

MOUND CITY COUNCIL MINUTES

March 10, 2026

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, March 10, 2026, 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: None

Others present: City Manager Jesse Dickson, Deputy City Manager Laila Imihy, City Clerk Kevin Kelly, Fire Chief Greg Pederson, Assistant Fire Chief, Andrew Drilling, City Attorney Scott Landsman, Public Works Director Ryan Prich, City Senior Engineer Brian Simmons, OPD Sergeant Ryan Spencer, Michael Jabs, Matt Jakubik, Joey Blackstone, Michael Jabs, Shane Gardner, Steven and Teddi Crandell, Kennedy Wright, Cody and Megan Rolighed, Thomas and Kaitlin Witte, Katie Palmer and Erik Palmer, Dan Zellmer, Scott Gates and Helen Canning.

1. Call to Order

2. Pledge of Allegiance

3. Adopt Agenda

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

4. Public Comments

Judy Carmein, 3128 Priest Lane, invited the community to a workshop called Braver Angels at the Gillespie Center on April 29th. Carmein said she is a member of Bethel Church with the purpose of the workshop is to get people of opposing views to meet, to find common ground and to solve problems.

Dan Zellmer, Surfside Bar and Grill, said he wanted Commerce Blvd. to have two lanes open during the water main infrastructure project construction. Holt said he has talked to staff to make sure the project be as least disruptive the better. Zellmer said he is also concerned about water quality during the project. Simmons said at times there will be temporary water available to residents and businesses in the area with dynamic signage to inform residents. Simmons said the contractor doing the work has been informed that the project south of Bartlett is to be completed by mid-July.

5. Presentations

a. Firefighter's Oath of Office, Pederson

Pederson said the Mound Fire Department would like to formally present new Fire Fighters. Pederson said these candidates completed quite a bit of training which included Firefighter 1, Firefighter 2 and EMR training in their first 12 months of service as well as 42 training sessions outside of fire department training and meetings.

Pederson administered the Firefighter's Oath of Office and family members pinned the badges of new firefighter's, Steven Crandell, Kennedy Wright, Cody Rolighed, Thomas Witte, and Erik Palmer.

b. Orono Police Department with the February 2026 Activity Report, Spencer
Spencer said there were 108 calls for service in February without any specific trends occurring. Spencer mentioned that last Friday the Stuff the Bus event was held to encourage food donations.

Spencer added that the Orono City Council accepted the resignation and June retirement of OPD Police Chief Corey Farniok.

c. State of the Water, Simon

Simmons presented the State of the Water report for 2026. Simmons said this presentation began in 2021 to coincide with the City-wide notice of the presence of manganese in the City source water.

Simmons listed the following:

- What we know about Mound's water is above test value health guidelines
- City is Supplied by two wells
- Mound's water is high in iron which results in discoloration which is considered a nuisance
- Manganese and Iron can be treated by a Water Treatment Plant (WTP)

Manganese Guidance for Residents

- Water softening can remove Manganese
- Encourage the testing of water in homes before and after water softening
- Manganese is found to be poorly absorbed through the skin
- Manganese Tool Kit is available from the Minnesota Department of Health (MDH)

Mission for Mound Water

- Remove Manganese, Iron and other contaminants
- Steward of taxpayer dollars responsibly
- Protect and preserve City and private infrastructure

Our Solutions

Water Treatment Infrastructure has been under way since 2025 with Phases 1 and 2 with design of the water treatment plant and continued 2026 construction

2025 Project Updates

- Designed and bid two phases of trunk watermain
- Completed construction on first phase near Chateau water tower
- \$10.3 million from MN legislature
- Plant Site processes has been cleared
- Evaluation of financial impact of funding to the City

2026 updates

- \$1Million from Federal Govt. received recently
- Phase 2 Watermain Improvements begin this Spring
- Finishing the Water Treatment Plant design
- Continue with State and Federal level advocacy for additional funding
- Working with City's municipal advisor on financial impacts

Treatment Plant is designed for a space near Water Tower and Sorbo Park on a high point with tree screening and landscaping.

Project Funding received to Date:

- \$2 Million Federal Funds
- \$10.3 in State Funding
- \$29 Million in funding gap remaining

City continues to apply for:

- State and Federal appropriations
- Drinking Water Revolving Funding
- Emergent Contaminants with \$18Million funding is available to unfunded projects in the state

Simmons said the City IUP/PPL rating is a lower rank than previous ratings though the City is still eligible for low interest loans.

Next Steps

- Phase 2 Watermain Infrastructure Improvement Project begins in the Spring of 2026
- April 28 there will be an update from Ehlers on the City Utility Rate Study and WTP financial projections
- There is an application in the City Council packet today for PFA application for the City to be eligible for low interest loans

McEnaney and Simmons discussed how Phase 2 is an improvement in the City water infrastructure which improves circulation and water quality even if a WTP is not built.

Holt and Simmons discussed that if funding is approved the project wouldn't be completed until 2028 at the earliest and water softening does work but those residence-based systems must be maintained to work optimally.

Holt said the \$30Million would not be fully coming from the MN legislature but the City could possibly get \$15Million. Holt added the City would have to come up with the other \$15Million through self-funding through franchise fees, bonding and other avenues. Holt said the City will most likely know in early May what amount of funding is available.

6. Consent Agenda

- a. Approve Minutes of the February 24, 2026 City Council Regular Meeting, Kelly
- b. Approve Minutes of the February 17, 2026 City Council/Planning Commission Concurrent Meeting, Smith
- c. Approve payment of claims in the amount of \$217,562.31, Roberts
- d. Tour de Tonka Public Gathering Permit, Smith
- e. Extension for Preliminary Plat Approval and submittal of Final Plat for the "The Fern Lane Townhomes of Mound", Smith
- f. Public Gathering Permit for 2026 Annual Minnetonka Fishing Contest, Smith
- g. Pay Request No. 1 in the amount of \$61,692.89 to Minger Construction for the Water Treatment Infrastructure Improvements – Phase 2; City Project PW-25-12, Bauman
- h. Application to Public Facilities Authority for Drinking Water Revolving Fund Loan, Bauman

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

7. Public Hearings

8. Old Business

9. New Business

a. Finance Department Update and Delegation of Authority to Issue Checks, Erdmann Erdmann presented her update after her first 30 days as City Finance Director. Erdmann listed the responsibilities of the City Finance Director with an Introduction on the department structure:

- Day to Day Activities to Annual Budgeting
- Historically worked as an accountant
- Position to be strategically focused leadership
- Build efficiencies through the use of technology
- Sr. Accounting Tech and Finance Director had been under a heavy workload
- Admin Finance Technician position added to ensure segregation of duties
- Add an Accounting Tech (PT) to help with meeting City goals

Department responsibilities over more than 10 different function areas:

- Payroll, Benefits and Accounts Payable are Sr. Accounting Tech workload
- Utility billing handled by the Finance Technician as 50% of work load
- Harbor Wine and Spirits finance completes all financial processes
- Accounts Receivable – income to City in various forms
- Budget is the Finance Officer major time responsibility
- Auditing
- Financial Reporting to other government agencies
- Debt and Investments increase revenues is an area of growth
- Procurement

Erdmann said the City's previous Finance Director took on all the above tasks and the new long-term strategy is to for the Finance Director to focus on high-level tasks which emphasize the long-term health of the City.

Erdmann said a goal of the Finance Department is to provide exceptional customer service to achieve operational excellence over the next twelve months.

Erdmann listed the Objectives:

- Manage to Financial Management Plan
- Implement additional internal controls – role clarity and segregation of duties
- Increase communication and transparency through quarterly reporting
- Evaluate processes for continuous improvement
- Evaluate Financial Policies including best practices and an update of the City Procurement Policy
- Resource for HWS and PW

Recommendation:

Erdmann said to improve process efficiencies she is proposing Resolution No. 26-22 which delegates the authority to the City manager to pay certain claims. Erdmann said the current

process must have Council approval before payments are made which allows for slow repayment to vendors to the City.

McEnaney asked about adding another City staff position. Imihy said currently the City is using funds to pay Ehlers for accounting to pick up the slack of the former Finance Director. Imihy said these payments to Ehlers are funds available to add a PT accountant to do the day-to-day accounting tasks which are not being completed in a timely manner.

Imihy said the Council will still be able to review payments. Imihy said the annual Christmas break is an example of time where the Council doesn't meet so claims could go unpaid for over the 35-day requirement.

Castellano said he would like to see the focus of the Finance Director on higher level tasks with a focus on debts, investments and grant opportunities. Erdmann said one area of emphasis would be on City interest income improvements.

Castellano would like to see quarterly updates which Erdmann said this can be presented in a report.

Erdmann said she would like to find ways to streamline financial software and other accounting processes.

Council and staff discussion ensued about City investments and investment policy.

Council and staff discussed paying recurring day to day bills, particularly the Liquor Store, and the City procurement process which is under review. Holt said he would like to be able to withhold funds if a contractor/vendor doesn't complete contracted work. Dickson said the City will ensure that work has been verified by City staff before it gets paid out.

Imihy explained the invoice processes of the City which included the City Purchasing Guidelines Policy.

Holt said he has had annual conversations with the City Audit vendor, Abdo, to answer questions or any concerns.

MOTION by Castellano, seconded by McEnaney, to approve the following resolution No. 26-22. All voted in favor. Motion carried.

Resolution No. 26-22: Resolution Delegating Authority for Paying Certain Claims to the City Manager.

10. Announcements

a. Comments/Reports from Council Members:

Council Member Pugh – Nothing

Council Member McEnaney – McEnaney said the Planning Commission held a discussion on work plan items related to the City Code updates which include corner lots. The Planning Commission also identified concerns and has requested more information from staff. McEnaney announced the 15th Annual NW Tonka Lions Chili Bowl.

Council Member Castellano – Nothing

Council Member Herrick – Nothing

Mayor Holt – Holt said it was announced at the last Police Commission Meeting the pending retirement of OPD Chief Farniok. Holt said he is attending the Northern Lake Minnetonka Mayors Forum on April 29th from 6:30-8:00 at the City of Plymouth Council Chambers.

b. Comments/Reports from City Manager:

Dickson mentioned the Stuff the Bus program which was well attended with many donations.

Dickson said the Mayor will not be available for March 24th and there currently is not a need for a March 24th meeting at this time. Dickson recommended the meeting be canceled. Dickson said staff will notice the cancelation if nothing new comes up.

Dickson said the State of the City event is scheduled for April 23rd with a possible Workshop in April.

c. Next City Council Regular Meeting: Tuesday, March 24, 2026 at 6:00 p.m.

11. Adjourn

MOTION by McEnaney, seconded by Herrick, to adjourn the meeting at 7:55. All voted in favor. Meeting adjourned.


Attest: Kevin Kelly, Clerk


Mayor Jason R. Holt