted that she needs a bit more time to take a look at this information before bringing the amendments back to the Commission.

7. ADJOURNMENT

Huskins moved, Holker seconded, adjourning the Planning Commission Meeting of June 6, 2023, at 8:00 P.M. Motion passed 4/0.



City of Shorewood

City Council Meeting Item

Title/Subject: Variance to side-yard abutting a public street setback
Meeting Date: June 26, 2023
Prepared by: Marie Darling, Planning Director
Attachments: Planning Commission Report from June 6, 2023
 Resolution

Item
6 B

Background:

Location: 4805 Rustic Way
Applicant: John and Amanda Lhotka
Review Deadline: August 23, 2023

See attached planning memorandum for detailed background on this request. At their June 6, 2023 meeting, the Planning Commission unanimously recommended approval of the variance request to allow an addition to be setback 26 feet where 35 feet is required by the zoning regulations, subject to the conditions in the attached resolution.

Staff initially recommended approval subject to the condition that the applicant reduce the size of their addition to minimize the request. We recommended reducing or eliminating some of the proposed storage areas in the lower and upper floor. After much discussion on the variance request and the impact of the addition on the neighborhood, the Planning Commissioners recommended approval of the applicant’s original request subject only to the requirement that the applicant acquire all necessary permits.

Summary of Public Engagement: Notice was mailed to all property owners within 500 feet of the property prior to the Planning Commission public meeting. The applicant was present at the meeting and spoke in favor of the application. No one from the public requested to speak at the meeting, but six letters were submitted in support of the request (attached at the end of the Planning Commission report).

Financial or Budget Considerations: The application fees are adequate to cover the cost of processing the request.

Action Requested: Staff and the Planning Commission recommend approval of the side-yard setback variance, subject to the conditions in the attached resolution.

Proposed motion: Move to adopt the attached resolution approving a side-yard abutting a public street setback variance for John and Amanda Lhotka for property located at 4805 Rustic Way, as recommended by the Planning Commission.

Any action on this request would require a majority of Councilmembers.

Mission Statement: *The City of Shorewood is committed to providing residents quality public services, a healthy environment, a variety of attractive amenities, a sustainable tax base, and sound financial management through effective, efficient, and visionary leadership.*



City of Shorewood Planning Commission Meeting Item

Item
5A

Title/Subject: Variance to Setback for Side Abutting a Public Street
Meeting Date: June 6, 2023
Prepared by: Marie Darling, Planning Director
Attachments: Location map
 Applicant’s narrative and plans
 Correspondence received

APPLICANT: John and Amanda Lhotka
LOCATION: 4805 Rustic Way
REVIEW DEADLINE: August 23, 2023
COMPREHENSIVE PLAN: Low Density Residential
ZONING: R-1C/S Single-Family/Shoreland
FILE NO.: 23.05

REQUEST

The applicants request a variance to build an addition to their existing home. The applicants propose to construct the addition at about 26 feet from the side property line abutting Rustic Way.

Under the plan, the addition would provide a three-car garage including a storage area and a bonus room above.

Notice of this application and the public meeting was mailed to all property owners within 500 feet of the property at least 10 days prior to the meeting.



BACKGROUND

Context: In 1993, the lot was created with a minor subdivision from multiple lots from the Minnetonka Manor subdivision (recorded in 1920). The home was constructed in 1993. The property is within the shoreland district for Lake William. The property contains mature trees but the proposal is not subject to the tree preservation policy.

The adjacent properties are all developed with single-family homes and zoned R-1C/S to the east and south, R-1D/S to the west and R-1A/S to the north.

Applicable Code Sections: The R-1C section of code requires the following setbacks: front and side abutting a public street: 35 feet and interior side: 10 feet.

Impervious Surface Coverage:

	Required	Existing	Proposed
Impervious Surface Coverage	25 % (max.)	18 %	20.5 %

APPLICANT’S PROPOSAL

The applicants propose constructing an addition to their home that would help meet all their storage and additional living area needs. The addition would provide upstairs space for home offices, space for exercise equipment, and storage, with the lower level providing a mud-room and a garage with extra storage space and room for three cars inside. See their narrative and plans for more information. The applicant also indicates that the exercise room in the lower level is mislabeled and would actually be used for a small media room.

ANALYSIS

Section 1201.05 subd.3.a. of the zoning regulations sets forth criteria for the consideration of variance requests. These criteria are open to interpretation. Staff reviewed the request according to these criteria as follows:

1. *Intent of comprehensive plan and zoning ordinance:* The applicants propose to use the property for residential purposes, which is consistent with the Comprehensive Plan and the intent of the Zoning Ordinance.
2. *Practical difficulties:* Practical difficulties include three factors, all three of which must be met.
 - a. *Reasonable:* The applicants have proposed reasonable residential uses on the property. Staff notes, however, that three stall garages are not vested property rights. The zoning ordinance does not require a garage be provided with any single-family home, only that space be reserved for two conforming parking spaces on the property.
 - b. *Unique Situation vs. Self-Created:* The practical difficulty is due to a unique situation as and was created by the previous subdivision and re-subdivision of the property rather than being self-created. The property has the equivalent of three front yard setbacks.
 - c. *Essential Character:* Most of the homes on the east side of Rustic Way are constructed in conformance with the setback but those on the west and north sides of the street are constructed closer to the front property lines than would be permitted in their zoning district.

Address	Existing Front Setback	Required Front Setback
4800 Rustic Way (north)	About 28 feet	50 feet
4810 Rustic Way (west)	About 13 feet	30 feet
4818 Rustic Way (west)	About 21 feet	30 feet

These closer setbacks neither obligate the city to approve a variance nor set a precedent, but staff conclude a variance would not alter the essential character of the neighborhood.

3. *Economic Considerations:* The applicants have not proposed the variance solely based on economic considerations, but to increase the livability of the home.
4. *Impact on Area:* The property owner is not proposing anything that would impair an adequate supply of light and air to an adjacent property, or increase the risk of fire. Rustic Way has a 60-foot right-of-way, which is slightly wider than typical for a residential street.
5. *Impact to Public Welfare, Other Lands or Improvements:* The variances could have a limited impact to the public welfare and other lands and improvements due the addition's proximity to the street.
6. *Minimum to Alleviate Practical Difficulty:* Staff finds the home on the property is not likely to be able to be expanded for a three-car garage without a variance, however, the applicant has asked for more than the minimum to alleviate the practical difficulty. They could cut back the size of the storage area (and corresponding area in the upper level) to reduce the variance request. Staff sketched a reduction to the storage area that would minimize the request to about 3.5 feet. It would provide additional area within the garage but reduce the request to be the minimum necessary to eliminate the practical difficulty.

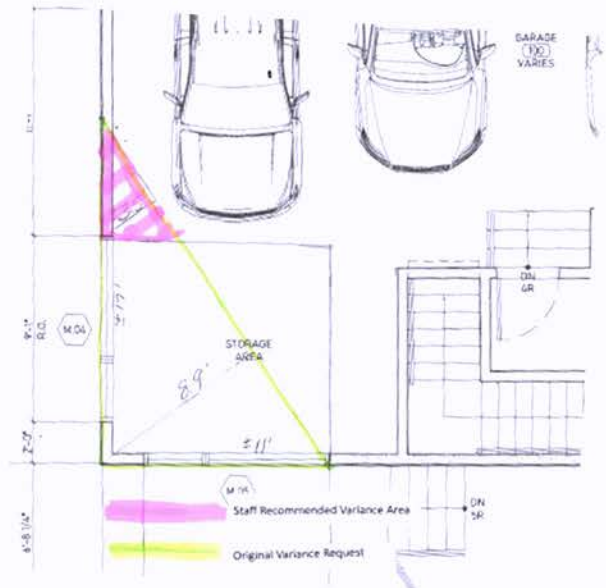
The desired storage space could be provided elsewhere in a shed in a conforming area.

FINDINGS/RECOMMENDATION

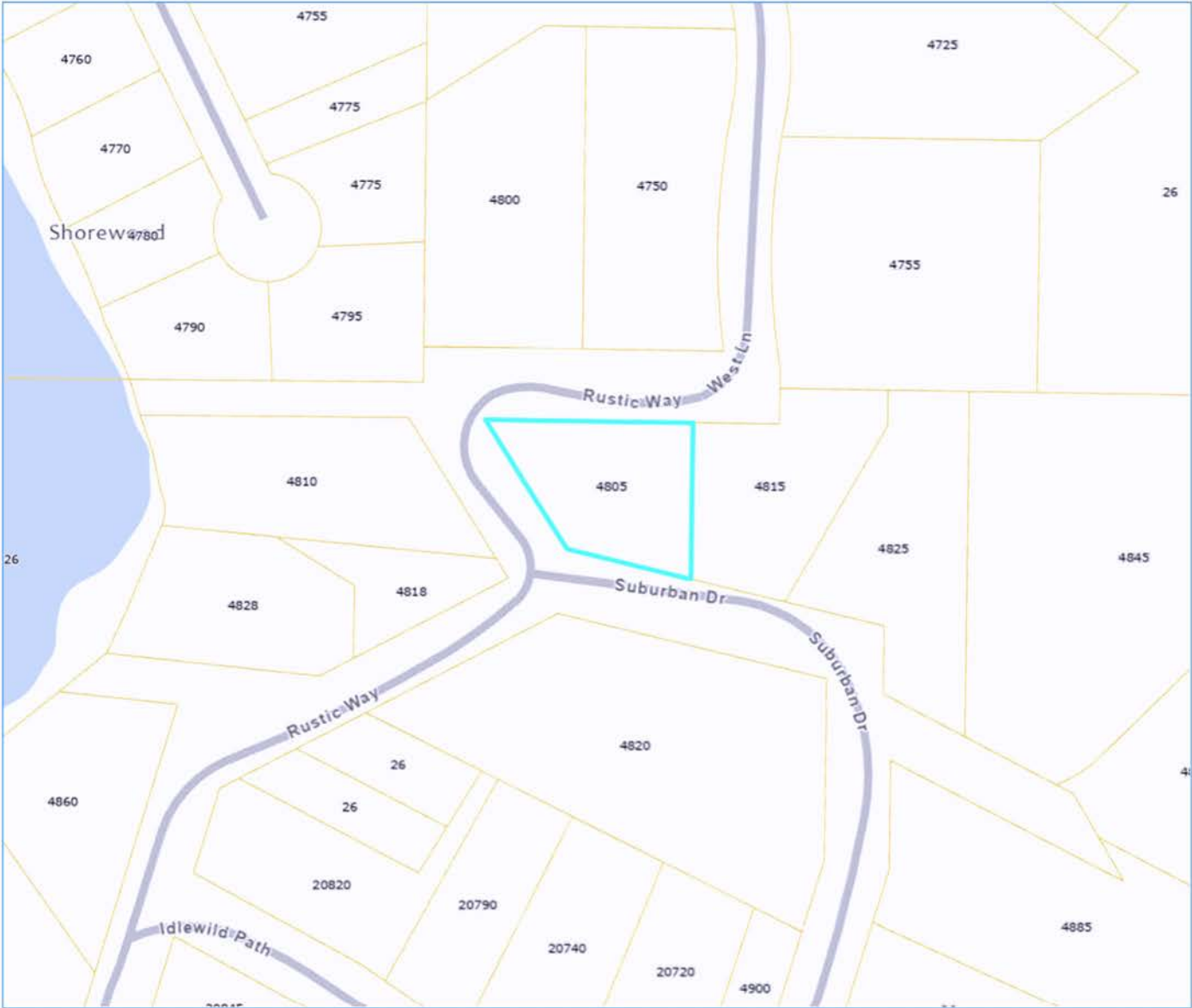
Staff finds that a reduced request would resolve the practical difficulties and recommends approval of a variance subject to a reduction similar to that shown above. With that amendment, staff finds that the variance request would meet the variance criteria, specifically that it would resolve the practical difficulties and would be the minimum action necessary to alleviate the practical difficulty. Staff recommends approval of the request for a variance subject to the following conditions:

- The applicants must reduce the variance request similar to the above graphic
- The applicants must acquire the necessary permits prior to construction of the addition.

Staff acknowledge that the variance criteria are open to interpretation. Consequently, the Planning Commission could reasonably find otherwise.



4805 Rustic Way Location Map





**EVERSON
ARCHITECT**

Variance Application

Address: 4805 Rustic Way, Shorewood, MN 55331

Date: 04-25-23

Project Objective

The property owners are looking to expand their existing house to better fit the needs of their family. The existing house features an attached garage that only has two stalls and limited storage capacity. In addition to not being able to park more than two cars inside, it is challenging to store, move, and access frequently used large items such as bicycles, lawnmowers, snowblowers, etc. within it. The existing house lacks a mudroom, which is challenging for a family with multiple young children and a medium-sized dog. The existing house also lacks dedicated office space, which has resulted in the homeowners using their children's bedroom and primary bedroom as offices, as they both work remotely. The proposed project would address all of these needs, while requiring a variance for only 90 sq ft of area that falls within a required setback. It would consist of a new three-stall attached garage, that would also include a storage area, mudroom, and upper level bonus room. The structure is sized and sited in order to minimize the variance request while also meeting the practical needs of the property owners.

Description of the Request

1 *The variance, and its resulting construction and use, is consistent with the intent of the comprehensive plan and in harmony with the general purposes and intent of the zoning regulations.*

Yes, the variance would be consistent with the residential land use goals, objectives, and policies set forth in the comprehensive plan, and would not affect the property's single-family residential zoning classification (R-1C).

2 *The applicant has established that there are practical difficulties in complying with this Chapter. Practical difficulties mean:*

(a) The property owner proposes to use the property in a reasonable manner, but which is not permitted by this Chapter.

The variance requested would allow for the property owner to build a three-stall attached garage (currently two-stall), that includes a mudroom, storage area, and an upper level bonus room. Three-stall attached garages with finished space above would be appropriate for the size of this property and house. They are also typical in new residential construction of this scale, so if the existing house were to be torn down, it's replacement would almost certainly be built with one. The new structure would allow for the property owners to park all of their vehicles inside, as well as safely store large items such as bicycles, lawnmowers, and snowblowers out of sight. In addition, it would provide them with mudroom and home office spaces, which their existing house is lacking.

(b) The plight of the landowner is due to circumstances unique to the property not created by the landowner.

There are several unique conditions that are inherent to the property. The lot size is 20,003 sq ft, which is just 3 ft over the minimum allowable lot size for zoning district R-1C. In zoning districts where lots are under 20,000 sq ft but over 10,000 sq ft, the typical front setbacks are 30 ft instead of 35 ft. Also, the property is located on a peninsula, in that it is surround by public roads on three sides. This results in front setbacks being applied to three sides of the house and a rather constricted buildable area on the lot. Given the location of the existing house on the lot, the layout of the interior spaces in the house, and the steep topography of the site, it would be impractical to try to build a new garage anywhere else on the property. In addition, the west property line is irregular, which results in the setbacks bisecting a significant portion of what would typically be buildable area in a regular-shaped lot (approximately 118 sq ft in the northwest corner). Lastly, the public roads that surround the property are very narrow, and are not conducive to on-street parking, especially during the winter. This makes the need for an additional garage stall even greater. The existing house was built in 1993, not by the current property owners, so they have inherited all of these conditions.

(c) The variance, if approved, would not alter the essential character of the locality.

The neighborhood features a diverse mixture of houses that vary both in size and architectural style. Three-stall attached garages with finished space above are common in the neighborhood (see attached photos). There are also several homes in the neighborhood that appear to be non-conforming in regards to front setbacks. In particular, three homes directly adjacent to the west of the subject property are located within 25 ft of their front property lines, with the closest being only around 10 ft away.

3 *The variance would not be based exclusively on economic considerations.*

The proposed addition is located and configured based on the needs of the property owner, the layout of the existing house, and the site conditions.

4 *The variance shall not impair an adequate supply of light and air to adjacent property, unreasonably increase the congestion in the public street or increase the danger of fire or endanger public safety.*

The nearest property to the existing house is to the east, so it will not be affected by the addition on the west side of the house. The properties to the west of the existing house are located across a street and over 130 ft away. The variance in question would result in the new garage structure being located approximately 48 ft at a minimum from the nearest public road at its southwest corner. The expanded garage will allow the property owners to park more cars inside, freeing up space in the driveway for guests, and keeping more vehicles off of the narrow public streets surrounding the property.

5 *The variance, and its resulting construction or project, would not be detrimental to the public welfare, nor would it be injurious to other lands or improvements in the neighborhood.*

The proposed addition will enhance the livability and value of the existing house, which in turn will benefit the neighborhood and future homeowners. It will not adversely affect any of the surrounding properties or lands in the neighborhood.

6 *The variance is the minimum variance necessary to address or alleviate the practical difficulties.*

The proposed addition is sized and located to minimize the magnitude of the variance, while still meeting the practical needs of the property owners. The front wall of the structure is pushed to the north as far as possible, without extending past the 35' front setback or encroaching on an existing active well. The south wall of the structure aligns with the existing house and old garage. The width (east-west) of the structure is designed to accommodate an 18 ft double and a 9 ft single overhead door, with adequate clearance between the cars and nothing more. The depth (north-south) of the structure is designed to accommodate parking for cars/SUVs, a modest-sized mudroom, staircase, and storage. If the existing two-stall garage structure was to be expanded to incorporate a third stall, including the storage bump-out, it would actually require a more significant variance (157 sq ft) versus what is being proposed (90 sq ft), without addressing the mudroom, storage, and home office needs (see attached drawing D-101). The height of the structure was also minimized by incorporating a flat roof design, which has a lower peak than a hip or gable roof would under the same circumstances.

Existing House Photos



4805 Rustic Way - North Façade



4805 Rustic Way - West Façade



4805 Rustic Way - South Façade



4805 Rustic Way - East Façade

Examples of Nearby Properties with Attached 3-Stall Garages



4815 Suburban Drive



4820 Rustic Way



4755 West Lane



4750 West Lane



4725 West Lane



4720 West Lane



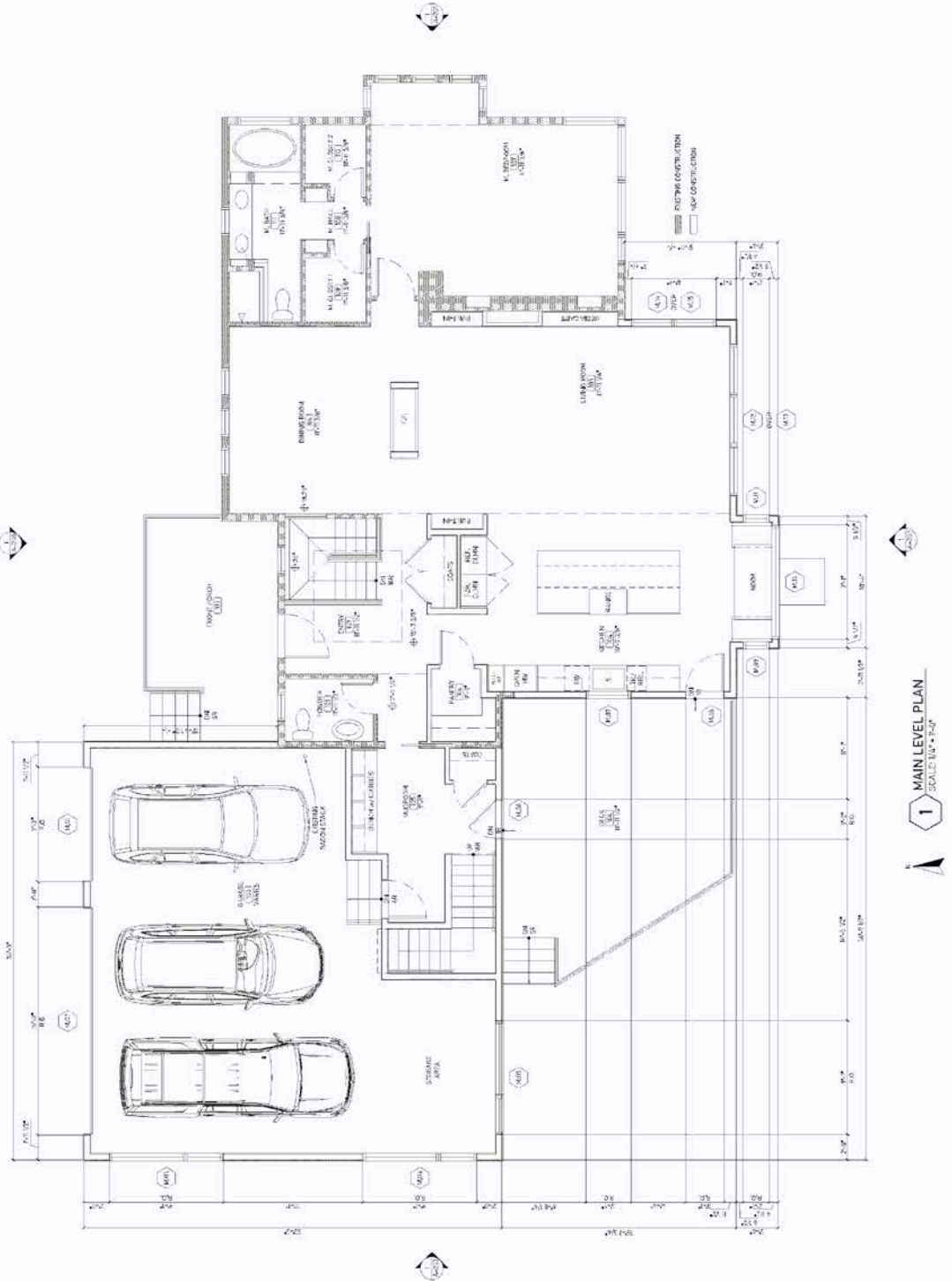
20685 Garden Road

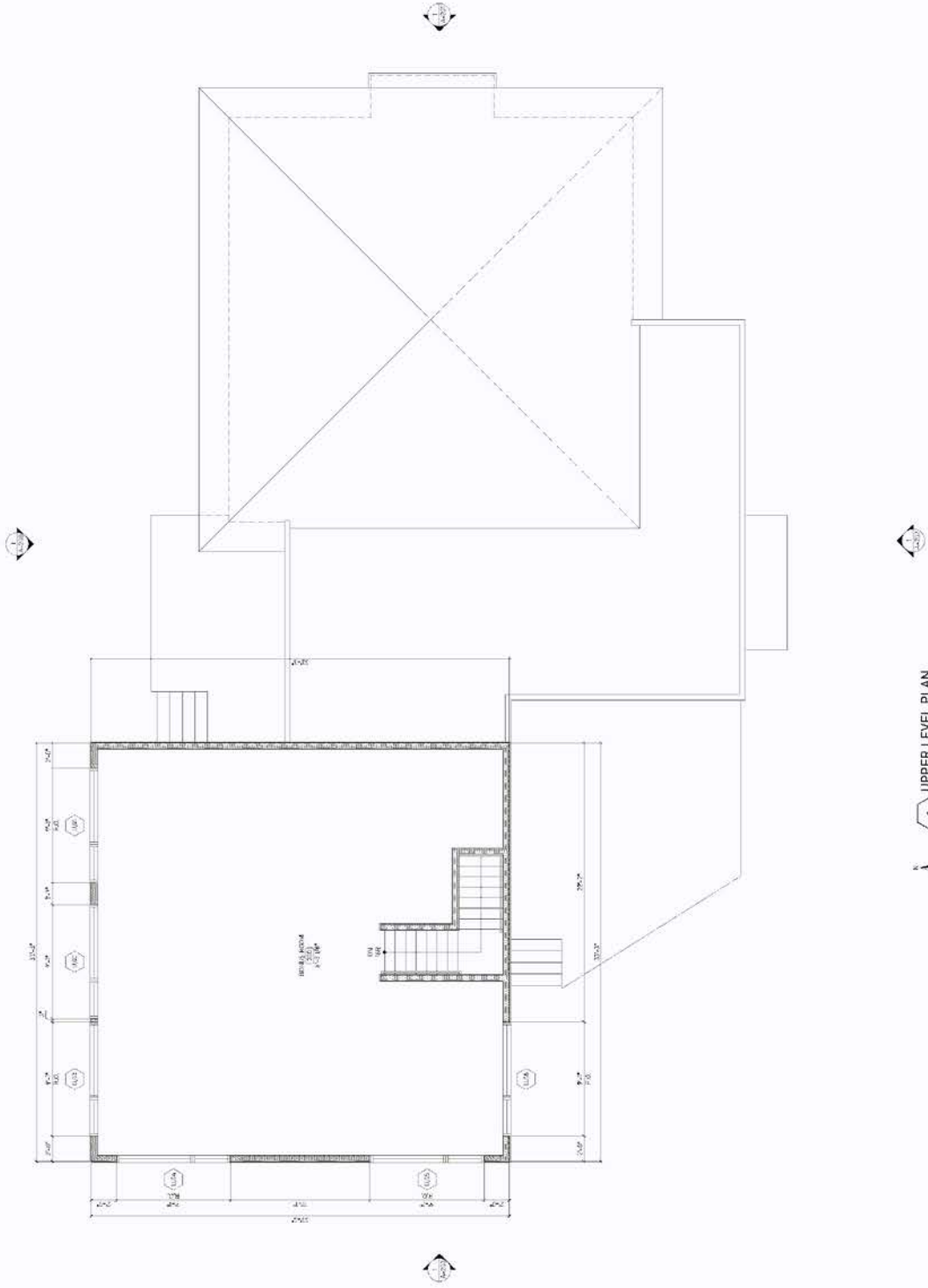


4905 Suburban Drive

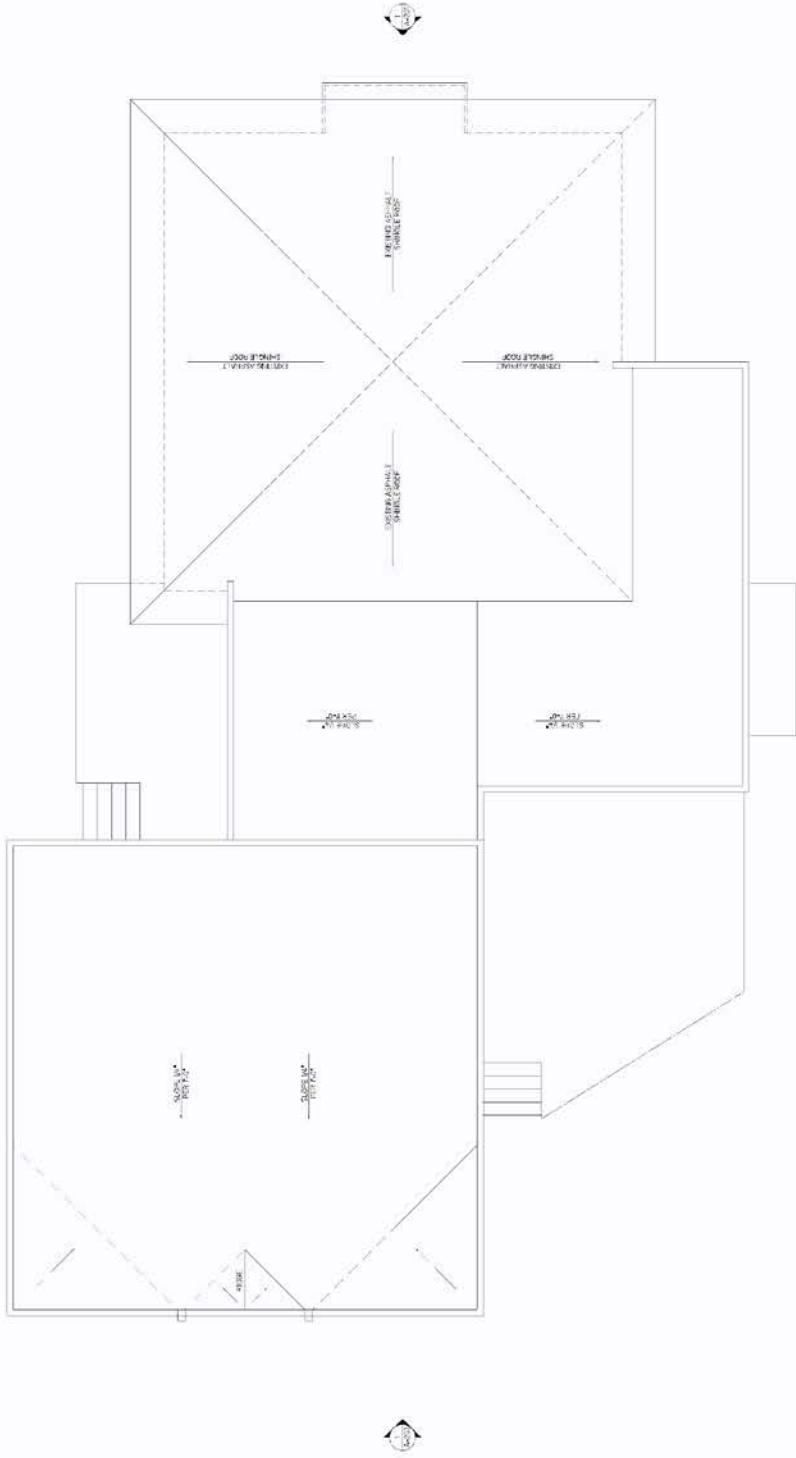


4915 Suburban Drive

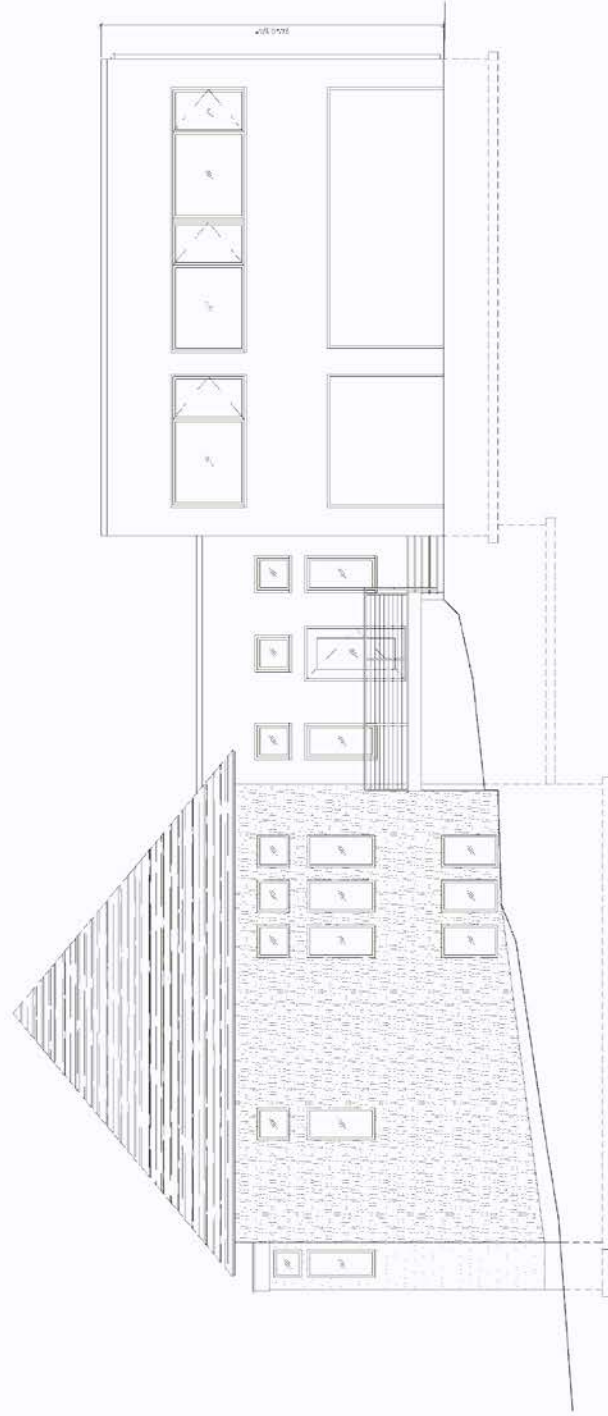




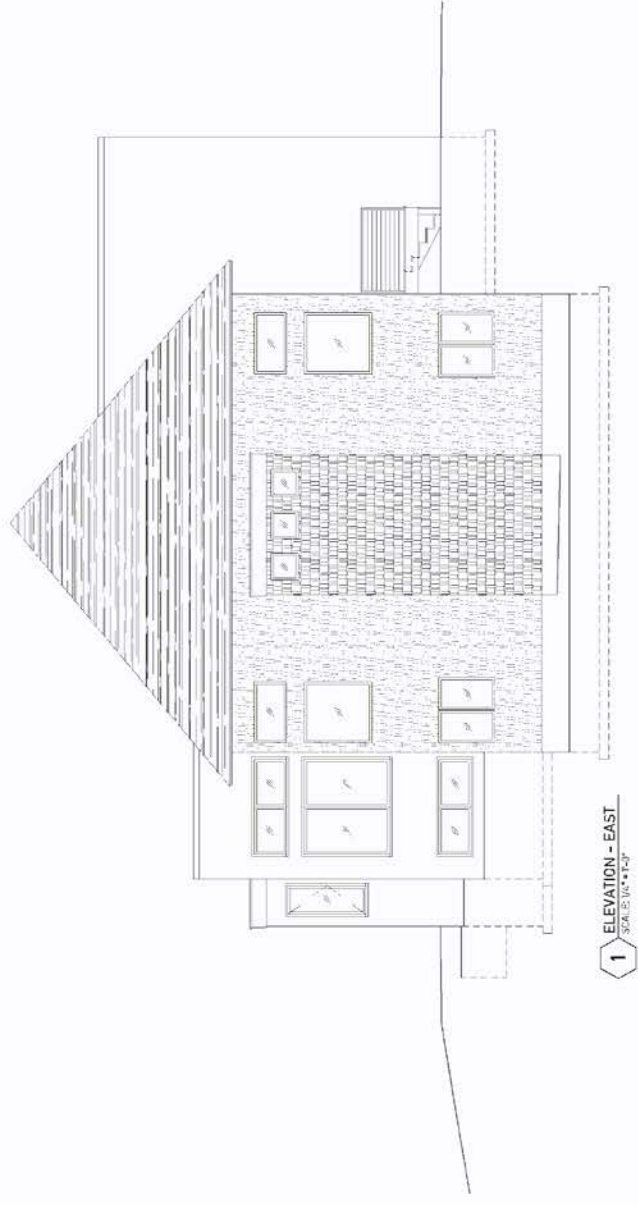
1 UPPER LEVEL PLAN
 SCALE: 1/4" = 1'-0"

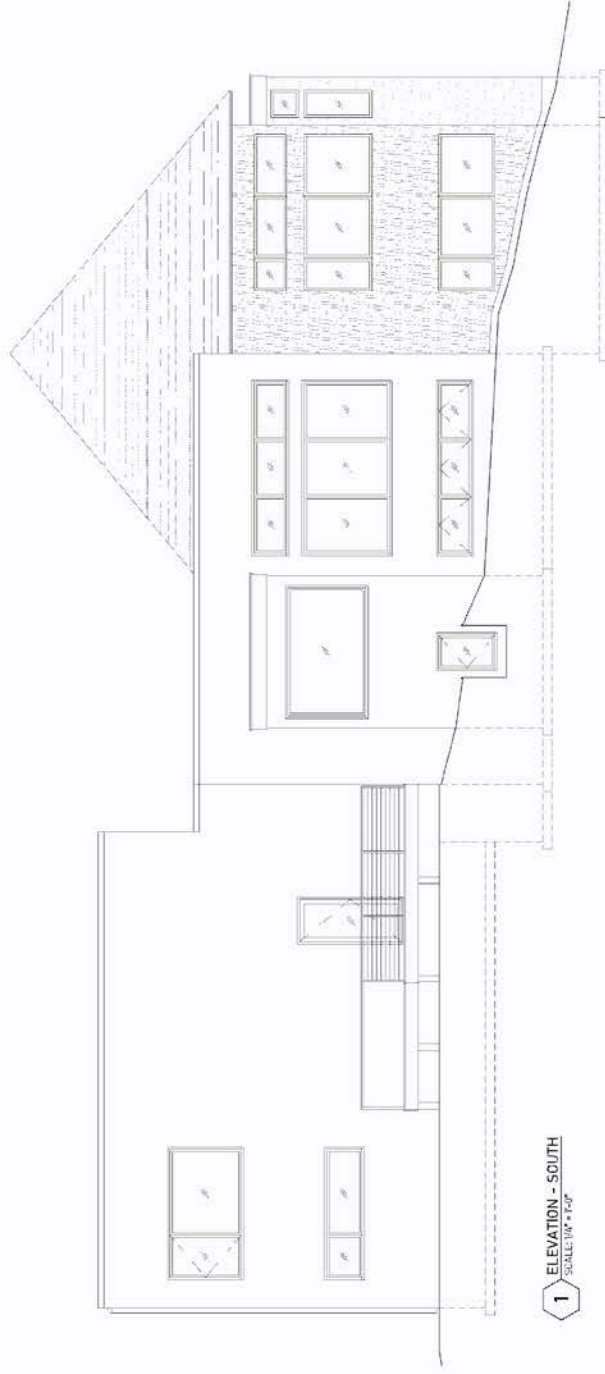


1 ROOF PLAN
 SCALE: 1/4" = 1'-0"

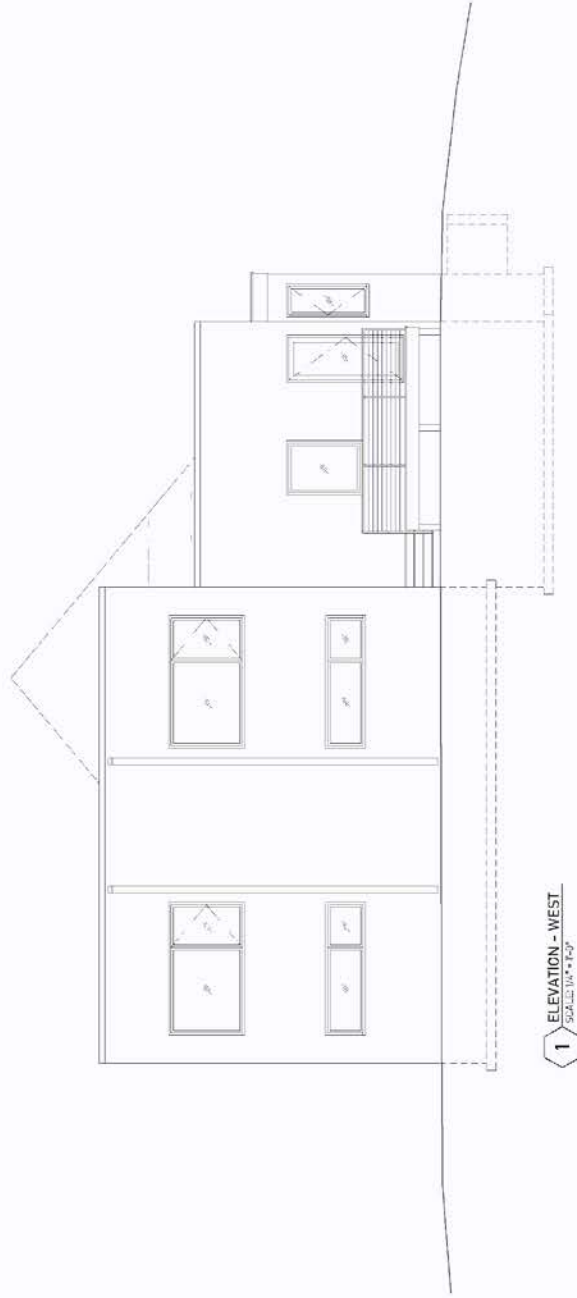


1 ELEVATION - NORTH
SCALE: 1/4" = 1'-0"

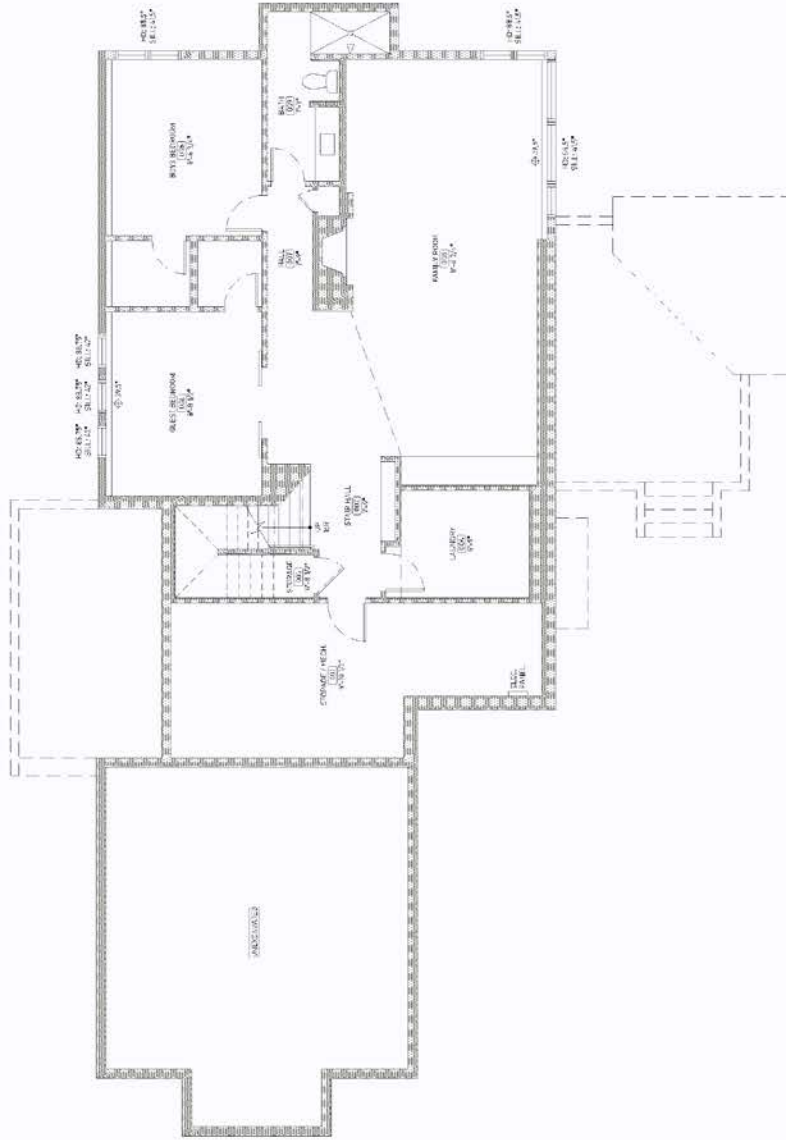




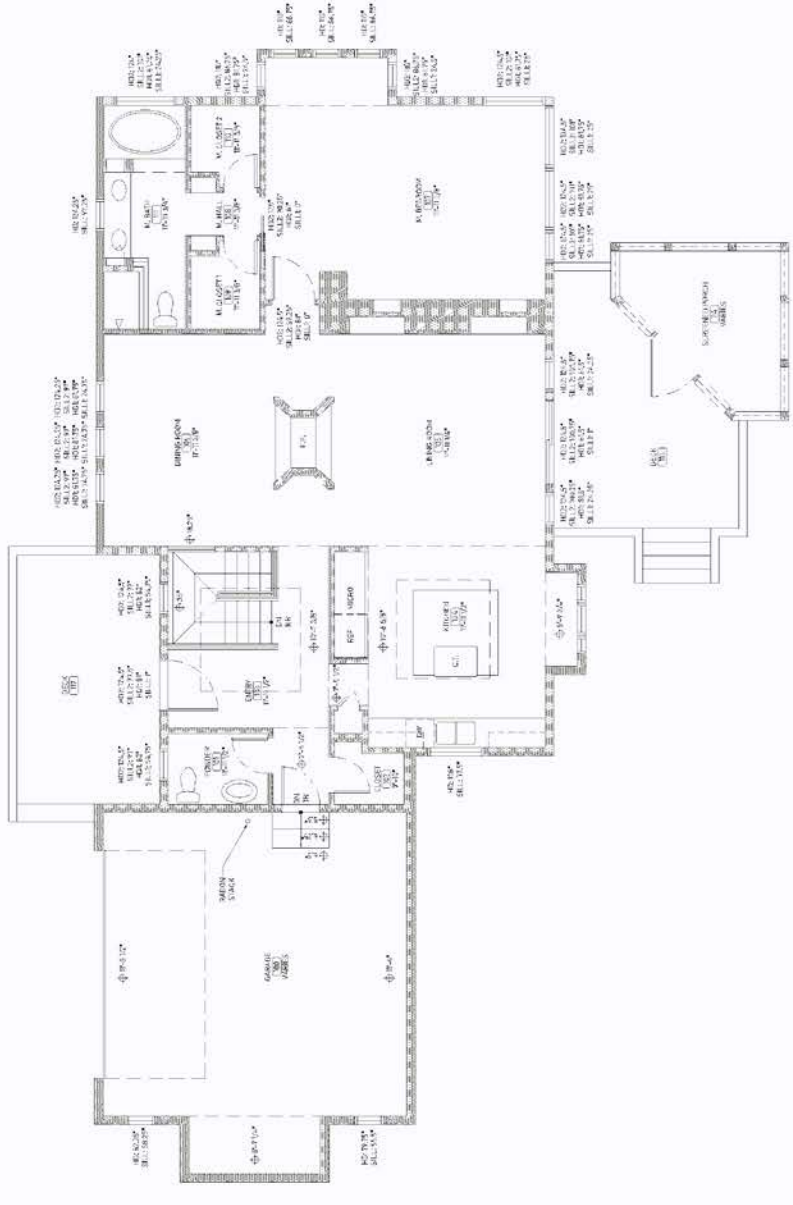
1 ELEVATION - SOUTH
SCALE: 1/4" = 1'-0"



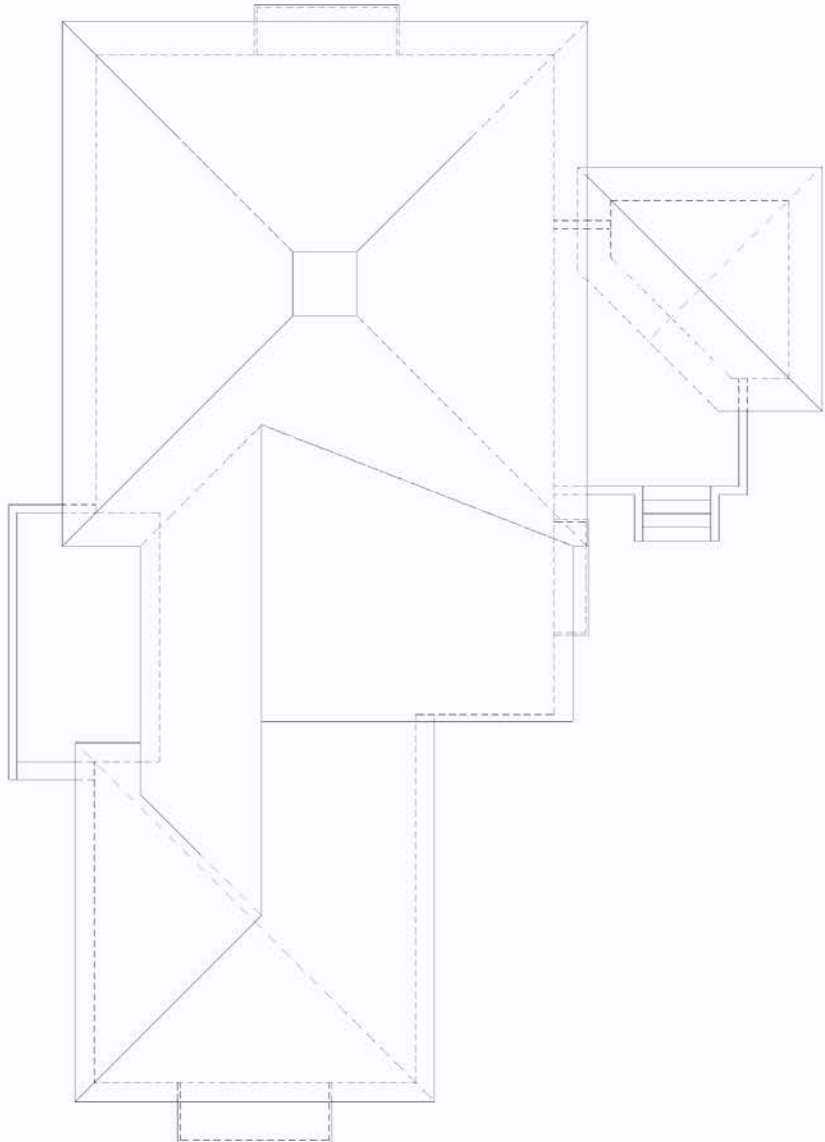
1 ELEVATION - WEST
SCALE: 1/4" = 1'-0"



1 EXISTING LOWER LEVEL PLAN
 SCALE: 1/4" = 1'-0"

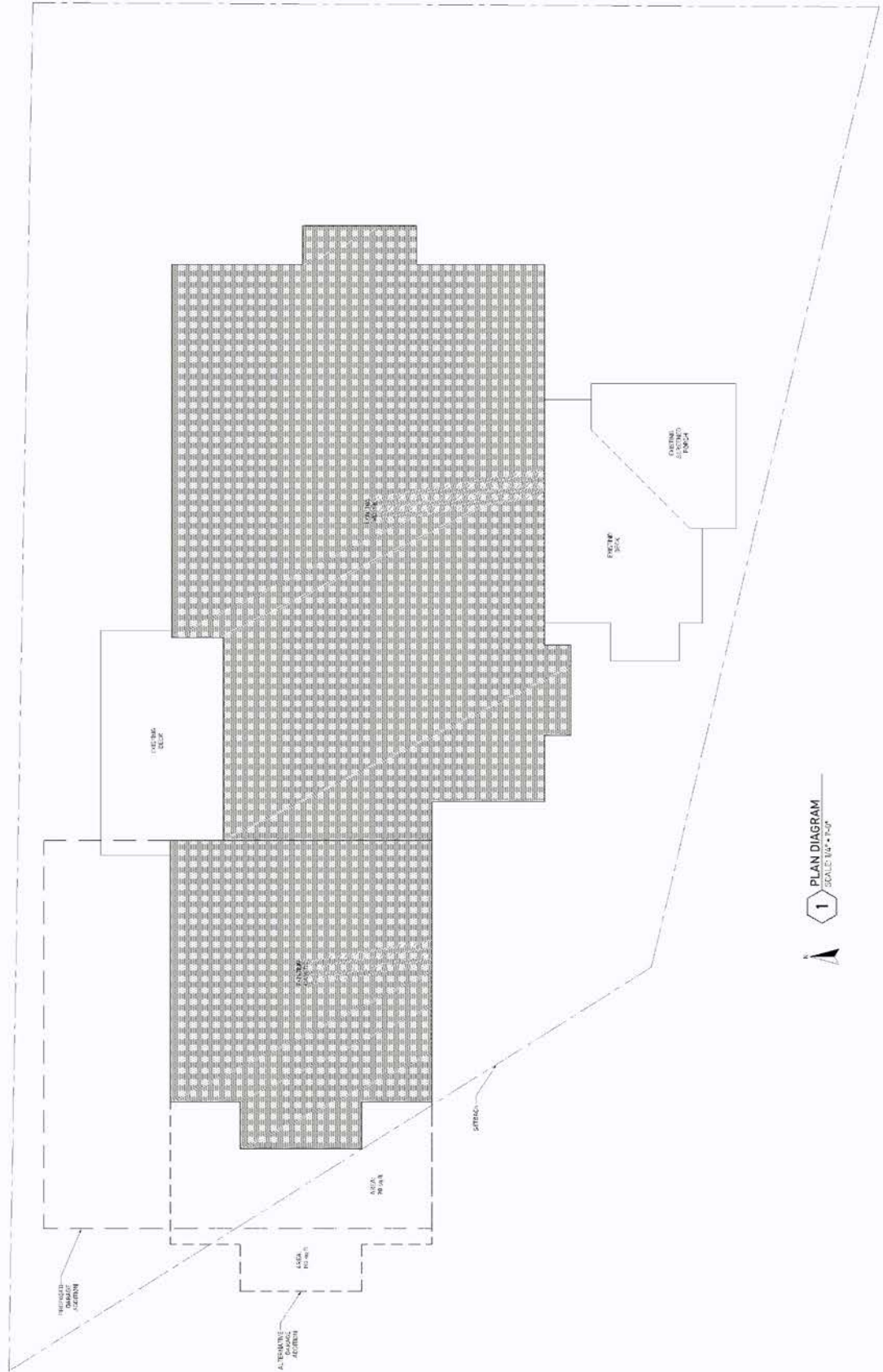


1 EXISTING MAIN LEVEL PLAN
 SCALE: 1/4" = 1'-0"



1 EXISTING ROOF PLAN
SCALE: 1/4" = 1'-0"





1 PLAN DIAGRAM
 SCALE: 1/4" = 1'-0"

Marie Darling

From: janet_loomis@ymail.com
Sent: Saturday, May 27, 2023 9:56 AM
To: Marie Darling
Subject: Lhotka addition

Hi Marie,

We want to let you know we are in full support of Amanda and Jon Lhotka's renovation/addition. They are great neighbors and we hope to have them around for many years to come!

Let me know if you need anything else from us to support their project.

Janet

Sent from my iPhone

4750 West Lane

Marie Darling

From: Wade Fredrickson <wade_fredrickson@yahoo.com>
Sent: Tuesday, May 30, 2023 4:19 PM
To: Planning
Subject: 4805 Rustic Way

Hello Shorewood Planning,

I am a neighboring house (4825 Suburban Drive) to John and Amanda Lhotka. I want to send an email letting you know they have discussed their house addition plans with me and I am in support of the addition. Please feel free to reach out if you have any questions.

Thanks,

Wade Fredrickson
Cell: 612-940-2771
wade_fredrickson@yahoo.com

Marie Darling

From: Jessica Peters <jl-peters@hotmail.com>
Sent: Tuesday, May 30, 2023 3:22 PM
To: Planning
Subject: Variance for Lhotkas

Good afternoon,

I'm emailing in regards to the application for a variance at 4805 Rustic Way (John and Amanda Lhotka). We are their next door neighbors located at 4815 Suburban Dr. and are all for their proposed development.

Thank you,
Nick and Jess Schneider

Sent from my iPhone

4815 Suburban Drive

Marie Darling

From: Dan Austin <danaustin@q.com>
Sent: Thursday, June 1, 2023 8:19 AM
To: Planning
Subject: variance application support

A short note to tell you we support the Lhotka application for variance at 4805 Rustic Way. We live a few doors down and believe that the variance should be permitted.

Dan Austin
4860 Rustic Way

Marie Darling

From: Carolyn Bye <mamabye47@hotmail.com>
Sent: Saturday, June 3, 2023 3:59 PM
To: Planning
Subject: 4805 Rustic Way

To City Planning Department,

We write in support of the building request variance of John and Amanda Lhotka, 4805 Rustic Way.

Our family lives at 4810 Rustic Way, directly across the road from the property. We have spoken to the Lhotkas about their plans. Also about their concern for preservation of trees whenever possible and their commitment to insuring that neighborhood residents and their property are respected and accessible throughout the process. Since both of them work from home, we know they will be watchful.

We support the variance but cannot come in person to testify to that fact. Please make certain that decision makers receive our letter of support.

Carolyn and Bob Bye

Marie Darling

From: fishstyx15@gmail.com
Sent: Monday, June 5, 2023 9:18 AM
To: Planning
Cc: Nancy Ellsworth
Subject: Proposed addition at 4805 Rustic Way

Attn Planning department.

My name is Thomas Ellsworth, I own the property at 4905 Suburban Drive. I have lived in and paid Shorewood taxes since 1980.

First I would like to thank you for sending us the notification of the request for a variance on the property setback at 4805 Rustic Way.(request for 26 ft).

I reviewed the plans closely and can't see how their request adversely affects any neighbors or could cause any future obstacles for the city or county.

The plans show the addition scaling well and fitting the property.

My wife Nancy and I support this request and we look forward to seeing this project completed. This family has always kept this property beautiful ,I'm sure their plans will look great and bring value to this community.

I am available for any personal meetings if needed.

Thank you for reviewing my opinion. Thank you in advance for approving their request.

Best Regards,
Tom Ellsworth
4905 Suburban Dr
Shorewood MN 55331
M# 612-308-0975

Sent from my iPad

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

RESOLUTION 23-

**A RESOLUTION APPROVING A VARIANCE FOR A SETBACK FROM SIDE-YARD ABUTTING A
PUBLIC STREET FOR PROPERTY LOCATED AT 4805 RUSTIC WAY**

WHEREAS, John and Amanda Lhotka, (the “Applicant”) proposed to construct an addition to the existing home that would be about 26 feet from the side property line abutting the Rustic Way right-of-way where 35 feet is required on property addressed as 4805 Rustic Way and legally described as:

Lot 6, Lot 7 and the west 2.24 feet of Lot 5, Block 1, Minnetonka Manor, Hennepin County, Minnesota (the “Subject Property”); and,

WHEREAS, the Applicant’s request was reviewed by the planning staff, whose recommendation is included in a memorandum for the June 6, 2023 Planning Commission meeting, a copy of which is on file at City Hall; and

WHEREAS, the Planning Commission held a public meeting on June 6, 2023 to review the application, the minutes of the meetings are on file at City Hall; and

WHEREAS, the City Council considered the application at its regular meeting on June 26, 2023, at which time the planning staff memorandum and the Planning Commission’s recommendations were reviewed and public comments were reviewed by the City Council from the Applicant, staff and public.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA AS FOLLOWS:

FINDINGS OF FACT

1. The Subject Property is located in the R-1C zoning district, which requires all buildings to be set back 35 feet from side-yard property lines abutting public rights-of-way.
2. Section 1201.05 of the zoning regulations provides that the purpose of a variance is to allow a process to deviate from the strict provision of the zoning regulations when there are practical difficulties, and the action is the minimum to alleviate the practical difficulties.
4. Section 1201.05 of the zoning regulations includes criteria for making the above determination.
5. The Applicant’s proposal is identified on the application materials and plans submitted on April 25, 2023 (the “Plans”).

CONCLUSIONS

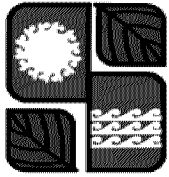
- A. Based upon the foregoing, and the records referenced herein, the City Council hereby approves the Applicant's request to construct an addition with a side-yard abutting a public street setback of about 26 feet where 35 feet is required consistent with the Plans.
- B. The City Council finds the variance request for a new home and its resulting construction and use, is consistent with the intent of the comprehensive plan and in harmony with the general purposes and intent of the zoning regulations.
- C. The City Council finds that the request specifically demonstrates practical difficulties based on the reasonable proposed use of the Subject Property, the unique lot situation due to the three frontages, and preservation of the essential character of the area that would be preserved due to the wider right-of-way and neighborhood has lack of setback uniformity.
- D. The City Council finds that the improvements proposed are not solely based on economic considerations, but to enhance the livability of the home.
- E. The City Council finds that the addition would not impair an adequate supply of light and air to an adjacent property, increase the risk of fire or increase the impact on adjacent streets.
- F. The City Council finds that the home would not be detrimental to the public welfare nor would it be injurious to other lands or improvements in the neighborhood.
- G. The variance is the minimum variance necessary to address or alleviate the practical difficulties.
- H. The variance approval shall be subject to the condition that the applicant shall acquire all necessary permits prior to beginning construction on the property.
- I. The variance shall expire one year after approval unless the applicant has completed the project, or an extension has been requested in accordance with Section 1201.05 Subd. 3 of City Code.
- J. The City Clerk is hereby authorized and directed to provide a certified copy of this resolution for filing with the Hennepin County Recorder or Registrar of Titles.

Adopted by the City Council of Shorewood, Minnesota this 26TH day of June, 2023.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



City of Shorewood

City Council Meeting Item

Title/Subject: Approving Road Management Software
Meeting Date: June 26, 2023
Prepared by: Matt Morreim, Public Works Director
Reviewed by: Marc Nevinski, City Administrator
Attachments: Vaisala RoadAI Proposal w/ update terms and conditions

<p>7A MEETING TYPE Regular Meeting</p>
--

Background in Recommendation:

The city has a robust capital program for road maintenance and construction. Current one-time and ongoing capital funding for road improvements that exceeds \$1M per year include street reconstruction, mill and overlay and pavement preservation funds (crack filling, sealing, etc.).

Part of the identification and prioritization of these funds is done through the city’s pavement management program and inspections. In the past, the city tracked pavement conditions using the PASER inspection method and logging annual inspection data in a spreadsheet. The inspections were completed by city staff and were subjective, general and comparative to past years and other segments.

Staff reviewed multiple options for pavement management inspection and condition rating and is recommending Vaisala RoadAI. Vaisala RoadAI utilizes high-quality video and artificial intelligence (AI) to assess pavement surface and facilities quickly and accurately. This data can be used to create reports to help strategic decisions regarding capital projects and routine maintenance or roads, signs and striping.

Key benefits to utilizing the Vaisala RoadAI system are:

- Specific road defect categorization with geolocation (new)
- Identification of potholes including severity (new)
- Full analysis roads multiple times per year (new)
- Road condition analysis on smaller segments (<10’) across the road network (new)
- Updated video of all streets each year (new)
- Sign and striping inventory with geolocation (new)
- All asset condition data is digitally stored
- Data can be exported to utilize in a future asset management system to track ratings over an extended period of time.
- Ability to analyze of parking lots and trails (new)

Cost of the program is as follows:

- Year 1 – \$8,428
 - \$7,428 – Vaisala services
 - \$1,000 – One-time purchase of mobile device for video capture (Google Pixel)
- Year 2 - \$9,500

Annual renewal is optional and is detailed in the attached proposal.

Financial or Budget Considerations:

Cost of the program in 2023 would be \$8,428. Adequate funding exists in the 2023 CIP – 404 Street Reconstruction Fund (item LR-99-099). The cost of \$8,428 is below budget.

Action Requested:

Motion to approve the contract for Vaisala RoadAI and the one-time purchase of the compatible mobile device.

Connection to Vision/Mission: Consistency in providing residents quality public services, a healthy environment, a sustainable tax base, and sound financial management through effective, efficient, and visionary leadership.



CITY OF
SHOREWOOD

City of Shorewood RoadAI

Surveying Using Computer Vision With AI Enabled Learning

Revision History

Version	Status	Date/Name	Description of Change	Approver
1.0	Obsolete	2/15/2023 / Nicole Bubnoski	Original	NIBUB
2.0	Obsolete	5/12/2023 / Nicole Bubnoski	Updating General Conditions of Subscription Services, contracting start date and end date and pricing	NIBUB
3.0	Obsolete	6/16/2023 / Nicole Bubnoski	Changes to General Subscription Services from City of Shorewood and Vaisala's legal teams	NIBUB
4.0	Approved	6/20/2023 / Nicole Bubnoski	Second Round of Changes to General Subscription Services from City of Shorewood and Vaisala's legal teams	NIBUB



Name: City of Shorewood – RoadAI
Owner: Nicole Bubnoski
Created: 6/20/2023
Identifier: CITYOFSHOREWOOD-RDAI-2023v4.docx
Status: Approved
Revision: 4
Pages: 2 (9)

Contents

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2 The Strategic Case	3
3 Service Description	4
4 Financial Case	6
5 Project Management	6
6 General Conditions of Subscriptions Services.....	7
7 Agreement	7
8 Appendix.....	8

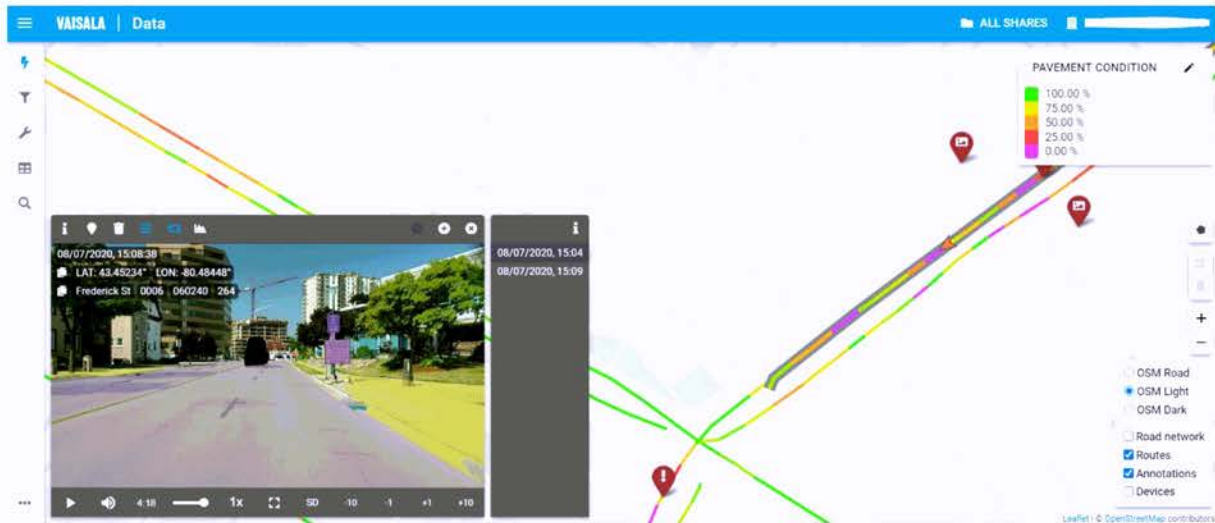
City of Shorewood – RoadAI

This document sets out Vaisala’s proposal for the implementation of RoadAI technology to deliver efficiency gains, cost savings and service improvements to the surveying, inspection, auditing and ongoing asset management practices at City of Shorewood.

1 Overview

The technology uses a smart phone to collect video data which is then processed using Computer Vision; this process automatically analyses the video data and the Vaisala RoadAI applies ASTM PCI methodology to categorize and report pavement defects, so that it can be integrated with existing asset management systems. Video data can be collected at normal driving speeds, and because the analysis process is fully automated, results are available within a few hours of upload, enabling data to be collected and results produced across the **whole road network multiple times** per annum, with **lower investment and resource** than current processes demand.

Figure 1 – Pavement Condition Heatmap



Road Condition data generated by RoadAI can replace the condition surveys currently carried out in City of Shorewood, and because of the frequency and repeatability of the data collection, identify any lengths of highway that are deteriorating rapidly in a more timely fashion, enabling the programming of maintenance works more efficiently.

2 The Strategic Case

2.1 Safety Inspections

RoadAI provides a range of tools that are designed to support reactive maintenance and safety inspection teams, taking a significant amount of network investigations and inspections off the network and into a desktop environment, reducing the number of ad hoc site visits, and bringing environmental and safety benefits, while providing greater oversight and efficiency to the process of network management.

Once the data is loaded onto the system, computer vision analysis is used to derive much more value that can be leveraged by other functions...

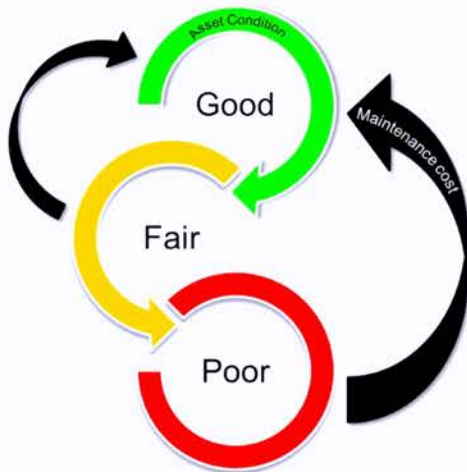
2.2 Road Condition Surveys

Road condition data is generated automatically, without allocating resource specifically to condition surveys, and reported at a much higher frequency, to enable the planning of maintenance works to

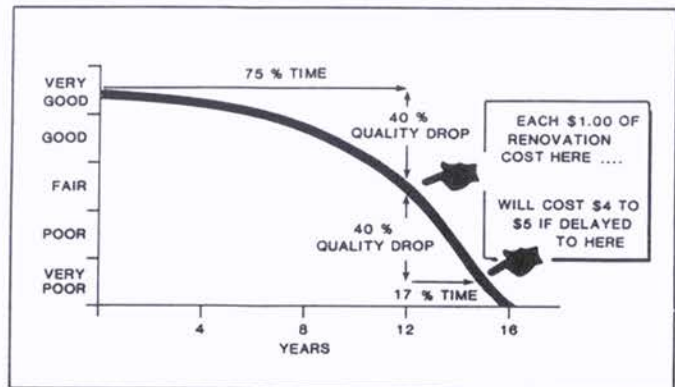
be focused on areas where lower cost treatments can be deployed, to prevent the development of more serious defects, and ultimately extend the life of the asset. RoadAI enables road condition data to be generated using non-specialist tools and personnel, while still providing data that is consistent, accurate, and auditable. Using RoadAI in this way enables:

- Early intervention with lower cost treatments based on asset condition to deliver >5% increase to the life of the asset
- Data driven forward program planning – consistent, objective road condition data
- On demand reports – network deterioration modelling

2.2.1 Investment Model



<https://www.fhwa.dot.gov/publications/research/infrastructure/pavements/13038/011.cfm>



2.3 Traffic Signs and Lines

Video data that has been collected by inspection teams can be further analyzed to generate traffic sign inventory, and road marking condition data, to enable data driven risk based management of these assets, and driving improvements in service delivery at a fraction of the previous cost.

3 Service Description

The RoadAI service has been configured in consultation with the City of Shorewood project team, and is based on a combination of the following core elements:

- Organizational Base License
- Data Collection Licenses
- Application Layers
- Data Storage

3.1 Organizational Base License

The Organization Base License (OBL) covers provision of the core service including:

- Anonymization of data.
- Map based user interface (UI).
- Geospatial video.
- Annotation tools.
- Unlimited client logins and access to UI.

The cost of the organizational base license is based on the size of the organization ¹, and the duration of the contract.

- Proposed Length of Road Section for inclusion in the project - 50 Miles.
- Contract duration - 12 months
- Contract period – 7/1/2023 to 6/30/2024

3.2 Data Collection Licenses

Based on anticipated use profile and in consultation with the City of Shorewood project team, we have configured this proposal to include 1 Basic data collection licenses.

3.3 Application Layers

RoadAI can be configured to enable different application layers to suit the objectives of City of Shorewood. Application layers can be activated or deactivated each year, and the contract value adjusted to reflect the application layers in use. The application layers currently available are:

3.3.1 Road Condition

Data is analyzed following a process based on ASTM PCI, and reported in 10, 20 or 100m sections tied to the sectional reference data² for City of Shorewood’s road network.

Defects can be viewed as discreet heatmap layers on the map based UI, or as a combined overall condition heatmap. Road marking condition data is available to export in Excel, Shapefile, GeoJSON format in 10m or 100m sections.

3.3.2 Road Markings

Data is analyzed using computer vision process to identify road marking condition based on visible deterioration. Road marking condition data is available to export in Excel, Shapefile, GeoJSON format in 10m or 100m sections.

3.3.3 Road Signs

Road signs are automatically detected, classified and created as point objects on the UI map layer. Signs can be extracted in Excel reports with location and condition data, and URL linking back to UI to view images and video of sign location³.

This pilot project aims to enable City of Shorewood to integrate and evaluate the potential for the ongoing deployment of RoadAI, and in respect of that we are able to include the above applications at no cost in year one.

¹ Defined by total network length, for City of Shorewood this is taken as 50 Miles.

² Network reference data to be provided by City of Shorewood as shapefile.

³ Segmentation model to automatically identify and create inventory of US and Canadian traffic signs will be added during the course of the pilot project. No charge will be made for this application.

4 Financial Case

Set out below are the annual costs for delivering the service over the next 12 months. This project qualifies as a pilot project, and as such Vaisala are able to offer an introductory rate, calculated by removing the data processing costs for the computer vision analysis elements of the service. These features will be enabled in this pilot project but Vaisala will not pass on the costs in year 14.

4.1 Costs

ROADAI – PILOT PROJECT DISCOUNTED COST (Y1)		\$7,428.00
SET UP COSTS		\$ 1,308.00
Phone accessory kit	1	\$238.00
INFOSVCTRAININGCVUS / Information Service Training-Computer Vision US	1	\$1,170.00
RoadAI Service Cost		\$6,120.00
Computer Vision Base License	1	\$4,280.00
Data processing and storage - Basic Use Profile	1	\$1,840.00
COMPUTER VISION ANALYSIS		(1=Y,0=N)
Road and rail sign data management	1	Included at no cost, Y1
Road Markings Condition Analysis	1	Included at no cost, Y1
Road Condition Survey - Road pavement condition analysis, crack & pothole detection	1	Included at no cost, Y1
Estimated Y2 Costs: All Cities and Counties under 200 centerline miles will be under bulk pricing of \$9,500.00 (recurring costs + any storage costs)		

5 Project Management

A series of project review meetings will be put in place for the purpose of reviewing progress against project objectives. It is critical that Strategic Managers and Operational Teams responsible for managing and delivering the project on behalf of City of Shorewood attend these meetings.

A project manager will be assigned to the project on day 1, project management meetings will be booked with the agreed project team at City of Shorewood, and at the first project meeting the project goals will be outlined, and in consultation with the City of Shorewood team, goals will be prioritized and built into the project plan that will be used as a working document to manage the project.

5.1 Payment Schedule

100% on completion of mobilization (set up and training), 4 weeks from receipt of order

6 General Conditions of Subscriptions Services

Vaisala Group’s General Conditions of Subscription Services apply. To see all, reference our linked



City of Shorewood.
Vaisala. General-Cond
PDF page at

All the information contained herein is confidential and the IPR remains the property of Vaisala. Copying or sharing of this information without permission of the author is prohibited.

All pricing quoted in US Dollars subject to tax which will be applicable at the prevailing rate at the time of invoicing.

7 Agreement

Signed on behalf of Vaisala Inc.

Signed on behalf of City of Shorewood

Signature

Signature

Name

Name

Position

Position

Date

Date

8 Appendix

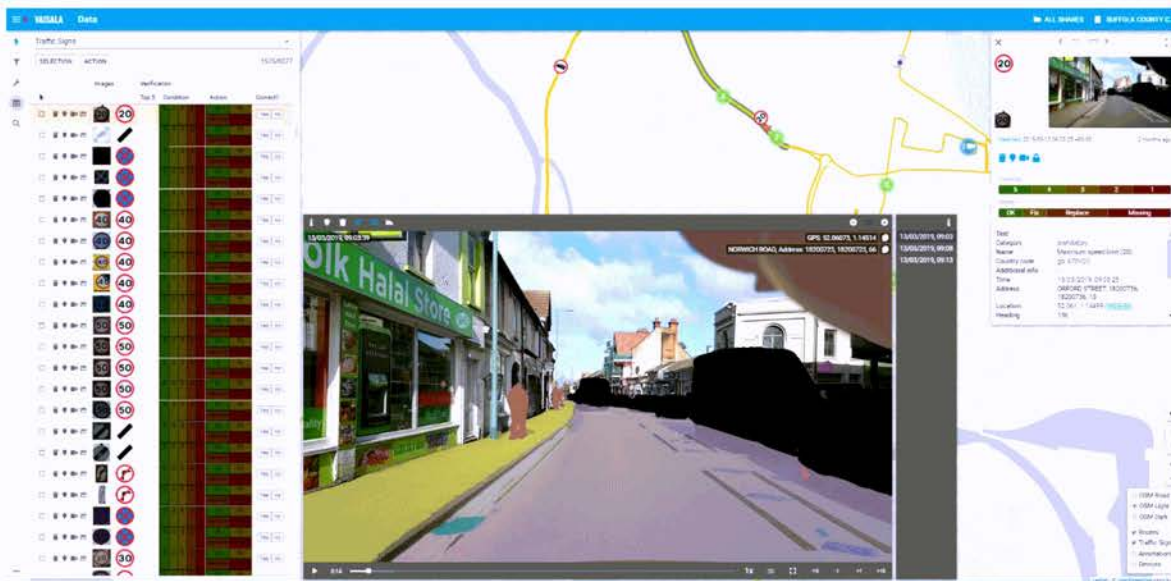
8.1 Data Collection Via Smartphone

Figure 2 - Smartphone is mounted outside the swept path of the wipers.



8.2 Sign mapping

Figure 2 - User Interface with access to video archive and computer vision detections



Various filtering tools are available within the UI to enable isolation of data by date and time.

Traffic signs can be filtered using label groups, categories, detection type (options: all detections, new detections, new or miss detections), misses in a row, detections from video and detection confidence.

8.3 Road defect mapping

Figure 3 - Segmentation model illustrating feature classification

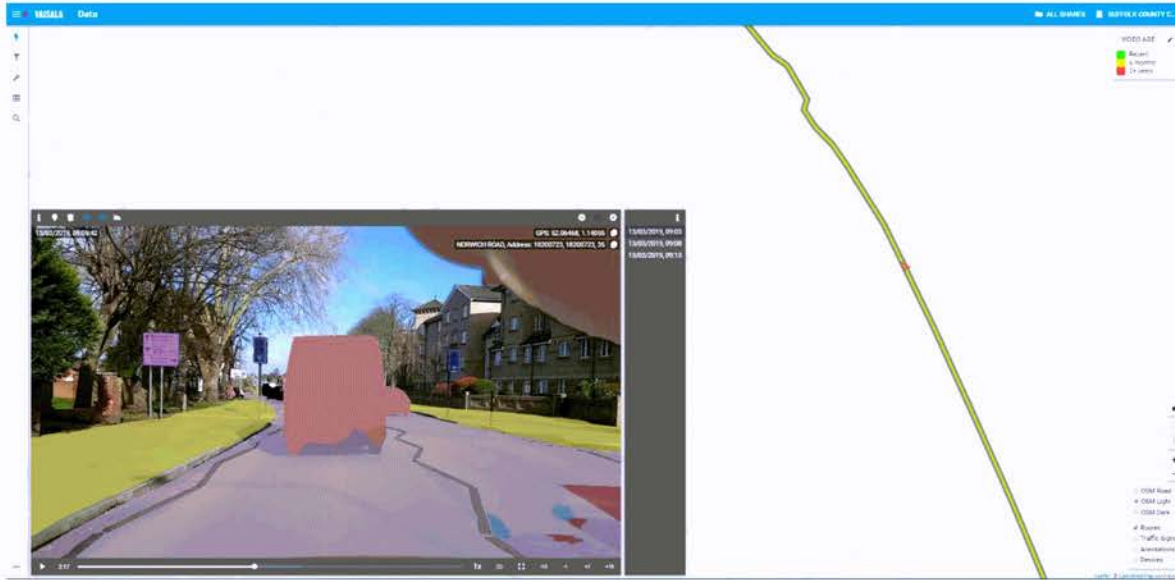
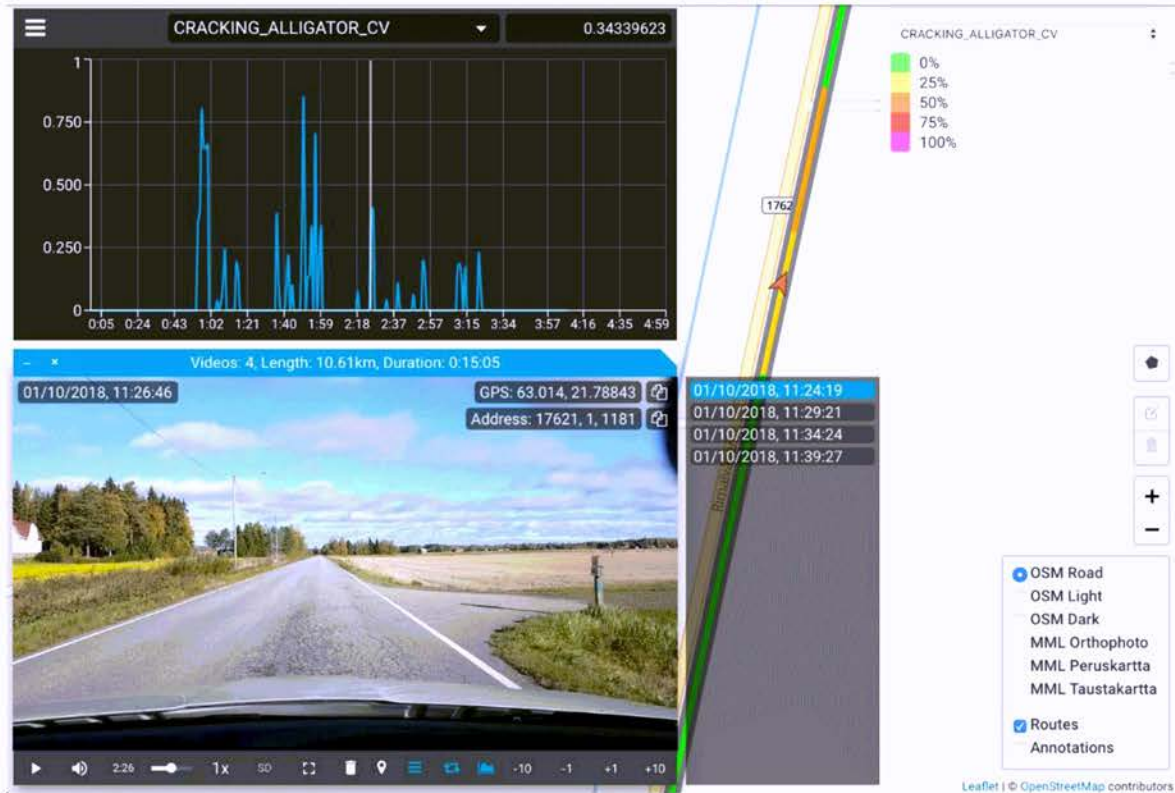


Figure 2 – Analyzed Heatmap (Road pavement defects / road markings)





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Observations for a Better World

Vaisala enables enhanced safety, efficiency and decision making through its measurement products and related services. Our way of operating is driven by customer focus, innovation, integrity and collaboration. They guide us in our everyday activities, both within Vaisala and with our partners and customers.



These **General Conditions of Subscription Services of Vaisala Group** ("Conditions") govern and explain the terms under which a Vaisala Group Company, as identified in a quotation, acknowledgement of order or invoice (hereinafter "Vaisala", "we", "us" or "our"), agrees to the provision of subscription services ("Subscription Services") to Vaisala's customer ("Customer", "you" or "your"). By submitting a purchase order (including orders and click-throughs in Vaisala Online Store and other platforms referencing these Conditions), request for offer or any other document to acquire Subscription Services, acting on any Vaisala document referencing these Conditions, or using or accessing any of the Subscription Services, you acknowledge: (a) your complete acceptance of these Conditions; and (b) that any terms accompanying your document(s) have no effect and shall not apply. If you are an individual acting on behalf of a legal entity, you represent and warrant that you are authorized to act on behalf of such entity, in which case "you" will refer to such legal entity.

Our transaction with you shall solely be governed by these Conditions and related Vaisala documentation for the given transaction, which hereby together constitute the full contract ("Contract") between us and you. In the event of conflict between the Service Description(s) (as defined hereinafter) and these Conditions, the Service Description(s) shall prevail.

The Contract may be superseded or amended only by a separate written agreement agreed upon and executed by the parties ("Agreement").

Common conditions

<p>1 Prices and Payment; Invoicing; Taxes</p>	<p>1.1 Subscription Services, fees and other relevant information are set out in our quotation, acknowledgement of order and/or related Vaisala documentation. Subscription Services, together with associated terms and conditions, may be further detailed in the documentation specific to a given Subscription Service ("Service Description") attached to or referenced in our quotation or acknowledgement of order, or otherwise made available to you.</p> <p>1.2 We will invoice you for the recurring fees of the Subscription Services annually in advance. Additional fees for metered usage components, optional features, add-ons and extra charges will be invoiced upon their occurrence. We have the right to increase the fees by notifying you in writing at least sixty (60) calendar days prior to the last day of the then-current Subscription Period (as defined in Section 14 below). In addition, in the event roaming or other telecommunication charges linked to the Subscription Services increase, we reserve the right to increase the fees correspondingly with thirty (30) days written notice at any time.</p> <p>1.3 Except for refunds under Section 8.3 and Section 26, all fees are non-refundable.</p> <p>1.4 Once we have established any credit limitations, our pricing is based on net 30 days payment terms from the date of invoice. We may agree to apply different payment terms, for which additional charges may apply. All payments must be made directly by you.</p>
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1.5	We do not include any taxes, duties or additional charges of any kind in our fees, and will add all such separately chargeable items to your invoice amount as applicable. Each party complies with applicable tax regulations and pays all applicable taxes directly to the appropriate authorities.
1.6	Any amount outstanding after the due date shall accrue interest at the rate of twelve percent (12%) per annum or the highest amount allowable by law, whichever is lower, from the date your invoice becomes due. Upon the first day of delay, we reserve the right to suspend provision of Subscription Services until any unpaid amount, including interest, has been paid in full.
2	Data Definitions; Licenses
2.1	For the purposes of the Contract, the following definitions apply: "Product Data" means data pertaining to the performance, condition, and maintenance of Vaisala-provided products ("Products") that you may acquire from us (and consequently have the ownership of such Products) in a transaction separate from the provision of Subscription Services. For avoidance of doubt, any data pertaining to any equipment owned by us is not Product Data, and we retain all rights to such data. "Measurement Data" means data measured or generated by any equipment owned by you (or third parties) and made available to us in relation to Subscription Services, as well as related metadata (such as location and timing of the measurement). For avoidance of doubt, any data pertaining to any equipment owned by us is not Measurement Data, and we retain all rights to such data. "Generalized Data" means data based on further processing of Measurement Data or Product Data, or combination thereof with other data or materials, which data (i) doesn't include information on your identity, and (ii) doesn't include data items of Measurement Data as such but only in aggregated form or combined with other data items (excluding metadata contained in the Measurement Data which may be included as such).
2.2	Subject to the payment of fees and conditioned on your (and the authorized end-users') compliance with the Contract, you are hereby granted a limited, non-exclusive, non-transferable, non-sublicensable license to use Subscription Services and information, data, forecast or similar item provided or generated by Subscription Services for your internal business purposes during the Subscription Period. Service Description(s) may provide you with broader or additional licenses.
2.3	You may not, directly or indirectly, and shall not permit any authorized end-users to: (i) copy, modify, or create derivative works of Subscription Services, information, data, forecasts, or similar items provided or generated by Subscription Services; (ii) rent, lease, lend, sell, license, sublicense, assign, distribute, publish, transfer, or otherwise make available Subscription Services and information, data, forecast or similar item provided or generated by Subscription Services to third parties; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of Subscription Services; (iv) remove any proprietary notices from Subscription Services or associated documentation; or (v) use Subscription Services in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law. Service Description(s) may provide you with a limited, non-exclusive, non-transferable, non-sublicensable license allowing some of the excluded items in (i) and (ii).
2.4	When and to the extent we have access to Measurement Data or Product Data in relation to or in connection with the provision of Subscription Services, you hereby grant the following licenses: <ol style="list-style-type: none">1. We shall have the right to process Product Data for the purposes of provision of Subscription Services to you and for our quality control, research and development purposes.2. We shall have the right to process Measurement Data for the purposes of providing Subscription Services to you (including support and maintenance).

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	<p>3. We shall have the right to create sets of Generalized Data based on Measurement Data and/or Product Data. Such sets of Generalized Data shall be regarded as separate and independent data sets, and your rights, title or interest in Measurement Data and Product Data shall not encompass such Generalized Data.</p>
	<p>2.5 We shall have the right to use Measurement Data and/or Product Data for the purposes of quality control, research, and development (including without limitation right to develop our machine learning systems) and provision of value-added services to third parties, provided always that the information or data disclosed to third parties is Generalized Data and that Measurement Data or Product Data as such is not disclosed to third parties.</p>
	<p>2.6 Except as explicitly provided in this Section 2, each party retains its respective rights.</p>
<p>3 Responsibility for Use of Subscription Services; Customer Responsibilities</p>	<p>3.1 The use and application of any information, data, forecast, or similar item provided or generated by the Subscription Services shall be your sole responsibility and/or the authorized end-users of those Subscription Services. You and/or the authorized end-users shall assume all liabilities and obligations with respect to any use or application, including integration with your own products and services (when allowed), of such information, data, forecast or similar item.</p> <p>3.2 You will cause the authorized end-users to comply with the Contract and shall be responsible for their actions and omissions. If you suspect any violation by any of the authorized end-users, you will notify us without delay and shall terminate their access to Subscription Services in addition with any other appropriate mitigation measures.</p> <p>3.3 You are solely responsible for the security and use of your and the authorized end-users' login and access credentials. If you suspect that an unauthorized person has gained access to Subscription Services, you will notify us without delay in addition with any other appropriate mitigation measures.</p> <p>3.4 Except for the items provided by us as part the Subscription Services, you are responsible for acquiring, installing, configuring, and maintaining all hardware and software necessary for your access to and use of Subscription Services. You are solely responsible for arranging, maintaining, and paying for appropriate communication network connections to enable your access to and use of Subscription Services.</p> <p>3.5 We retain the ownership of any item (other than Products) provided by us to you as part of Subscription Services. You are hereby granted a limited, non-transferable, non-sublicensable license to use such items for the purpose of enabling the provision of the related Subscription Services by us.</p> <p>3.6 Unless otherwise stated, the delivery term for the items delivered by us to you shall be DAP [<i>your delivery address</i>] (Incoterms 2020). DAP [<i>applicable Vaisala facility delivery address</i>] (Incoterms 2020) applies when you return to us any item owned by us.</p>
<p>4 Limitation of Liability</p>	<p>4.1 Subscription Services are priced in accordance with proper limitations of liability. Any variation from the following limitations may result in a fee increase or other changes. Please carefully read the following limitation of liability provisions.</p> <p>4.2 Except in the case of gross negligence, willful misconduct, or fraud, our maximum liability to you, and your maximum liability to us, shall not exceed the fees of Subscription Service(s) paid during a period of twelve (12) months prior to the event causing any such liability. Neither party will be liable to the other for any indirect losses, such as loss of profit or goodwill, or costs of cover purchase, even if such loss was reasonably foreseeable.</p> <p>4.3 Nothing in this Section 4 is intended to affect our rights which cannot be limited or excluded based on the applicable law. Nothing in this Section 4 or in the Contract constitutes a waiver by you of any applicable statutory or common law immunities or liability limitations.</p>
<p>5 General Indemnity</p>	<p>5.1 Within the limits provided for in Section 4, each party shall be responsible for its own acts, including the acts of its respective directors, officers, officials, members, managers, employees, consultants, contractors, and agents related to third party claims, demands, suits, actions, or proceedings (and resulting costs, expenses and liabilities), which arise from personal injury, death, or tangible property loss attributed to, or caused by, either party's negligent performance under the Contract or by Subscription Services supplied by us.</p>



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	<p>5.2 The foregoing indemnity shall not apply to the extent that such injury, death, or tangible property loss is caused in whole or in part by the willful misconduct, gross negligence, or fraud of the party seeking to be indemnified.</p>
6 Force Majeure	<p>6.1 Despite our coordinated efforts and intentions to provide Subscription Services to you as planned, the parties realize that not all things go according to plan. This Section 6 provides relief to each party in Force Majeure events, as detailed below.</p> <p>6.2 Neither party shall be liable for delay or other failure to duly fulfil its obligations (except for your payment obligations) due to a Force Majeure event. Force Majeure events are events beyond the commercially reasonable control of the affected party and may include events affecting suppliers and subcontractors.</p> <p>6.3 The party affected by a Force Majeure event shall notify the other party in writing (with email being sufficient) as soon as reasonable. Each party shall be entitled to terminate the Contract by notice in writing if performance of the Contract is suspended under this Section 6 for more than six (6) months.</p>
7 Acceptance; Warranty; Disclaimer	<p>7.1 Subscription Services shall be deemed accepted by you upon us providing or you accessing Subscription Services (or part thereof) unless we receive a substantiated written claim within seven (7) days after provision or accession of Subscription Services (or part thereof).</p> <p>7.2 We provide Subscription Services with the degree of skill and care reasonably expected from a skilled and experienced supplier of services substantially similar to the nature and complexity of Subscription Services, in material conformance with the Contract and associated documentation, including Service Description(s).</p> <p>7.3 Following your substantiated written claim of Subscription Services (or part thereof) not being compliant with this Section 7, presented within the time period set forth in Section 7.1, we will reperform such non-compliant Subscription Services without undue delay. This is the sole remedy available to you for any non-compliance with this Section 7.</p> <p>7.4 Warranty does not apply in the event that: (i) Subscription Services are not used in accordance with the Contract and associated documentation, including the Service Description(s); or (ii) any non-compliance is caused by you, authorized end-users, or by any product or service not provided by us; or (iii) any non-compliance is caused by an event out of our control. Further, you acknowledge that access to and use of Subscription Services are dependent on the availability and functionality of third-party communications networks, and that we are not responsible for unavailability, slow-downs, or any other issue you may experience in accessing or using Subscription Services resulting from such networks.</p> <p>7.5 We do not make any representations or warranties, express or implied, statutory or otherwise, regarding the merchantability, suitability, originality, or fitness for a particular use or purpose, non-infringement or results to be derived from the use of or integration of Subscription Services with other services, or that the operation of Subscription Services will be secure, uninterrupted, or error free. Further, we do not make any representations or warranties, express or implied, statutory or otherwise, that any information, data, forecast or similar item will occur or has occurred as the reports, forecasts, graphics, data, or information included in or delivered to you by Subscription Services, state, represent or depict.</p> <p>7.6 Further, you acknowledge that forecasting is an inexact science. All forecasts provided as part of or in connection with Subscription Services inherently contain errors, and thus they are provided "as is" without warranty of any kind, either expressed or implied.</p>
8 Modifications	<p>8.1 We constantly strive to develop and improve Subscription Services. We may modify Subscription Services and associated documentation, including Service Description(s), at any time. Modifications may include optional new features of Subscription Services, which you may use subject to the then-current Service Description(s) and additional fees (when applicable). However, we will not implement such modification(s) until we have notified you of the modification(s), and allowed you forty-five (45) days to review the proposed modification(s). That notice will include a full description of the proposed modification(s), a proposed timeline for implementation, a detailed breakdown of any change in costs, and any other relevant information related to the proposed modification(s).</p> <p>8.2 We will notify you of proposed modifications by email, release notes, our website, making available an updated Service Description, via the Subscription Services user interface, or other appropriate means.</p>



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	<p>8.3 If you determine, in your sole discretion, that a proposed modification is not solely an enhancement, and it materially reduces Subscription Services, you may terminate the Contract in relation to Subscription Services so materially reduced, by providing written notice to us (with email being sufficient) within forty-five (45) days after receipt of our notice given in accordance with Section 8.2. We will refund the fees applicable to the terminated Subscription Services for the remainder of their Subscription Period. If you determine, in your sole discretion, that the modification(s) render(s) the Subscription Services no longer useful for your purposes and/or any additional fees render the cost of the Subscription Services to exceed your approved budget or allocation for the Subscription Services, you may terminate the Contract in its entirety after the completion of your 45-day review period, without any further obligations in the Contract, including no further obligation for payment after the month in which you terminate the Contract. We will refund the fees applicable to the terminated Subscription Services for the remainder of their Subscription Period. You will give us notice of the termination of the Contract in its entirety as set forth above in this Section 8.3.</p> <p>8.4 We may modify these Conditions at any time and will inform you of such modifications in the same manner as we will notify you of proposed modification(s) as set forth in Section 8.2 of this Contract. The modified Conditions shall be applied from the start of the Subscription Period immediately following the modification date. You will have the same termination rights provided to you in Section 8.3 of this Contract. Unless you notify us as provided in Section 8.3, by continuing to use Subscription Services after notice and review of proposed modification(s), you agree to and accept all the modifications to these Conditions.</p>
9	<p>Suspension</p> <p>9.1 Upon written notice to you (with email being sufficient), we may suspend provision of Subscription Services if we reasonably determine: (i) payment for our fees is not received by the date on which payment is due; (ii) you or your use (including use by the authorized end-users) of Subscription Services is in breach of the Contract; (iii) your use (including use by the authorized end-users) of Subscription Services poses a security risk to Subscription Services or other users; or (iv) suspension is required pursuant to our receipt of a subpoena or other request by a law enforcement agency.</p> <p>9.2 You will remain responsible for all fees incurred before and during the suspension. You will not be entitled to any service credits (if applicable) or other compensation under the Contract that you might have otherwise accrued during the period of suspension.</p>
10	<p>Security; Maintenance</p> <p>10.1 We employ reasonable security measures consistent with relevant industry practices and in accordance with our security procedures as amended from time to time.</p> <p>10.2 In order to provide you with well-functioning Subscription Services, we perform both scheduled and unscheduled maintenance work. We inform you of scheduled maintenance windows through appropriate channels and may inform you of unscheduled maintenance activities in advance or after they take place.</p> <p>10.3 You acknowledge that maintenance work may impact the functioning and availability of Subscription Services and agree that you shall have no recourse against us based on such impacts. In the calculation of service level agreement metrics (if any), impacts of any maintenance work shall be excused and excluded.</p>
11	<p>Attribution</p> <p>11.1 To the extent you are allowed to make any information, data, forecast, or similar item provided or generated by Subscription Services available to third parties (other than your affiliates), you shall include a notation that indicates that the information, data, forecast and similar items are provided by Vaisala.</p> <p>11.2 You may not use the Vaisala logo or text, or any third-party attribution, in any way that implies that your products or services are provided or endorsed by us or any such third party.</p>
12	<p>Analyses</p> <p>12.1 We may create analyses utilizing information derived from your (and the authorized end-users') use of Subscription Services ("Analyses"). Analyses typically anonymize and aggregate information on such use, and in other respects they will comply with Vaisala's Privacy Policy. Analyses may be combined with Product Data and Measurement Data.</p> <p>12.2 We may use Analyses for: (i) development of Subscription Services' features and functionality, performance, workflows and user interfaces and development of new products and services, (ii) improving our technical support, (iii) capacity and demand planning, (iv) training and</p>

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		developing machine learning algorithms, (v) verification of security measures and data integrity, and (vi) identification of trends and developments, creation of indices and benchmarking.
13	Subcontractors and Suppliers	<p>13.1 In order to provide quality Subscription Services and to serve you in an efficient manner, we may use subcontractors and third-party suppliers in connection with the provision of Subscription Services.</p> <p>13.2 We remain responsible for the activities of our subcontractors and suppliers.</p>
14	Subscription Period; Auto-Renewals	<p>14.1 The Contract shall become effective on: (i) us granting you access to Subscription Services, or you otherwise accessing or using Subscription Services; (ii) the date defined in our quotation or acknowledgement of order; (iii) the date defined in the applicable Service Description; or (iv) start of the Freemium or Trial (as defined in Section 16), whichever is the earliest ("Effective Date"). The Contract shall remain effective for a period of twelve (12) months from the Effective Date ("Subscription Period"). The Subscription Period will automatically renew for a period of corresponding length, unless terminated in accordance with Section 14.2 below. The Contract applies to all renewed Subscription Periods. There shall be no more than three (3) automatic renewals of the Subscription Period.</p> <p>14.2 Each party may opt-out of auto-renewal of any Subscription Period by notifying the other party in writing. If you wish to continue use of the Subscription Services after the last day of the third automatic renewal Subscription Period, a new contract will be required. You shall give us notice of your intention to enter into a new contract by notifying us in writing. At the end of the third automatic renewal Subscription Period, unless you give us written notice, this Contract will terminate on its terms at the end of the last day of the third automatic renewal Subscription Period. Any notice given under this Section 14.2 shall be sufficient if delivered by email to the other party at least sixty (60) days prior to the end of last day of the applicable Subscription Period.</p>
15	Additional Software; License	<p>15.1 To the extent we separately grant you a license for software for installation on your infrastructure in connection with providing you Subscription Services, such license is governed by the General License Conditions of Vaisala Group, which are available here: https://www.vaisala.com/en/vaisala-policies#terms-and-conditions</p>

Freemiums and Trials

16	Definitions; Applicability	<p>16.1 Freemium services ("Freemium") mean the provision of Subscription Services free of charge, coupled with the option to acquire additional features of those Subscription Services for a charge.</p> <p>16.2 A trial ("Trial") means the provision of Subscription Services free of charge for trial purposes for a limited period of time.</p> <p>16.3 When Subscription Services consist of, or include, Freemiums or Trials, Sections 16-19, in addition to Common conditions and Governance conditions, apply to those Subscription Services or to the applicable part thereof.</p>
17	License	<p>17.1 You are hereby granted a limited, non-exclusive, non-transferable, non-sublicensable license to use the Freemiums and Trials for your internal business purposes. Commercial use of Freemiums and Trials is prohibited.</p> <p>17.2 Freemiums are provided for a period defined in the associated documentation. A Subscription Period for optional, for-a-charge features of Freemiums shall be defined in the associated documentation.</p> <p>17.3 You may try out the Trials for a period beginning on the date when we provide you with the access to Trials and ending at the end of the defined trial period.</p> <p>17.4 We reserve the right at any time to terminate the Trials for convenience and without prior notice.</p>
18	Invoicing	<p>18.1 Freemiums and Trials are provided free of charge.</p> <p>18.2 Recurring fees for the optional features of the Freemiums are invoiced annually in advance.</p>
19	No Warranty	<p>19.1 Freemium and Trials are provided with limited features and functionality, without any support and "as is"/"as available" without indemnification or warranty of any kind. Warranty in Section 7 and indemnification in Section 26 do not apply to Freemiums and Trials.</p> <p>19.2 Notwithstanding the above, for-a-charge features of Freemiums carry the standard warranty set forth in Section 7 and Section 26 applies to such features.</p>

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Implementation services

20 Definition; Applicability	<p>20.1 Implementation services ("Implementation Services") mean professional services related to the deployment of Subscription Services, including for example integration, parametrization, data transfers and conversions.</p> <p>20.2 When the deployment of Subscription Services includes Implementation Services, Sections 20-24, in addition to Common conditions and Governance conditions, apply to such Implementation Services or to the applicable part thereof.</p>
21 License	<p>21.1 You are hereby granted a limited, non-exclusive, non-transferable, non-sublicensable license to use the results and deliverables of the Implementation Services for your internal business purposes only in connection with the relevant Subscription Services during the Subscription Period.</p>
22 Customer Obligations	<p>22.1 You agree to contribute to the provision of Implementation Services with respect to the factors that are under your control and/or as reasonably instructed by us.</p> <p>22.2 You agree to make without delay the decisions necessary for the proper and timely provision of Implementation Services. Further, you shall assign all the resources, personnel and time required for the timely and efficient provision of Implementation Services as reasonably instructed by us.</p>
23 Invoicing	<p>23.1 We will invoice you for the fees upon completion of the Implementation Services.</p>
24 Acceptance; Warranty	<p>24.1 Shall have the same provisions as Section 7.1 ("written claim").</p> <p>24.2 We provide Implementation Services with the degree of skill and care reasonably expected from a skilled and experienced supplier of services substantially similar to the nature and complexity of Implementation Services, in material conformance with the Contract and associated documentation, including Service Description(s).</p> <p>24.3 Shall have the same provisions as Section 7.3 (City's "sole remedy").</p>

Governance conditions

25 Confidentiality	<p>25.1 We have specific and unique data, information, knowledge, and know-how regarding Subscription Services and their applications. All the data and information provided by us to you, inclusive of Service Descriptions, fees, drawings, technical data, technology, and materials, which is not publicly available, is proprietary and confidential to us ("Vaisala Information"). You agree to use Vaisala Information only for the purposes of the Contract. You will not disclose Vaisala Information to third parties (except to your affiliates) or copy, decompile, modify, reverse engineer, or create derivative works out of Vaisala Information. To the extent permitted by Minnesota Statutes, Chapter 13, the Minnesota Government Data Practices Act (the "Act") or other applicable law, or as required by a valid Order from a court of competent jurisdiction, you agree to not disclose proprietary Vaisala Information. We acknowledge that any Vaisala Information that we provide to you will be subject to the Act or other applicable law with you must comply.</p> <p>25.2 We agree not to use any of your data, including the data of your representatives, officials, employees, contractors, vendors, agents, or volunteers, for marketing activities related to our Subscription Services, including marketing by our channel partners and representatives.</p> <p>25.3 Reserved.</p>
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26 Intellectual Property Rights and Indemnification	<p>26.1 We, other Vaisala Group Companies, and our suppliers and licensors own all intellectual property rights in and related to Subscription Services, including software code, graphic design, layout and user interfaces, Service Descriptions, associated documents, related know-how, knowledge and processes, and any derivative works of them. All rights not expressly granted to you in the Contract are reserved by us, other Vaisala Group Companies, and our suppliers and licensors.</p> <p>26.2 Licenses to Product Data and Measurement Data are set forth in Section 2.4.</p> <p>26.3 Subscription Services may utilize open source or other third-party software which are subject to their respective license terms, which are deemed to be incorporated into, and in case of conflict, supersede, these Conditions. We are not responsible for the availability or fulfillment of any such software.</p> <p>26.4 Subscription Services may include links to or integrations with online and other services made available by third parties (other than Vaisala Group Companies) that are accessed through Subscription Services, and they are subject to terms and conditions of those third parties' services. You are deemed to have accepted such terms and conditions by using those third-party services.</p> <p>26.5 We act diligently to avoid third party intellectual property rights violations. If it is asserted that any Subscription Services or part thereof violates any third-party intellectual property right, we reserve the right to modify Subscription Services to remove such violations, or, if not commercially reasonable, refund prepaid fees for, and immediately terminate provision of, Subscription Services or parts thereof so affected.</p> <p>26.6 In the event remedy under Section 26.5 is not available, we shall hold harmless, defend and indemnify you, and each of your directors, officers, members, managers and employees (collectively, the "Customer Indemnified Parties") from and against any and all damages, losses, liabilities, costs and expenses suffered or incurred by any of Customer Indemnified Parties in any action, suit, litigation, arbitration or dispute brought by a third party arising or resulting from any claim that Subscription Services provided to you infringe any copyright, patent, or trademark, constitute a misappropriation of any trade secret, or violate any other intellectual property or proprietary right of any third party.</p> <p>26.7 Customer Indemnified Parties shall without delay notify us in writing about any such action, suit, litigation, arbitration or dispute, and they shall not settle or make any admissions in respect of the same. We shall be given the option, at our expense, to control the action, suit, litigation, arbitration or dispute, and you shall give all necessary information, authorization and assistance to defend the same.</p> <p>26.8 The provisions of this Section 26 are your sole remedy and our sole liability for any intellectual property infringements.</p> <p>26.9 You shall hold harmless, defend and indemnify us, and each of our directors, officers, members, managers and employees and our suppliers ("Vaisala Indemnified Parties") from and against any and all damages, losses, liabilities, costs and expenses suffered or incurred by any of Vaisala Indemnified Parties in any action, suit, litigation, arbitration or dispute brought by a third party arising or resulting from any claim that your use of Subscription Services, in a manner which is not compliant with the Contract, infringe any copyright, patent, or trademark, constitute a misappropriation of any trade secret, or violate any other intellectual property or proprietary right of any third party.</p>
27 Export Control; Licenses and Authorizations	<p>27.1 Each party acknowledges that Subscription Services and any information, data, forecast or similar item provided or generated by the Subscription Services may be subject to export control regulations as set forth by (i) the U.S. Department of Commerce Export Administration Regulations (EAR), U.S. Department of State International Traffic in Arms Regulations (ITAR) or other requirements of the U.S. Government; (ii) European Commission regulations; (iii) United Nations Security Council resolutions; and (iv) applicable local regulations (together the "Export Control Regulations") regulating the export and re-export of Subscription Services and any information, data, forecast or similar item provided or generated by Subscription Services.</p> <p>27.2 You represent that you, your affiliates and the authorized end-users of Subscription Services are not named on any Export Control Regulations list of restricted parties.</p>

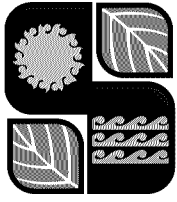
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	<p>27.3 Each party hereby agrees not knowingly export or re-export Subscription Services (and any information, data, forecast or similar item provided or generated by Subscription Services), directly or indirectly, to any country or a foreign national of a country in violation of the Export Control Regulations.</p> <p>27.4 You shall have full responsibility for obtaining any export and import licenses and other authorizations required to export, import and use Subscription Services. We shall not be obliged to commence performance of the Contract until all necessary licenses and authorizations have been obtained.</p> <p>27.5 You acknowledge that violation of this Section 27 may lead to termination of the Contract, refusal to enter into any future transaction with you, and indemnity under Section 5 (General Indemnity).</p>
28 Termination	<p>Except as provided in Section 8 of this contract, the parties agree as follows:</p> <p>28.1 In the event either party files for bankruptcy, makes arrangements with creditors due to financial difficulties, goes into voluntary or compulsory liquidation other than for the purpose of reconstruction, or has a receiver appointed, the other party may, without prejudice to any other rights or remedies, terminate the Contract with immediate effect by written notice (with email being sufficient).</p> <p>28.2 In the event that either party materially breaches the Contract and fails to cure the breach within thirty (30) days after being notified, the non-breaching party may terminate the Contract with immediate effect.</p> <p>28.3 In any event of termination, we shall be entitled to payment for Subscription Services already provided.</p> <p>28.4 Upon expiry or termination, to the extent permitted by the Act, other applicable law, Order from a court of competent jurisdiction, or the City's Data Retention Schedule, you shall (i) discontinue use of the Subscription Services and related information, data and other items; (ii) delete all copies of the Subscription Services components from your infrastructure; (iii) return or delete all Vaisala Information.</p>
29 No Assignment	<p>29.1 Neither party shall be permitted to assign or transfer the Contract to another company (unless by us to a Vaisala Group Company), in whole or in part, or any rights or obligations hereunder, except with the written authorization of the other party. Such authorization shall not be unreasonably withheld. Any attempted assignment in violation of this Section 29 shall be null and void.</p> <p>29.2 Nothing in this Section 29 shall limit our right to use subcontractors and third-party suppliers.</p>
30 Non-Waiver	<p>30.1 Failure to enforce any right under the Contract will not be deemed a waiver of future enforcement of that or any other right.</p>
31 Data Privacy	<p>31.1 Reserved.</p>
32 Reference Rights	<p>32.1 We may refer to you as our customer in sales presentations and sales activities with other customers. Upon written consent from you, we may refer to you as our customer in all types of communication and media.</p>
33 Governing Law and Dispute Resolution	<p>33.1 The Contract shall be governed by and constructed in accordance with the laws of the State of Minnesota.</p> <p>33.2 The parties shall first try to resolve any dispute relating to or arising from the Contract through good faith negotiations. If the parties are unable to resolve the dispute through negotiations, the parties shall have right to pursue all of its rights at law or in equity in the Federal District Court for the District of Minnesota, or in the District Court, Fourth Judicial District, Hennepin County, Minnesota.</p>

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City of Shorewood

City Council Meeting Item

Item
8A

Title/Subject: Adopt Resolution Filling Council Vacancy and Appointing New Member
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator
Attachments: Resolution

Background

Following the resignation of Council Member Johnson, the Council declared a vacancy (Resolution 23-055) and began accepting applications for residents interested in being appointed to complete the term. Applications were accepted until 12:00 PM on Tuesday June 20, 2023. Interviews of all applicants were held on June 12th and June 26th. Candidates to fill the Council vacancy are:

- | | |
|---------------------|-----------------|
| Jason Allerdig | Pamela Magistad |
| Michelle DiGruttolo | Conrad Nill |
| Nat Gorham | Sarah St. Louis |
| Ian Jamieson | Scott Zerby |

Council should discuss the applicants, considering their application materials and interviews, and select a candidate to fill the remaining term. The selected candidate will be sworn in on July 10, 2023.

Financial Considerations

None.

Action Requested

Motion to approve the attached resolution appointing _____ to fill the Council vacancy for the remainder of the term.

A majority vote by the Council is required. Minnesota Statutes 412.02, Subd 2a state that in the event of a tie vote the Mayor shall make the appointment.

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

RESOLUTION 23-063

A RESOLUTION TO FILL A COUNCIL VACANCY

WHEREAS, the City Council adopted Resolution No. 23-055 declaring a Council vacancy on May 22, 2023 ; and

WHEREAS, less than two years remain in the term of the vacant council seat and the vacancy occurred before the first day to file for candidacy for the next regular city election; and

WHEREAS, Minnesota Statutes 412.02, Subd 2a state a vacancy in an office should be filled by council appointment until an election is held, and that in the case of a tie vote, the Mayor shall make the appointment; and

WHEREAS, the City advertised the vacancy using its newsletter, website, social media, message board and local newspaper; and

WHEREAS, after discovering a technical problem with the online submission form, the City extend the submission deadline from Noon on June 9, 2023 to Noon on June 20, 2023; and

WHEREAS, as of June 20, 2023, eight candidates have submitted applications to fill the Council vacancy; and

WHEREAS, the City Council has reviewed the applications and interviewed interested candidates on June 12, 2023 and June 26, 2023; and

WHEREAS, the Council has deliberatively discussed and considered the candidates as part of its regular meeting agenda on June 26, 2023.

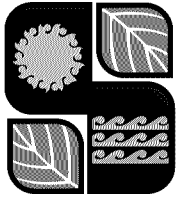
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Shorewood appoints _____ to fill the Council vacancy for the remainder of the term, which will expire January 2, 2025.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 26th day of June 2023.

Jennifer Labadie, Mayor

ATTEST:

Sandie Thone, City Clerk



City of Shorewood

City Council Meeting Item

Item
8B

Title/Subject: Council Assignments
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator
Attachments: Current 2023 Council Assignments

Background

With the appointment of a new council member, the City Council should review the current committee and liaison assignments for the remainder of the year and make adjustments where appropriate. Currently the Excelsior Fire District Board Member and Council Rep/Park Commission Liaison (July to December) assignments are vacant.

Financial Considerations

None

Action Requested

Motion to approve the attached resolution revising the 2023 Council's Annual Appointments.

A majority vote by the Council is required.

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

RESOLUTION 23-064

**A RESOLUTION REVISING AND DESIGNATING 2023 ANNUAL APPOINTMENTS
TO CERTAIN OFFICES AND POSITIONS WITHIN THE CITY OF SHOREWOOD**

WHEREAS, it has been the policy of the Shorewood City Council to make annual appointments to fill certain offices and positions within the City government at the beginning of each year; and

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

1. That the following persons are appointed to the following offices and positions:

Acting Mayor:	Councilmember Callies
Council Rep/Park Commission Liaison:	
January – June 2023:	Councilmember Sanschagrín
July – December 2023:	Councilmember Johnson _____
Council Rep/Planning Commission Liaison:	
January – June 2023:	Councilmember Maddy
July – December 2023:	Councilmember Callies
Lake Minnetonka Communications Commission:	Councilmember Sanschagrín
Alternate LMCC:	Councilmember Maddy
South Lake Minnetonka PD Coordinating Committee:	Mayor Labadie
Alternate SLMPD CC:	Councilmember Callies
Excelsior Fire District Board Member:	Councilmember Johnson _____
Alternate EFD Board Member:	Councilmember Maddy
Weed Inspector:	Mayor Labadie-per State Statute
Assistant Weed Inspector(s):	Chris Heitz & Luke Weber
Electronic Funds Transfer Authority:	Joe Rigdon, Michelle Nguyen, Marc Nevinski

2. That the following other appointments are made:

City Attorney:	Jared Shepherd, Campbell Knutson, P.A.
City Prosecutor:	Campbell Knutson, P.A.

3. Official Depositories: Alerus Bank, 4M Fund and other Depositories as necessary
4. Official Newspaper: Sun Sailor (and Laker Pioneer News as applicable)
5. In absence of the City Clerk, the City Administrator is authorized to sign contracts on behalf of the City.

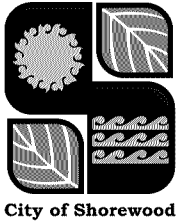
That such appointments shall take effect on the date hereof and shall continue for the remainder of the year or until such time as a successor is appointed by the City Council.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 26th day of June 2023.

Jennifer Labadie, Mayor

ATTEST:

Sandie Thone, City Clerk



City Council Meeting Item

Title/Subject: Approval of South Lake Minnetonka Joint Powers Agreement
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator
Attachments: Resolution
Joint Powers Agreement dated 6.13.2023

Background

The Joint Powers Agreement that governs the South Lake Minnetonka Police Department is set to expire at the end of 2023. Last fall the cities of Shorewood, Greenwood, and Tonka Bay agreed to and approved an updated JPA but Excelsior delayed approval and instead proposed a host of changes to the JPA at the April 11, 2023 Coordinating Committee meeting. A number of the changes were relatively minor and generally not viewed as particularly controversial. These included:

- Various clarifications and updating terminology.
- Reducing five-year data intervals to three
- Adjusting the procedure if an annual budget is not approved. (Sec 7, Subd 2, A and D, respectively)
- Tasking the Operating Committee (City Administrators/Manager) with day to day supervision of the Chief. (Sec 6)
- Adjustments to requirements for a party to withdrawal or dissolution of JPA (Secs 10 & 11)
- Expenditure guidelines for the Chief (Sec 12)

Council discussed the proposed modifications at it May 22nd work session and assigned Mayor Labadie and Councilmember Sanschagrín to the JPA working group, which met on June 7th. The most notable changes included:

- *Duration of JPA:* 20 year term, beginning August 1, 2023, which will automatically renew for an additional 20 year term unless a member submits notification two years in advance. (Section 8).
 - Terms of five, ten and indefinite periods were also discussed. Shorter periods were favored by Excelsior which wanted an opportunity to review the JPA for frequently in light of the changing policing practices, as well as provide members more leverage to propose changes. The working group felt that for the stability of the department and strategic planning, it was important to have a longer term for the JPA.
- *Formula:* Retain the current formula structure, which includes using the 2006 arbitration formula. However, the working group agreed to reducing the data review intervals from five years to three years. (Section 7, B)
 - Several alternative formulas were discussed, including changes to the weight of the formula components. Although proposed changes may result in a simpler

formula, the majority of the working group believed it wasn't worth the protracted process to explain and gain support of the member councils.

- ***Additional Modifications:***

- A number of modifications were made to clarify or clear up existing language; added duties to the operating committee (Section 6, D) and the coordinating committee (Section 5, Subd 12);
- Added the budget formula to the JPA (Section 7, Subd 2);
- added language about the timing of a withdrawal (Section 10, Subd 1, A), revisions to the JPA in such and event (Subd 3) and clarified that the JPA remains in full force and effect until remaining parties vote for dissolution (Section 11, subd 1).
- Allow the Chief to make unbudgeted expenditures up to \$20,000 without the operating committee's approval. (Section 12, G)
- Set a time frame for dispute resolution (Section 14)

Financial Considerations

Currently Shorewood spends approximately \$1.5M on policing. Not entering into an updated JPA would require contracting with another community – perhaps for more money and less service – or establishing its own police department, likely at two to three times the current operating cost.

Action Requested

Motion to adopt the attached resolution approving the revised joint powers agreement and authorizing the Mayor to execute the finished draft, allowing for any non-substantive changes.

A majority vote by the Council is required.

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

RESOLUTION 23-065

A RESOLUTION APPROVING A REVISED JOINT POWERS AGREEMENT GOVERNING THE SOUTH LAKE MINNETONKA POLICE DEPARTMENT

WHEREAS, the Cities of Shorewood, Excelsior, Tonka Bay and Greenwood are members of the South Lake Minnetonka Police Department, which is established through a joint powers agreement, originally executed in 1973 and modified from time to time pursuant to Minnesota Statutes Section 471.59; and

WHEREAS, the current joint powers agreement is due to expire at the end of 2023; and

WHEREAS, the current member cities desire to continue to operate the joint powers agreement in order to provide high quality police services to the community at a cost effective manner; and

WHEREAS, the member cities have discussed and agreed to revisions to the joint powers agreement, which are reflected in the draft dated June 13, 2023 and attached to this resolution as Exhibit A; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Shorewood approves of and authorizes the Mayor to execute the finished draft of the joint powers agreement attached as Exhibit A, allowing for any non-substantive changes.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD this 26th day of June 2023.

Jennifer Labadie, Mayor

ATTEST:

Sandie Thone, City Clerk

EXHIBIT A
Joint Powers Agreement dated June 13, 2023
South Lake Minnetonka Police Department



South Lake Minnetonka Police Department Joint Powers Agreement

TO PROVIDE FULL-TIME POLICE PROTECTION AND SERVICE FOR THE CITIES OF EXCELSIOR, GREENWOOD, SHOREWOOD, AND TONKA BAY

06.13.23 3PM DRAFT FOR 08.01.23 EFFECTIVE DATE

The Parties to this Joint Powers Agreement (“JPA” or “Agreement”) are the municipalities of Excelsior, Greenwood, Shorewood, and Tonka Bay of the State of Minnesota which have the responsibility for providing for law enforcement within their respective cities so as to enforce the ordinances of these cities and the laws of the State of Minnesota. The original police department JPA for the Parties was executed in 1973. This updated Agreement is made pursuant to Minnesota Statutes, Section 471.59.

Section 1: General Purpose

The general purposes of this Agreement are to continue employment of a full-time Chief of Police to act on behalf of the Parties to this Agreement and to provide assistance to the Chief of Police in the form of police officers, community service officers, administrative staff, police facility, equipment, and supplies as may be necessary so as to provide the Parties with law enforcement services in the discharge of the duties imposed upon said municipalities to protect and serve the health and welfare of their citizens and property located within their cities. It is the opinion of the Parties to this Agreement that continued joint action to operate a joint police department to serve the four communities will continue to result in a higher standard of police service, closer control of the police force by the municipalities it serves, and more efficiency and financial savings to the communities.

Section 2: Definition of Terms

For the purpose of this Agreement, the terms in this section shall have the following meanings:

- A. “Committee” means the organization created under this Agreement, the full name of which is the “Coordinating Committee for the South Lake Minnetonka Police Department.”
- B. “Committee Funds” means all funds for the South Lake Minnetonka Police Department.
- C. “Committee Member” means a member of the Committee.
- D. “Council” means the governing body of the Governmental Unit which is a Party to this Agreement.
- E. “Governmental Unit” means a city or municipality.
- F. “ICR” means Incident Call Reports as compiled for each of the Parties by the SLMPD. The ICR numbers used for the funding formula do not include citations.
- G. “Later Party” means a Governmental Unit which enters into this Agreement at some time after the Committee is originally constituted.
- H. “Operating Committee” means the chief administrative officer of each of the Parties.
- I. “Party” means a Governmental Unit which enters into this Agreement.
- J. “Pro Rata” means the remaining Parties split the departing Party’s allocation percentage of the current operating budget as shown by the example below.

	Original Allocation %	Original Share of Budget							
Departing City	25%	\$250,000							
Remaining City 1	50%	\$500,000							
Remaining City 2	15%	\$150,000							
Remaining City 3	10%	\$100,000							
TOTAL BUDGET	100%	\$1,000,000							
	Original Allocation %		New Allocation %	Departing City's Portion of Budget		Pro Rata Share of Departing City's Allocation		Original Share of Budget	New Share of Budget
Remaining City 1	50%	divided by 75% =	66.667%	x \$250,000 =	\$166,667	+	\$500,000	=	\$666,667
Remaining City 2	15%	divided by 75% =	20.000%	x \$250,000 =	\$50,000	+	\$150,000	=	\$200,000
Remaining City 3	10%	divided by 75% =	13.333%	x \$250,000 =	\$33,333	+	\$100,000	=	\$133,333
	75%		100.000%		\$250,000				\$1,000,000

- K. "SLMPD" means the "South Lake Minnetonka Police Department," which shall be the name of the police force created hereunder.
- L. "Supplemental Services" means any additional police services requested and paid by any of the Parties separate from the operating budget.
- M. "Unanimous agreement of the Parties" means that the measure is approved by a majority vote of Council members present at the Council meetings of each of the Parties. If one or more of the Councils does not approve the measure on a majority vote, there is no unanimous agreement.

Section 3: Governing Body

Subdivision 1. The Committee, consisting of one Committee Member from each Party, shall be the governing body. Each Committee Member shall have an equal voice in the affairs of the Committee.

Subdivision 2. The person holding the office of mayor of a Party to this Agreement shall be a Committee Member and serve on the Committee as representative of said Party. An alternate Committee Member may be appointed by the Council of each Party from the members of said Council to serve for a term of one calendar year and represent said Party on the Committee in the absence of the mayor. The Committee Member and alternate shall serve without compensation from the Committee.

Subdivision 3. A majority of the Committee Members shall constitute a quorum at meetings of the Committee.

Subdivision 4. A vacancy on the Committee shall be filled by the Council of the Parties whose position on the Committee is vacant.

Subdivision 5. No Committee Member shall be eligible to vote on behalf of his / her Party during the time that such Party is in default on any financial payment required to be paid under the terms of the Agreement nor shall the vote of such Party be counted for the purposes of determining a quorum.

Section 4: Officers & Meetings

Subdivision 1. The chair and vice chair shall be determined on a rotating basis at the first meeting of each year. The chair shall facilitate meetings and execute all financial and legal instruments of the Committee. The vice chair shall assume all duties of the chair in the event the chair is unable to fulfill the duties of the position.

Subdivision 2. Regular meetings of the Committee shall be held once each quarter as follows: The second Wednesday of January, the second Wednesday of April, the second Wednesday of July, and the second Wednesday of October. Any regular meeting date may be rescheduled by unanimous agreement of Committee Members. The purpose of the regular meetings shall be to set budgets, review expenditures, and discuss / take action on other operating matters. Special meetings shall be at the call of any Committee Member. Notice of such a meeting shall be posted and provided by the SLMPD in accordance with state statutes.

Subdivision 3. Business of the Committee shall be conducted according to Roberts Rules of Order.

Section 5: Powers & Duties of the Committee

Subdivision 1. The powers and duties of the Committee shall include the powers set forth in this section.

Subdivision 2. It shall establish qualifications and duties for the position of Chief of Police of the SLMPD.

Subdivision 3. It shall hire said person to act as Chief of Police for the SLMPD at such salary and in accordance with such terms and conditions of employment as it shall determine. It also has the authority to discipline and terminate the Chief of Police.

Subdivision 4. It shall approve new positions (e.g. Deputy Chief, Drug Task Force Officer, etc.) ~~by unanimous vote of the Committee.~~

Subdivision 5. It shall approve union contracts by unanimous vote of the Committee.

Subdivision 6. It shall provide office space, equipment, and supplies as necessary to accomplish the duties and responsibilities of law enforcement within the boundaries of the Parties.

Subdivision 7. It shall select a qualified accounting / auditing firm to prepare financial statements and conduct an annual financial audit. All of its books, reports, and records shall be available for and open to examination by the Parties at reasonable times.

Subdivision 8. It may accumulate reasonable reserve funds for the purposes as here in provided and it may invest funds of the Committee not currently needed for its operations in a manner and subject to the laws of Minnesota applicable to cities.

Subdivision 9. It may collect monies from Parties subject to this Agreement.

Subdivision 10. It may recommend changes in this Agreement to the Parties which shall be effective, however, only upon unanimous agreement of the governing bodies of all Parties.

Subdivision 11. It shall exercise general supervision over the law enforcement and standards of law enforcement for the Parties.

Subdivision 12. It shall annually approve a fee schedule for the SLMPD by unanimous vote of the Committee.

Section 6: Operating Committee

The powers and duties of the Operating Committee shall include the following:

- A. Advising the Coordinating Committee.
- B. Meeting with the Chief of Police once per month.
- C. Participating in labor negotiations on a rotating basis.
- D. **Functioning as the personnel committee for complaints or issues regarding the Chief of Police.**
- E. Other duties and projects as assigned by the Coordinating Committee.

Section 7: Financial Matters

Subdivision 1. Except as otherwise provided herein, the Committee funds may be expended by the Committee in accordance with procedures established by law for the expenditure of funds by Minnesota cities. Orders, checks, and drafts shall be signed by two persons. Authorized signers shall be the Committee chair, Committee vice chair, Chief of Police, 2nd in command officer, and the SLMPD administrator.

Subdivision 2.

- A. The allocation for funding the SLMPD operations, other than for any Party's Supplemental Services, shall be set taking into consideration the Party's tax capacity, ICR statistics, and population using the **below allocation** formula as shown on the attached Exhibit A.

AA = Arbitration Allocation for each Party:

Excelsior	27%
Greenwood	8%
Shorewood	50%
Tonka Bay	15%

C = Current 3-year average of Population, Tax Capacity, and ICRs for each Party with each factor weighted at 33¹/₃%.

Population source: Metropolitan Council.

Tax Capacity source: Hennepin County Adjusted Net Tax Capacity.

ICR source: SLMPD (does not include citations initiated by officers).

PR = Previous 3-year average of Population, Tax Capacity, and ICRs for each Party with each factor weighted at 33¹/₃%.

DI (Difference) = C – PR (Current minus Previous 3-year average for each Party)

NA = New Allocation.

Allocation Formula: NA = AA + D

Note: The adjustments do not result in a shift to a formula based purely on population, tax capacity, and ICR statistics but are only used to adjust incrementally the Arbitration Allocation to the extent the three factors differ from the previously established data.

- B. The operations funding percentages were last revised in July 2021 for 2022-26 budgets and shall continue to be reviewed and adjusted in **three-year** increments (next adjustment will occur in **2026 for 2027-29** budgets, etc.).
- C. Each Party shall fund the SLMPD the full amount of the allocation pursuant to the terms of the JPA.
- D. The approved annual operating budget for each year shall be determined in advance by Unanimous agreement of the Parties. If the Parties do not unanimously agree on the approved annual operating budget by September 1st of each year, the **operating budget will remain the same as it was in the preceding year except for wage or benefit increases**

required by any union contracts. Each Party shall be entitled to full and complete SLMPD services funded by the SLMPD annual operating budget and preclude delivery of multiple tiers or levels of services to Parties.

- E. 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.

Section 8: Duration

This Agreement shall take effect August 1, 2023 and automatically renew every 20 years unless any Party submits written notification to the Coordinating Committee two years in advance. Any party may request review of this agreement at any time.

Section 9: Adding Parties

Subdivision 1. Any other Governmental Unit may become a Later Party to this Agreement upon Unanimous agreement of the Parties to this Agreement.

Subdivision 2. Details regarding process, funding, additional personnel, building ownership, etc. will be recommended by the Committee and must be approved by Unanimous agreement of the Parties to this agreement.

Section 10: Withdrawal

Subdivision 1. Any Party may withdraw from this Agreement subject to the provisions below:

- A. Written notice of withdrawal must be made by filing notice with the Committee by October 1 for withdrawal. Such withdrawal would be effective December 31 of the year following notice.
- B. All capital equipment remains the property of the SLMPD.
- C. A withdrawing Party shall not participate in budget approval for the calendar year in which its withdrawal commences.
- D. A withdrawing Party shall continue to have an ownership interest in the building. The ownership interest shall not include a right of use or occupation but shall entitle the Party to its Pro Rata share of any revenue generated through the lease, sale, or other conveyance of the building. The Pro Rata share shall be commensurate with the percentage based on the most current Adjusted Net Tax Capacity for each of the Parties posted on the Hennepin County website.

Subdivision 2. In the event the corporate existence of a Party is terminated, or a Party is consolidated with another municipality not a Party to this Agreement, then the obligations of such Party hereunder shall cease as of the effective date of such termination or consolidation. If said effective date shall occur at a time other than the end of a budget year, the withdrawing Party's financial obligation for the budget year in progress at the time of said effective date shall be pro-rated for such budget year as of said effective date.

Subdivision 3. The withdrawal of a Party under this subdivision shall not automatically terminate this Agreement or the obligations of the remaining Parties. Following such a withdrawal, a revised version of this Agreement (with new funding allocations) shall be reviewed and have Unanimous Agreement of the remaining Parties before January 1 (15 months after written notice is received). In the event that the Parties fail to approve a revised version of this Agreement by January 1, the departing Party's allocation shall be split between the remaining Parties on a Pro Rata basis.

Section 11: Dissolution

Subdivision 1. This Agreement shall remain in full force and effect until all the remaining Parties have voted in favor of dissolution or the term of the Agreement has expired.

Subdivision 2. Cash assets and proceeds from non-cash assets held by the Committee at the time of dissolution to this Agreement shall be divided and distributed to the Parties in proportion to the contributions made by the Parties to the total cost of law enforcement during the period of this Agreement. If the Parties cannot agree with respect to the value of non-cash assets, two appraisers will be selected by the Committee to appraise the non-cash assets. The two appraisers so selected will select a third appraiser. The values as determined by a majority of the appraisers shall be attributed to the non-cash assets in question. Cost of appraisers shall be paid by the Parties using the funding formula at the time of the dissolution.

Section 12: Officers & Employees

Subdivision 1. The Chief of Police employed by the Committee shall serve as Chief of the SLMPD and shall have the following duties and be invested with the following authority:

- A. Shall be in full and complete charge of all personnel matters and employees of the department including sworn and non-sworn.
- B. Shall set standards of performance of police officers and non-sworn employees.
- C. Shall be in complete charge of all matters relating to law enforcement and to its administration, including assignment of duty and responsibilities to all employees.
- D. Shall interview and consider applications for employment of all employees and shall make all hiring and termination decisions.
- E. Shall discipline all employees, sworn, and non-sworn.
- F. Shall be responsible for all labor grievance matters. Such actions shall be in accordance with the laws of the State of Minnesota and outstanding contractual agreements governing the same.
- G. Shall be allowed to make **unbudgeted** purchases up to \$20,000 without Coordinating Committee approval.

Subdivision 2. The Chief of Police shall be responsible for developing new job descriptions for various positions within the department deemed necessary for the efficient operation of the department.

Subdivision 3. It shall be the duty and responsibility of the Chief of Police to communicate directly with the respective Councils of the Parties in the event the Chief of Police deems it necessary to receive direction on any matter arising out of or involving the jurisdiction of any particular Council.

Subdivision 4. All police officers, including the Chief of Police, shall enforce and be provided authority to enforce the laws of the Parties to this Agreement through proper action of the Council of said Parties. The Committee shall assume all obligations with regard to Worker's Compensation, PERA, withholding tax, insurance, union negotiations, fringe benefits, Social Security, and the like for all employees including the Chief of Police, all police officers, community service officers, and administrative staff.

Section 13: Prosecution – Violation of Ordinances & Laws

The respective Parties to this Agreement shall be responsible for and pay the cost of all prosecutions for violations occurring within their respective boundaries which are subject to prosecution by a Party's municipal attorney, including expenses incurred by reason of police officers making their services available for court appearances in such prosecutions. All returns of fines from district court shall be the sole property of the Party in whose jurisdiction the offense occurred.

Section 14: Dispute Resolution

When any Party has a dispute regarding the Agreement, that Party may initiate a dispute resolution process by submitting a written statement outlining the dispute to the Committee at one of its regularly scheduled meetings. The members of the Committee will then bring that dispute to their respective Councils. **The Committee will meet to discuss the dispute within 120 days after the submission of the written statement, and the Committee has a 90-day period to resolve the dispute commencing with this meeting.**

If the dispute is not resolved within the 90-day period, the aggrieved Party has the right to demand that the Committee forward the dispute **to mediation**. The costs of the mediator will be paid for by the aggrieved Party unless decided otherwise by majority consent of the Committee.

If the mediation process does not bring consensus regarding resolution of the disputed issue, the aggrieved Party may submit the issue to binding arbitration 90 days following the commencement of mediation. This date may be extended with unanimous consent of the Committee. The aggrieved Party's right to submit the dispute to arbitration expires 150 days after the commencement of mediation. This expiration deadline can be extended with unanimous consent of the Committee. The Parties shall share the cost of the arbitration process in the same proportion as they are sharing the operating budget at the time the dispute resolution process is initiated. Each Party shall bear the costs of its own representation in the mediation and arbitration processes. The arbitrator or arbitration panel shall be selected by mutual agreement of the Parties and shall have the authority to order that any Party bringing a frivolous or unfounded dispute be required to pay the costs of the arbitration process. The provisions of Minn. Stat. § 549 .211 shall be used to determine whether a dispute is frivolous or unfounded. In the event that the Parties cannot agree on an arbitrator or arbitration panel within 30 days of the date on which the aggrieved Party initiates arbitration, the aggrieved Party shall select one arbitrator, the other Parties shall select another, and the two selected arbitrators shall select a third.

Repeal of Memorandum of Understanding

The Memorandum of Understanding dated February 13, 2002 is hereby repealed.

The Cities of Excelsior, Greenwood, Shorewood, and Tonka Bay have caused this Agreement to be executed in their behalf by their proper officers duly authorized by resolution of their respective City Councils.

BY THE CITY OF EXCELSIOR

Todd R. Carlson, Mayor

Date

BY THE CITY OF GREENWOOD

Debra J. Kind, Mayor

Date

BY THE CITY OF SHOREWOOD

Jennifer Labadie, Mayor

Date

BY THE CITY OF TONKA BAY

Adam Jennings, Mayor

Date

Exhibit A

Referenced in Section 7

ALLOCATION FORMULA FOR SLMPD OPERATING FUND

No changes will be made to the 2022-2026 allocation. In 2026, the below formula will be adjusted for 2027-2029 budgets using "Current" the data on the right as the "Previous" data on the left and the new "Current" data on the right will be 2022-2024 for population and 2023-2025 for tax capacity and ICRs.

Going forward, the same allocation formula is used every 3 years.

POPULATION - PREVIOUS

	2014	2015	2016	Average	% of Avg. Total
Excelsior	2,273	2,262	2,225	2,253	18.8890%
Greenwood	689	702	703	698	5.8511%
Shorewood	7,425	7,458	7,496	7,460	62.5321%
Tonka Bay	1,488	1,509	1,558	1,518	12.7277%
	11,875	11,931	11,982	11,929	99.9999%

TAX CAPACITY - PREVIOUS

	2015	2016	2017	Average	% of Avg. Total
Excelsior	4,226,789	4,638,729	4,973,275	2,767,759	14.9618%
Greenwood	3,241,439	3,387,471	3,749,653	2,075,713	11.2207%
Shorewood	16,027,049	16,798,414	17,582,141	10,081,521	54.4980%
Tonka Bay	5,796,033	5,882,972	6,190,423	3,573,886	19.3195%
	29,293,325	30,709,602	32,497,509	18,498,878	100.0000%

INCIDENT CALL REPORTS - PREVIOUS

	2015	2016	2017	Average	% of Avg. Total
Excelsior	2,354	2,398	2,129	1,376	36.8106%
Greenwood	401	376	352	226	6.0397%
Shorewood	3,175	2,796	2,697	1,734	46.3703%
Tonka Bay	861	577	577	403	10.7794%
	6,791	6,147	5,755	3,739	100.0000%

POPULATION - CURRENT

	2017	2018	2019	Average	% of Avg. Total
	2,352	2,321	2,566	2,413	19.3924%
	724	706	708	713	5.7275%
	7,708	7,693	7,934	7,778	62.5117%
	1,526	1,550	1,541	1,539	12.3684%
	12,310	12,270	12,749	12,443	100.0000%

TAX CAPACITY - CURRENT

	2018	2019	2020	Average	% of Avg. Total
	5,436,784	5,774,617	6,235,205	5,815,535	16.1158%
	3,960,542	4,090,777	4,444,257	4,165,192	11.5424%
	18,738,484	19,376,580	20,198,532	19,437,865	53.8655%
	6,590,064	6,681,790	6,730,124	6,667,326	18.4763%
	34,727,892	35,925,783	37,610,138	36,085,919	100.0000%

INCIDENT CALL REPORTS - CURRENT

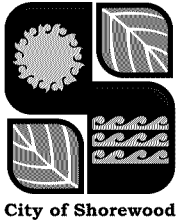
	2018	2019	2020	Average	% of Avg. Total
	1,819	1,872	1,700	1,797	33.9612%
	319	383	387	363	6.8603%
	2,714	2,621	2,516	2,617	49.4582%
	525	551	467	514	9.7203%
	5,377	5,427	5,070	5,291	100.0000%

	1/3 Pop	1/3 Tax Cap	1/3 ICRs	Previous 3yr Average Totals
Excelsior	6.2963%	4.9873%	12.2702%	23.5538%
Greenwood	1.9504%	3.7402%	2.0132%	7.7038%
Shorewood	20.8440%	18.1660%	15.4568%	54.4667%
Tonka Bay	4.2426%	6.4398%	3.5931%	14.2755%
TOTAL	33.3333%	33.3333%	33.3333%	99.9999%

1/3 Pop	1/3 Tax Cap	1/3 ICRs	Current 3yr Average Totals	Difference (Current - Previous)	Arbitration Allocation	New Allocation (Arbitration Allocation + Difference)
6.4641%	5.3719%	11.3204%	23.1564%	-0.3973%	27.0000%	26.6027%
1.9092%	3.8475%	2.2868%	8.0434%	0.3396%	8.0000%	8.3396%
20.8372%	17.9551%	16.4861%	55.2784%	0.8117%	50.0000%	50.8117%
4.1228%	6.1588%	3.2401%	13.5217%	-0.7539%	15.0000%	14.2461%
33.3333%	33.3333%	33.3333%	99.9999%		100.0000%	100.0000%

Tax Capacity Source: Hennepin County 'Adjusted Net Tax Capacity'
 ICR Source: SLMPD (does not include citations)
 Population Source: Met Council

Updated 06.13.23



Title/Subject: Approve the SLMPD 2024 Budget
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator
Reviewed by: Joe Rigdon, Finance Director
Attachments: Police Chief 2024 Budget Power Point
Resolution

Background

The SLMPD must submit its proposed 2024 budget to the member cities for approval. The Coordinating Committee will consider the final 2024 budget on July 12th. The proposed 2024 SLMPD budget includes several options that the Coordinating Committee reviewed in a work session on June 14th.

- Option 1 increases the budget by 6.3%, due largely to wage increases for officers, and would mean a cost to Shorewood of \$1,573,891 for policing services in 2024.
- Option 2 limits the increase to 4.7% by removing \$47,000 of training and education expenses. This increase would mean a cost to Shorewood of \$1,550,525 for policing services in 2024, a difference of \$23,366.
- Option 3 further limits the increase to 4.0% by removing both the aforementioned \$47,000 and an additional \$22,800 in uniforms and gear. This increase would mean a cost to Shorewood of \$1,539,191 for policing services in 2024, a difference of \$34,700.

An additional and important factor for Council to know is that the 2023 Legislature provided cities with additional police funding in the form of a Public Safety Aid Package. The funds are allocated to the cities (not the SLMPD) for eligible uses, including retention/ recruitment, training, equipment, wages, mental health response, engagement, and violence prevention. Capital improvements, tactical vehicles and chemical munitions are prohibited uses. The Coordinating Committee felt it was important not use the funds to pay for operating expenses, but rather the funds should be put towards one-time expenditures. However, the Committee concluded that the decision would be up to each member's city council as to how it wished to fund police services.

Shorewood is anticipated to receive \$342,512 from the aid package and the amount must be certified by the commissioner by August 1st. Funds will be received by December 26th.



Financial Considerations

The Council will be committing to funding the SLMPD without having completed its own 2024 budget. The 2023 cost for SLMPD was \$1,484,218, and the increase for 2024 could be as high as \$1,573,891, assuming option 1, an increase of \$89,673. Staff believes it is important to invest in officer training, education, equipment and gear, and that delaying investments now often means paying for them later at increased cost. Staff also agrees that one-time funding should be used to pay for one-time, finite, expenses and not ongoing, annual operating costs, as eventually those one-time funds run out and but the costs to operate continue indefinitely. Staff recommends the Council approve Option 1 and then consider how it may wish to fund the increase using either levy dollars, aid dollars or a combination of both during its 2024 budget discussions.

Action Requested

Motion to adopt resolution approve the South Lake Minnetonka Police Department 2024 Budget, Option 1 – a 6.3% increase.



A majority vote by the Council is required.



2024 Budget Proposal

June 14th, 2023
Chief Brian J. Tholen



1



Work Session Goals:

- Detailed Budget Review: Increases/Decreases (Wages, Union Negotiations, Insurance, PERA, Utilities etc.) 6.3 %, 4.7% and 4.0%
- Public Safety Bill Funding SF2416
 - Amounts for each city / Timing of deposits
 - Restrictions and allowances
 - Use to balance budget at 4.7%
 - Use to balance budget at 4.0%
- Review and discussion on the 6.3%, 4.7% or 4.0% Proposal.
- Discussion and a consensus on what should be presented on July 12th meeting

2






Explanations on the increases/decreases

- Wages / Union Contracts:
 - 3 Year Contract
 - 8% Wage increase: Tentative Agreement for officers & anticipating the same for Sergeants

50100 - Full-Time Salaries	1,939,613	1,796,522	8.0%
50200 - General Overtime	35,000	35,000	0.0%
50230 - Reimbursed Overtime	53,500	53,500	0.0%
50300 - Part-Time Salaries	41,922	60,970	-31.2%

3



Explanations on the increases/decreases

(cont.)

- Insurance: (Health & Disability), Social Security, PERA and Medicare

50500 · Social Security & Medicare	37,531	34,513	8.7%
50600 · PERA Pensions	337,763	314,136	7.5%
50700 · Insurance Benefits	320,664	316,351	1.4%
50800 · Disability Benefits	8,400	6,500	29.2%
56000 · Insurance	189,962	160,556	18.3%


4



Explanations on the increases/decreases
(cont.)

□ Contracted Services, Repairs, Maintenance, Utilities, Equipment and Supplies:

51000 · Contracted Services	39,357	39,682	-0.8%
52100 · Equipment Leases	62,323	64,861	-3.9%
52200 · Repairs and Maintenance	88,145	94,852	-7.1%
52300 · Utilities	78,983	71,366	10.7%
52400 · Janitorial & Cleaning	10,340	10,340	0.0%
52500 · Printing & Publishing	2,500	2,500	0.0%
53000 · Supplies / Fuel	86,455	86,455	0.0%
54000 · Uniforms & Gear	22,800	21,600	5.6%



5






Explanations on the increases/decreases
(cont.)

□ Training, Education, Subscriptions, CIP, Special Projects:

54500 · Training and Education	47,000	36,000	30.6%
56000 · Insurance	189,962	160,556	18.3%
56100 · Subscriptions & Memberships	2,130	2,130	0.0%
57000 · Special Projects	18,860	23,865	-21.0%
58000 · Capital Plan	74,169	71,691	3.5%

6

Public Safety Aid Package



SF 2416 / HF 1938

- Shorewood: \$342,512
- Greenwood: \$31,682
- Tonka Bay: \$62,709
- Excelsior: \$103,274

\$540,177

The commissioner must certify the aid amount to be paid in 2023 to each county, Tribal government, and local unit by August 1, 2023. The commissioner must make the full 2023 payment to each county and local unit by December 26, 2023.

7

Public Safety Aid Package

SF 2416 / HF 1938

Estimated Public Safety Aid for Cities and Eligible Towns
(per SF2416, as proposed to be amended by A-1)

Bjorn Arneson, SCRFA
bjorn.arneson@senate.mn

City/Town	Total 2021 population	Aid-eligible population	Share of total aid-eligible pop.	Aid amount
EXCELSIOR	2,360	2,360	0.05%	103,274
GREENWOOD	724	724	0.02%	31,682
SHOREWOOD	7,827	7,827	0.16%	342,512
TONKA BAY	1,433	1,433	0.03%	62,709

8



Explanation of the 2023 Public Safety Bill Funding:

SF 2416 / HF 1938 *(cont.)*

- Eligible use of these funds for Public Safety only:
 - Community violence prevention and intervention programs
 - Community Engagement
 - Mental health crisis responses
 - Victim services
 - Training, Retention, Recruitment & Education of officers
 - First responder wellness
 - Equipment related to emergency services (squad cars & uniforms related items)
 - To pay other personnel or equipment costs.



9



Public Safety Bill Funding: SF 2416 / HF 1938

- Restrictions of these Public Safety funds:
 - No Employer contribution to the public employee's police and fire fund
 - Any costs associated with alleged wrongdoing or misconduct.
 - The purchase of an armored or tactical vehicle or substantially similar vehicle.
 - The purchase of tear gas, chemical munitions, or substantially similar items; or Article 4 Sec. 27.
 - The costs of construction, reconstruction, remodeling, expansion, or improvement of a police station, including related facilities. For purposes of this clause, "related facilities" includes access roads, lighting, sidewalks, and utility components on or adjacent to the property on which the police station is located that are necessary for safe access of the building.



10

	2024 Budget	2023 Budget	Variable %	\$ Change
Income				
40101 - Excelsior	885,133	832,193	6.4%	52,940
40102 - Greenwood	270,866	254,945	6.2%	15,921
40103 - Shorewood	1,573,891	1,481,218	6.3%	92,673
40104 - Tonka Bay	436,016	410,030	6.3%	25,986
40110 - Court Overtime	7,500	7,500	0.0%	
40120 - Excelsior Park and Dock Patrol	23,000	23,000	0.0%	
42100 - State Police Officer Aid	132,000	127,000	3.9%	
42200 - State Training Reimbursement	15,000	13,500	11.1%	
43100 - Minnetonka School District	5,000	5,000	0.0%	
43200 - Administrative Requests	7,000	7,000	0.0%	
43400 - Special Policing Details	27,000	27,000	0.0%	
44000 - Investment Income	5,000	5,000	0.0%	
46400 - Forfeitures	15,000	15,000	0.0%	
46500 - Grant Reimbursements	20,000	20,000	0.0%	
46600 - Other Reimbursements	75,000	75,000	0.0%	
Total Income	3,497,406	3,303,386	5.9%	187,520
Expense				
50100 - Full-Time Salaries	1,939,613	1,796,522	8.0%	
50200 - General Overtime	35,000	35,000	0.0%	
50230 - Reimbursed Overtime	53,500	53,500	0.0%	
50300 - Part-Time Salaries	41,922	60,970	-31.2%	
50500 - Social Security & Medicare	37,531	34,513	8.7%	
50600 - PERA Pensions	337,763	314,136	7.5%	
50700 - Insurance Benefits	320,864	316,351	1.4%	
50800 - Disability Benefits	8,400	6,500	29.2%	
51000 - Contracted Services	39,357	39,582	-0.8%	
52100 - Equipment Leases	62,323	64,861	-3.9%	
52200 - Repairs and Maintenance	88,145	94,852	-7.1%	
52300 - Utilities	78,983	71,366	10.7%	
52400 - Janitorial & Cleaning	10,340	10,340	0.0%	
52500 - Printing & Publishing	2,500	2,500	0.0%	
53000 - Supplies / Fuel	86,455	86,455	0.0%	
54000 - Uniforms & Gear	22,800	21,600	5.6%	
54500 - Training and Education	47,000	36,000	30.6%	
56000 - Insurance	189,962	160,556	18.3%	
56100 - Subscriptions & Memberships	2,130	2,130	0.0%	
57000 - Special Projects	18,860	23,865	-21.0%	
58000 - Capital Plan	74,169	71,691	3.5%	
Total Expense	3,497,417	3,303,390	5.9%	

11

	2024 Budget	2023 Budget	Variable %	\$ Change
Income				
40101 - Excelsior	871,993	832,193	4.8%	39,800
40102 - Greenwood	266,845	254,945	4.7%	11,900
40103 - Shorewood	1,550,525	1,481,218	4.7%	69,307
40104 - Tonka Bay	429,543	410,030	4.8%	19,513
40110 - Court Overtime	7,500	7,500	0.0%	
40120 - Excelsior Park and Dock Patrol	23,000	23,000	0.0%	
42100 - State Police Officer Aid	132,000	127,000	3.9%	
42200 - State Training Reimbursement	15,000	13,500	11.1%	
43100 - Minnetonka School District	5,000	5,000	0.0%	
43200 - Administrative Requests	7,000	7,000	0.0%	
43400 - Special Policing Details	27,000	27,000	0.0%	
44000 - Investment Income	5,000	5,000	0.0%	
46400 - Forfeitures	15,000	15,000	0.0%	
46500 - Grant Reimbursements	20,000	20,000	0.0%	
46600 - Other Reimbursements	75,000	75,000	0.0%	
Total Income	3,450,406	3,303,386	4.5%	140,520
Expense				
50100 - Full-Time Salaries	1,939,613	1,796,522	8.0%	
50200 - General Overtime	35,000	35,000	0.0%	
50230 - Reimbursed Overtime	53,500	53,500	0.0%	
50300 - Part-Time Salaries	41,922	60,970	-31.2%	
50500 - Social Security & Medicare	37,531	34,513	8.7%	
50600 - PERA Pensions	337,763	314,136	7.5%	
50700 - Insurance Benefits	320,864	316,351	1.4%	
50800 - Disability Benefits	8,400	6,500	29.2%	
51000 - Contracted Services	39,357	39,582	-0.8%	
52100 - Equipment Leases	62,323	64,861	-3.9%	
52200 - Repairs and Maintenance	88,145	94,852	-7.1%	
52300 - Utilities	78,983	71,366	10.7%	
52400 - Janitorial & Cleaning	10,340	10,340	0.0%	
52500 - Printing & Publishing	2,500	2,500	0.0%	
53000 - Supplies / Fuel	86,455	86,455	0.0%	
54000 - Uniforms & Gear	22,800	21,600	5.6%	
54500 - Training and Education	47,000	36,000	-100.0%	
56000 - Insurance	189,962	160,556	18.3%	
56100 - Subscriptions & Memberships	2,130	2,130	0.0%	
57000 - Special Projects	18,860	23,865	-21.0%	
58000 - Capital Plan	74,169	71,691	3.5%	
Total Expense	3,450,417	3,303,390	4.5%	

12



	2024 Budget	2023 Budget	Variable %	\$ Change
Income				
40101 - Excelsior	865,618	832,193	4.0%	33,425
40102 - Greenwood	264,894	254,945	3.9%	9,949
40103 - Shorewood	1,539,191	1,481,218	3.9%	57,973
40104 - Tonka Bay	426,403	410,030	4.0%	16,373
40110 - Court Overtime	7,500	7,500	0.0%	
40120 - Excelsior Park and Dock Patrol	23,000	23,000	0.0%	
42100 - State Police Officer Aid	132,000	127,000	3.9%	
42200 - State Training Reimbursement	15,000	13,500	11.1%	
43100 - Minnetonka School District	5,000	5,000	0.0%	
43200 - Administrative Requests	7,000	7,000	0.0%	
43400 - Special Policing Details	27,000	27,000	0.0%	
44000 - Investment Income	5,000	5,000	0.0%	
46400 - Forfeitures	15,000	15,000	0.0%	
46500 - Grant Reimbursements	20,000	20,000	0.0%	
46600 - Other Reimbursements	75,000	75,000	0.0%	
Total Income	3,427,606	3,303,386	3.8%	117,720
Expense				
50100 - Full-Time Salaries	1,939,613	1,796,522	8.0%	
50200 - General Overtime	35,000	35,000	0.0%	
50230 - Reimbursed Overtime	53,500	53,500	0.0%	
50300 - Part-Time Salaries	41,922	60,970	-31.2%	
50500 - Social Security & Medicare	37,531	34,513	8.7%	
50600 - PERA Pensions	327,763	314,136	7.5%	
50700 - Insurance Benefits	320,664	316,351	1.4%	
50800 - Disability Benefits	8,400	6,500	29.2%	
51000 - Contracted Services	39,357	39,882	-0.8%	
52100 - Equipment Leases	62,323	64,861	-3.9%	
52200 - Repairs and Maintenance	88,145	94,852	-7.1%	
52300 - Utilities	78,983	71,366	10.7%	
52400 - Janitorial & Cleaning	10,340	10,340	0.0%	
52500 - Printing & Publishing	2,500	2,500	0.0%	
53000 - Supplies / Fuel	86,455	86,455	0.0%	
54000 - Uniforms & Gear		21,600	-100.0%	
54500 - Training and Education		36,000	-100.0%	
56000 - Insurance	189,962	160,556	18.3%	
56100 - Subscriptions & Memberships	2,130	2,130	0.0%	
57000 - Special Projects	18,860	23,865	-21.0%	
58000 - Capital Plan	74,169	71,691	3.5%	
Total Expense	3,427,617	3,303,390	3.8%	

13

Public Safety Aid Funds to balance the budget at a 4.7% increase

- Shorewood: \$342,512
 - 49.7136% of 47K = \$23,365
- Greenwood: \$31,682
 - 8.5557% of 47K = \$4,021
- Tonka Bay: \$62,709
 - 13.7722% of 47K = \$6,472
- Excelsior: \$103,274
 - 27.9582 of 47K = \$13,140

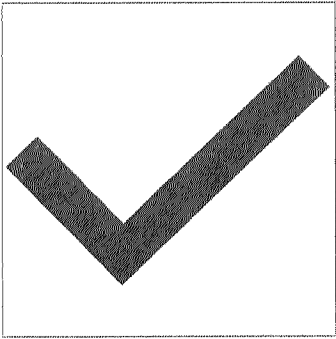
14



Public Safety Aid Funds to balance the budget at a 4.0% increase (47K and \$22,800)

- Shorewood: \$342,512
 - 49.7136% of \$69,800 = \$34,700
- Greenwood: \$31,682
 - 8.5557% of \$69,800 = \$5,971
- Tonka Bay: \$62,709
 - 13.7722% of \$69,800 = \$9,612
- Excelsior: \$103,274
 - 27.9582 of \$69,800 = \$19,514

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- Discussion of different budget options
- Consideration of what budget proposal in July would be acceptable

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**RESOLUTION 23-066
CITY OF SHOREWOOD
COUNTY OF HENNEPIN
STATE OF MINNESOTA**

A RESOLUTION MAKING APPROVING THE 2024 ANNUAL OPERATING BUDGET OF THE SOUTH LAKE MINNETONKA POLICE DEPARTMENT.

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

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

WHEREAS, the Chief of Police presented a proposed 2024 operating budget for review by the Coordinating Committee for the South Lake Minnetonka Police Department on June 14, 2023; and

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

WHEREAS, the Shorewood City Council has reviewed the proposed 2024 operating budget and finds it reasonable and appropriate to provide the desired level of public safety within the City and the South Lake Minnetonka area.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREWOOD, MINNESOTA the proposed 2024 operating budget of the South Lake Minnetonka Police Department, reflecting a 6.3% increase and Shorewood's share at \$1,573,891, is hereby approved.

Adopted by the Shorewood City Council this 26th day of June 2023.

Jennifer Labadie, Mayor

Attest:

Sandie Thone, City Clerk



City of Shorewood Council Meeting Item

Title/Subject: Bond Sale Results

Meeting Date: June 26, 2023

Prepared By: Joe Rigdon, Finance Director

Reviewed By: Marc Nevinski, City Administrator

8E
MEETING TYPE REGULAR

Attachments: Letter from Shannon Sweeney of David Drown Associates
Resolution providing for the issuance and sale of bonds
Standard & Poors Bond Rating Report

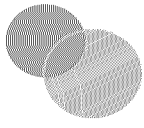
Background: In order to finance the following 2023 street and utility projects, the Council previously authorized the competitive negotiated sale of General Obligation street reconstruction and utility revenue bonds:

- Birch Bluff Road
- Lift Station #11 Rehabilitation

The 2023A bond sale is scheduled for June 26, 2023 and Shannon Sweeney from David Drown Associates will be at the City Council meeting to present the results of the sale. The attached draft of the bond award resolution will be updated with the sale results.

On June 21, 2023, Standard & Poors assigned its AA+ rating to the 2023A bonds, and also affirmed its AA+ rating on the City's outstanding General Obligation debt. The ratings report is attached.

Recommended Action: Staff recommends approval of a Resolution providing for the issuance and sale of \$5,645,000 General Obligation Street Construction and Utility Revenue Bonds, Series 2023A, pledging for the security thereof net revenues and levying a tax for the payment thereof.



DDA

**David Drown Associates, Inc.
Public Finance Advisors**

Cologne Office:
10555 Orchard Road
Cologne, MN 55322
Phone: (952) 356-2992
shannon@daviddrown.com

June 20, 2023

City of Shorewood
Marc Nevinski, City Administrator
Joe Rigdon, Director of Finance
5755 Country Club Road
Shorewood, MN 55331

RE: 2023A General Obligation Street Reconstruction & Utility Revenue Bonds

Honorable Mayor, Councilmembers, Administrator Nevinski, and Director Rigdon:

The City Council has previously awarded construction contracts for the Birch Bluff Road street and utility improvements, and for the renovation of Wastewater Lift Station #11. Both projects are included in the City's 10-year Capital Improvement Plan with the Birch Bluff Project also included in the City's 5-year Street Reconstruction Plan.

At the May 22, 2023 City Council meeting a resolution authorizing the competitive sale of bonds was approved to initiate the process for putting project financing in place. On June 26, 2023, we will be receiving bids for the purchase of bonds, and will be presenting those bids to the City Council for award that same evening.

A draft of the award resolution is enclosed for consideration. This resolution will be updated with information received from the low bidder on the day of sale. Please feel free to contact me with any questions regarding the information provided.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF SHOREWOOD, MINNESOTA

HELD: June 26, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Shorewood, Hennepin County, Minnesota, was duly held at the City Hall on June 26, 2023, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$5,645,000 General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2023A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 23-067

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$5,645,000
GENERAL OBLIGATION STREET RECONSTRUCTION AND UTILITY REVENUE
BONDS, SERIES 2023A, PLEDGING FOR THE SECURITY THEREOF NET
REVENUES AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Shorewood, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$5,645,000 General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2023A (the "Bonds" or individually a "Bond"), pursuant to Minnesota Statutes, Chapter 475; and

1. Section 475.58, Subdivision 3b, to finance street reconstruction improvements under the City's Street Reconstruction Plan (the "Street Reconstruction Project"); and

2. Section 444.075 to finance improvements to the municipal water system, sanitary sewer system and storm sewer system (collectively, the "Utility Improvements"); and

B. WHEREAS, on May 11, 2020, following duly published notice thereof, the Council held a public hearing on the issuance of approximately \$ _____ principal amount of bonds to finance the Street Reconstruction Project and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, no petition signed by voters equal to 5 percent of the votes cast in the City in the last municipal general election requesting a vote on the issuance of the street reconstruction bonds was filed with the City Administrator within 30 days after the public hearing on May 11, 2020; and

D. WHEREAS, the Bonds, together with any outstanding bonds of the City that are subject to the City's net debt limit, do not exceed the City's net debt limit; and

E. WHEREAS, the City owns and operates a municipal water system (the "Water System"), a municipal sanitary sewer system (the "Sanitary Sewer System"), and a municipal storm sewer system (the "Storm Sewer System", and together with the Water System and the Sanitary Sewer System, the "System"), as separate revenue producing public utilities; and

F. WHEREAS, the net revenues of the System are pledged to the payment of the City's outstanding (1) "Utility Portion" of the General Obligation Street Reconstruction and Utility Revenue Bond, Series 2020A, in the original principal amount of \$7,500,000, dated August 25, 2020; (2) "Utility Portion" of the General Obligation Street Reconstruction and Utility Revenue Bond, Series 2021A, in the original principal amount of \$4,325,000, dated July 28, 2021; and (3) "Utility Portion" of the General Obligation Street Reconstruction and Utility Revenue Bond, Series 2022A, in the original principal amount of \$7,570,000, dated December 1, 2022 (collectively the "Outstanding System Bonds"); and

G. WHEREAS, the City has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by David Drown; and

H. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Administrator, or designee, at the offices of David Drown at 11:00 A.M. this same day pursuant to the Terms of Offering established for the Bonds; and

I. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

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

1. Acceptance of Proposal. The proposal of _____ (the "Purchaser"), to purchase the Bonds in accordance with the Terms of Offering, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$ _____, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted, and the Bonds are hereby awarded to the Purchaser. The Finance Director is directed to retain the deposit of the Purchaser.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated July 12, 2023, as the date of original issue and shall be issued forthwith on or after such date in fully registered form, shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and shall mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$	2035	\$
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation. The aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the Street Reconstruction Project (the "Reconstruction Portion"); and the aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the Utility Improvements (the "Utility Portion"):

<u>Year</u>	<u>Street Reconstruction Portion</u>	<u>Utility Portion</u>	<u>Total Amount</u>
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			

2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment moneys is the general fund of the City, or other generally available source, including the levy of taxes, the prepayment may be allocated to any of the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is excess net revenues of the System pledged to the Utility Improvements, the prepayment shall be allocated to the Utility Portion of debt service.

(c) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO., as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").
- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any

Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.
- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (d) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
 - (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
 - (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.
 - (iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.
- (e) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Street Reconstruction Portion of the Bonds shall provide funds to finance the Street Reconstruction Project. The Utility Portion of the Bonds shall provide funds to finance the Utility Improvements. The Street Reconstruction Project and the Utility Improvements are herein referred to together as the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2024, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2025	%	2035	%
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	

5. Redemption. All Bonds maturing on February 1, 2031 and thereafter, shall be subject to redemption and prepayment at the option of the City on February 1, 2030, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds at least thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however,

that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
HENNEPIN COUNTY
CITY OF SHOREWOOD

R-_____ \$_____

GENERAL OBLIGATION STREET RECONSTRUCTION AND UTILITY REVENUE
BOND, SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1,	July 12, 2023	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF SHOREWOOD, HENNEPIN COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing February 1, 2024, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of U.S. Bank Trust Company, National Association, in St. Paul, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer, acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of

this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. All Bonds of this issue (the "Bonds") maturing on February 1, 2031, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2030, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds at least thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$5,645,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on June 26, 2023 (the "Resolution"), for the purpose of providing money to finance street reconstruction projects and improvements to the water, sanitary sewer and storm sewer systems within the jurisdiction of the Issuer. This Bond is payable out of the General

Obligation Street Reconstruction and Utility Revenue Bonds, Series 2023A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Fees upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect

charges for the service, use and availability of its municipal water, storm sewer and sanitary sewer systems (the "System") at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Utility Portion of the Bonds, as defined in the Resolution, adequate to pay all principal and interest when due on the Utility Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on Utility Portion of the Bonds as they respectively become due, if the net revenues from the System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Shorewood, Hennepin County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

Payable by: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

CITY OF SHOREWOOD,
HENNEPIN COUNTY, MINNESOTA

This Bond is one of the
Bonds described in the
Resolution mentioned
within.

/s/ Facsimile _____
Mayor

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION
St. Paul, Minnesota,
Bond Registrar

/s/ Facsimile _____
City Administrator

By: _____
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common
- UTMA - _____ as custodian for _____
 (Cust) _____ (Minor)
 under the _____ Uniform
 (State)
 Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and City Administrator and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue, which date is July 12, 2023. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost Bonds.

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby established a special fund to be designated "General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2023A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City.

The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The Operation and Maintenance Account for the Water System, the Operation and Maintenance Account for the Sanitary Sewer System and the Operation and Maintenance for the Storm Sewer System (collectively, the "Operation and Maintenance Accounts") heretofore established by the City shall continue to be maintained in the manner heretofore and herein provided by the City. All moneys remaining after paying or providing for the items set forth in the resolutions establishing the Operation and Maintenance Accounts shall constitute and are referred to as "net revenues" until the Utility Portion of the Bonds have been paid. In such records there shall be established accounts of the Fund for the purposes and in the amounts as follows:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds, less capitalized interest, and plus any amount paid for the Bonds in excess of the minimum bid. From the Construction Account there shall be paid all costs and expenses of making the Project, including the cost of any construction or other contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There shall be maintained two separate subaccounts in the Debt Service Account to be designated the "Street Reconstruction Project Debt Service Subaccount" and the "Utility Improvements Debt Service Subaccount". There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Street Reconstruction Project Debt Service Subaccount. To the Street Reconstruction Project Debt Service Subaccount there shall be credited: (A) capitalized interest in the amount of \$ _____ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest due on the Street Reconstruction Portion of the Bonds on or before February 1, 2024; (B) all collections of taxes herein and hereafter levied for the payment of the Street Reconstruction Portion of the Bonds; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the Street Reconstruction Project Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Street Reconstruction Project Debt Service Subaccount. The Street Reconstruction Project Debt Service Subaccount shall be used solely to pay the principal and interest on the Street Reconstruction Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law.

- (ii) Utility Improvements Debt Service Subaccount. To the Utility Improvements Debt Service Subaccount there shall be credited: (A) the net revenues of the System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the Utility Improvements Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Utility Portion of the Bonds; (B) all collections of taxes which may hereafter be levied in the event that the net revenues of the System and other funds herein pledged to the payment of the principal and interest on the Utility Portion of the Bonds are insufficient therefore; (C) a pro rata share of all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (D) all investment earnings on funds held in the Utility Improvements Debt Service Subaccount; and (E) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Utility Improvements Debt Service Subaccount. The Utility Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Utility Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account, Operation and Maintenance Accounts or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

16. Covenants Relating to the Street Reconstruction Portion of the Bonds.

(a) Tax Levy. To provide moneys for payment of the principal and interest on the Street Reconstruction Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Years of Tax Levy</u>	<u>Years of Tax Collection</u>	<u>Amount</u>
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See Attached Schedule in Exhibit B

(b) Coverage Test. The tax levies are such that if collected in full they, together with other revenues herein pledged for the payment of the Street Reconstruction Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Street Reconstruction Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Street Reconstruction Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

17. Covenants Relating to the Utility Portion of the Bonds.

(a) Sufficiency of Net Revenues. It is hereby found, determined and declared that the net revenues of the System are sufficient to pay when due the principal of and interest on the Utility Portion of the Bonds and the Outstanding System Bonds and a sum at least five percent in excess thereof. The net revenues of the System are hereby pledged on a parity lien with the Outstanding System Bonds and shall be applied for that purpose, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Utility Portion of the Bonds.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the System will be sufficient in addition to all other sources, for the payment of the Utility Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Utility Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the net revenues of the System appropriated and pledged to the payment of principal and interest on the Utility Portion of the Bonds, together with other funds irrevocably appropriated to the Utility Improvements Project Debt Service Subaccount herein established, shall at any time be insufficient to pay such

principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as it becomes due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

19. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

20. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Bonds, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall

necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar preliminary costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Bonds, and not later than 18 months after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but in no event more than three years after the date of payment of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Bonds stating in effect that such action will not impair the tax-exempt status of the Bonds.

21. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these

covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Administrator, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

22. Certificate of Registration and Tax Levy. A certified copy of this resolution is hereby directed to be filed with the with the Auditor/Treasurer of Hennepin County, Minnesota, together with such other information as the Auditor/Treasurer shall require, and there shall be obtained from the Auditor/Treasurer a certificate that the Bonds have been entered in the Auditor/Treasurer's Bond Register and that the tax levy required by law has been made.

23. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

24. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

25. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States. The City expects to satisfy the 24-month exemption for gross proceeds of the Bonds as provided in Section 1.148-7(d)(1) of the Regulations. The Mayor and/or City Administrator and/or Finance Director are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Bonds as they deem necessary, appropriate or desirable in connection with the Bonds, and all such elections shall be, and shall be deemed and treated as, elections of the City.

26. Not Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;

(b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

(c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2023 will not exceed \$10,000,000; and

(e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code; and

(f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

27. Official Statement. The Official Statement relating to the Bonds prepared and distributed by David Drown is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

28. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

29. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: _____;

and the following voted against the same: _____.

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF SHOREWOOD

I, the undersigned, being the duly qualified and acting City Clerk of the City of Shorewood, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance and awarding the sale of \$5,645,000 General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2023A.

WITNESS my hand on June 26, 2023.

City Clerk

EXHIBIT A

PROPOSALS

[To be supplied by David Drown Associates, Inc.]

EXHIBIT B

TAX LEVY SCHEDULE

[To be supplied by David Drown Associates, Inc.]

RatingsDirect®

Summary:

Shorewood, Minnesota; General Obligation

Primary Credit Analyst:

Helen Samuelson, Chicago + 1 (312) 233 7011; helen.samuelson@spglobal.com

Secondary Contact:

Andrew J Truckenmiller, Chicago + 1 (312) 233 7032; andrew.truckenmiller@spglobal.com

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Shorewood, Minnesota; General Obligation

Credit Profile

US\$5.645 mil GO str reconstruction and util rev bnds ser 2023A dtd 06/12/2023 due 02/01/2044

<i>Long Term Rating</i>	AA+/Stable	New
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Shorewood GO str reconstruction & util rev bnds

<i>Long Term Rating</i>	AA+/Stable	Affirmed
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Credit Highlights

- S&P Global Ratings assigned its 'AA+' long-term rating to Shorewood, Minn.'s anticipated \$5.645 million series 2023A general obligation (GO) street reconstruction and utility revenue bonds.
- At the same time, S&P Global Ratings affirmed its 'AA+' rating on the city's outstanding GO debt.
- The outlook is stable.

Security

The city's full faith and credit and ability to levy unlimited ad valorem property taxes secure the bonds. The city has also pledged water, sewer, and stormwater utility revenue, but we base our rating on the city's GO pledge given that other pledges lack key criteria requirements. Officials have no plans to issue additional debt in the near term. The bond proceeds will be used to finance various capital improvements.

Credit overview

Shorewood encompasses an affluent residential community on the south shore of Lake Minnetonka, approximately 20 miles southwest of downtown Minneapolis. The mature city is mostly built out, but redevelopment has fueled continued tax base growth beyond customary housing appreciation.

General fund reserves remain very strong, as is overall liquidity, due to conservative budget practices. Fiscal year-ended Dec. 31, 2022, ended with a modest use of general fund reserves after the city prepaid about \$500,000 of debt. The city has one tax increment fund (TIF) with a negative \$1 million balance. The projects associated with that TIF are complete and were funded with an internal loan from the water fund, which is gradually being paid down from incremental revenue.

Street reconstruction is one key element of the city's capital program, which can cause fluctuating total governmental fund performance in some years and contributes to its large, but manageable, debt profile. This incorporates our view of the city's recent 2022A issuance placed with a local bank. Our review of the loan document indicates no potential liquidity issues, with no permissive events of default and acceleration is not a remedy.

Shorewood's debt service carrying charges are elevated and although they are not currently weighing on its financial performance, they could become a pressure during weak revenue climates. To ease its debt burden, officials are

considering using a portion of general fund reserves to cash fund some capital projects. Managing its debt without compromising its budgetary flexibility, such as remaining consistent with its fund balance policy, is a long-term credit consideration.

The rating further reflects our view of the city's:

- Stable local economy with steady growth likely in the near term;
- Very strong liquidity and general fund reserves, which we expect will remain at, or higher than, its 60% fund balance policy;
- Good financial management assessment indicative of strong management. Officials use robust budget assumptions when developing the budget. Management provides the board with quarterly budget-to-actual and investment holdings and earnings reports. The city does not produce a long-term financial forecast but it annually updates its 10-year capital improvement plan. The city has a formal fund balance policy requiring a minimum of 60% of the subsequent year's budgeted expenditures, chosen to cover cash-flow needs between property tax collection dates, and an investment policy. The city does not have a debt policy, nor does it produce a long-term financial forecast. The institutional framework score for Minnesota cities with a population greater than 2,500 is strong;
- Manageable debt burden with limited future capital needs; and
- Lack of an other postemployment benefit (OPEB) plan and pension costs that are only a modest share of the city's total spending and, in our view, are unlikely to pressure its medium-term operational health.

Environmental, social, and governance

We view Shorewood's environmental, social, and governmental (ESG) risks as neutral within our credit rating analysis.

Outlook

The stable outlook reflects our expectation that the city will maintain steady financial operations and reserves in keeping with its fund balance policy during the two-year outlook horizon.

Downside scenario

We could lower the rating if the city's budgetary flexibility were to decline due to weakened performance, one-time expenditures, or materially increased debt burden.

Upside scenario

Assuming no deterioration in other credit factors, we could raise the rating if the city's debt profile were to moderate and if it were to strengthen and formalize its management policies.

Shorewood, Minn.--key credit metrics				
	Most recent	Historical information		
		2022	2021	2020
Very strong economy				
Projected per capita EBI % of U.S.	216			
Market value per capita (\$)	298,271			
Population		7,984	7,915	

Shorewood, Minn.--key credit metrics (cont.)				
	Most recent	Historical information		
		2022	2021	2020
County unemployment rate(%)		2.5		
Market value (\$000)		2,381,396	2,037,212	1,980,501
Ten largest taxpayers % of taxable value	4.7			
Strong budgetary performance				
Operating fund result % of expenditures		6.9	5.9	16.3
Total governmental fund result % of expenditures		(4.1)	15.9	22.8
Very strong budgetary flexibility				
Available reserves % of operating expenditures		93.0	97.9	78.2
Total available reserves (\$000)		5,371	5,398	5,074
Very strong liquidity				
Total government cash % of governmental fund expenditures		169	203	225
Total government cash % of governmental fund debt service		1103	1429	1630
Strong management				
Financial Management Assessment	Good			
Very weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		15.3	14.2	13.8
Net direct debt % of governmental fund revenue	271			
Overall net debt % of market value	4.3			
Direct debt 10-year amortization (%)	52			
Required pension contribution % of governmental fund expenditures		1.5		
OPEB actual contribution % of governmental fund expenditures		0.0		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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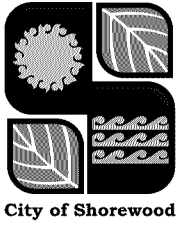
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Title/Subject: Approval of Red’s Savoy Pizza Wine and Strong Beer Liquor License
Meeting Date: June 26, 2023
Prepared by: Sandie Thone, City Clerk/Human Resources Director
Reviewed by: Brenda Pricco, Deputy City Clerk
Attachments: Red’s Savoy Pizza Wine and Strong Beer Liquor License Resolution

Background

Shorewood City Code Chapter 401, Liquor Regulations provides for consideration of licensing establishments to sell on and off-sale liquor in the city limits.

The following establishment is requesting council consideration in issuing a new liquor license:

Applicant	Address	License
Reed Daniels	19215 MN Hwy 7	1) Wine*
Garrison Reed LLC DBA Red’s Savoy Pizza	Shorewood, MN 55331	2) 3.2% Malt Liquor*

*This combination allows for the sale of strong beer as well as wine

The applicant, Reed Daniels/Garrison Reed LLC, has successfully passed a background investigation performed by the South Lake Minnetonka Police Department, has successfully submitted all the required documentation, met the insurance liability requirements, submitted the required city licensing/investigation fees of \$500 for new liquor license investigation fee, \$1,000 for the annual Wine License, and \$300 for the annual 3.2 % Malt Liquor License. A holder of a Wine License and a 3.2 Percent Malt Liquor License issued to the same establishment pursuant to MN Statute §340A.411 is allowed to sell intoxicating malt liquor (strong beer) without an additional license. Therefore, Red’s Savoy Pizza, with the approval of these licenses by both the city and the state, will be allowed to sell wine and strong beer at this location.

The applicant has met the preliminary State of Minnesota, Department of Public Safety, Alcohol and Gambling Enforcement requirements as well. Once the city council has approved the license it will be forwarded to the State of Minnesota, Department of Public Safety, Alcohol and

Gambling Enforcement department who will perform a premises inspection pursuant to the requirements for obtaining a new liquor license issued in the state.

Financial Considerations

Licensing fees as set forth in the City's fee schedule have been duly collected.

Action Requested

Staff respectfully recommends the city council approve ***Resolution 23-068 Approving a New Wine, and a 3.2 Percent Malt Liquor License effective upon the State of Minnesota, Department of Public Safety, Alcohol and Gambling Enforcement approval for Reed Daniels, Garrison Reed LLC, DBA Red's Savoy Pizza located at 19215 State Highway 7 in Shorewood.*** Motion, second, and simple majority vote required.

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

**RESOLUTION 23-068
RED'S SAVOY PIZZA WINE/3.2 PERCENT MALT LIQUOR LICENSE**

WHEREAS, Shorewood City Code, Chapter 401 provides that no person may directly or indirectly, on any pretense or by any device, sell, barter, keep for sale, charge for possession, or otherwise dispose of alcoholic beverages as part of a commercial transaction without having obtained the required license or permit; and

WHEREAS, in addition to the requirements set forth by the Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division, Shorewood City Code provides that the applicant shall complete an application for a liquor license, pay the required licensing fee, fulfill insurance coverage requirements and complete a successful background investigation; and

WHEREAS, Garrison Reed LLC, DBA Red's Savoy Pizza and owner Reed Daniels has successfully completed the application process, satisfying the requirements as delineated above for the issuance of a wine/3.2 percent malt liquor license for the City of Shorewood, conditional approval will be granted for the period of one year, effective on the date the Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division certifies that the applicant has passed the new license inspection and met all criteria for approval by the State agency as well as being consistent with the requirements and provisions of Chapter 401 of the Shorewood City Code. We anticipate this license period to be effective once approved by the State and good through May 31, 2024 at which time the applicant/license holder will be up for renewal as provided in Shorewood's liquor license renewal terms of June 1st to May 31st of each year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shorewood, the following license is issued to the applicant as follows is approved:

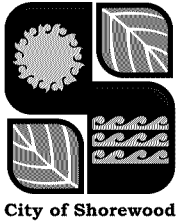
<u>Applicant</u>	<u>Address</u>	<u>License</u>
Reed Daniels	19215 MN State Highway 7	Wine*/3.2 % Malt Liquor*
DBA/Red's Savoy Pizza	Shorewood, MN 55331	*allows strong beer

ADOPTED BY THE CITY COUNCIL of the City of Shorewood this 26th day of June 2023.

ATTEST:

Jennifer Labadie, Mayor

Sandie Thone, City Clerk



Title/Subject: Adult Use Cannabis Discussion
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator
Reviewed by: Jared Shepherd, City Attorney
Attachments: LMC Summary of Adult Use Cannabis

Background

The 2023 legislature legalized the production, sale and use of recreational cannabis by adults. During the legislative session, cities lobbied for the inclusion of local controls (licensing, fees) in order to manage the impacts of legalized sale and use in communities. Significant local control is largely preempted by the legislation. The attached FAQ from the League of Minnesota Cities provides a summary of the law. The City Attorney and McKaia Dykema, a law clerk from Campbell Knutson, will provide a presentation as well.

At this time, staff requests direction from Council on the two following questions:

1. Hemp-derived THC Moratorium (Ordinance No. 592) – Following legislation in 2022 legalizing the sale of edibles containing hemp-derived THC, the City enacted a moratorium on the sale of such products. The moratorium is set to expire at the end of July. Unfortunately the new law does not authorize an extension of THC product sales moratorium, so Council has the following options.
 - A. Develop licensing regulations for the sale of hemp-derived THC. Such regulations will only be in effect until January 2025, but will require staff time and resources to develop and enforce.
 - B. Do not regulate the sale of hemp-derived THC products until January of 2025.
2. Adult Use Cannabis Moratorium – Council may wish to establish a moratorium on the sale of Adult Use Cannabis until such time as additional guidance can be provided by the State and local regulations can be developed.

Note: The Council may also decide not to enact a cannabis moratorium but may develop regulations in the interim on zoning, registration, and enforcement.

Financial Considerations

None at this time.

Action Requested

Council direction is requested

General information

Q1. What does the new law do?

A1. The new law legalizes the possession, use, manufacturing, and sale of certain cannabis products within the state. It establishes the Office of Cannabis Management (OCM), which is charged with, among other things, enforcing an organized system of regulation for the cannabis industry and the hemp consumer industry. The law also:

- Establishes labor standards for the use of cannabis and hemp products by employees and testing of employees.
- Establishes expungement procedures for certain individuals previously convicted of a crime related to cannabis.

Possession, use, and home growth under this new law will be legal beginning Aug. 1, 2023, and legal sales are expected to begin in January of 2025. Various other effective dates are noted throughout these FAQs as they apply.

Q2. How much cannabis can a person legally possess?

A2. This law allows a person of 21 years of age or older to:

- Use, possess, or transport cannabis paraphernalia.
- Possess 2 ounces or less of cannabis flower in a public place.
- Possess 2 pounds or less of cannabis flower in a person's residence.
- Possess or transport 8 grams or less of adult-use cannabis concentrate.
- Possess or transport edible products infused with a total of 800 milligrams or less of tetrahydrocannabinol.
- Give away cannabis flower and products in an amount that is legal for a person to possess in public.

The law authorizes an individual to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence including the individual's curtilage or yard.
- On private property, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit on-site consumption.

Q3. Are cannabis products legal under federal regulations?

A3. Marijuana remains a Schedule I drug under federal law, meaning it is illegal, with limited exceptions, to grow, process, sell or possess marijuana from a federal standpoint.

Q4. Can a person grow their own cannabis?

A4. The law authorizes a person to cultivate up to eight cannabis plants, of which four or fewer may be mature, flowering plants provided that it is in an enclosed, locked space that is not open to public view.

Q5. Does the Clean Indoor Air Act apply to cannabis products?

A5. A person may not use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smokes, aerosol, or vapor at any location where smoking is prohibited under the Clean Indoor Air Act.

Q6. What types of licenses will the OCM issue?

A6. The OCM will issue the following types of licenses:

- Cannabis microbusiness.
- Cannabis mezzo business.
- Cannabis cultivator.
- Cannabis manufacturer.
- Cannabis retailer.
- Cannabis wholesaler.
- Cannabis transporter.
- Cannabis testing facility.
- Cannabis event organizer.
- Cannabis delivery service.
- Lower-potency hemp edible manufacturer.
- Medical cannabis cultivator.
- Medical cannabis processor.
- Medical cannabis retailer.

Q7. Can cannabis start to be sold now?

A7. Cannabis will not be able to be sold until the Office of Cannabis Management is established and able to issue licenses. Communication from state agencies indicate an intended timeline of January 2025 for when sales will be live to the public. Before beginning sales, a cannabis retailer must obtain a local retail registration. Any business attempting to sell cannabis products before licenses are issued should be reported to the Department of Health.

Q8. Under the new law, where can adult-use cannabis be sold?

A8. Cannabis products and hemp derived consumer products may only be sold in business with a license issued by the OCM.

Q9. Could my city's municipal liquor store sell adult-use cannabis?

A9. The law adds edible cannabinoid products as an item allowed to be sold at exclusive liquor stores, including municipal liquor stores. The ability of cities to sell cannabinoid products at a liquor store is unique to Minnesota and may create new and complex coverage and liability questions around these products. The League and the League of Minnesota Cities Insurance Trust (LMCIT) are working on guidance for cities considering selling cannabinoid products at their municipal liquor stores. This information will be updated when such guidance is drafted.

Q10. Can my city have a municipal cannabis retail store?

A10. The new law authorizes cities to operate a municipal cannabis retail store. This is a unique opportunity for Minnesota cities and more research is needed to determine the legal ramifications of such an operation.

Taxation and revenue

Q11. How will these new products be taxed?

A11. A tax equal to 10% of gross receipts from retail sales of taxable cannabis products will be imposed on any taxable cannabis product retailer that sells cannabis products to customers.

Q12. Can our city impose its own cannabis tax?

A12. Cities are prohibited from imposing a tax solely on the sale of taxable cannabis products.

Q13. Do sales taxes apply?

A13. The state sales tax and local sales taxes apply to cannabis and hemp-derived cannabinoid products.

Q14. Who receives taxes collected from the sale of cannabis products?

A14. Revenues from the retail sales of cannabis products will be divided, with 80% going to the general fund and 20% to the local government cannabis aid account. Cities will receive 50% of the amount certified to the local government cannabis aid account.

Q15. What is considered a “taxable cannabis product retailer?”

A15. A taxable cannabis product retailer is a retailer that sells any taxable cannabis products. This includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Minn. Stat § 295.81, subd. 1(s).

Q16. How much revenue will cities receive from the local government cannabis aid fund?

A16. Half of the amount certified in the cannabis local government aid fund will go to cities. Cities will receive a distribution proportional to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities.

Q17. When will cities receive revenue from the local government cannabis aid account?

A17. The gross receipts tax goes is effective for gross receipts received after June 30, 2023. The law requires the Department of Revenue to certify the amount to be paid to each city by Sept. 1, 2024, and every year after, and the full amount must be paid on Dec. 26, 2024, and every year after.

Enforcement and public safety

Q18. How is the new law enforced?

A18. All licensing issues will be enforced by the Office of Cannabis Management. Until the OCM is up and running, the currently legal hemp-derived edible products under Minn. Stat. § 151.72 will be temporarily regulated by the Department of Health, which is taking over the enforcement of edible cannabis products previously done by the Board of Pharmacy. Local law enforcement may still enforce illegal possession or use crimes where applicable.

[Access the Department of Health’s site on the temporary regulation of lower-potency hemp edibles](#)

Q19. What are penalties for someone selling edible cannabis products that do not meet the state’s requirements?

A19. If a retailer is found to be selling edible cannabis products that do not meet state requirements, the Department of Health may embargo the products and potentially

destroy the products with the retailer paying for all court costs and fees, storage, and other proper expenses.

Q20. Can a person still be charged with possession of cannabis products?

A20. Beginning Aug. 1, 2023, the following actions are considered cannabis possession crimes:

- *Possession of cannabis in the first degree.* (Punishable by imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both).
 - More than 2 pounds but not more than 10 kilograms of cannabis flower.
 - More than 160 grams but not more than 2 kilograms of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of THC.
- *Possession of cannabis in the second degree.* (Punishable by imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both).
 - More than 1 pound but not more than 2 pounds of cannabis flower in any place other than the person's residence.
 - More than 80 grams but not more than 160 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 8 grams but not more than 16 grams of THC.
- *Possession of cannabis in the third degree.* (Punishable by imprisonment for not more than 90 days or payment of a fine of not more than \$1,000, or both).
 - More than 4 ounces but not more than 1 pound of cannabis flower in any place other than the person's residence.
 - More than 16 grams but not more than 80 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than 8 grams of THC.
- *Possession of cannabis in the fourth degree.* (Punishable as a petty misdemeanor).
 - More than 2 ounces but not more than 4 ounces of cannabis flower in any place other than the person's residence.
 - More than 8 grams but not more than 16 grams of cannabis concentrate.
 - Edible cannabinoid products infused with more than 800 milligrams but not more than 1,600 milligrams of THC.

Q21. Can a person still be charged with sale of cannabis products?

A21. Beginning Aug. 1, 2023, the following actions are considered cannabis sale crimes:

- *Sale of cannabis in the first degree.* Punishable by imprisonment for not more than five years or to a payment of a fine of not more than \$10,000 or both if a person unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
 - To a minor and the defendant is more than 36 months older than the minor.
 - Within 10 years of two or more convictions of sale in the second or third degree.
 - Within 10 years of a conviction of first degree
- *Sale of cannabis in the second degree.* May be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both if an adult:
 - Unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
 - In a school zone, a park zone, or a drug treatment facility; or
 - Within 10 years of a conviction of sale of cannabis in the first, second, or third degree.
 - Unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.
- *Sale of cannabis in the third degree.* An adult may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the adult unlawfully sells:
 - More than 2 ounces of cannabis flower.
 - More than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.
- *Sale of cannabis in the fourth degree.* An adult is guilty of a petty misdemeanor if they unlawfully sell:
 - Not more than 2 ounces of cannabis flower.
 - Not more than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not unlawful as cannabis sale in the fourth degree.

- *Sale of cannabis by a minor.* A minor is guilty of a petty misdemeanor if the minor unlawfully sells:
 - Not more than 2 ounces of cannabis flower.
 - Not more than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A minor is guilty of a misdemeanor if the minor unlawfully sells:

- - More than 2 ounces of cannabis flower.
 - More than 8 grams of cannabis concentrate.
 - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.

Q22. Can a person be charged with a crime for cultivating cannabis?

A22. Beginning Aug. 1, 2023, the following are crimes related to the cultivation of cannabis.

- *Cultivation of cannabis in the first degree.* A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.
- *Cultivation of cannabis in the second degree.* A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

Q23. Can a person be charged with a crime for using cannabis in public?

A23. Beginning Aug. 1, 2023, a city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following.

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.

- The premises of an establishment or event licensed to permit on-site consumption.

Q24. How do our officers determine if a driver is under the influence of adult-use cannabis?

A24. Officers will need to use the same process for determining if a person is under the influence of cannabis while operating a vehicle as they would have prior to the new law being enacted.

Q25. Is it a crime to use cannabis products while operating a motor vehicle?

A25. It is a misdemeanor for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

Q26. Is it a crime to possess cannabis products in a motor vehicle?

A26. Beginning Aug. 1, 2023, a person may be charged with a misdemeanor if they possess cannabis products in a motor vehicle on a street or highway if the products meet any of the following conditions:

- Do not meet the packaging requirements set in statute.
- Have been removed from the packaging in which they were sold.
- Are in packaging that has been opened, or the seal has been broken.
- Are in packaging in which the contents have been partially removed.

It is not considered a crime if the cannabis products are in the trunk of the vehicle or in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

Q27. Could cities prohibit the sale of adult-use cannabis entirely?

A27. Cities may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized by the new law.

Q28. Is our city required to adopt regulations under the new law?

A28. Cities are not required to adopt any new regulations under the new law. However, they will be required to register retail sellers and perform compliance checks.

Q29. Are prior convictions for cannabis use expunged and what is the city's role in that process?

A29. Certain cannabis-related convictions will be expunged by the Bureau of Criminal Apprehension. Upon receipt of a notice of expungement, cities are required to seal all records related to the expungement, including the records of the person's arrest, indictment, trial verdict, and dismissal or discharge of the case.

Certain felony convictions will be reviewed by the Cannabis Expungement Board to determine what, if any, action should be taken related to a prior conviction. Cities will be required to provide the Cannabis Expungement Board free access to records held by law enforcement agencies or prosecuting authorities.

City regulation

Q30. Can the city require sellers to have a city-issued license?

A30. A city may not require additional licenses other than the cannabis licenses issued by the OCM. However, the OCM will forward applications to cities for them to certify whether the proposed cannabis business complies with local zoning ordinance and, if applicable whether the proposed business complies with the state fire and building code. The OCM may not issue a license to a cannabis business that does not meet local zoning and land use laws.

In addition, upon receipt of an application for a cannabis license, the OCM will contact the city in which the business would be located and provide the city with 30 days in which to provide input on the application. This is the city's opportunity to provide the OCM with any additional information it believes is relevant to the OCM's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business, or sharing public information about the applicant.

Before a cannabis business begins making retail sales, it will be required to register with the city in which it is located.

Q31. When is our city required to issue retail registration to a cannabis retail business?

A31. A city is required to issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzo business with a retail operations

endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer that:

- Has a valid license issued by the OCM.
- Has paid the registration fee.
- Is found to be in compliance with the requirements of the applicable state laws through a preliminary compliance check performed by the city.
- Is current on all property taxes and assessments at the location where the retail establishment is located.

Q32. Can a retail registration issued by our city be transferred?

A32. Retail registration may not be transferred.

Q33. Is our city required to conduct compliance checks on businesses with a cannabis retail registration?

A33. Cities will be required to conduct compliance checks on retail cannabis businesses with a retail registration by the city. The OCM will develop standardized forms and procedures for these compliance checks.

Q34. Can our city charge a fee for a cannabis retail registration?

A34. city may impose an initial retail fee of \$500 or up to half the amount of the applicable initial license fee charged by the OCM, whichever is less. The city may also charge a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee charged by the OCM, whichever is less.

Q35. Can my city limit the number of cannabis retailer licenses issued in our city?

A35. A city that issues cannabis retailer registrations may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzo businesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. In addition, if a county has one active registration for every 12,500 residents, a city within the county is not obligated to register any additional cannabis businesses.

Q36. How does this impact my city's existing license for THC products?

A36. It appears that cities may continue to license edible cannabinoid products until the OCM begins issuing licenses. Those businesses that sell edible cannabinoid products to consumers must register with the Minnesota Department of Health by Oct. 1, 2023. However, once the OCM begins issuing lower-potency hemp edible retailer

licenses, cities are likely preempted from continuing to issue their own licenses and would begin registering retailers through the city's cannabis retailer registration process.

Q37. Which state agency is charged with regulating edible cannabinoid products until the OCM begins licensing cannabis products?

A37. The Minnesota Department of Health is now charged with the regulations of edible cannabinoid products until the OCM begins issuing licenses. [Learn more on the Minnesota Department of Health website.](#)

Q38. What changes have been made to the edible cannabinoid law adopted in 2022?

A38. The new law allows for the continued sale of certain edible cannabinoid products with new limitations including:

- Manufacturers must have each batch of products tested to certify they comply with the standards adopted by the Minnesota Department of Health.
- Manufacturers must disclose information regarding foreign materials applied or added to the products.
- Labels must contain a batch number.
- Beverages cannot contain more than two servings per container.
- Edible cannabinoid products may not contain artificially derived or synthetic cannabinoids.
- Edible cannabinoid products, other than beverages, must be displayed behind a checkout counter.
- Retailers must verify age of purchaser.

Q39. Can edible cannabinoid products be sold for on-site consumption?

A39. Until the OCM begins issuing licenses, the on-site consumption of edible cannabinoid products is limited to those businesses with an on-sale liquor license issued under Minnesota Statutes, Chapter 340A. In addition, the following conditions must be met:

- Products must be served in original.
- Products may not be sold to an intoxicated customer.
- Products must not be permitted to be mixed with alcoholic beverages.
- Products removed from packaging must remain on premises.

After the OCM is set up, it will issue on-site consumption endorsements for cannabis license holders.

Q40. Will I be able to prohibit cannabis events in my city?

A40. The new law authorizes temporary cannabis events lasting no more than four days. To be approved for a cannabis event license, applicants must obtain any necessary permits or licenses issued by a local unit of government. Cities may not prohibit cannabis events, but they may set standards which the event organizer must meet. Cities may also permit on-site consumption for events but are not required to.

Q41. How does this impact my city's existing THC license program?

A41. Local THC licenses may continue until the OCM begins issuing its own licenses, which state agencies anticipate beginning in January of 2025. When the OCM licensing begins, cities will need to follow the retail registration procedures outlined in the law.

Q42. How does the new law impact my city's existing THC moratorium?

A42. The new law does not affect a current moratorium. If a city adopted a moratorium on low-potency edibles, it remains in place and will expire as noted when it was adopted.

Q43. Can the city's zoning regulation restrict where a business can operate?

A43. Cities are allowed to adopt reasonable restrictions on the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. Cities may prohibit the operations of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

The OCM will develop model ordinances for reasonable restrictions on the time, place, and manner of a cannabis business.

Q44. Can cities adopt a moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis to study the issue?

A44. Cities may adopt an interim ordinance if:

- It is conducting studies.
- Has authorized a study to be conducted.
- Has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restriction on the time, place, and manner of the operation of a cannabis business as defined in the new law.

Before adopting an interim ordinance, the city must hold a public hearing on the issue. The interim ordinance may be in place until Jan. 1, 2025. The authority for an extended moratorium does not apply to the sale or production of low-potency hemp edible products.

Q45: What if my city has complaints about a licensed cannabis business?

A45. The OCM will establish an expedited complaint process to receive, review, and respond to complaints made by cities about a cannabis business. The OCM will be required to respond to the complaint within seven days and perform any necessary inspections within 30 days. If certain cannabis businesses are deemed by the city to pose an immediate threat to the health or safety of the public, the OCM must respond within one business day.

Q46: Can a city deny a liquor license if they find that the business is selling cannabis or low-potency hemp products without a license?

A46. Yes. The new law prohibits a retail license from being issued to a person who has had a license or registration issued under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; has been convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2% malt liquor.

Q47: Can a city suspend or revoke a tobacco license if they find that they are selling cannabis or low-potency hemp products without a license?

A47. Yes. The new law allows a tobacco license to be suspended or revoked if the licensee has a registration or licensed under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; is convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco. A city must provide notice and an opportunity for a hearing before suspension or revocation.

City employment and personnel issues

Q48: Does the new law allowing adult-use cannabis change anything about how we do drug testing for CDL holders?

A48. No, cities with positions requiring an employee to hold a commercial driver's license (CDL) will recall these positions are regulated by federal law, and those regulations are supervised by the Federal Department of Transportation (DOT). Federal law preempts state law related to cannabinoid use; in fact, the DOT states in its [DOT Recreational Marijuana Notice](#) that it does not authorize the use of Schedule I drugs, including marijuana, for any reason. As a result, cities should continue to follow their drug-testing procedures related to CDL holders and may enforce prohibitions against any use of cannabinoids for CDL holders, regardless of state law protections.

Cities can find more information on existing drug testing policies in the [LMC Drug and Alcohol Testing Toolkit](#), starting on page 22. An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

Q49. Does the new law change anything related to employees who carry a firearm?

A49. No. Public safety employees who carry a firearm cannot lawfully use marijuana under federal law. Federal law prohibits cities from providing firearms or ammunition to an employee it knows or has reason to think is using marijuana. Although there is a legal difference between marijuana products and hemp products, it may not be possible to differentiate the products in a drug test. Officers should be mindful of any substance they ingest because they are ultimately responsible if those products lead to a positive marijuana test.

Q50. Besides positions requiring a CDL or carrying a firearm, are there any other positions which are not affected by the new law?

A50. Yes. The law excludes the following seven position classes from the law's changes:

1. A safety-sensitive position, as defined in as defined in Minn. Stat. § 181.950, subd. 13.
2. A peace officer position, as defined in Minn. Stat. § 626.84, subd. 1.
3. A firefighter position, as defined in Minn. Stat. § 299N.01, subd. 3.
4. A position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:
 1. Children.
 2. Vulnerable adults, as defined in Minn. Stat. § 626.5572, subd. 21.
 3. Patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition.
5. A position funded by a federal grant.
6. Any other position for which state or federal law requires testing of a job applicant or employee for cannabis.

7. A position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or employee.

Q51. Can we still prohibit employees from being under the influence of cannabis while at work? Does the League have a model policy with updated language?

A51. Yes, employers can continue to prohibit employees from being under the influence of cannabis products, while at work. For employers, a key focus will be workplace safety with the consideration that cannabis is more difficult to detect and test than alcohol. Employers may continue to maintain drug-free policies at the workplace and discipline employees who use cannabis during working hours or who report to work impaired.

Under the Occupational Safety and Health Administration's (OSHA) General Duty Clause of the Occupational Safety and Health Act, employers are required to furnish a workplace free from recognized hazards that are likely to cause serious physical harm. This provision of the Act is typically used in accident cases where toxicology screens are positive. OSHA's new electronic recordkeeping rule, clarified on Oct. 11, 2018, states "If the employer chooses to use drug testing to investigate the incident, the employer should test all employees whose conduct could have contributed to the incident, not just employees who reported injuries," with respect to using drug testing to evaluate the root cause of a workplace incident that harmed or could have harmed employees. Thus, a non-DOT drug and cannabis-city testing policy with protocols following this guidance is important.

Under the new law, employers can enact and enforce work policies prohibiting the use, possession, and impairment of cannabis while at work or operating employer vehicles, equipment, and machinery. It is difficult to test for cannabis to determine if an employee is currently under the influence due to the drug's ability to be detectable for weeks after it is used. With the prohibitions on disciplining employees other than those listed in Q3, employers will be in a difficult position to take action against an employee who tests positive for cannabis. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as how to document observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

Q52. If an employee is injured while being under the influence of cannabis at work, are they still entitled to workers' compensation benefits?

A52. While each case is very fact-specific, the general rule is that if the injury was intentionally self-inflicted or the intoxication of the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of these facts is upon the employer.

Q53. Can employees be in possession of edibles or other cannabis products while at work?

A53. Cities may enact policies prohibiting employees from bringing cannabis products, including edibles, to work. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as documenting observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

Q54. Do we need to change anything in our collective bargaining agreement (CBA) regarding discipline of employees who use cannabis products?

A54. Maybe. If cities have policies within their CBAs that relate to cannabis use and discipline, cities should consult with their city attorney to determine if any changes are needed. CBAs may address cannabis and cannabis testing, but the CBAs must at least meet the minimum employee rights guaranteed by the statute.

Ensure your city's drug and cannabis-testing policies have been updated and your supervisors are trained on the behavioral signs and symptoms associated with impairment as well as documenting observations of potential impairment. If the CBA includes language that policy changes need to be negotiated, then there would need to be a meeting with the union if the city's policy changes.

Q55. Can employees use cannabis products off-duty?

A55. It depends. See [Q1](#), [Q2](#), and [Q3](#) for a list of employees who can be prohibited from using cannabis products both on and off duty due to federal or state regulations. Other employees would be able to use cannabis products while they are off duty, if they are not impaired at work. If there are any questions regarding whether an employee could be prevented from using cannabis products while off-duty, please consult your city attorney before any action is taken.

In addition, the law prohibits an employer from taking adverse employment action against an employee who is a patient in the state's medical cannabis program unless a

failure to do so would violate federal or state law or regulations, or cause an employer to lose a monetary or incensing-related benefit under federal law or regulations.

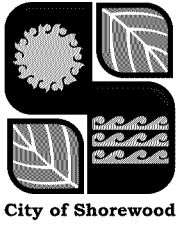
Q56. How does this impact the requirements of the Drug-Free Workplace Act?

A56. It does not. The Drug-Free Workplace Act of 1988 (DFWA) requires federal grantees and contractors to implement a drug-free workplace policy and establish a drug-free awareness program as a precondition for receiving a federal grant or a contract. However, the DFWA does not require covered employers to test employees for drugs or terminate them for drug-related violations, so the new Minnesota state law does not impact the DFWA directly. Minnesota law allows employers to prohibit employees from bringing legal cannabis products to work and permits employers to prohibit employees from being under the influence while at work. It would be best practice for cities with drug-free work policies to keep those in effect. If a city wishes to do so, it can update its policy to include lawful cannabis products within its scope.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

Q57. Should my city continue to include cannabis as a pre-employment panel screen for my non-DOT/safety-sensitive employees?

A57. The new Minnesota law prohibits an employer from refusing to hire an applicant simply because of a positive cannabis drug test. There are exceptions for positions where such testing and denial of job offer is required under applicable federal or state law. Cities will want to refer to the [Q3](#), which provides a list of positions excepted from cannabis testing prohibitions. Practically speaking, if a position is not excepted, cities will need to determine whether they want to continue to test for cannabis in light of the limitation of the testing and confer with their city attorney before taking an action as a result of a positive test.



City of Shorewood

City Council Meeting Item

Item
9A.1

Title/Subject: 2023 Spring Clean-Up & Paper Shred Results
Meeting Date: 6/26/2023
Prepared by: Eric Wilson, Communications and Recycling Coordinator
Reviewed by:
Attachments: Spring Clean-Up & Paper Shred Event Infographic

Background: The annual City Spring Clean-Up and Paper Shred event took place on Saturday, May 20, 2023. Results from the event below:

Item (by category)	Qty
Appliances	53
Light bulbs	887
Tires	68
Push Mower	6
Snow Blower	2
Small Gas Equipment	12
Pressure Washer	3
Exercise Bike	1
Tanks	6
Bicycles	38
Total	1,076 items

Item (by category)	Qty (lbs)
Electronics	5173
Batteries	493
Ballasts	14
Total	5,680 lbs

Paper Shredded	288 gallons
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Volunteers	4
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Financial Considerations: No action necessary at this time. Below are total costs from the event.

	Expenses	Revenue
Petty Cash	\$300.00	\$300.00
Refreshments – volunteers, staff	\$169.65	
Certified Appliance Recycling	\$7,720.20	
Republic Services	\$758.42	
Stericycle (Shred-it)	\$1,348.20	
Cash Received		\$5,564.00
Total cost	\$10,296.47	\$5,864.00

(\$4,432.47)

**total cost does not include City Staff time.
 **\$-4,432.47 is consistent with numbers from previous years*

Action Requested: n/a

SPRING CLEAN-UP & PAPER SHRED EVENT



2023 Results



53

APPLIANCES



887

LIGHT BULBS



68

TIRES



23

OUTDOOR POWER
EQUIPMENT



38

BICYCLES



6

TANKS



5,173

POUNDS
ELECTRONICS



493

POUNDS
BATTERIES

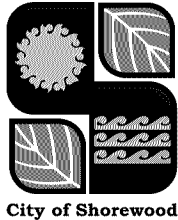


288

GALLONS
PAPER SHREDDED



City of
Shorewood



Title/Subject: Matters from the Floor Response – Alan Yelsey, 26335 Peach Circle
Meeting Date: June 26, 2023
Prepared by: Marc Nevinski, City Administrator; Sandie Thone, City Clerk, Joe Rigdon, Finance Director
Attachments: Bonds Summary

Mr. Yelsey appeared virtually at Matters from the Floor on June 12, 2023 and made the following comments:

- 1. Mr. Yelsey objected to the time limits placed on Matters from the Floor. He stated that it is undemocratic to not allow discussion and that the City values the opinion of experts over that of residents.**

Cities commonly establish time limits (two to five minutes is common) for speakers during open forum periods of a council meeting in order to promote efficient meetings and ensure all those who wish to address the council have an opportunity to do so. The League of Minnesota Cities notes that people attend council meetings to provide information to the city council. However, LMC also notes that discussions or debates between council members and constituents is inappropriate and may reflect poorly on the decision-making process. Constituents have many ways of communicating with elected officials individually or as a body, including via staff, one on one conversations, emails and letters, public hearings, and engagement events.

- 2. Mr. Yelsey expressed concern that the Smithtown Ponds have not been treated for mosquitos. He also expressed concern about a sand pile on Strawberry Lane**

The Smithtown Ponds project is nearing completion and as-built plans will be provided to the Metropolitan Mosquito Control District when work is finished so the ponds can be mapped correctly in its system and treated for mosquitos as necessary. An adjacent existing pond was treated in May. Staff informed the MMCD at the end of May of the treatment concern regarding the ponds under construction and they stated that field staff would inspect the site and determine a course of action. On June 15 MMCD reported they again check the ponds and noted that due to the lack of rain most water holding sites are not producing mosquitos.

The City Engineer has discussed the safety of the sand pile with the contractor. There is no OSHA regulations addressing sand piles and that the sand pile in a construction zone does not present an eminent hazard. That said, signage or fencing will be installed around the sand pile until it needs to be accessed.

3. Mr. Yelsey stated that the \$2000 charge for data requested is undemocratic.

According to MNGDPA, State Statute 13.03, subd. 3, the City may charge for data request at the rate of .25 per page for data totaling under 100 pages and for actual staff time for data that exceeds 100 pages but inspection is always offered and it is free.

The Data Request Mr. Yelsey is referring to above was sent with the following explanation that this is exactly what the city had to do and pay to provide this large amount of information.

Pursuant to the MNGDPA, municipalities may charge for Data Request copies, which include copies sent via electronic transmission. The above request exceeds the limit of 100 pages, therefore would qualify for the “actual cost” method in calculating the data request cost. The actual costs for searching and retrieving the government data requested, pursuant to MN Statute §13.03, subd.3(c) , is as follows:

<i>Principal Engineer Andrew Budde</i>	<i>11.5 hours</i>	<i>\$1,978</i>
<i>Engineering Staff</i>	<i>3 hours</i>	<i>\$440</i>
<i>Engineering Admin Staff</i>	<i>2 hours</i>	<i>\$140</i>
Total	16.5 hours	\$2,558

It is worth noting that on October 17, 2022 after a lengthy Hearing in *Yelsey v. Shorewood*, the judge dismissed Mr. Yelsey’s complaints entirely, ruling that the city “did not fail to permit Complainant to inspect and copy public government data at reasonable times and places and inform Complainant of the data’s meaning.” In fact, the judge did however find the city failed “to charge Complainant the actual cost of providing copies when it charged him [only] the per-page rate for documents exceeding 100 pages.”

The City is simply complying with MN Data Practices Act and charging the cost of actual staff time in fulfilling a large request. The City has previously notified Mr. Yelsey that all of this data is available for inspection at no cost.

4. Mr. Yelsey expressed concern about the City taking on approximately \$25M in debt and stated the public does not realize it.

Since 2020, the City has annually financed various street improvement and utility projects through the issuance of general obligation (G.O.) bonds. To date, the City has issued \$13,230,000 of G.O. street reconstruction bonds, and \$11,810,000 of G.O. revenue bonds, for a total of \$25,040,000 overall. The current balance outstanding is \$24,145,000. The attached spreadsheet provides a summary of bonding activity and indicates which City projects and improvements have been financed. (See attached Bond Summary) S&P Global continues to provide the City with a AA+ bond rating and has noted the City’s finances are stable.

City budgets are publicly presented and discussed several times annually and are available on the City website. Projects requiring debt are considered multiple times at Council meetings and include a number of authorizations and approvals before a contract is awarded or debt is issued.

5. Mr. Yelsey objected to the fees paid to the City’s engineering firm.

The following is a summary of Engineering Services provided by Bolton & Menk. General Engineering includes day to day engineering services that cities commonly provide. Project Engineering includes project specific work such as design, field engineering, and construction observation.

Engineering Summary - Bolton & Menk
December 2019 through May 2023

Year	Months of Service	General Engineering	Project/Other Engineering	Total
2019	12/19	6,117.00	0.00	6,117.00
2020	1/20-12/20	136,650.47	1,224,892.29	1,361,542.76
2021	1/21-12/21	125,714.70	1,639,724.75	1,765,439.45
2022	1/22-12/22	115,116.02	1,284,126.68	1,399,242.70
2023	1/23-5/23	45,413.05	447,645.20	493,058.25
		<u>429,011.24</u>	<u>4,596,388.92</u>	<u>5,025,400.16</u>

City of Shorewood
Bonds Summary

Interest Rates	Issue Date	Final Maturity Date	Authorized & Issued	Balance		Redeemed	Balance 6/15/2023
				12/31/2022	Issued		

General Obligation Street Reconstruction Bonds

1.0%-1.625%	8/25/2020	2/1/2041	3,030,000	2,840,000	-	190,000	2,650,000	Woodside Road & Lane; Enchanted & Shady Islands; Lafayette Avenue
1.0%-1.625%	7/28/2021	2/1/2034	3,285,000	3,285,000	-	265,000	3,020,000	2021 Mill & Overlay; Glen/Amlee/Mantou
4.31%	12/1/2022	2/1/2043	3,535,000	3,535,000	-	-	3,535,000	Strawberry Lane; Strawberry Court; Peach Circle
TBD	6/23	2/1/2044	3,380,000	-	3,380,000	-	3,380,000	Birch Bluff Road
			13,230,000	9,660,000	3,380,000	455,000	12,585,000	
			13,230,000	9,660,000	3,380,000	455,000	12,585,000	

General Obligation Revenue Bonds

1.0%-1.625%	8/25/2020	2/1/2041	4,470,000	4,400,000	-	135,000	4,265,000	Woodside Road & Lane; Enchanted & Shady Islands; Lafayette Avenue; Lake Mary Outlet; Beverly Drive Wetland; Shorewood Oaks Drainage; Grant Street Drainage; Smithtown Ponds
1.0%-2.0%	7/28/2021	2/1/2042	1,040,000	1,040,000	-	45,000	995,000	2021 Mill & Overlay; Glen/Amlee/Mantou; Sweetwater Curve Watermain
4.31%	12/1/2022	2/1/2043	4,035,000	4,035,000	-	-	4,035,000	Strawberry Lane; Strawberry Court; Peach Circle; Lift Stations 7, 9, 10
TBD	6/23	2/1/2044	2,265,000	-	2,265,000	-	2,265,000	Birch Bluff Road; Lift Station #11
			11,810,000	9,475,000	2,265,000	180,000	11,560,000	
			11,810,000	9,475,000	2,265,000	180,000	11,560,000	
			11,810,000	9,475,000	2,265,000	180,000	11,560,000	
			25,040,000	19,135,000	5,645,000	635,000	24,145,000	