

MOUND CITY COUNCIL MINUTES

July 28, 2026

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, July 28, 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:

Others present: Deputy City Manager Laila Imihy, City Clerk Kevin Kelly, Finance Director, Lindsey Erdmann, Liquor Store Manager Sara Peterson, Community Development Director Sarah Smith, City Planner Johnny Menhennet, City Attorney Scott Landsman, Alex Carlson, Katie Stewart, Rob Stewart, Tyler Stewart, Ava Stewart, Maggie Sartori, Paula Larson and Helen Canning.

1. Call to Order
2. Pledge of Allegiance
3. Adopt Agenda
MOTION by McEnaney, seconded by Herrick, to approve the consent agenda. Upon roll call vote, all voted in favor. Motion carried.
4. Public Comments
No one came forward.
5. Consent Agenda
 - a. Approve Minutes of the July 28, 2026 City Council Regular Meeting
 - b. Approve Resolution No. 26-49 to Establish Absentee Ballot Board, Kelly
 - c. Approve Resolutions No. 26-50 & 26-52 Compliance Check Failures at Harbor Wine and Spirits & Mi Pueblo Express, Kelly
 - d. Approve Resolution 26-51 approving Temporary 1-4 Day Liquor Application and Music Permit Application for 2026 Our Lady of the Lake Incredible Festival, Smith
 - e. PULLED

MOTION by Herrick, seconded by Castellano, to approve the amended consent agenda; Items 5a through 5d. Upon roll call vote, all voted in favor. Motion carried.

5e. Pay Request No. 3 in the amount of \$130,195.39 to American Liberty, Inc. for Water Treatment Plant Improvements – Well 9; City Project No. PW-25-11, Bauman

McEnaney said she would like to change the title of 5e to Pay Request No. 3 in the amount of \$130,195.39 to American Liberty, Inc. for Water Infrastructure Improvements– Well 9; City Project No. PW-25-11, Bauman

MOTION by McEnaney, seconded by Herrick, to approve the amended title for agenda Item 5e. All voted in favor. Motion carried.

6. Presentations

a. Metropolitan Mosquito Control District Updates, Imihy

Imihy said the Metropolitan Mosquito Control District (MMCD) is here to give an update on their work in the area.

Alex Carlson, MMCD Public Affairs Manager said the MMCD has been in operation since 1958, serves the seven-county metro area and is tax supported. Carlson said the cost per resident comes out to about \$11.00 a year.

Carlson said the MMCD treats the many wetland areas which can become habitats for harmful species.

Carlson added the following:

- There are 52 species of mosquitos
- The MMCD treats only for the mosquitos which bite humans and cause disease in humans
- Mosquitos live in water for one to two weeks before emergence
- MMCD conducts larval surveillance
- MMCD work is data driven
- Entomologists are on staff lead in species identification

Carlson said the control methods are conducted by helicopters, drones and by foot to treat areas with specific targeting to attack mosquitos.

Carlson said Source Reduction is an important part of the MMCD outreach. Carlson said the MMCD relies on residents to clean up areas with standing water on their property. The MMCD will post notices and respond to reports from residences.

Carlson said Source Reduction activity includes:

- Tire recycling
- LaCrosse Encephalitis identification in SW metro is in Carver and Hennepin Counties
- Aedes Triseriatus lives in all kinds of human habitat and effects children primarily
- Interactive maps public access
- Weekly updates

McEnaney asked about the presence of Lone Star ticks. Carlson said they have not been found this year as they don't survive Minnesota winters and have to be brought in.

Holt asked if the spraying from helicopters is healthy. Carlson said the helicopters are dropping dry granules and has no health effects for humans or pets.

b. Introduction to the 2027 Budget, Erdmann

Erdmann said this presentation is a high-level overview of the City budget process. Erdmann listed the general areas of the City Budget:

Expenses

Personnel

Non-personnel

Debt Service

Revenues

- Property taxes
- Intergovernmental aid
- Permits, licenses and charges for services
- Interest income
- Transfers from fund to fund
- Special Assessments

Steps to Develop Budget

- Finance staff preparation of Department Budgets
- Review personnel budgets
- Remove one-time costs
- Work with vendors on cost increases from vendors and estimate inflationary increase to services

Department Head review of budgets

- Review personnel data
- Complete analyses on trends and looking at last year's numbers
- Prepare budget proposals for increases in spending

Complete Analyses

- Fee study of licensing
- Cost allocation model

Next Steps to Develop Budget

- Ensure budget is aligned with Financial Management Plan(FMP)
- Present draft budget to City Manager
- Present recommended budget to City Council

Looking Ahead

- Budget development
- Fee Study
- September 8th Council Meeting review of available budget numbers
- September 22nd the Council sets the maximum levy
- Update to FMP on September 22nd
- September to November incorporate changes and add Council budget priorities
- October 13th Utility Rate Study Update

c. Harbor Wine and Spirits Update, Peterson

Sara Peterson, Harbor Wine and Spirits (HWS) Liquor Store Manager, introduced herself. Peterson said HWS has been adding staff including a new Assistant Liquor Store Manager Melissa Erstad, a shift lead and two part-time positions. Peterson said there are six part-time employees. Peterson said sales and activity has been great.

McEnaney asked about the effects of the new summer hours. Peterson said summer hours are an extra hour in the evening until 9 p.m. on Friday and Saturdays. Peterson said the new hours haven't caught on yet with residents.

Holt said the Council asked for extended hours and staff should look at the numbers after the summer is over to see if the 9:00 p.m. closing will be beneficial. Holt and Herrick provided ideas for promotion of the new hours.

Peterson listed Current Trends in the industry

- Non-carbonated seltzers and other ready to drink products are popular right now
- Craft Beer is declining and THC is taking over.

Peterson said staff are monitoring inventory data to determine which products to put on HWS shelves.

Peterson said Spirit of the Lake went well including the Meet Your Maker event.

Imihy presented YTD Sales

- March 2026 is down 2% from March 2025
- Liquor market overall is down 2-9%
- Summer sales are strong
- Ehlers will close the numbers
- Total revenue is level as compared to 2025

7. Public Hearings

8. Old Business

9. New Business

a. Council Introduction – 4851 Shoreline Drive, Smith

Sarah Smith presented the Council introduction of the Stewart Boat and Board proposal of the reuse of the 4851 Shoreline Drive property. Smith said the proposal encompass boat and marine sales and display.

Smith said the right side of the building will be used by the building owner for general office uses.

Smith said the reuse of the building is zoned to include minor auto repair as a permitted use. Smith said winterizing/servicing boats could be a possible determination of a similar activity in the zoning ordinance. Smith said neighbors were noticed of the proposed change and the Stewart family met with neighboring property owners

Katie and Rob Stewart, 4680 Palmer Court, Excelsior, introduced themselves to the Council. Katie Stewart listed the following regarding their business activity and proposal for the property.

- Brand Ambassadors for Centurion and Supreme watercraft
- New Centurion and Supreme Dealer for the twin cities
- Sponsored athletes and brand ambassadors since 2019
- Centurion 50th Anniversary
- Correct Craft parent company in business for 100 years

- Mission is to do more than just sell boats but to build lasting relationships
- Bring people together and create opportunities
- Help customers feel welcomed, confident and ready to make memories on the water

Proposed Activity at 4851 Shoreline Drive

- Boat sales, service, parts
- Water related accessory sales to include pro model surf boards and life jackets
- Customer support and lessons
- Future storage offering off-site as the business grows

Jane Gunther, property owner of 4851 Shoreline Drive, said she has built a community with Gear West in Long Lake and has lived in the area for many years. Gunther said she has added to the building and area and will do more to improve the area.

Stewart answered why the 4851 Shoreline site:

- Mound is a natural fit for a boat/watersports related business
- Provides convenient access to boat sales and service for residents and lake users
- Building meets our need perfectly as-is
- Allow us to focus on the growth of the business instead of investing in costly remodeling

Stewart said they can operate at the site with minimal impact on neighbors and went door to door to meet neighbors and received positive feedback.

Stewart listed the following commitment to Mound

- Be respectful neighbors
- Keep the property clean and orderly

Scope of activities

- Front lot used for customer parking, access and signage
- Front office used for sales, consultations, service, scheduling and customer support
- Mostly appointment-based customers
- Indoor climate-controlled showroom and service space
- Services include maintenance, diagnostics, winterization, warranty repairs, accessory installation and detailing
- Most work completed indoors during normal business hours
- Rear lot used as an organized staging area for watercraft servicing
- Some service may be completed in the rear lot
- Spring and fall are busiest times
- Delivery, orientations, lessons and on-water demonstrations

Katie Stewart said their goal is to provide valuable services to local boat owners while contributing positively to the local economy.

Holt asked about the two garage bays and what are they used for.

Rob Stewart said one bay would be used for the Gunther's storage needs and the other would be used by the Stewart's regular use which would allow four boats to be serviced in the bay.

Pugh arrived to the meeting at 6:58.

Rob Stewart said there could be 9-10 boats parked outside for staging and new and used boats for sale.

Rob Stewart said the lot has easy simple entrance and exit areas on site to allow pull in and drop off at the lot. Rob Stewart said he didn't think the front lot would be large enough to do a display even if it was approved.

Council members agreed to give the proposal approval to go to next steps.

Smith said next steps would be a preliminary review of the proposal and sorting out zoning and planning needs. Smith said marine boat sales are conditional uses and would need Planning Commission (PC) review with a public hearing. Smith said there the proposal includes a surface related type of work and must include a substantial use determination with the PC evaluation and Council approval.

Smith said the proposal would need an amendment applied to create a new type of use which would be suitable for the entire Mixed Use district. Smith said Automotive repair – minor is allowed in the mixed district. Smith said next steps would be a review by PC at its August 18th meeting and a CC Meeting to address the Conditional Use Permit and Substantial use determination.

Smith said the property owner and tenant have submitted information and have been very forthcoming.

Smith said the City Council can review and possible approval at the August 25th or first September Meeting.

10. Announcements

a. Comments/Reports from Council Members:

Council Member Pugh – Pugh said the Gillespie Center will hold a Board Meeting on Thursday. Pugh said the Farmer's Market was fun time and lively. Pugh said no one was sitting on the Adirondack chairs at Lost Lake. Pugh said the style of chair is not functional for many people. McEnaney said ADA seating was discussed by the Council previously. Pugh said no one is creating new pathways so the park planners got that right as people are following the design. Pugh said she would like to coordinate with Mound Westonka Historical Society sign unveiling in the area.

Council Member McEnaney – Nothing to report.

Council Member Castellano – Nothing to report.

Council Member Herrick – Herrick said she hasn't received the police report on tickets being written on Westedge Blvd. Herrick said construction traffic downtown is on-going and vehicles are generally speeding through the area. Herrick would like to see city street speed limits lowered. Herrick said the Spirit of the Lakes was a wonderful event.

Mayor Holt – Holt said Night to Unite will be held on August 4th. Holt added that Council Members can request to do an Orono Police Department (OPD) ride along on August 4th if they would like. Imihy said the OPD visits to neighborhood gatherings may be filled up.

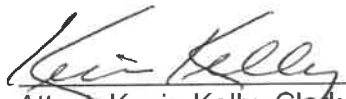
b. Comments/Reports from City Manager: Imihy said candidate filing ended today. Imihy said there are two candidates for Mayor and five candidates for the two open Council Member seats.

c. Next City Council Regular Meeting: Wednesday, August 12, 2026 at 6:00 p.m.

d. Approve February 17, 2026 Concurrent City Council and Planning Commission Special Meeting Workshop at 6:00 p.m.

11. Adjourn

MOTION by Castellano, seconded by Pugh, to adjourn at 7:19 p.m. All voted in favor. Motion carried.


Attest: Kevin Kelly, Clerk


Mayor Jason R. Holt