

CITY OF SHOREWOOD
CITY COUNCIL REGULAR MEETING
MONDAY, AUGUST 10, 2020

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

MINUTES

1. CONVENE CITY COUNCIL REGULAR MEETING

Mayor Zerby called the meeting to order at 7:00 P.M.

Due to the Centers for Disease Control's recommendation limiting the number of people present at a meeting, and pursuant to MN Statute 13D.02, the Shorewood City Council meeting was held via electronic means.

A. Roll Call

Present: Mayor Zerby; Councilmembers Johnson, Labadie, and Siakel; City Attorney Keane; City Administrator Lerud; Finance Director Rigdon; Planning Technician Notermann; and, City Engineer Budde

Absent: Councilmember Sundberg

B. Review Agenda

Labadie moved, Siakel seconded, approving the agenda as presented.

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

2. CONSENT AGENDA

Mayor Zerby reviewed the items on the Consent Agenda.

Johnson moved, Siakel seconded, Approving the Motions Contained on the Consent Agenda and Adopting the Resolutions Therein.

- A. **City Council Regular Meeting Minutes of July 27, 2020**
- B. **Approval of Verified Claims List**
- C. **Accept Park Donation from Excelsior American Legion Post 259, RESOLUTION NO. 20-079, "A Resolution Accepting Donation to the City of Shorewood 2020 for Parks."**
- D. **Accept Final Improvements and Authorize Final Payment for 2020 Pavement Striping Project, City Project 20-02, RESOLUTION NO. 20-080, "A Resolution for Final Acceptance and Authorizing Final Payment, City Project 20-02, the 2020 Pavement Striping Project."**
- E. **Accept Proposal for Geotechnical Services for Strawberry Lane, Smithtown Pond, and Grant Street Drainage, City Projects 19-05, 20-07, and 18-04,**

RESOLUTION NO. 20-081, "A Resolution Accepting a Proposal for Geotechnical Services for the Strawberry Lane (19-05), Smithtown Pond (20-07), and Grant Street Drainage (18-04)."

- F. Authorize Expenditure for Grading and Storm Sewer Improvements, Boulder Bridge Subdivision**
- G. Accept Quotes and Award Contract for Echo Road Stormwater Sewer Improvement, City Project 17-13**

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

3. MATTERS FROM THE FLOOR - NONE

4. PUBLIC HEARING

5. REPORTS AND PRESENTATIONS

A. Girl Scout Troop #18018 Presentation on Bat House Project

Councilmember Labadie explained that she is one of the leaders of Girl Scout Troop #18018. She stated that she is very proud that they have earned their Bronze Award for a bat house project that took over a year for them to earn. She noted that the troop would tell the Council about their project themselves.

Mayor Zerby noted that because of social distancing requirements, Troop #18018 prepared a video explaining about their bat house project.

A video of Girl Scout Troop #18018 was played for the Council which explained the different awards that can be earned by the Scouts and details about the bat houses they have donated to the City.

Councilmember Labadie thanked the Troop for their presentation and for donating the bat houses to the City. She noted that the Troop paid for this entire project with money earned from their cookie sales.

Mayor Zerby expressed his appreciation for the hard work of the entire Troop and their donation to the City.

6. PARKS

7. PLANNING

8. ENGINEERING/PUBLIC WORKS

- A. Authorize Expenditure for Archeological Monitoring Services, Blondo Consulting, LLC, Woodside Road/Lane Pavement Reclamation Project, City Project, 19-04**

B. Authorize Expenditure for Archeological Monitoring Services, Blondo Consulting, LLC, Enchanted and Shady Islands Pavement Reclamation Project, City Project 18-11

City Administrator Lerud stated that the Council had authorized these projects at a previous meeting and up until this point, the City has complied with all the requirements related to investigation and preservation of the potential historical sites. He explained that Blondo Consulting has submitted a proposal to do the construction inspections. He noted that, to staff, the amount they have quoted seems very high. He stated that staff has spoken to Mr. Blondo about their concerns and he indicated that the cost submitted was the absolutely worst-case scenario and expects the costs to be a fraction of the amount given. He stated that staff would still like the opportunity to consider other entities to do the actual inspections required. He stated that staff is recommending that the City authorize the expenditure for the construction monitoring for the projects, in a not to exceed dollar amount He stated that staff would plan to come back with a further recommendation at the September 14, 2020 meeting on how to proceed. He noted that there are adequate funds for this, even if the payment was authorized in full.

Councilmember Johnson asked about completion date of the actual road construction and asked how tight the timeline will be in relation to the opening of the schools.

City Administrator Lerud stated that the construction project will be going on when the schools open. He stated that he believes the contracted construction completion date is at the end of October. He gave a brief overview of the planned construction areas and techniques.

Johnson moved, Labadie seconded, Authorizing the Expenditures for Construction Monitoring Services for the Woodside Road and Woodside Lane Street Reclamation and Watermain Extension Project, City Project, 19-04, not to exceed \$45,000.

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

Johnson moved, Labadie seconded, Authorizing the Expenditures for Construction Monitoring Services for Enchanted and Shady Island Reclamation Project, City Project, 18-11, not to exceed \$45,000.

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

9. GENERAL/NEW BUSINESS

A. Bond Sale Results

City Administrator Lerud asked Shannon Sweeney of David Drown Associates to update the Council.

Shannon Sweeney presented the results of the sale of general obligation street reconstruction and utility revenue bonds. He stated that the City received seven bids and Piper Sandler and Company bidding in syndicate with Cantor Fitzgerald submitted the low bid at a one point two five three percent interest rate. He stated that he believes this is the lowest interest rate he has ever seen on a twenty-year term and noted that he has a twenty year history of selling bonds. He explained that the City did purchase a credit rating through Standard and Poor's which was a AA+ stable credit rating for the City. He stated that City staff did an excellent job of responding to the

questions during the hour-long interview. He stated that staff was so thorough that Standard and Poor had no follow up questions, which is unusual. He stated that staff is recommending approval of the sale to Piper Sandler and Company.

City Administrator Lerud noted that the bond resolution was updated late this afternoon and copies were forwarded to the Council at that time.

Siakel moved, Johnson seconded, Adopting RESOLUTION NO. 20-083, "A Resolution Awarding Sale to Piper Sandler and Company \$----- General Obligation Street Reconstruction and Utility Revenue Bonds, Series 2020A, Fixing the Form and Specifications Thereof, Providing for Their Execution and Delivery, and Levying Taxes and Provided for their Payment."

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

Mayor Zerby asked if the City should look into refinancing the Public Safety bond again since the rates are so favorable right now.

Mr. Sweeney stated that they can take a look at it, but there may be an issue with the call date.

10. STAFF AND COUNCIL REPORTS

A. Administrator and Staff

1. Street Light Request Update

Planning Technician Notermann gave an overview of the request from a resident for a street light on Smithtown Road and Club Lane. She explained the City's procedure for handling this request and when it may be brought back to the Council for review.

2. Excelsior Chamber of Commerce Request Follow UP

City Administrator Lerud explained that during the last Council meeting there was a request from the Excelsior Chamber of Commerce during Matters from the Floor. He stated that they had asked for funding assistance for a month's worth of operations which is about eight thousand dollars. He reminded the Council that their justification in the request was that the City contributes seventy thousand five hundred dollars every year for the fireworks which the City had not yet done this year. He explained that this would be CARES fund eligible and explained his understanding of what the City of Excelsior has approved in contributions for the Chamber. He stated that staff is looking for direction from the Council to this request. He noted that he had asked how many of the businesses in the Excelsior Chamber of Commerce are Shorewood businesses and was told that there are seventeen businesses, which is the equivalent of ten percent of the membership in the Chamber.

Councilmember Siakel asked if funding from their own membership has dried up. She stated that she understands there is a pandemic, but assumes the request is in order to keep people employed.

City Administrator Lerud stated that he believes the vast majority of their revenue comes from events and COVID-19 has put a crimp on them being able to hold events.

Mayor Zerby noted that he spoke with Ms. Weiss last week and had a good conversation about the Chamber and the changes they are going through. He stated that there has been a renewed interest in working with neighboring cities beyond the Excelsior borders. He stated that Ms. Weiss is interested in a potential Memorandum of Understanding with the City that would help outline some of the services or expectations between the City and the Chamber. He stated that he would be in favor of assisting them with the funding, at this time, as long as there is the expectation that that City will follow up regarding a Memorandum of Understanding.

Councilmember Labadie stated that she is intrigued by the fact that Excelsior basically pledged one amount of money and a second amount if other cities also contributed. She stated that she may be in favor of also leaning in that direction, where the City would contribute based on the condition that other neighboring cities also contribute.

Councilmember Siakel stated that she thinks that would be fair, but noted that it feels a bit like the City is giving funding, but has no idea why and what it will be used for. She stated that she agrees with Councilmember Labadie that it should not just be the City bailing the Chamber out, but should be a community-wide approach in order for her to consider it.

Councilmember Labadie noted that her thoughts were solidified when she found out that seventeen businesses, or ten percent of the Chamber belongs to Shorewood, which means ninety percent of the Chamber comes from the other cities. She stated that she supports helping but wants to make sure Shorewood is not the only one that are doing it and are the only ones on the hook. She stated that she is still not completely certain without having a spreadsheet or any kind of documentation of exactly where this money will be going or what it will be used for. She stated that she understands it is to keep the Chamber operating, but asked if there was a way to elaborate on how these funds will be used.

Jen Weiss, Executive Director of the Excelsior Chamber of Commerce, stated that she had submitted packets a few weeks ago to the Council that had some of this information. She explained that seventy-seven percent of their operating budget comes from events and twenty-three percent comes from membership dues. She stated that being in a situation where events cannot happen due to COVID-19 has put them into a tailspin. She stated that their Board has cut two-hundred twenty-two thousand dollars from their operating expenses. She explained that they need one-hundred and thirty-three thousand dollars to operate for seventeen months, assuming they are not able to hold any events. She stated that they have also brought the organization down to one staff member, which is herself, and they have also given up their lease, so they currently have no physical location. She noted that as of last week, they had raised enough funds through donations to get them through mid-October. She stated that the City of Excelsior has stepped in and pledged just over eight thousand dollars and will pledge additional funds if the other four cities come up with four months of the Chambers run rate. She gave an overview of cities that they have already met with and what has been pledged. She noted that they qualify for CARES act funding.

Councilmember Siakel asked for clarification of Ms. Weiss stating that the Chamber also qualified for the CARES act funding.

Ms. Weiss stated that the Chamber does qualify to be a recipient of the CARES act funds through the cities.

City Administrator Lerud clarified that the Chamber is not a direct recipient of the CARES act funds, but is an eligible expense from a member city.

Ms. Weiss explained that because they are a 501(c)6 they were left out of the PPP funding which has been one of the hurdles are dealing with right now.

Councilmember Siakel asked what the Chamber would do if they do not receive the requested funds.

Ms. Weiss stated that the very real situation is that they could end up closing down which is concerning to the members. She stated that there have been numerous studies that show the difference in cities that operate with and without a Chamber of Commerce. She stated that without a Chamber there is a higher turnover rate, longer vacancies for businesses, and slower growing business districts. She stated that all of these things directly relate to the tax base and the housing tax base and have a ripple effect on the cities. She stated that the Chamber events will be coming back and are just paused as an unfortunate side effect of COVID-19.

Councilmember Labadie thanked Ms. Weiss for clarifying some of their questions. She explained that the City has been spoiled by having one of the best Finance Directors on the planet with Finance Director Rigdon. She stated that he always gives the Council spreadsheets and detailed financial reports which is why they wanted more detailed information from Ms. Weiss. She asked how much Tonka Bay was planning to contribute.

Ms. Weiss explained that they have not yet met with Tonka Bay Council yet and will meet with them in about two weeks. She stated that she had included spreadsheets with more detailed financial information in the packet she had submitted and noted that she would resend that to the Council.

City Administrator Lerud noted that he had located the budget spreadsheet that Ms. Weiss submitted and will forward it to the Council.

Councilmember Siakel stated that she would like to gather more information before the Council considers taking any action on this item.

Councilmember Johnson stated that he is in favor of the idea of all the cities being in it together, the way Excelsior has done it. He stated that since the Chamber is currently funded through October, that does give the City a little time to look more closely at the details. He stated that he would like to see this brought back as an agenda item for the next Council meeting.

Other

Finance Director Rigdon expressed his appreciation to Shannon Sweeney of David Drown Associates for walking the City through the bond sale process. He thanked him for his patience and noted that all the work culminated in a really great day for the City.

11. CLOSED SESSION

This closed session is pursuant to Minnesota Statute 13D.05, Subdivision 3(b), attorney-client privilege, for the purpose of discussing legal considerations relating to threatened litigation to challenge the City's right-of-way management.

Mayor Zerby read a statement explaining that the Council would be moving into a closed session for the purpose of discussing legal considerations relating to threatened litigation related to right-of-way management.

Johnson moved, Labadie seconded, to move the Council meeting into a Closed Session at 7:54 p.m.

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

The Council moved into closed session.

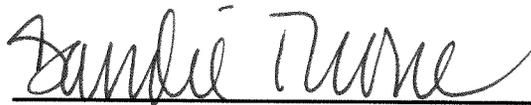
At the conclusion of the closed session, Mayor Zerby reopened the Council meeting.

12. ADJOURN

Labadie moved, Johnson seconded, Adjourning the City Council Regular Meeting of August 10, 2020, at 8: P.M.

Roll Call Vote: Labadie, Johnson, Siakel, Zerby voted Aye. **Motion passed.**

ATTEST:



Sandie Thone, City Clerk


Scott Zerby, Mayor