

MOUND CITY COUNCIL MINUTES
September 23, 2025

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, September 23, 2025, at 6:00 p.m. in the Council Chambers in the Centennial Building.

Members present: Mayor Jason Holt, Council Members Sherrie Pugh, Kathy McEnaney, Kevin Castellano, and Michelle Herrick.

Members absent:

Others present: City Manager Jesse Dickson, Kevin Kelly City Clerk, Ryan Prich, Public Works Director, City Attorney Scott Landsman, Orono Police Officer Ryan Spencer, Scott & Kathy Rothenberger, Wendy Davidson, Kim Blievernicht, Kasey Marquardt, Joanna Kahn, James McCrary, Brian Gordon, Steve Gillen, BJ Johnson, Helen Canning, James Sewell, Jennie Sewell, Tyler Pieper, Lori Springer, Brian Tramonte, Jay Nygard, Josh & Natalie Leonard, Dean Vlachos, Travis Mills, Kathy Thyr, Guiseppe Mendolia, Ellen DeHaven and Sam Janicki.

Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Councilmember or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.

1. Open meeting

Mayor Holt called the meeting to order at 6:00 p.m.

2. Pledge of Allegiance

3. Approve agenda

MOTION by McEnaney, seconded by Herrick, to approve the agenda. All voted in favor. Motion carried.

4. Consent agenda

MOTION by Castellano, seconded by McEnaney, to approve the consent agenda. Upon roll call vote, all voted in favor. Motion carried.

- A. Approve payment of claims
- B. Approve Minutes: September 9, 2025 City Council Regular Meeting
- C. Approve Resolution No. 25-76 Approving Variance at 1705 Baywood Shores Drive Planning Case No. 25-09
- D. Approve Resolution No. 25-77 Approving Public Lands Permit (after the fact) on Devon Commons for Property at 4805 Island View Drive
- E. Pay Request No. 1 in the amount of \$1,211,372.37 to GMH Asphalt Corporation for the 2025 Street Improvement Project; PW-25-01, PW-25-02 and PW-25-05

F. Pay Request No. 1 and Final in the amount of \$114,866.00 to Allied Blacktop Company for the 2025 Seal Coat Project; PW-25-07

5. Comments and suggestions from citizens present on any item not on the agenda.

Jay Nygard, 1386 West Point Road, Orono, said he has an issue with the leadership of the Orono Police Department (OPD). Nygard said there are 30 citizen complaints listed and the OPD exonerated itself on 30 of these complaints. Nygard said residents are not respected by the OPD. Nygard said there was an incident at his home which said wasn't handled well nor was the arrest of Julissa Thaler.

Lori Springer, 6021 Chestnut Road, said she had questions about the Parks discussion during the Council Workshop and was wondering why the Parks Commission wasn't part of the meeting. Springer asked what the criteria is to determine what is a viable park. Springer said what is the role of a Council Member; to want things in your own interest or in your constituents' interest.

Sam Janicki, 4722 Gordon Road, said he lives across the street from Doone Park and he sees kids in the neighborhood using the park in many ways. Janicki said he is concerned about the talk to turn Doone Park into a dog park. Janicki said he owns a dog and said there are three dog parks within 15 minutes of the Centennial Building. Janicki added that the Minnewashta Dog Park was nearly shut down due to sanitary issues and the clean up costs. Janicki said he doesn't want a dog park in a residential area and would not like to not see Doone Park on the list to sell.

Guiseppe Mendolia, 4517 Tuxedo Blvd. said he lives across from the Sherven Park extension. Mendolia said the Sherven extension is used a lot by kids playing soccer, people walking dogs and is used every single day. Mendolia said it is fun to see the park being used. Mendolia said he is concerned about the property being built up and how the water drains into the lake.

Jennie Sewell, 6511 Bay Ridge Road, said she lives near the Bluffs Park. Sewell said there is a reason for the lot, as there is not a lot of flat space in her subdivision. Jenny said when she had little ones they played in the area, used a stroller to walk to the park. Sewell said the park is valuable and it would be amazing to add a playground to the space.

Brian Gordon, 3057 Dundee Lane, said he raised three boys across the street from Dundee Park since 1998. Gordon said Dundee Park gets used and there were two Moms with their children using their favorite park when he left for this meeting. Gordon said Dundee is a small, quaint park with dogs running all over the place. Gordon said the Council should reconsider the plan to sell Dundee as there is little access to the property if it would be sold. Gordon said there is public infrastructure in the Park which would impeded access if it was turned into a residential property.

Josh Leonard, 4713 Gordon Road, said he lives across from Doone Park. Leonard said he uses Doone Park which he said is a valuable park. Leonard asked if Doone would be sold would this add financial value or be a net negative as a dog park. Leonard said one of the reasons to move to Mound is the Parks and the lake.

6. Long-Term Financial Management Plan and Utility Rate Study – Kyle Sawyer, Ehlers

Jesse Dickson, City Manager, said the Public Facilities Authority (PFA) has directed the City to produce an updated utility rate study which was created by Ehlers. Holt said if the City receives public money the City will have to have a utility rate study to be able to received funding through the PFA. Dickson said unless the City receives all of the \$30Million for the Water Treatment Plant this is the next step to show the PFA the City has done the due diligence to receive a low interest loan. Kyle Sawyer, Ehlers, talked of the needs of the City and the PFA loan. Sawyer said an updated utility rate study is in the proposal which will include the impact on property taxes if the City builds the Water Treatment Plant.

Sawyer said the proposed study will look at the impacts on cash flow and how 2026 rates are set and to look at 2027 options on financing the water treatment plant project.

MOTION by Castellano, seconded by McEnaney, to approve the Long-Term Financial Management Plan and Utility Rate Study by Ehlers. All voted in favor. Motion carried.

7. 2026 Evergreen Water Tower Coating Project Approval

Ryan Prich, said the 2026 Financial Plan had the Evergreen Water Tower scheduled to be re-coated and sought out quotes for the project. Prich said KLM was the lower quote. Prich said KLM has done many projects around the City including water tower inspections, tower cleaning and maintaining specs. Prich recommended the Council award the bid to KLM.

Castellano asked if there was a benefit to picking KLM over Bolton & Menk. Prich said KLM has a history of water tower maintenance for a number of years in the City. Prich said that the quotes were within \$1,500.00 of the other.

McEnaney asked why staff have picked the Evergreen tower over the Chateau tower. Prich said there were other repairs which were needed on Evergreen which is why it is the priority. Prich said the Council will have the opportunity to workshop the design and color of the Evergreen Water Tower with the KLM team.

Prich said the Chateau water tower is due for recoating in 2027 and doing Evergreen now ensures the City stays in alignment with goals and the projects completion in 2026.

MOTION by Castellano, seconded by Pugh, to approve the 2026 Tower Coating Project at the Evergreen/Well 8 Tower Proposal Agreement between the City of Mound and KLM Engineering, Inc. All voted in favor. Motion carried.

8. 2026 Preliminary Levy and Budget

A. Approve Resolution No. 25-78 Approving the 2026 Preliminary General Fund Budget in the amount of \$7,117,720, and Setting the 2026 Preliminary Levy at \$8,701,467

Dickson said the staff are recommending a preliminary 6% Levy increase. Dickson said staff worked with the Finance Committee and Department Heads. Dickson said this is the second year of the LFMP and recommends the Council to continue with the plan.

Holt said the decision was made to not to add to the service level of the City and to stick with the LFMP. Holt noted highlights of the budget which includes

- \$15K for the MN Family Leave act,
- One FT Fire Dept. staff increased in July and a 2026 budget increase by 7.19%
- Local Government Aid has been zeroed out
- 2026 Election Year increase
- Liquor Store still is producing healthy revenue for the City but is a little lower than last year
- Water Fund – Deficits until 2030 when the City will have a zero cash balance; the deficit in the Water Fund sits at \$4.4Million at the end of 2024.
- Sewer Fund is in a positive cash balance situation currently.
- Storm Water Fund is in a deficit of over \$2Million

Holt read the trends since 2021 of the City tax levy table/tax rate of the City and Tax Capacity.

Holt noted the City maintains a AA+ Bond rating.

Holt listed local and similar cities levy increases for 2026.

McEnaney asked if the decision to go with the LFMP in 2024 was a good decision to which Castellano said yes in order to get all City funds moving to a healthy condition. Castellano said the City's debt position is much better than 10 years ago. McEnaney said if the City keeps working the LFMP when will the City be out of debt. Iverson said in 2030 the water fund will have an even cash balance. Iverson said the City will have the Capital reserves to not have to issue debt going forward as 2030 will be the last year to issue debt. Iverson said the other utilities will issue debt for the next five years through 2029.

Castellano said having a little buffer is good for unexpected costs. Dickson said PFA needs to see that the City can demonstrate it can pay for the water treatment plant in order to get a loan.

McEnaney said she has received a couple of complaints about the increase in Franchise Fees to the non-profits and churches. Holt said the LFMP is getting the City out of debt and would like to communicate this to Mound residents. McEnaney agreed with more resident communication.

Holt said Hennepin County (HC) has set a 7.79% preliminary levy increase. Holt listed the major financial drivers of the HC levy increase which was mostly the HCMC. Holt said labor costs also were a driver of the levy increase.

Holt listed the increase in property tax per value of houses in Mound.
\$250K house annual increase will be \$23.
\$350K house annual increase will be \$35
\$450K house annual increase will be \$46.

Herrick said the vacuum truck is \$900K in 2027. Iverson said the issue of the vacuum truck is that is in need of replacement and the City needs to have a vacuum truck.

Holt asked about the interest income in 2024 to which Iverson said it was \$400K+ and will be a similar amount for 2025.

McEnaney asked if there will be new employees added in the budget such as Public Works staff. Holt said there will be a finance workshop in 2026 to discuss this concern.

Dickson said he has an accepted offer for the Deputy City Manager position. Dickson said there were 40 applicants with the new hire to start in November. Dickson said there was a larger staff in Mound in previous years. Dickson said the issue is about improving service levels which would require the hire of staff which is also the highest cost of running a City

Dickson said the City could conduct a study to see what other cities are doing with service and staffing levels with similar populations. McEnaney said the City needs to balance the budget and look at staffing needs. Dickson said the City could demonstrate the level of service through efficiency at City Hall or by other measures. McEnaney said the Council has asked Dickson to determine City staffing needs.

The Council discussed plans to add to the service level of the City and to trust staff to manage their departments. Dickson said the new Deputy Manager and will need to wear different hats and work in every department in a City which has a “lean” staff. Dickson said the City can be more efficient. Dickson said the answer is to be more efficient and moving forward as a staff. Dickson said he would welcome a discussion on the budget and staffing with the Council.

Motion by McEnaney, seconded by Castellano, to Approve Resolution No. 25-78 Approving the 2026 Preliminary General Fund Budget in the amount of \$7,117,720, and Setting the 2026 Preliminary Levy at \$8,701,467. All voted in favor. Motion carried.

B. Motion by Castellano, seconded by McEnaney, to adjourn the City Council Meeting to the Mound Housing and Redevelopment Authority Meeting

C. Reconvene to the City Council Meeting

D. Approve Resolution No. 25-79 Approving a Levy not to Exceed \$250,000 for the Purpose of Defraying the Cost of Operation, Pursuant to the Provisions of MA 469, of the MSA 469, of the Housing and Redevelopment Authority (HRA) and for the City of Mound for the Year 2026

Motion by Castellano, seconded by McEnaney, to Approve Resolution No. 25-79 Approving a Levy not to Exceed \$250,000 for the Purpose of Defraying the Cost of Operation, Pursuant to the Provisions of MA 469, of the MSA 469, of the Housing and Redevelopment Authority (HRA) and for the City of Mound for the Year 2026

9. Banners Discussion Continuation

McEnaney said typically a Chamber of Commerce takes on banner campaigns in cities. McEnaney said the City could partner with the WCC which has been an active group which includes Tiffany Beitler from Plaid Moose Marketing. McEnaney said she has spoken with local Chambers of Commerce to gather research. McEnaney said the role of the City is to determine the pole’s locations.

McEnaney said she has communicated with Minuteman Printing in Mound to take on the banner and marketing business. McEnaney said Pauline Krebs from Minuteman has done banner work for Spring Park and is invested in a good outcome for the City. McEnaney said she feels confident in Pauline with the work being done with no cost to the City. McEnaney said Minuteman can run the banner campaign from start to finish and will formalize pole and hanging specifics. McEnaney said the process to hang the first new banner may take six months or more in order to conduct a marketing campaign.

Pugh said there will be a cost of in-kind work by City staff. Pugh said the banners could be overkill in residential areas. McEnaney said Pauline from Minuteman understands the issue. The Council gave City staff the go ahead to engage with Minuteman Press which will present a marketing plan to the City.

10. Comments/Reports from Council members

Council Member Pugh – Pugh said she attended U.S. Congress Member Kelly Morrison’s town hall meeting. Pugh said there was tight security and attendees had to apply to attend the event. Pugh said the event focused on gun violence and four family members from Ascension Church and a Surgeon attended the town hall.

Council Member McEnaney – McEnaney said October 31st is the last day for Citizen of the Year submissions. McEnaney said Mary Perbix from the Mound Farmers Market was the honoree last year. McEnaney noted the upcoming Lions Club Golf Tournament for the Fire Relief Association.

Council Member Castellano – Castellano said he would like to follow up on the Joint Parks meeting which will be scheduled. Holt said the data collection should come first and then the meeting can be scheduled.

Discussion ensued about the current flags on the poles in the City and what is going to happen to the flags after the banners are placed. Castellano asked if there a schedule to the flags staying up all year long. The Council said the wreaths can replace the flags through the winter.

Council Member Herrick – Herrick had no comment.

Mayor Holt – Holt had no comment.

11. Information/Miscellaneous

- A. Comments/reports from City Manager:
- B. Reports:
- C. Minutes:
- D. Correspondence:

12. Adjourn

MOTION by McEnaney, seconded by Pugh, to adjourn at 7:54 p.m. All voted in favor. Motion carried.


Attest: Kevin Kelly, Clerk


Mayor Jason R. Holt