



## **CITY OF MOUND CITY COUNCIL**

### **AGENDA**

**Tuesday, September 22, 2026**

**6:00 pm**

THIS AGENDA IS SUBJECT TO CHANGE UNTIL THE START OF THE CITY COUNCIL MEETING

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ADOPT AGENDA**

**4. PUBLIC COMMENTS**

**5. CONSENT AGENDA**

- |                                                                                                                                               |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| a. Approve Minutes of September 8, 2026, City Council Regular Meeting, Kelly                                                                  | 1-10  |
| b. Approve Resolution 26-63 Upholding City Manager Decision, Kelly                                                                            | 11-14 |
| c. Approve Resolution 26-64 Public Gathering Permit for OLL Parking During Event, Smith                                                       | 15-20 |
| d. Approve Ordinance 08-2026 Weeds Between Property Line and Curb, Menhennet                                                                  | 21-22 |
| e. Pay Request No. 1 in the amount of \$16,000 to MP Asphalt Maintenance, Inc. for 2026 Crack Seal Project; City Project No. PW-26-06, Bauman | 23-25 |

**6. PRESENTATIONS**

- |                                                           |    |
|-----------------------------------------------------------|----|
| a. Presentation on Code Enforcement Activities, Menhennet | 26 |
|-----------------------------------------------------------|----|

**7. PUBLIC HEARINGS**

- |                                                                                                 |       |
|-------------------------------------------------------------------------------------------------|-------|
| a. Approve Ordinance 09-2026 Mound Amending City Code Regarding Cannabis Macrobusinesses, Smith | 27-33 |
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**8. OLD BUSINESS**

**9. NEW BUSINESS**

- |                                                                                                     |         |
|-----------------------------------------------------------------------------------------------------|---------|
| a. Approve Proposed 2027 Levy, Proposed 2027 General Fund Budget and Set Budget Meeting Date; Imihy | 34-99   |
| b. Approve Proposed 2027 HRA/EDA Tax Levy; Imihy                                                    | 100-101 |
| c. Request to authorize study for the 2027 Street and Utility Improvement Project, Bauman           | 102-106 |

**10. ANNOUNCEMENTS**

- a. Comments/Reports from Council Members
- b. Comment/Report from City Manager
- c. Next City Council Regular Meeting: Tuesday, October 13, 2026, at 6:00 p.m.

**11. ADJOURN TO HRA MEETING**

**City of Mound Mission Statement:** The City of Mound, through teamwork and cooperation, provides at a reasonable cost, quality services that respond to the needs of all citizens, fostering a safe, attractive and flourishing community.

**MOUND CITY COUNCIL MINUTES**  
**September 8, 2026**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, September 8, 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: City Manager Jesse Dickson, Deputy City Manager Laila Imihy, City Clerk Kevin Kelly, City Attorney Scott Landsman, PW Director Ryan Prich, City Engineer Matt Bauman, Orono Police Department Sergeant Ryan Spencer, Angela Hamilton, Sheri Wallace, Nathan Berg, Peder Nyhus, Helen Canning, Dennis Kelm, Nicole Ellenson, John and Kelly Holcomb, Tyrus Magnus and Seamus Dedon.

1. Call to Order

2. Pledge of Allegiance

3. Adopt Agenda

Dickson had the following amendments to the agenda; Items 9a and 9b will be removed from the agenda and replaced with 6c, the 2027 City Budget presentation. Dickson also amended the agenda with the removal of Item 11 to Item 12, Adjourn to closed session.

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

4. Public Comments

No one came forward.

5. Consent Agenda

- a. Approve Minutes of August 25, 2026 City Council Regular Meeting, Kelly
- b. 1 Day to 4 Day Temporary Liquor License Gillespie Center, Kelly
- c. Constitution Week Proclamation
- d. Approve Resolution 26-60 Debt Service Transfer, Bonniwell
- e. August Check Registry, Bonniwell
- f. Approve Resolution 26-61 approving front and side yard variances for new/replacement house at 1908 Shorewood Lane, Smith
- g. Approve Resolution 26-62 approving lakeshore setback variance for house addition project at 1609 Bluebird Lane, Smith
- h. Approve Pay Request No. 7 in the amount of \$917,809.83 to Minger Construction for the Water Treatment Improvements - Phase 2, PW-25-12, Bauman
- i. Approve Pay Request No. 4 in the amount of \$66,117.15 to Pember Companies for Lost Lake Commons – Phase 2, PW-25-10, Bauman
- j. Approve Pay Request No. 3 in the amount of \$353,122.12 to GMH Asphalt for 2026 Street and Utility Improvements, PW-26-01 & PW-26-02, Bauman
- k. Approve Miscellaneous Pay Request in the amount of \$391.68 to Kelly Green Irrigation

for the Water Treatment Improvements - Phase 2, PW-25-12, Bauman

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

6. Presentations

a. Orono Police Department (OPD) with the August 2026 Activity Report, Spencer

Sergeant Spencer said there was a little more juvenile activity regarding e-bike use. Spencer said the youth and their parents are counseled if there is an issue and bikes can be impounded if the user has had repeated issues. Spencer said school is in session and the e-bike use should lessen.

Spencer said there continues to be traffic issues around the construction area mostly with wrong way drivers in the construction zone.

Spencer listed the following OPD training activity:

- Fire Arms
- Use of Force
- First Responders training
- Lake Minnetonka Swat team conference at Camp Ripley for training on critical incidents with the OPD hosting the conference with Plymouth and Maple Grove
- Two new Use of Force instructors will be added after their training is completed

Spencer said there are two new Officers added to the OPD, Officer Wesley who is out on the road on day shift and Officer Lexi who is starting training and will need a couple of months before she is out on patrol.

Castellano asked about the e-bike regulations presented to parents. Spencer said the OPD provides information to parents while looking into other educational options to teach the kids on the safe riding of e-bikes.

b. B.U.I.L.D. Club Little Free Libraries in City Parks, Magnus

Tyrus Magnus, Senior at Westonka High School, said he and other students have started a BUILD Club and would like to place a Little Library in all City parks with a playground. Magnus said the focus of the group is completing hands on community service. Magnus added the Little Libraries are designed and built by students to apply practical skills to produce lasting projects in the community. Magnus added the mission of BUILD is to volunteer their time and skills to improve the local community through building, repair and improvement projects.

Seamus Dedon, Vice President of BUILD, said the initial goal of BUILD is to place a Little Free Library in each park with a playground. Dedon said this is achievable and gives families free access to books. Dedon said the libraries increase access to books and books get a new life by repurposing.

Magnus said BUILD has started work on the Little Libraries and listed the next steps of the BUILD Little Libraries:

- Approval from the CC
- Grow the club and start building
- Have Public Works mark locations in the Parks
- Place libraries
- BUILD has raised \$860 and it takes \$150 to build a Little Library

McEnaney asked if BUILD will be replacing Libraries if they need maintenance. Magnus said Excelsior Bay Books is donating books to the Little Libraries and the BUILD club will look to continue regular maintenance once a week to check on libraries

McEnaney and Magnus said there are 15 parks identified to place Little Libraries.

Herrick said she would like City Public Works be involved in placement of the Little Libraries.

Pugh asked if the Little Library would be able to do audio books. Magnus said he didn't look into that yet but added there could be books in Braille added as well.

Holt said if BUILD stocks the books what if there is a not so good book placed in a library. Magnus said there will be two teacher advisors to advise on the type of literature placed and the goal is to stock all types of literature for all ages.

Pugh said some residents have adopted specific City Parks and suggested BUILD reach out to the Parks Commission for a list of the Park Adopters. Dickson said he can reach out to Parks Adopters about the project.

MOTION by McEnaney, seconded by Herrick, to inform staff to work with BUILD on their Little Library projects in City Parks. All voted in favor. Motion carried.

c. 2027 Budget Presentation, Erdmann

Imihy and Erdmann presented the 2027 Draft Proposed Budget. Imihy said there have been a number of discussions amongst staff and the City Council regarding the Finance team. Imihy said the Finance Team has been short staffed with the City trying to recruit a Senior Accountant.

Imihy said the 2026 Budget reflects the values of the Council and the goals for the City by the Council. Imihy listed the following:

- The City must set a preliminary budget with the highest taxable amount set.
- The City Budget encompasses all operating expenses and revenue, plus debt service and new capital projects.
- The City Levies property tax dollars to pay for most expenses of the City
- The City does not receive local government aid from the State.

Imihy listed Enterprise Funds which generate revenue:

- Dock Program
- Fire Department
- Liquor Store

Imihy listed the City Budget Timeline:

- June-September staff will review revenues and expenditures
- September 30 City Preliminary Levy maximum amount sent to Hennepin County
- Preliminary Levy will be set on September 22nd
- Staff with input from the Council will refine the budget including a review of utility rates and estimates from service providers and vendors
- December 8<sup>th</sup> Truth in Taxation Hearing and Adoption of the Final Levy

Imihy said the Budget is inclusive of Council Budget Goals and listed the following goals:

- Utilize the City's Financial Management Plan (FMP) as a guide
- Explore ways to reduce spending on consultant dollars
- Add necessary staff in PW and Communications
- Add enterprise software which will reduce staff time spent on consultants
- Bring utility billing back to the City with the potential of monthly utility billing
- Discuss the 2027 Budget
- Provide the City Council the opportunity to deliberate before setting the preliminary levy

Erdmann said the City FMP provides the guidepost for City decision making

- The FMP was last updated in 2024
- Direct enterprise funds updated to analyze impact of WTF
- Staff recommend an update to all funds before setting the final levy
- 

Erdmann said the Housing Redevelopment Authority (HRA) is a separate budget and levy and is looked at independently from the rest of the budget. The following points were emphasized:

- HRA budget will be set to keep revenue flat
- Maintenance on slips and parking garage are items for expenditures
- Debt Levy set to have a small decrease

Erdmann listed areas of the City General Fund:

- IT Police Legal are contractual services and obligations
- Three one-time spending through the General Fund
  - 2025 Comp Plan
  - Special Election
  - Enterprise Software
  - Ongoing new funding in 2027 will be a FT Communication staff, a Parks Maintenance Worker position, and 5% of the Deputy Fire Chief work for Emergency Management

#### General Fund Expense Budget

- Finance and Administrative Services – increase due to adding in costs from all departments
- Budget areas consolidated into one Fund
- New staff positions added to specific funds
- Personnel Schedule was amended to reflect FTE's

Erdmann listed the following Revenue Assumptions as listed in Funds:

- Interest increased to \$100K
- Fee Study needs to be done discussed going forward
- General Fund mostly through Property Taxes and charges for services

Erdmann listed Special Revenue Funds:

- Area Fire Services – New funding for Duty Crews \$47,000 and administrative cost sharing charges \$129K increase in revenue at 14% increase with increase of expenses at 13%
- Dock Fund – Small revenue increase budgeted with expenditures at -7% with free study yet to be completed

Erdmann listed Enterprise Funds –

- Water and Sewer Utilities - New one-time spending \$143K and ongoing at \$110K which include:
- Funding for the 2050 Comprehensive Plan
- SCADA technology
- Administrative Cost Sharing
- FTE 13% increase in revenue in Water Utility with 8% increase in expenses
- Sewer added to FTE with a 3% increase in revenue and 10% increase in expenses

Imihy said the Liquor Store is effected by a Federal Government Policy Change which the City will no longer be insured to sell THC drinks and edibles at Harbor Wine and Spirits (HWS) which takes effect on November 26, 2026. Erdmann said a federal law is scheduled to take effect November 12, 2026 that will make certain types of THC infused drinks and Hemp infused products illegal federally though they are still legal to sell and consume in MN.

Imihy said Cannabis can be purchased in a Cannabis shop as it is derived from Cannabis.

Imihy added that THC products have created \$245K of revenue for HWS. Erdmann said the projected operating revenue will be a 3% increase. Erdmann added that Liquor Store Metrics are projected at a gross profit 22% with a net income before transfers at 49% and a net income after transfers of 107%.

Erdman listed the following:

- Stormwater Operating Budget with no change as the Fund follows the FMP
- Recycling Budget with revenue slightly over expenses
- Capital Improvement Plan looked at by Fund
- 2027 Street and Water projects will add \$8.5Million in debt

Capital Improvement Fund - Funded through Bond Proceeds, Municipal State Aid, Property Tax and Special Assessments

Capital Equipment Replacement Fund Needs:

- Ford F450 Street Service Truck
- Toro Mower
- John Deer Mower
- Ford F350 Pickup

Road Maintenance Capital Reserve Fund Plan with balance of revenue and expenditures.

Community Investment Fund Plan – Parks Capital with 2027 Dundee Park scheduled

Capital Replacement – City Buildings Plan

- Fire suppression equipment for Centennial and City Hall, PW building maintenance and Parking Garage

Water Utility Capital Plan projects budget in 2027

Sewer Utility needs to be looked into as projects come in.

Erdmann listed items City Levy:

- General Fund and Fire
- Special Revenue – Debt service for PW projects
- Capital Revenue
- Enterprise
- Preliminary Recommendation
- Fund Council Priorities and necessary expenses
- Allows time to complete updates to Utility Rate Study
- SCADA technology

Erdmann listed the Preliminary Levy recommendation at 9.85%

- General Fund – 4% increase
- Special (Debt) Levy – 52% increase
- Operating Capital Revenue Levy – 1.3% increase
- Fire Revenue Levy – 4.7% increase
- Water and Sewer Revenue Fund Ley - \$180K removed

Erdmann said the City will continue to follow the FMP which will lower the Preliminary Levy to 7.79%.

Erdmann listed a few adjacent Cities Preliminary Levy amounts

Tonka Bay - 42%

Excelsior – 20%

Orono – 17%  
Minnetonka Beach – 15%  
Minnetrista – 12%  
Shorewood – 8.3%

Imihy said Erdman has been working to keep the levy at the FMP set level despite an increase in insurance and the increase in fuel costs.

Imihy listed the following schedule:

- October 13 Council Meeting the Council will receive Water Treatment Facility (WTF) bids
- Utility Rates are being used to pay down debt service on the WTF and will be adjusted
- November 10 Council Meeting the FMP will be presented along with the Utility Rate Study by Ehlers
- November 24 Council Meeting - Updated Fee Schedule which will include utility rates and all other City fees for service
- Administrative service charges are costs for payroll and HR
- December 8 Council adopts the Final Levy

Castellano asked if there an expectation the interest funds the City received will increase. Imihy said the City budgets have been traditionally been conservative when accounting for interest derived from the City's money market account. Erdmann said adding in greater interest income to the budget is the equivalent to \$100K which is similar in cost to an additional Parks Department position.

Holt said the City hasn't received LGA over the past few years. Holt said the Council set the Levy at 6% in 2026 and the new Levy in 2027 will pay for a new PW staff and finance software updates.

Discussion ensued regarding city finance software and the ability for the City to do utility billing.

Holt said the Levy increase will follow the FMP and get the City out of the Water Fund debt. Holt added that the Sewer and Water Funds are on track to positive revenue by 2029. Holt said the 7.79% levy increase is lower than other cities.

## 7. Public Hearings

## 8. Old Business

## 9. New Business

### a. Ashland Lane Public Lands Permit, Dickson

Sheri Wallace, 2135 Overland Lane, Chair of the Harrison Bay Association (HBA), said the HBA would like to build a rain garden at the end of Ashland Lane. Wallace said the HBA has budgeted \$8K for the project and is looking for Council approval of City Public Lands Permit the HBA has applied for. Wallace said HBA has chosen Norling's Landscapes to complete the rain garden construction.

Wallace said the City has removed the tree stumps at the site which is ready for the raingarden work. Wallace said Norling's is ready in the next couple of weeks to get the work done.

MOTION by Holt, seconded by Pugh, to approve the Public Lands Permit and waiver of the application fee. All voted in favor. Motion carried.

b. 4805 Island View Drive Dock Program Violation Hearing, Kelly  
Landsman said this item is an appeal by the owners of 4805 Island View Drive (IVD) of a staff determination regarding their existing dock on Devon Commons. Landsman said the appeal is whether the dock is in the approved location from last year. Landsman said the City Council can affirm, modify, reverse or table the determination of staff. Landsman said the Council should direct the City Attorney to draft a resolution for the next council meeting with the Council determination.

Kelly said the Nyhus' indicated on their dock application they had not made any changes to the dock orientation from the previous season. Kelly said he was doing an inspection of shoreline in the spring and noted the Nyhus dock was placed 16 feet to the east and 16 feet longer than the dock structure was placed in 2025. Kelly said he returned to the site on May 12<sup>th</sup> and took depth measurements of the Nyhus dock area and surrounding dock areas and found the dock was at 4' of water depth 16 feet from the end of the dock.

Kelly said he had conversations with the Nyhus' regarding the dock length and infringement on the dock to the east. Kelly asked they voluntarily come into compliance with the request of Dock Administration. Kelly said he sent a letter to the Nyhus' to follow the compliance directive and the Nyhus' chose to appeal Dock Administration's decision to the City Manager. Kelly said a hearing with the City Manager was held on July 21<sup>st</sup> with the City Manager denying the Nyhus appeal through a letter on July 23<sup>rd</sup>. Kelly added the Nyhus then requested to appeal the determination of the City Manager to the City Council.

Peder Nyhus, 4805 Island View Drive, provided the City Council a survey of the 4805 Island View Drive property. Nyhus said he respectfully disagreed with the decision of City staff. Nyhus said he does not believe their dock is out of compliance as it is identical to the dock which was in place in 2025. Nyhus added his dock is similar to surrounding docks and there should not be a specific length restriction for their dock. Nyhus asked for consistent application of the City Ordinance.

Nyhus listed the following:

- The LMCD ordinance and City Waterways Code are being met as his dock structure is placed within its Dock Use Area and is not required to be in the same place every year.
- Nyhus said his dock application did not say his dock couldn't change configuration.
- The Nyhus dock is within the Dock Use Area and thus is approved as the dock being moved is not a violation of the code
- Appeals the demand to move dock configuration
- The real issue is the neighboring dock to the east and the use of their dock use area
- Requests a variance of dock length and navigation to 5 feet of water depth
- Believes the same provisions of other docks in the Dock Program do not meet the water depth and length restrictions
- Their dock had not changed from 2025 and is consistent with other docks in the Dock Program same rules.

McEnaney asked Nyhus why he moved their dock 16' to the east and almost on top of the neighboring dock? Nyhus said the reason was based on the location of the boathouse on the commons and being able to see their children better from their house.

McEnaney said the Nyhus dock is really tight next to your neighbor. Nyhus said the neighboring dock is over their dock use area and he asked the neighbor to move their dock over 3 to 4 feet to the east.

Herrick said it appears the Nyhus' put in an extra dock section to the east. McEnaney asked if Nyhus received any complaints from their neighbor regarding their dock structure. Nyhus said the neighbor said his dock was very close.

Kelly was asked if there have been similar requests of license holders in the past and Kelly said yes there have. Kelly said there is an abutter on another area of Devon Commons who was asked to remove a dock section in which they voluntarily complied.

Landsman said the appeal is limited to the dock structure on 4805 IVD. Landsman said the question of the appeal is; has there been a substantial change of configuration and was the structure approved by Dock Administration. Landsman added the Nyhus access to Devon Commons is granted by the City through the City Dock Program license process. Landsman said if there is no specific language in the City Code to address a question then you look at the ordinary meaning of a dock configuration. Landsman said the ordinary language is enough for the Council to make a determination.

Herrick said the dock license application states that the applicant is asked to provide documentation of the dock configuration change. Holt said this issue is common sense and the dock was moved and you could jump from one dock to the other.

The Council discussed the Nyhus dock configuration and location.

MOTION by Holt, seconded by Pugh, to affirm the decision of the City Manager regarding the dock structure at 4805 Island View Drive. All voted in favor. Motion carried.

#### 10. Announcements

##### a. Comments/Reports from Council Members:

Council Member Pugh – Pugh said he would like a ceremony to dedicate Lost Lake Commons Park and new signage on October 3<sup>rd</sup> at 10:00 during the Farmers Market. Holt and Pugh asked for promotion of the event by the City.

Council Member McEnaney – McEnaney asked about Citizen of the Year. Imihy said the candidate will be chosen at the second meeting of November. Imihy said she will promote the Citizen of the Year on social media, the City website and the City newsletter. Discussion ensued about the timing of recruitment of applicants. Imihy said the application will come out in the next week or two before the next City newsletter. Holt said he would like to award the Citizen of the Year at the December 8<sup>th</sup> City Council Meeting.

Council Member Castellano – Nothing to report

Council Member Herrick – Nothing to report

Mayor Holt – Nothing to report.

b. Comments/Reports from City Manager: Dickson said one item is the volunteer appreciation event. The Council and City Manager discussed holding the event on Wednesday, December 9<sup>th</sup> at Surfside Bar and Grill from 5:00-7:00 p.m.

c. Next City Council Regular Meeting: Tuesday, September 22, 2026 at 6:00 p.m.

11. Litigation

- a. Pursuant to MN Statute 13D.05 Subd. 3(b), the City Council will motion to enter a closed attorney-client privileged session.
- b. In open session, consideration of settlement agreement.

12. Adjourn to closed session

MOTION by Pugh, seconded by Herrick, to adjourn to closed session at 8:13 p.m. All voted in favor. Motion carried.

\_\_\_\_\_  
Mayor Jason R. Holt

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Attest: Kevin Kelly, Clerk



## Dock Program

### City Council Item 5b

To: Honorable Mayor and Council Members  
Jesse Dickson, City Manager

From: Kevin Kelly, City Clerk

Date: 9/22/2026

Subject: Resolution Upholding City Manager Decision Regarding 4805 Island View Drive (IVD) Dock Structure on Devon Commons

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#### **RECOMMENDED ACTION:**

**MOTION** to approve Resolution No. 26-63 which Upholds the Decision of the City Manager Regarding the Dock Structure on Devon Commons Adjacent to Property at 4805 IVD

**OVERVIEW:** Dock Administration requested voluntary compliance from Peder and Natalie Nyhus with Dock Administration determination to move the dock structure on Devon Commons at 4805 IVD to the location it is assigned

- Dock Administration letter sent on May 22 for code compliance to correct length and infringement violations
- Nyhus' requested an appeal hearing with the City Manager
- City Manager hearing was held on July 21
- Letter from City Manager denying the appeal was sent to the Nyhus' on July 23
- Nyhus attorney requested appeal hearing with the City Council
- On September 8 City Council voted 5-0 in favor to uphold City Manager Decision Regarding the 4805 IVD Dock Structure

#### **SUPPORTING INFORMATION**

- Resolution 26-63

**CITY OF MOUND  
RESOLUTION NO. 26-63**

**RESOLUTION UPHOLDING THE DECISION OF THE CITY MANAGER REGARDING  
THE DOCK STRUCTURE ON DEVON COMMONS ADJACENT TO PROPERTY AT  
4805 ISLAND VIEW DRIVE, IN THE CITY OF MOUND, MINNESOTA**

**WHEREAS**, Peder and Natalie Nyhus (“**Nyhus**”) purchased the property at 4805 Island View Drive (“**Property**”) in 2025; and

**WHEREAS**, the Property is assigned dock site Devon EIP-07804 (“**Dock Site**”) on Devon Commons according to the City Waterways Code; and

**WHEREAS**, prior to the Nyhus’ purchase of the Property, the Dock Site contained a dock structure installed to the west of the boat house on the Property; and

**WHEREAS**, in February 2026, the Nyhus’ submitted a Dock License Application for the Dock Site (the “**Application**”); and

**WHEREAS**, in the Application, the Nyhus’ answer to the question “Has your dock configuration changed from the prior year?” was no; and

**WHEREAS**, City Code § 78-103(c) provides that “[a]ll dock structure configurations must stay within the licensee’s dock use area as stated on the approved dock location map addendum and shall not infringe on an adjacent city controlled dock site”; and

**WHEREAS**, Dock Administration inspected the portion of Devon Commons where the Dock Site is located and noted that the Nyhus’ dock structure was moved 16 feet to the east, which placed the Nyhus’ dock canopy within a foot of the neighboring dock to the east; and

**WHEREAS**, Dock Administration measured the Nyhus’ dock structure and neighboring dock and slip structures on Devon Commons for length and water depth; and

**WHEREAS**, Dock Administration measured the water depth at three points of the Nyhus’ dock structure, finding that: (1) the water depth at the shoreline side of the jet ski lift was 4 feet, 3 inches; (2) the water depth at the shoreline side of the platform at the end of the dock was 4 feet, 10 inches; and (3) the water depth at the end of the dock walkway was 4 feet, 11 inches; and

**WHEREAS**, City Code § 78-103(c) provides that dock structures “shall not exceed 24 feet in length except where necessary to reach a water depth of 48”, using Lake Minnetonka elevation levels of 929.40 feet above sea level”; and

**WHEREAS**, Dock Administration found that the Nyhus' dock structure exceeded the maximum length allowed by City Code § 78-103(c) and was two 8-foot sections longer than all neighboring dock structures; and

**WHEREAS**, on May 22, 2026, Dock Administration sent a letter to the Nyhus' regarding issues with the dock structure installed on the Dock Site; and

**WHEREAS**, Dock Administration required Nyhus to: (1) reduce the dock structure by 16 feet to correct the length violation; and (2) reorient the dock structure 16 feet to the west (the "**Dock Administration Decision**"); and

**WHEREAS**, the Nyhus' appealed the Dock Administration Decision to the City Manager; and

**WHEREAS**, on July 21, 2026, the City Manager heard the Nyhus' appeal and, after reviewing the relevant facts, considering the Nyhus' testimony, and reviewing an email the Nyhus' submitted before the hearing, affirmed the Dock Administration Decision; and

**WHEREAS**, the City Manager determined that the Nyhus' dock structure may remain in its current configuration and location for the remainder of the 2026 season, but the Nyhus' dock structure would need to return the dock structure to its approved 2025 orientation in order to be granted a dock license for the 2027 season; and

**WHEREAS**, on August 3, 2026, an attorney on behalf of the Nyhus' sent a notice of appeal to the City Clerk appealing the Dock Administration Decision upheld by the City Manager; and

**WHEREAS**, the City staff studied the matter, made a report, and provided other information to the City Council; and

**WHEREAS**, the City Council considered the matter at its September 8, 2026 meeting, at which time it received the report and other information from City staff and Nyhus had the opportunity to and Peder Nyhus did provide testimony and information to the City Council.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Mound, that based on the above recitals, testimony provided, and information received:

1. The above recitals are a material part of this Resolution and are incorporated herein
2. The Dock Administration Decision is affirmed and upheld.
3. The Nyhus' dock structure may remain as is for the remainder of the 2026 season.

4. In order to obtain a dock license in 2027, prior to the installation of their dock structure, Nyhus must provide a diagram showing the dock structure to be installed at the Dock Site. Prior to installation, the Nyhus' must receive written approval from Dock Administration that the proposed dock complies with all applicable City Code provisions.

Adopted by the City Council this 22<sup>nd</sup> day of September, 2026.

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Mayor Jason R. Holt

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Attest: Kevin Kelly, Clerk



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| <b>Community Development<br/>Department</b> |
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## City Council Item 5d

**To:** Honorable Mayor and Council Members  
Jesse Dickson, City Manager

**From:** Sarah Smith, Comm. Development Director and Public Works Director  
Ryan Prich

**Date:** September 16, 2026

**Subject:** Public Gathering Permit for 2026 Our Lady of the Lake Incredible Festival

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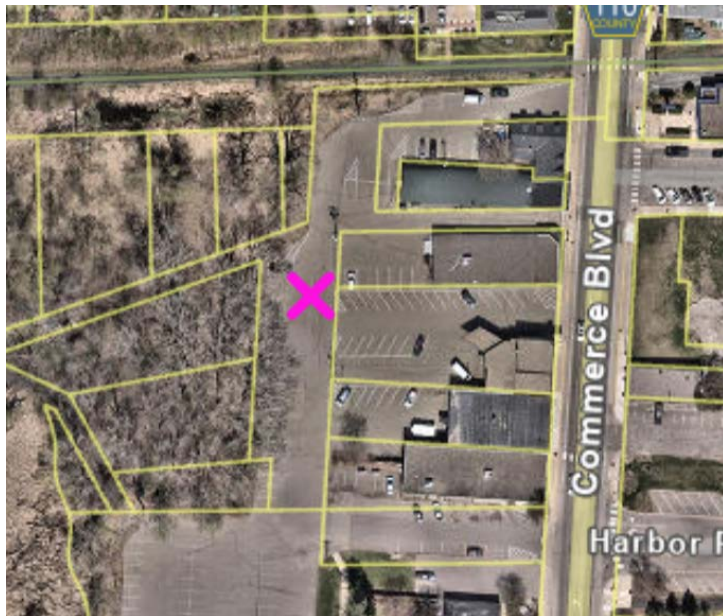
**RECOMMENDED ACTION** - Review/action on Public Gathering Permit for the 2026 Our Lady of the Lake (OLL) Catholic Church Annual Incredible Festival

**MOTION** to approve Resolution No. 26-64 Approving Public Gathering Permit for Our Lady of the Lake Church and Authorizing Use of Parking Deck and City Property for the 2026 Incredible Festival including waiver of fee and damage deposit

### DISCUSSION

- Mound staff met with representatives from OLL on September 11<sup>th</sup> to discuss construction activities along Commerce Boulevard and this year's Incredible Festival related to parking availability. Wendy Legeros, on behalf of Our Lady of the Lake Catholic Church, on September 16, 2026, submitted a Public Gathering Permit application requesting use of the Mound parking structure, to include a bus shuttle, and use of City property next to church property for temporary handicapped parking, that will be identified by the Public Works Department, for this year's festival being held at 2385 Commerce Boulevard on Friday, September 25, 2026 through Sunday, September 27, 2026.

- See below location for temporary parking:



- Staff notified the Administration Department, the Public Works Department, the Fire Department and the Orono Police Department about the upcoming request; also involved public agencies. Applicant is responsible for coordinating with the Public Works Department to coordinate assistance related to the temporary parking; also signage.
- *Signage.* Temporary special event and directional signage about the shuttle to and from the parking deck and temporary handicapped parking will be placed on City property.

### **RECOMMENDED ACTION**

The City Council of the City of Mound approves the Public Gathering Permit for use of the parking deck and City property for temporary parking for the 2026 Our Lady of the Lake Incredible Festival, subject to the following conditions:

1. Applicant shall be responsible for procurement of all required public agency permits that are needed to hold the event (*i.e., the Hennepin County Sheriff's Department and Water Patrol, Hennepin County Transportation, Hennepin County Health and Environmental Services, etc.*)
2. Applicant shall notify or provide copies of its severe weather/emergency response plans to the City of Mound, the Orono Police Department and the Mound Fire Department.

3. No signage can be placed upon private property unless permission from the private property owner and/or other interested party has been provided to the applicant who shall be responsible for obtaining same.
4. Signage placement on City property is subject to review and approval by the City of Mound. No signage shall be placed in a location so as to affect vehicular and pedestrian traffic. The City of Mound reserves the right to modify sign placement in the field.
5. The submittal of a Certificate of Insurance, naming the City of Mound as an additional insured, is required and shall be provided prior to the release and issuance of the Public Gathering Permit for review and approval by the City Manager. Required insurance and coverage shall be in accordance with the City's established policies.
6. If different from the application, contact information, including name and cell phone number, for the person(s) who will be on site the day of the event shall be provided prior to the release of the permits.

#### **SUPPORTING INFORMATION**

- Public Gathering Permit application
- Applicant letter

**CITY OF MOUND  
RESOLUTION NO. 26-64**

**RESOLUTION APPROVING PUBLIC GATHERING PERMIT FOR OUR LADY OF THE  
LAKE FOR 2026 INCREDIBLE FESTIVAL AUTHORIZING USE OF PARKING DECK  
AND CITY PROPERTY FOR PARKING AND WAIVER OF FEE AND DAMAGE  
DEPOSIT**

**WHEREAS**, on November 25, 2025, the City Council of the City of Mound adopted its fee schedule for 2026 ("Fee Schedule"); and

**WHEREAS**, Wendy Legeros, on behalf of Our Lady of the Lake Catholic Church, on September 16, 2026, submitted a Public Gathering Permit application requesting use of the Mound parking structure, to include a bus shuttle, and use of City property next to church property for festival parking to allow temporary handicapped parking for this year's festival being held at 2385 Commerce Boulevard on Friday, September 25, 2026 through Sunday, September 27, 2026 due to road/infrastructure project taking place in the subject vicinity; and

**WHEREAS**, City Staff reviewed said application and has recommended reasonable conditions to protect the public's investment in its public parks and common areas as set forth in a staff memo to the City Council dated September 16, 2026 ("Conditions"). Staff recommends waiver of the fee and damage deposit due to community benefits of event and unusual circumstances with the 2026 construction project in the subject vicinity.

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

1. The recitals set forth above are incorporated into this Resolution.
2. The Public Gathering Permit is approved with Conditions.
3. The fee and damage deposit are waived.

Passed by the City Council this 22<sup>nd</sup> day of September, 2026.

---

Mayor Jason R. Holt

---

Attest: Kevin Kelly, Clerk

**CITY OF MOUND  
2415 WILSHIRE BLVD.  
MOUND, MINNESOTA 55364**

**PUBLIC GATHERING PERMIT**

Use of a public park or commons by any group consisting of **15 or more individuals.**

Use is not to interfere with traffic and general use of the park or commons or to be beyond the ability of the police in maintaining order.

**NO LIQUOR OR BEER MAY BE USED IN ANY OF THE CITY PARKS OR BUILDINGS.**

Group is to remove all litter and trash and provide a deposit to insure cleaning up of the park area.

Category I Locations: Surfside Park, Greenway, Centerview Park and Parking Deck  
PERMIT FEE: \$300/DAY \_\_\_\_\_ DAMAGE DEPOSIT: \$500/DAY \_\_\_\_\_

Category II Locations: Other Parks (neighborhoods, veteran's parks)

PERMIT FEE: \$50/DAY \_\_\_\_\_ DAMAGE DEPOSIT: \$200/DAY \_\_\_\_\_

**A Certificate of Insurance naming the City of Mound as Certificate Holder/Additional Insured is required with respect to the City's ownership of the public lands.**

Date(s) of Use Sept 25-27, 2026 *Use of City property for HC temp.*

Area to be Used Parking Ramp *Parking for this year's festival*

Time Frame 10 AM - 11 PM?

Intended Use OU Festival - Needed because of Road Const.

Expected Attendance 1000's?

Organization Our Lady of the Lake

Representative's Name Wendy Legros

Address 2385 Commerce Rd Mound

Telephone No. Daytime [REDACTED] Work: \_\_\_\_\_

E-Mail: [REDACTED]

**Departmental Approval**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Police Dept.

\_\_\_\_\_  
Public Works Dept.

\_\_\_\_\_  
Fire Dept.



On behalf of Our Lady of the Lake's Incredible Festival, we respectfully request permission to utilize the public parking ramp as an additional parking option for festival attendees. Due, in part, to the ongoing road construction in the area, we anticipate that providing clear direction to the public parking ramp will be necessary to help ensure safe and accessible parking for those attending the festival.

Given the circumstances and the need to provide adequate parking options for our community, we would also respectfully request that any applicable fees or damage deposit associated with the use of the parking ramp be waived.

In addition, we would like to request temporary use of the City property located to the north of the festival grounds for designated handicap parking. Providing this additional accessible parking area would be a great help to our parishioners and guests with mobility needs and would allow us to better serve all who come to celebrate with us.

We are grateful for the City's consideration and for its partnership in helping make Our Lady of the Lake's Incredible Festival a welcoming, safe, and joyful event for our parish and the broader community. We appreciate your willingness to work with us as we navigate the challenges presented by the current road construction.

Thank you for your time and consideration. We are happy to discuss the request further and to work within any guidelines or conditions the City may require.

--

†JMJ,

**Christopher Parker**  
Parish Business Administrator

---

**Our Lady of the Lake Catholic Community**  
[2385 Commerce Blvd, Mound, MN 55364](https://www.ourladyofthelake.org/)



## City Council Item 5d

**To:** Honorable Mayor and Council Members  
Jesse Dickson, City Manager

**From:** Johnny Menhennet, City Planner

**Date:** September 22, 2026

**Subject:** Amendments to Mound City Code Chapters 42 (Nuisances) Regarding Noxious Weeds Between the Property Line and Curb

---

**RECOMMENDED ACTION:** Review/action on proposed ordinance to amend City Code Chapter 42 (*Nuisances*) pertaining to the obligation of property owners to maintain grass height at acceptable levels between the property line and the curb. No public hearing is required for an amendment to Chapter 42.

### MOTION TO:

1. Approve Ordinance No. 08-2026 Amending Mound City Code Regarding Noxious Weeds Between the Property Line and Curb

### OVERVIEW

The City Council is being asked to review and take action upon a proposed amendment for the maintenance of grass. As it currently stands, the City does not have an enforcement mechanism that allows for the City to obligate private property owners to maintain the land between the legal property line and the curb. Though commonly understood as the private property owner's responsibility to maintain, the narrow width of improved public streets in Mound means that often the City owns a strip of land between the curb and private property. City crews in the Public Works Department do not have the capacity to maintain this land, nor is it appropriate for them to do so when property delineations are unclear in what is understood to be an extension of the front yard for many. The proposed amendment will shift maintenance obligations to the private landowner that abuts such property in the right of way.

### REQUESTED ACTION

The City Council is requested to consider the proposed ordinance and approve its adoption to further the capacity of Staff to conduct code enforcement.

### ATTACHMENTS

- Ordinance No. 08-2026 amending Mound City Code Regarding Noxious Weed Between the Property Line and Curb

**CITY OF MOUND  
ORDINANCE NO. 08-2026**

**AN ORDINANCE AMENDING MOUND CITY CODE REGARDING  
NOXIOUS WEEDS BETWEEN THE PROPERTY LINE AND CURB**

THE CITY COUNCIL OF THE CITY OF MOUND DOES ORDAIN:

**SECTION 1. AMENDMENT.** Mound City Code Section 42-4 is hereby amended as set forth below to add the underlined language.

**Sec. 42-4. Same—Affecting peace and safety.**

\*\*\*

- (10) Noxious weeds, as that term is defined in Minn. Stat. § 18.77, any excessive or uncontrolled growth of other weeds, and un-mowed turfgrass exceeding eight (8) inches in height on all property owned or occupied by a person and on land outside the traveled portion of a public street, sidewalk, or alley abutting such property. Establishment and minimal maintenance of native and naturally-occurring woodland, prairie, wetland, and riparian grasses, wildflowers, and pollinator attractant areas within lots is permissible on unimproved lots in whole or on portions of improved lots, subject to control of noxious and invasive weeds;

\*\*\*

**SECTION 2. EFFECTIVE DATE.** This Ordinance shall be in full force and effect January 1, 2027 and after publications as required by law.

Adopted by the City Council of the City of Mound this 22<sup>nd</sup> day of September, 2026.

\_\_\_\_\_  
Jason R. Holt, Mayor

ATTEST:

\_\_\_\_\_  
Kevin Kelly, City Clerk

Published in the \_\_\_\_\_ on \_\_\_\_\_, 2026



## City Council Item 5e.

To: Honorable Mayor and Council Members  
Jesse Dickson, City Manager

From: Matt Bauman, PE, City Engineer

Date: September 22, 2026

Subject: 2026 Crack Seal Pay Request No. 1

---

### RECOMMENDED ACTION:

**MOTION TO** approve Pay Request No. 1 in the amount of \$16,000 to MP Asphalt Maintenance, inc. for 2026 Crack Seal project; City Project Nos. PW-26-06.

### OVERVIEW

Please find enclosed Pay Request No. 1 from MP Asphalt Maintenance, inc. for work completed on the 2026 Crack Seal project on September 10, 2026

We have reviewed the contractor's request, verified quantities, and recommend payment in the amount of \$16,000 to MP Asphalt Maintenance, inc.

All work is complete and there is no withholding of retainage.

### SUPPORTING INFORMATION

- Pay Request 1 from MP Asphalt Maintenance, inc.

DATE: 9/14/2026

CONTRACTOR'S PAY REQUEST NO.  
2026 CRACK REPAIR PROJECT

1 & Final

CONTRACTOR MP ASPHALT MAINTENANCE, INC  
OWNER City of Mound  
ENGINEER Bolton & Menk

BMI PROJECT NO. 26X.143544.000  
FOR WORK COMPLETED FROM

9/9/2026 THROUGH 9/9/2026

|                                                            |    |           |
|------------------------------------------------------------|----|-----------|
| TOTAL AMOUNT BID.....                                      | \$ | 16,000.00 |
| APPROVED CHANGE ORDERS.....                                | \$ | -         |
| CURRENT CONTRACT AMOUNT.....                               | \$ | 16,000.00 |
| TOTAL, COMPLETED WORK TO DATE.....                         | \$ | 16,000.00 |
| TOTAL, STORED MATERIALS TO DATE.....                       | \$ | -         |
| DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED..... | \$ | -         |
| TOTAL, COMPLETED WORK & STORED MATERIALS.....              | \$ | 16,000.00 |
| RETAINED PERCENTAGE ( 0% ) .....                           | \$ | -         |
| TOTAL AMOUNT OF OTHER DEDUCTIONS.....                      | \$ | -         |
| NET AMOUNT DUE TO CONTRACTOR TO DATE.....                  | \$ | 16,000.00 |
| TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES .....              | \$ | -         |
| PAY CONTRACTOR AS ESTIMATE NO. 1.....                      | \$ | 16,000.00 |

Certificate for Payment

I hereby certify that, to the best of my knowledge and belief, all items quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the amount for the Final Estimate, that the provisions of M. S. 290.92 have been complied with and that all claims against me by reason of the Contract have been paid or satisfactorily secured.

Contractor: MP ASPHALT MAINTENANCE, INC.  
3315 AETNA AVENUE NE  
BUFFALO, MN 55313

By Matt Leaf Matt Leaf GM  
Name Title  
Date 09/15/2026

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:  
BOLTON & MENK, INC., ENGINEERS, 2638 SHADOW LN, SUITE 200, CHASKA MN 55318

By Matthew S. Bauman, PROJECT ENGINEER  
Matthew S. Bauman

Date 9/17/2027

APPROVED FOR PAYMENT:  
Owner: CITY OF MOUND

By \_\_\_\_\_  
Name Title Date

**REQUEST FOR PAYMENT**

**DATE:** 9/14/2026

**REQUEST NO.:** 1 & Final

**PROJECT:** 2026 CRACK REPAIR PROJECT

**CONTRACTOR:** MP ASPHALT MAINTENANCE, INC

FILEPATH: H:\MOUN\26X143544000\7\_Construction\ID\_Pay Applications\143544 2026 Crack Repair Pay App.xlsx\PR1

| ITEM<br>NO. | BID ITEM        | ORIGINAL BID |                 |               | COMPLETED  |                    |                    |             |
|-------------|-----------------|--------------|-----------------|---------------|------------|--------------------|--------------------|-------------|
|             |                 | UNIT         | BID<br>QUANTITY | UNIT<br>PRICE | THIS MONTH |                    | TO DATE            |             |
|             |                 |              |                 |               | QUANTITY   | AMOUNT             | QUANTITY           | AMOUNT      |
| 1           | MOBILIZATION    | LS           | 1               | \$0.00        | 1.00       |                    | 1.00               |             |
| 2           | TRAFFIC CONTROL | LS           | 1               | \$0.00        | 1.00       |                    | 1.00               |             |
| 3           | CRACK REPAIR    | LBS          | 6,400           | \$2.50        | 6,400      | \$16,000.00        | 6,400.00           | \$16,000.00 |
|             |                 |              |                 |               |            | <b>\$16,000.00</b> | <b>\$16,000.00</b> |             |



## City Council Item 6a

**To:** Honorable Mayor and Council Members  
Jesse Dickson, City Manager

**From:** Johnny Menhennet, City Planner

**Date:** September 22, 2026

**Subject:** Presentation on Code Enforcement Activities

---

**PURPOSE:**

The City Council requested presentation regarding Code Enforcement Activities

**SUPPORTING INFORMATION:**

Members of the City Council have directed Staff to pursue more enforcement action against properties non-compliant with City Code. Part of the responsibilities of the new City Planner role created include traditional planning responsibilities such as development review, resident support, planning and zoning inspections services, but also crucially, code enforcement. This presentation seeks to inform the Council of the state of Code Enforcement, going over the number of cases initiated, closed out, and common challenges discovered in pursuit of greater cooperation and compliance with enforcement.



## City Council Item 7a

**To:** Honorable Mayor and Council Members  
Jesse Dickson, City Manager

**From:** Sarah Smith, Community Development Director

**Date:** September 16, 2026

**Subject:** Amendments to Mound City Code Chapters 38 (*Licenses, Permits, and Miscellaneous Business Regulations*) and 129 (*Zoning*) – Cannabis Regulations

---

**RECOMMENDED ACTION:** Review/action on proposed ordinance to amend City Code Chapters 38 (*Licenses, Permits, and Miscellaneous Business Regulations*) and 129 (*Zoning*) pertaining to new statute regulations that go into effect on January 1, 2027 related to cannabis. A public hearing is required for the proposed amendments to the zoning regulations in City Code Chapter 129.

### MOTION TO:

1. Approve Ordinance No. 09-2026 amending Mound City Code Regarding Cannabis Macrobusinesses

### OVERVIEW

The City Council is being asked to hold a public hearing for a proposed ordinance amendment to the zoning regulations related to the cannabis regulations. Amendments to the licensing requirements in City Code Chapter 38 are also included in the proposed ordinance amendment but do not require a public hearing. The proposed ordinance was prepared by the City Attorney and relate to changes approved during the legislative session that go into effect on January 1, 2027 regarding cannabis and macrobusinesses.

### PUBLIC HEARING

Publication and posting requirements to hold the public hearing and consider the ordinance have been satisfied.

### PLANNING COMMISSION REVIEW AND RECOMMENDATION

The Planning Commission considered the proposed ordinance amendment at their September 1, 2026 meeting. The draft minutes from that meeting have been included for reference. The Planning Commission unanimously recommended approval of the proposed ordinance as recommended by Staff.

**REQUESTED ACTION**

The City Council is requested to hold a public hearing and consider the proposed ordinance as part of its meeting on Tuesday, September 22, 2026 meeting.

**ATTACHMENTS**

- Ordinance No. 09-2026 amending Mound City Code Regarding Cannabis Macrobusinesses
- Draft September 1, 2026 Planning Commission meeting minutes

**CITY OF MOUND  
ORDINANCE NO. 09-2026**

**AN ORDINANCE AMENDING MOUND CITY CODE REGARDING  
CANNABIS MACROBUSINESSES**

THE CITY COUNCIL OF THE CITY OF MOUND DOES ORDAIN:

**SECTION 1. AMENDMENT.** Mound City Code Section 38-400 is hereby amended as set forth below to add the underlined language and delete the ~~striketrough~~ language as follows:

**Sec. 38-400. Definitions.**

\*\*\*

*Cannabis retail business* means any place of business where any cannabis products subject to licensing and registration are available for sale to the general public. cannabis retail businesses include, but are not limited to, cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, ~~medical cannabis retailer~~ cannabis macrobusiness with a retail operations endorsement, ~~including and~~ lower-potency hemp edible retailer.

\*\*\*

**SECTION 2. AMENDMENT.** Mound City Code Chapter 129 is hereby amended as set forth below to add the underlined language and delete the ~~striketrough~~ language as follows:

**Sec. 129-2. Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

\*\*\*

*Cannabis business buffer* means a 1,000-foot buffer from public and private schools and a 500-foot buffer from a day care, residential treatment facility, public park, or athletic field for cannabis retailers, cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, medical cannabis retailers, and cannabis macrobusiness with a retail endorsement ~~medical cannabis combinations businesses~~,

excepting therefrom lower-potency hemp edible retailer and lower-potency hemp edible manufacturer.

*Cannabis business retail endorsement* means a cannabis business that may sell cannabis products directly to the public as regulated by state statute.

*Cannabis business retail limit* means that cannabis businesses with a retail endorsement, including cannabis retailers, cannabis macrobusinesses, cannabis mezzobusinesses, and cannabis microbusinesses, shall be limited to one business per 12,500 residents.

\*\*\*

*Cannabis event organizer* means a cannabis business as defined in state statute

*Cannabis macrobusiness* means a cannabis business as defined in state statute.

*Cannabis manufacturer* means a cannabis business as defined in state statute.

\*\*\*

*Membrane structure* means means a structure usually consisting of an aluminum, steel or plastic frame which is covered with a plastic, fabric, canvas or similar nonpermanent material and is used to provide for the storage of vehicles, boats, recreational vehicles or other personal property. The term "membrane structure" shall also apply to structures commonly known as hoop houses, canopy-covered carports and tent garages and can be fully or partially covered but shall not apply to boat lifts and canopies which are placed in public waters.

~~*Medical cannabis combination business*~~ means a cannabis business as defined in state statute.

*Medical cannabis cultivator* means a cannabis business as defined in state statute.

\*\*\*

#### **Sec. 129-135. – Allowable uses.**

\*\*\*

| Use                           | MU-D     | MU-C | C-1 | I-1 |
|-------------------------------|----------|------|-----|-----|
| ***                           |          |      |     |     |
| <b>Non-Residential Uses</b>   |          |      |     |     |
| ***                           |          |      |     |     |
| Cannabis Event Organizer      | P        | -    | -   | -   |
| <u>Cannabis Macrobusiness</u> | <u>P</u> | -    | -   | -   |
| Cannabis Manufacturer         | P        | -    | -   | -   |

|                                                  |              |   |   |   |
|--------------------------------------------------|--------------|---|---|---|
| ***                                              |              |   |   |   |
| Medical and Dental Clinics                       | P            | P | P | P |
| <del>Medical Cannabis Combination Business</del> | <del>P</del> | - | - | - |
| Medical Cannabis Cultivator                      | P            | - | - | - |
| ***                                              |              |   |   |   |

**SECTION 3. EFFECTIVE DATE.** This Ordinance shall be in full force and effect January 1, 2027 and after publications as required by law.

Adopted by the City Council of the City of Mound this \_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Jason R. Holt, Mayor

ATTEST:

\_\_\_\_\_  
Kevin Kelly, City Clerk

Published in the \_\_\_\_\_ on \_\_\_\_\_, 2026

**MEETING MINUTES (DRAFT) EXCERPTS**  
**REGULAR PLANNING COMMISSION**  
**SEPTEMBER 1, 2026**

**Call to Order**

Chair Goode called the meeting to order at 6:00 p.m.

**Roll Call**

Members present: David Goode, Nick Rosener, Kathy McEnaney and Samantha Wacker

Members absent: Drew Heal, Jason Baker and Kristin Young

Staff present: Sarah Smith, Kate Vogt, and Johnny Menhennet

Others present: Peter Grubish (Timberline Homes LLC), Bloomington; John and Kelly Holcomb, Chanhassen, Nate Berg (True Concepts, Inc), 17824 South Shore Lane, Chaska; and John and Kari Seaverson, 1609 Bluebird Lane; Helen Canning, 5926 Beachwood Road

**Board of Adjustment and Appeals**

**Review/Discussion/Recommendation for Planning Case No. 26-05: Cannabis Regulations; Ordinance Update  
Ordinance Related to Cannabis Regulations**

Community Development Director, Sarah Smith, presented the proposed ordinance, prepared by the City Attorney, to bring the City into compliance with new state cannabis statute regulations taking effect January 1, 2027.

Council Liaison McEnaney asked whether the ordinance affects current buffer requirements; staff confirmed it does not.

Commissioner Rosener asked whether this represents a shift in state language or whether a new type of business could be expected and asked whether any applications had been received. Staff indicated no formal applications have been submitted, though there has been significant interest; the City currently has one registration available.

Commissioner McEnaney asked whether a business could open before the law takes effect, noting she had seen one preparing for opening in Spring Park. City Planner Johnny Menhennet explained the applicable process.

Commissioner Wacker expressed concern that such businesses could be zoned out of the City and sought confirmation that the ordinance is simply aligning the City with state law, which staff confirmed.

Commissioner Rosener asked whether retail cannabis applications would come before the Commission or be handled administratively; staff confirmed such uses are permitted by right within the Mixed-Use zoning district and would be handled administratively for zoning. No further discussion followed.

**MOTION** by Rosener, seconded by Wacker, to recommend City Council approval of the proposed ordinance, as recommended by Staff. All voted in favor. **MOTION** passed unanimously.

DRAFT



## City Council Item 9a

To: Honorable Mayor and Council Members  
Jesse Dickson, City Manager

From: Laila Imihy, Deputy City Manager

Date: September 22, 2026

Subject: Approve Proposed 2027 Levy, Proposed 2027 General Fund Budget and Set Budget Meeting Date

---

### RECOMMENDED ACTION:

**MOTION** to Approve Resolution 26-65 Approving the Proposed 2027 Tax Levy, Setting Debt Service Levels at Amounts Under Those Required in the Bond Documents, Approving the Proposed 2027 Budget and Setting the Budget Meeting Date.

### OVERVIEW:

The City is required to certify a proposed tax levy and submit it to Hennepin County by September 30th. This will be the maximum levy for 2027 and can only be reduced. The certified levy amount is also used for truth in taxation notices.

The City must hold a public hearing on the budget between November 25th and December 28th. The proposed public hearing will occur at the regularly scheduled City Council meeting on December 8, 2026. Following the public hearing the City will set the final levy.

Between now and December 8, 2026, Staff will continue to refine the budget. The following schedule should be expected between now and December.

- **October 13:** The Council will review bids for the Water Treatment Plant and decide whether to accept bids.
- **November 10:** The City's financial consultant will present an updated Financial Management Plan and Utility Rate Study
- **November 24:** Staff will present an updated fee schedule which will include utility rates and all other City fees for service
- **December 8:** The City Council will hold the truth-in-taxation hearing and adopt a final levy.

A full overview of the budget was provided at the September 8, 2026, meeting, and the [presentation can be viewed here](#). Tonight, Staff will present a short overview of the preliminary budget.

**SUPPORTING INFORMATION**

- 2027 Preliminary Budget Book
- Resolution 26-65

# CITY OF MOUND

# **2027 PROPOSED BUDGET**

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*FISCAL YEAR 2027*

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## Introduction

### Organization of Services & Departments

The City of Mound operates under a council-manager, Statutory Plan B form of government. Residents elect, on a non-Partisan basis, a mayor and four city council members with equal voting authority. The mayor is elected to serve a four-year term. Council members serve four-year staggered terms, with two council members elected every two years.

The mayor and council are responsible for setting policy directions, making major decisions, and providing oversight into how the city operates. Administrative duties are delegated to the City Manager as the sole employee of the City Council. The City Manager delegates authority to Department Heads and Supervisors, where appropriate.

#### Mound City Council

| Position              | Name             | Term Ends         |
|-----------------------|------------------|-------------------|
| <b>Mayor</b>          | Jason Holt       | December 31, 2026 |
| <b>Council Member</b> | Sherrie Pugh     | December 31, 2026 |
| <b>Council Member</b> | Kathy McEnaney   | December 31, 2026 |
| <b>Council Member</b> | Kevin Castellano | December 31, 2028 |
| <b>Council Member</b> | Michelle Herrick | December 31, 2028 |

#### Mound Management Team

The responsibilities and challenges faced by local government necessitate clear accountability. The organizational structure is delegated by the City Manager.

| Position                              | Name            |
|---------------------------------------|-----------------|
| <b>City Manager</b>                   | Jesse Dickson   |
| <b>Deputy City Manager</b>            | Laila Imihy     |
| <b>Finance Director</b>               | Lindsey Erdmann |
| <b>Community Development Director</b> | Sarah Smith     |
| <b>Public Works Director</b>          | Ryan Prich      |
| <b>Fire Chief</b>                     | Andrew Drilling |

### Budget Book Preparation

The 2027 Proposed Budget was prepared by the Finance & Administration Department. A special thank you to the City's Administrative Assistant, Kate Vogt, for lending her design skills.

## Financial Policies

The City of Mound's financial policies are available on the City's website.

Please visit [www.moundmn.gov](http://www.moundmn.gov), then navigate to Government, then City Code & Policies.

## Fund Structure

The City's accounting system maintains a standard fund structure. That system provides a complete, self-balancing account group for each city fund.

### Governmental Funds

Governmental funds are used to account for services primarily financed by tax revenues, special assessments, or issued debt. The governmental funds used by the City of Mound include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Funds

Historically, only the General Fund and Special Revenue Funds were formally budgeted and received City Council approval. As part of the 2027 budget process, the Capital Funds will also be formally budgeted and receive City Council approval.

The finance department prepares annual projections for all other governmental funds.

### General Fund

The General Fund is the City's primary fund. It accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds. It includes areas such as parks, streets, information technology, elections, planning, and general government. The main source of revenue for the general fund is property tax. The remaining revenue comes from charges for services, grants, and other revenue sources.

### Special Revenue Funds

Special revenue funds account for services and expenditures where revenue is restricted or committed for a designated purpose. These funds receive administrative services from the General Fund, such as Finance, Human Resources, and Communications, to reduce the need for additional administrative overhead spending within the funds. The City has three special revenue funds:

*Table 1: Descriptions of Special Revenue Funds*

| Special Revenue Funds | Description                                                                                                                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fire Area Services    | Accounts for the revenues and expenditures for providing fire services to the City of Mound and contract for services to Spring Park, Shorewood, and Minnetrista. |
| Docks                 | Accounts for the revenues and expenditures associated with maintaining and leasing City-owned shoreline and docks (exclusive of the Lost Lake Slips).             |

|                                 |                                                                                                     |
|---------------------------------|-----------------------------------------------------------------------------------------------------|
| Housing Redevelopment Authority | Accounts for the revenues and expenditures associated with maintaining the City-owned parking ramp. |
|---------------------------------|-----------------------------------------------------------------------------------------------------|

### Debt Service Funds

Debt service funds account for the payment of general long-term debt principle, interest, and related costs. All the debt service funds are consolidated into one major fund and reported in a single column in the City's Annual Comprehensive Financial Report.

### Capital Funds

Capital projects funds account for the acquisition and construction of major capital facilities and equipment. Currently, the Water and Sewer Enterprise funds account for projects within the fund, while the Stormwater Fund accounts for projects within the Capital Improvement Fund. These funds receive administrative services from the General Fund, such as Finance, Human Resources, and Communications, to reduce the need for additional administrative overhead spending within these funds.

As part of the 2027 budget process, the Capital Funds will also be formally budgeted and receive City Council approval. The City has five Capital Funds:

*Table 2: Descriptions of Capital Funds*

| <b>Capital Projects Funds</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Improvement Fund      | Funding for street reconstruction projects supports the rehabilitation and replacement of city streets and related infrastructure. Primary funding sources are a combination of bond issuances and property taxes. The program includes the City's share of Municipal State Aid (MSA) projects, as well as locally initiated street improvement projects.                                 |
| Community Investment Fund     | Funding for parks, including playground equipment. These improvements are funded by property taxes.                                                                                                                                                                                                                                                                                       |
| Equipment Replacement Fund    | Funding for the planned replacement and acquisition of vehicles, trucks, skid steers, mowers, and other equipment necessary to support the operations and maintenance of the Streets and Parks departments. These investments help maintain reliable equipment and improve operational efficiency to ensure delivery of services. These improvements are funded by the property tax levy. |
| Building Replacement Fund     | Funding for the maintenance, repair, and upkeep of City-owned facilities, including City Hall, Centennial, the Public Works facility, and The Depot. These investments support the preservation, functionality, safety, and long-term condition of municipal buildings. These improvements are funded by the property tax levy.                                                           |

|                                       |                                                                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Road Maintenance Capital Reserve Fund | Funding for the maintenance and repair of city streets. These improvements are funded by the transfer-in from the Liquor Fund (Harbor Wine & Spirits) & MSA. |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Tax Increment Financing (TIF) Funds

The City of Mound also has Tax Increment Financing (TIF) funds. Financial plans for TIF districts will be included in the final version of the budget book.

## Enterprise Funds

Enterprise Funds are proprietary funds that are set up to account for a government's business activities. These types of activities provide services where most of the costs are recovered through user fees and charges. The City has five enterprise funds:

*Table 3: Descriptions of Enterprise Funds*

| <b>Enterprise Funds</b>             | <b>Description</b>                                                                                                                                                                                                                                                      |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water Fund                          | Funding the City's water utility operations, including the production, treatment, and distribution of drinking water. Funded primarily through water usage fees and connection charges paid by residents and businesses.                                                |
| Sewer Fund                          | Funding the City's wastewater collection and treatment operations. Funded primarily through property taxes and user fees charged to residents and businesses.                                                                                                           |
| Stormwater Fund                     | Funding the City's stormwater management operations, including the maintenance of storm drains, pipes, ponds, and other infrastructure that controls runoff and reduces flooding. Funded primarily through stormwater utility fees charged to residents and businesses. |
| Recycling Fund                      | Funding the City's recycling and solid waste diversion programs. Funded through recycling service fees charged to residents and businesses.                                                                                                                             |
| Liquor Fund (Harbor Wine & Spirits) | Funding the City's municipal liquor store operations. Funded through retail sales of beer, wine, and spirits.                                                                                                                                                           |

## Fee Schedule

A fee is a charge imposed on an individual or business for a service that the individual or business chooses to receive. Examples of city fees include building permits, dock licenses, and liquor licenses. As part of the annual budget process, the City's fee schedule is reviewed by department directors in detail to ensure that fees are set in accordance with applicable federal and state laws and city policy.

The 2027 fee schedule will be adopted by City Council in November 2026. The adopted fee schedule will be located on the City's website.

## Budget Overview

### Budget-In-Brief

The 2027 City of Mound proposed budget is focused on continuing to provide excellent municipal services and amenities as efficiently as possible and for a reasonable investment. The City provides a range of services to residents and visitors, including fire protection, street and park maintenance, snow and ice removal, administrative and planning services, elections administration, and water, sewer, and stormwater management services.

### General Fund

The General Fund is the chief operating fund of the City. It accounts for all revenues and expenditures of a governmental unit that are not accounted for in other funds. It is the largest and most important accounting activity for the City, receiving a greater variety and number of taxes and revenues than any other fund. Specifically, it receives such revenue as general property taxes, licenses and permits, fines and penalties, rents, charges for current services, state grants and aids, and interest earnings. In turn, the General Fund finances a larger range of municipal services.

General Fund revenues are projected to increase nearly 13% in 2027, driven primarily by higher interest earnings and revised cost-share charges to non-General Fund departments. Property tax revenue is expected to increase by approximately \$235,000, or 3.7%, while other revenues are projected to grow by 2%.

The proposed General Fund expense budget is \$8.13 million, an increase of about 13%, largely due to new spending in Planning & Inspections, Finance & Administration, Elections, Parks, and Emergency Management. Personnel costs represent approximately 35% of the overall expense budget, with eligible non-union employees receiving a 3% cost-of-living adjustment and, when applicable, a 3% step increase, while benefit contributions remain unchanged. The 2027 budget also reorganizes certain expense categories, consolidating items such as postage and printing into the City Hall budget for administrative efficiency. The General Fund transfers out its portion of the Fire Area Services contract to the Special Revenue Fund; this expense is included in the Expenditures line in the table below.

*Table 4: General Fund Revenues & Expenditures*

|                                       | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------|-------------------------|----------------------------------|
| <b>Revenues</b>                       | 7,223,908               | 8,139,790                        |
| <b>Expenditures (incl. transfers)</b> | 7,223,908               | 8,132,979                        |

### Enterprise Funds

The City has five enterprise funds: Water, Sewer, Stormwater, Recycling, and Liquor (Harbor Wine & Spirits). Enterprise funds run similarly to a business and are typically self-sufficient. The net income from the Water, Sewer, Stormwater, and Recycling funds stays within the fund, while the Liquor Fund transfers net income out to support other City-wide activities.

The following table summarizes the 2027 proposed budget for the City's four utility funds. The table does include net income and will be updated in November prior to the budget adoption. The City's long-term goal is to finance most capital projects with cash to reduce the cost of projects.

*Table 5: Water & Sewer Fund Budgets*

|                                    | <b>Water Fund</b> | <b>Sewer Fund</b> |
|------------------------------------|-------------------|-------------------|
| <b>Operating Revenues (\$)</b>     | 3,554,620         | 3,526,244         |
| <b>Non-operating Revenues (\$)</b> | 2,186,949         | 1,759,651         |
| <b>Bonds Issued (\$)</b>           | 3,500,000         | -                 |
| <b>Operating Expenses (\$)</b>     | 1,992,831         | 2,742,139         |
| <b>Debt Service (\$)</b>           | 1,241,754         | 1,335,154         |

### Debt Service Funds

State law (*Minnesota Statutes, Section 475.53*) sets forth the debt limit for Minnesota cities. The "net debt" of a city cannot exceed 3% of the estimated market value of taxable property. The definition of net debt (*Minnesota Statute, Section 475.51, Subd. 4*) excludes many forms of debt from the statutory debt limit. Generally, bonds that are 100% supported by property taxes are subject to the debt limit. This type of debt includes equipment certificates, street reconstruction bonds, and capital improvement plan bonds, for example.

Debt Service Funds are used for the collection of property taxes and revenues from other sources for the payment of principal, interest, and fiscal agent fees of general obligation bonds. The debt service levy is proposed at \$ 1,182,953. This is an increase of \$406,953 from 2026. Debt service for street reconstruction, mill and overlay projects, and Phase II improvements to Lost Lake Commons Park from 2025 and 2026 were added to the levy in 2027.

## Property Tax Levy

The preliminary levy is 9.86%, with a final levy goal of 7.79%. The preliminary levy includes \$180,000 in temporary operating revenue for the Water and Sewer Funds while the Financial Management Plan (FMP) and Utility Rate Study (URS) are completed. Updates to the FMP and URS will assist the City in fully assessing expenses and revenues and removing this \$180,000 in temporary operating revenue so that the final levy is 7.79%.

The property tax levy has three components: operating revenues, special revenues, and capital revenues. The operating revenues include funding for General Fund and Fire Area Services, comprising 71% of the preliminary levy. The special revenues fund debt service for streets, sewer, and parks, comprising 12% of the preliminary levy. The capital revenues fund provides funding for the acquisition and construction of major capital facilities and equipment, comprising 17% of the preliminary levy. *See the Capital Funds section for additional details.* In 2026, the operating revenues, special revenues, and capital revenues were 73%, 9%, and 18% of the final levy, respectively.

### Levy Table

The levy being presented on September 22, 2026, as the Preliminary Levy is to be certified to Hennepin County by September 30th. From that point on, the levy can only be decreased and not increased. Hennepin County will use that amount to calculate the preliminary property tax estimates to be utilized in the November Truth-in-Taxation notices they distribute. The City will hold its Truth-in-Taxation hearing and adopt the final budget on December 8, 2026.

In 2026, the median value of a home in Mound is \$374,700, and property values are projected to increase by 2% in 2027. Based on the proposed preliminary budget and estimated tax rate, a median value property owner would experience an estimated \$185 annual increase to their property tax bill. Should the City adopt a 7.79% levy for the final budget, a median value property owner would experience about a \$159 annual increase to their property tax bill.

## 2026 Strategic Plan

Annually, the Mound City Council adopts an annual strategic plan for the City. These goals shape organizational direction and decision-making, and the proposed 2027 Budget reflects the Council's 2026 Strategic Plan. In 2026, the Council focused on Operational Excellence, Community Development, High-Quality Communication, and Infrastructure. The use of the City's Financial Management Plan guides a fiscally responsible budget preparation process, and new positions in Communications and Parks continue to build on the established success the City has had in maintaining a vibrant and attractive community.

### Operational Excellence

*An organization that provides exceptional customer service and delivers efficient, fiscally responsible services.*

- Provide exceptional customer service to residents and internal stakeholders
- Continue working on a Joint Powers Agreement (JPA) for Fire Service
- Review and amend City Policies to align with best practices
- Continue following the long-term Financial Management Plan (FMP)
- Explore grants and alternative funding sources

### Community Development

*Creating a vibrant and attractive community.*

- Develop a strategy for Economic Development
- Create more community events and explore staffing to support this
- Address blight through developing a clearer blight ordinance
- Adopt a Rental License Program for long-term rentals

### High-Quality Communication

*Building trust, transparency, and consistency in City messaging.*

- Promote and expand interest in City-led initiatives such as Citizen of the Year
- Broaden the reach of City information through ideas like a digital newsletter
- Create new opportunities for residents to engage with elected officials, such as a State of the City event
- Provide reliable and clear communication on City efforts such as the Water Treatment Plant

### Infrastructure

*Infrastructure that meets community needs.*

- Explore ways to continue investing in Mound's Park System through strategic planning and development
- Continue to understand the viability of constructing a Water Treatment Plant through planning, advocacy at the State Legislature, and through grant opportunities

## Staffing Summary Schedule

The City of Mound will implement a Staffing Schedule in 2027 to help with long-term financial planning. The 2025 and 2026 Budget columns represent approximated FTEs based on allocations and fund credits/debits of FTE costs.

The 2027 budget reflects an increase of two full-time equivalent (FTE) employees. One FTE in Administration & Finance focusing on communications and events, and the other FTE in Parks to support day-to-day operations. In 2026, half of one FTE was added to Fire to create a Deputy Fire Chief position to start mid-year. In 2027, the remaining half of the FTE was added to account for a full year of this position. 5% of the Deputy Fire Chief's time is allocated to Emergency Management.

As part of the City's commitment to service excellence, staff will continue to explore and implement cost savings and operational efficiencies throughout the year. Additionally, the City will continue to evaluate staffing levels annually and as vacancies occur.

### Positions by Department

*Table 6: Positions by Department*

| Department                      | Fund Name        | 2025 Budget | 2026 Budget | 2027 Proposed |
|---------------------------------|------------------|-------------|-------------|---------------|
| Harbor Wine & Spirits           | Enterprise       | 5.5         | 5.5         | 6             |
| Sewer                           | Enterprise       | 2.85        | 2.85        | 3.1           |
| Water                           | Enterprise       | 2.75        | 2.75        | 3             |
| Administration & Finance        | General          | 3.85        | 3.85        | 5.95          |
| City Manager                    | General          | 1.25        | 1.25        | 1             |
| Emergency Preparedness          | General          | 0.35        | 0.35        | 0.05          |
| Parks                           | General          | 3.43        | 3.43        | 3.35          |
| Planning & Inspections          | General          | 2.40        | 2.40        | 2.75          |
| Streets                         | General          | 3.85        | 3.85        | 5.8           |
| Common Docks                    | Special Revenue  | 0.17        | 0.17        | 0.55          |
| Fire                            | Special Revenue  | 2           | 2.5         | 2.95          |
| Housing Redevelopment Authority | Special Revenue  | -           | -           | -             |
| <b>Total</b>                    | <b>All Funds</b> | <b>28.4</b> | <b>28.9</b> | <b>34.5</b>   |

## Financial Management Plan

The City engages financial consultants to create and maintain its Financial Management Plan (FMP). The FMP is a long-term financial plan used to determine the impact of present-day expenditures and financing decisions on future tax levies and tax rates. The City has built-in capital purchases that it anticipates issuing debt to ensure debt levels are compliant with state policy. The goals of the long-term FMP are to guide the budget process and allow the City to meet its strategic priorities. The City is currently updating its long-term FMP for all funds and will present this to the City Council in November 2026. The update is a collaboration between City staff, City Council members, and the consultants.

## Fund Summaries

### General Fund

The General Fund is the chief operating fund of the City. It accounts for all revenues and expenditures of a governmental unit that are not accounted for in other funds. It is usually the largest and most important accounting activity for state and local governments, normally receiving a greater variety and number of taxes and revenues than any other fund.

Specifically, it receives such revenue as general property taxes, licenses and permits, fines and penalties, rents, charges for current services, state grants and aids, and interest earnings. In turn, the General Fund finances a larger range of municipal services. The general fund accounts for the revenues and expenditures needed to provide basic city services such as street and park maintenance, public safety, planning and zoning, elections, and administration.

Table 7: General Fund Summary

|                 | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|-----------------|------------------|---------------------------|
| <b>Revenues</b> | 7,223,908        | 8,139,790                 |
| <b>Expenses</b> | 7,223,908        | 8,132,979                 |

### Revenues by Revenue Source

General Fund revenues are expected to increase by nearly 13% in 2027. This is largely due to the increase in interest earnings within the Other Revenue category and modifications to the General Fund Cost Share charges to non-General Fund departments, within the Charges for Services category. Property tax revenue will increase by about \$235,000 or 3.7%. All other revenues are projected to increase by 2%.

Table 8: General Fund Revenues

| Revenue Category                | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change     |
|---------------------------------|------------------|---------------------------|--------------|
| Property Taxes                  | 6,250,484        | 6,483,896                 | 3.7%         |
| Business Licenses & Permits     | 38,100           | 38,862                    | 2%           |
| Charges for Services            | 408,824          | 801,132                   | 96%          |
| Fines & Forfeitures             | 33,000           | 33,660                    | 2%           |
| Intergovernmental               | 32,000           | 32,000                    | 0%           |
| Non-Business Licenses & Permits | 211,500          | 215,730                   | 2%           |
| Other Revenue                   | 250,000          | 535,510                   | 113.8%       |
| <b>Total</b>                    | <b>7,223,908</b> | <b>8,139,790</b>          | <b>12.7%</b> |

## Expenses by Department

The General Fund expense budget is proposed at \$8,132,978 for 2027, or about 13% higher than the 2026 budget. The increase is primarily driven by new spending in the Planning & Inspections, Finance & Administration, Elections, Parks, and Emergency Management departments. More information about new spending can be found in the Department Summaries section.

Most of the City's basic services are provided and administered by professional staff. The cost of labor is a significant portion of the budget, accounting for about 35% of the overall expense budget. In the 2027 budget, eligible non-union staff will receive a 3% cost of living adjustment and, when applicable, a 3% step increase. No adjustments are recommended to benefits.

The 2027 budget reflects the reorganization of budget line items to decrease the administrative burden on staff. For example, in the 2026 budget, postage and printing costs were in most General Fund department-level budgets. In the 2027 budget, these and other types of expenses were consolidated into the City Hall budget for ease of administration.

*Table 9: General Fund Expenditures*

| <b>Department Name</b>            | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|-----------------------------------|-------------------------|----------------------------------|-----------------|
| Centennial Building               | 60,183                  | 59,910                           | -.05%           |
| City Council                      | 44,982                  | 37,513                           | -16.6%          |
| City Hall                         | 131,443                 | 203,542                          | 54.9%           |
| City Manager                      | 233,095                 | 232,008                          | -0.5%           |
| Elections                         | 23,500                  | 12,650                           | -50%            |
| Emergency Preparedness            | 58,213                  | 20,109                           | -65.5%          |
| Finance & Administrative Services | 636,384                 | 1,316,128                        | 106.8%          |
| Fire Protection Transfer          | 753,036                 | 826,033                          | 9.7%            |
| Information Technology            | 44,000                  | 42,440                           | -3.6%           |
| Legal                             | 181,460                 | 173,542                          | -4.36%          |
| Planning & Inspections            | 698,391                 | 685,562                          | -1.8%           |
| Police                            | 2,176,130               | 2,277,786                        | 4.7%            |
| Parks & Cemetery                  | 969,805                 | 1,000,204                        | 3.1%            |
| Streets                           | 1,211,485               | 1,245,552                        | 2.81%           |
| <b>Total</b>                      | <b>7,223,908</b>        | <b>8,132,979</b>                 | <b>12.6%</b>    |

## Special Revenue Funds

### Fire Area Services

Fire services revenues and expenditures are accounted for in a Special Revenue Fund. In addition to providing fire services to the City of Mound, the Fire Department also provides contracts for services to the cities of Spring Park, Shorewood, and Minnetrista. The purpose of the Special Revenue Fund is to segregate revenues and expenditures associated with the Fire Department to ensure accountability, transparency, and contract compliance.

### Revenues by Revenue Source

The Fire Department's revenues increased by \$233,126 or 14%. Five new revenue sources were budgeted in 2027, totaling \$63,500 and accounting for nearly 30% of the revenue increase. Historically, donations, grants, and reimbursements were not included in the budget despite generating consistent revenue from year to year.

Table 10: Fire Area Services Revenues

| Revenues                           | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change   |
|------------------------------------|------------------|---------------------------|------------|
| Property Taxes                     | 95,696           | 100,216                   | 5%         |
| Fire Contracts                     | 630,446          | 693,080                   | 9%         |
| Transfer in                        | 741,036          | 814,033                   | 9%         |
| Donations, grants & reimbursements | -                | 63,500                    | -          |
| <b>Revenue total</b>               | <b>1,652,703</b> | <b>1,875,829</b>          | <b>14%</b> |

### Expenses

The Fire Department's expenditures increased by 13% from 2026. Personnel expenses account for 72% of departmental spending and increased by \$212,533 or 19% in 2027. The addition of the Deputy Fire Chief, Maintenance Mechanic, and duty crews are driving the increase. Non-personnel expenses account for 24% of departmental spending and increased by \$121,151 or 41% in 2027. Administrative Cost Sharing costs and other contractual services are also increasing expenses. The capital portion of the budget decreased by \$122,200 or 59%, as the department has completed debt service payments on Fire Ladder #44.

Table 11: Fire Area Services Expenditures

| Expenses             | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change   |
|----------------------|------------------|---------------------------|------------|
| Personnel            | 1,126,224        | 1,228,757                 | 19%        |
| Non-personnel        | 318,232          | 447,383                   | 41%        |
| Capital              | 208,400          | 86,200                    | -59%       |
| <b>Expense total</b> | <b>1,652,856</b> | <b>1,872,340</b>          | <b>13%</b> |

## Docks & Commons Program

### Revenues by Revenue Source

Revenues for the Docks & Commons Program were generally held flat from 2026 to 2027. City staff will complete an in-depth evaluation of all fees, permits, and licenses before the final budget is adopted in 2027.

Table 12: Docks & Commons Program Revenues

| Revenues             | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change    |
|----------------------|------------------|---------------------------|-------------|
| Dock Permits         | 226,860          | 227,650                   | 0.3%        |
| Wait List Fee        | 8,685            | 8,859                     | 2%          |
| <b>Revenue total</b> | <b>235,545</b>   | <b>236,509</b>            | <b>0.4%</b> |

### Expenses

Docks & Commons Program expenses are expected to decrease by about 6%. The net impact is primarily driven by the reorganization of the FTE allocations and marginally increased spending within non-personnel.

Table 13: Docks & Commons Program Expenditures

| Expenses             | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change   |
|----------------------|------------------|---------------------------|------------|
| Personnel            | 106,570          | 84,507                    | -21%       |
| Non-personnel        | 78,442           | 82,536                    | 5%         |
| Capital Outlay       | 115,000          | 115,000                   | 0%         |
| <b>Expense total</b> | <b>300,011</b>   | <b>282,042</b>            | <b>-6%</b> |

## Enterprise Funds

Enterprise Funds are proprietary funds that are set up to account for a government's business activities. These types of activities provide services where most of the costs are recovered through user fees and charges.

### Water Utility

#### Revenues by Revenue Source

Water Fund operating revenues are expected to increase by about 13%. Increases to utility billing rates are increasing the water sales line item. After operating expenses are paid, revenues are used to pay for capital projects and ensure the fund is in positive net position in the long run. The property taxes line item is intended to be temporary to provide a buffer while the City updates its Financial Management Plan and Utility Rate Study. It is expected that property taxes will not be used as a revenue source for the final budget.

Table 14: Water Utility Revenues

| <b>Revenues</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Water Sales          | 2,786,097               | 3,162,220                        | 13%             |
| Franchise Fees       | 288,000                 | 302,400                          | 5%              |
| Property Taxes       | -                       | 90,000                           | -               |
| <b>Revenue total</b> | <b>3,074,097</b>        | <b>3,554,620</b>                 | <b>13%</b>      |

### Expenses

Water Fund operating expenses are expected to increase by about 8%. Beyond modest increases to personnel costs, new, one-time spending for the 2050 Comprehensive Plan and SCADA technology updates are driving the increase. *More details on these expenses can be found in the Department Summaries section.* Additionally, the City implemented an update to its Administrative Cost Sharing charges model, which is contributing to the non-personnel increase.

Table 15: Water Utility Expenditures

| <b>Expenses</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Personnel            | 399,595                 | 414,491                          | 4%              |
| Non-personnel        | 533,887                 | 661,264                          | 24%             |
| Depreciation         | 917,000                 | 917,000                          | 0%              |
| <b>Expense total</b> | <b>1,850,482</b>        | <b>1,992,831</b>                 | <b>8%</b>       |

## Sewer Utility

### Revenues by Revenue Source

Sewer Fund operating revenues are expected to increase by 9%. Increases to utility billing rates are increasing the water sales line item. After operating expenses are paid, revenues are used to pay for capital projects and ensure the fund is in a positive net position in the long run. The property taxes line item is intended to be temporary to provide a buffer while the City updates its Financial Management Plan and Utility Rate Study. It is expected that property taxes will not be used as a revenue source for the Final Budget.

Table 16: Sewer Utility Revenues

| Revenues             | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change  |
|----------------------|------------------|---------------------------|-----------|
| Property Taxes       | -                | 90,000                    | -         |
| Sewer Sales          | 3,133,844        | 3,353,213                 | 7%        |
| Franchise Fees       | 288,000          | 302,400                   | 5%        |
| <b>Revenue total</b> | <b>3,421,844</b> | <b>3,745,613</b>          | <b>9%</b> |

### Expenses

Sewer Fund operating expenses are expected to increase by about 10%. Beyond modest increases to personnel costs, new, one-time spending for the 2050 Comprehensive Plan and SCADA technology updates are driving the increase. *More details on these expenses can be found in the Department Summaries section.* Additionally, the City implemented an update to its Administrative Cost Sharing charges model, which is contributing to the non-personnel increase.

Table 17: Sewer Utility Revenues

| Expenses             | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change   |
|----------------------|------------------|---------------------------|------------|
| Personnel            | 411,966          | 432,638                   | 5%         |
| Non-personnel        | 1,433,999        | 1,659,400                 | 16%        |
| Depreciation         | 650,000          | 650,000                   | 0%         |
| <b>Expense total</b> | <b>2,495,965</b> | <b>2,742,139</b>          | <b>10%</b> |

## Stormwater Utility

### Revenues by Revenue Source

Revenues for the stormwater utility do not cover the cost to administer the utility and were planned to remain flat from 2026 to 2027 in the most recent Financial Management Plan. Given this situation, the City is updating its Financial Management Plan and Utility Rate Study to inform a new strategy.

Table 18: Stormwater Utility Revenues

| <b>Revenues</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Storm Sewer Revenue  | 254,000                 | 254,000                          | 0%              |
| <b>Revenue Total</b> | <b>254,000</b>          | <b>254,000</b>                   | <b>0%</b>       |

## Expenses

Expenses are outpacing revenues, and expenses are expected to increase by 15%. The City is updating its Financial Management Plan and Utility Rate Study to inform a new strategy.

*Table 19: Stormwater Utility Expenditures*

| <b>Expenses</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Non-personnel        | 41,159                  | 83,703                           | 103%            |
| Depreciation         | 234,000                 | 234,000                          | 0%              |
| <b>Expense total</b> | <b>275,159</b>          | <b>317,703</b>                   | <b>15%</b>      |

## Recycling Utility

### Revenues by Revenue Source

Revenues are estimated to increase by 4% as planned in the Financial Management Plan. The City receives a modest grant from Hennepin County to administer its recycling program; there are no expected changes to this source.

*Table 20: Recycling Utility Revenues*

| <b>Revenues</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Grants               | 20,000                  | 20,000                           | 0%              |
| Recycling Sales      | 243,360                 | 253,094                          | 4%              |
| <b>Revenue total</b> | <b>263,360</b>          | <b>273,094</b>                   | <b>4%</b>       |

## Expenses

Expenses are expected to increase by about 8%. This is driven by an anticipated increase in the City's recycling contract. The final contract amount will be known before the final budget is adopted.

*Table 21: Recycling Utility Expenditures*

| <b>Expenses</b>      | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> | <b>% Change</b> |
|----------------------|-------------------------|----------------------------------|-----------------|
| Personnel            | -                       | 576                              | -               |
| Non-personnel        | 253,565                 | 274,527                          | 8%              |
| <b>Expense total</b> | <b>253,565</b>          | <b>275,103</b>                   | <b>8%</b>       |

## Liquor Store - Harbor Wine & Spirits

The City was notified on September 8, 2026, that its liability insurance company, the League of Minnesota Cities (LMC), would no longer provide coverage, as of November 2026, for municipal liquor stores that sell hemp-derived THC products due to a federal policy change. The 2027 proposed revenue and expense budgets do not account for this policy change. City staff will provide an updated proposed budget before the final budget is adopted.

### Revenues by Revenue Source

Revenue is expected to increase by 3%. While liquor, beer, and wine sales are down nationally, THC sales are expected to increase.

Table 22: Liquor Store Revenues

| Revenue              | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change  |
|----------------------|------------------|---------------------------|-----------|
| Operating Revenue    | 3,600,000        | 3,692,043                 | 3%        |
| <b>Revenue total</b> | <b>3,600,000</b> | <b>3,692,043</b>          | <b>3%</b> |

### Expenses

Expenses are estimated to decrease by about 2% in 2027. This is due to the reduction in the transfer-out line item and the net changes to the remaining line items. The cost of sales (inventory) line item has been reduced to offset decreased sales in the liquor, beer, and wine categories. Operating costs are up 24% mainly due to the implementation of an update to the City's Administrative Cost Sharing charges model. Personnel costs are expected to increase by about 10% due to staffing structure changes and cost of living adjustments.

Table 23: Liquor Store Expenditures

| Expenses              | 2026 Budget (\$) | 2027 Proposed Budget (\$) | % Change   |
|-----------------------|------------------|---------------------------|------------|
| Cost of Sales         | 2,591,000        | 2,459,875                 | -5%        |
| Operating Costs       | 340,338          | 423,149                   | 24%        |
| Personnel             | 474,492          | 520,759                   | 10%        |
| Transfer out          | 360,000          | 300,000                   | -17%       |
| <b>Expenses total</b> | <b>3,766,830</b> | <b>3,703,784</b>          | <b>-2%</b> |

## Capital Funds

As part of the 2027 process, the City Council will budget its capital funds in addition to adopting a Capital Improvement Plan (CIP). Historically, capital funds were unbudgeted, and expenses were presented by project for the current year within the CIP. 2026 revenue data by source and expense budget data by category are not available.

### Capital Improvement Fund

This fund supports street reconstruction projects including the rehabilitation and replacement of city streets and related infrastructure. *More information can be found in the Fund Structure and Capital Improvement Plan sections.*

#### Revenues by Revenue Source

Revenues are estimated to exceed expected expenses by \$640,000. If project cost estimates remain at the current level, the City will issue less in bonds to close the gap between revenues and expenses.

Table 24: Capital Improvement Fund Revenues

| Revenues            | 2027 Proposed Budget (\$) |
|---------------------|---------------------------|
| Bond Proceeds       | 5,000,000                 |
| Municipal State Aid | 287,000                   |
| Property Tax        | 1,000,000                 |
| Special Assessments | 47,621                    |
| <b>Total</b>        | <b>6,334,621</b>          |

#### Expenses

If the City issues less than expected in bonds, the bond issuance line item will decrease. *More information about the construction projects can be found in the Capital Improvement Plan section.*

Table 25: Capital Improvement Fund Expenditures

| Expenditures            | 2027 Proposed Budget (\$) |
|-------------------------|---------------------------|
| Construction            | 5,584,050                 |
| Bond Issuance           | 100,250                   |
| Administrative Overhead | 11,699                    |
| <b>Total</b>            | <b>5,695,999</b>          |

### Capital Equipment Replacement Fund

This fund is utilized for the planned replacement and acquisition of necessary equipment to support the operations and maintenance of the Streets and Parks departments. More information can be found in the Fund Structure and Capital Improvement Plan sections.

### Revenues by Revenue Source

Revenues are projected to equal expenses.

Table 26: Capital Equipment Replacement Fund Revenues

| Revenues            | 2027 Proposed Budget (\$) |
|---------------------|---------------------------|
| Property Tax        | 270,000                   |
| Sale Capital Assets | 41,058                    |
| Use of fund balance | 54,000                    |
| <b>Total</b>        | <b>365,000</b>            |

### Expenses

More information about planned purchases can be found in the Capital Improvement Plan section.

Table 27: Capital Equipment Replacement Fund Expenditures

| Expenditures    | 2027 Proposed Budget (\$) |
|-----------------|---------------------------|
| Vehicles        | 180,000                   |
| Other Equipment | 185,000                   |
| <b>Total</b>    | <b>365,000</b>            |

### Road Maintenance Capital Reserve Fund

This fund is utilized for the maintenance and repair of the City's streets. More information can be found in the Fund Structure and Capital Improvement Plan sections.

### Revenues by Revenue Source

Revenues are projected to equal expenses.

Table 28: Road Maintenance Capital Reserve Fund Revenues

| Revenues                  | 2027 Proposed Budget (\$) |
|---------------------------|---------------------------|
| Municipal State Aid       | 92,000                    |
| Special Assessment        | 738                       |
| Transfer in: Liquor Store | 135,000                   |
| Use of Fund Balance       | 37,512                    |
| <b>Total</b>              | <b>265,250</b>            |

### Expenses

More information about 2027 maintenance projects can be found in the Capital Improvement Plan section.

Table 29: Road Maintenance Capital Reserve Fund Expenditures

| <b>Expenditures</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------|----------------------------------|
| Maintenance         | 265,250                          |
| <b>Total</b>        | <b>265,250</b>                   |

## Community Investment Fund

This fund supports the City's parks and trails system. *More information can be found in the Fund Structure and Capital Improvement Plan sections.*

### Revenues by Revenue Source

Revenues are projected to exceed the expenses needed for park construction projects. The excess revenues will go to the fund balance, which will be used to finance the next phase of the Lost Lake Commons Park and future park projects.

Table 30: Community Investment Fund Revenues

| <b>Revenues</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------|----------------------------------|
| Property Tax    | 150,000                          |
| <b>Total</b>    | <b>150,000</b>                   |

### Expenses

*More information about 2027 park projects can be found in the Capital Improvement Plan section.*

Table 31: Community Investment Fund Expenditures

| <b>Expenditures</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------|----------------------------------|
| Construction        | 75,000                           |
| <b>Total</b>        | <b>75,000</b>                    |

## Building Replacement Fund

This fund is utilized to sustain City-owned facilities. *More information can be found in the Fund Structure and Capital Improvement Plan sections.*

### Revenues by Revenue Source

Revenues are projected to equal expenses.

Table 32: Building Replacement Fund Revenues

| <b>Revenues</b>     | <b>2027 Proposed Budget (\$)</b> |
|---------------------|----------------------------------|
| Property Tax        | 180,000                          |
| Use of Fund Balance | 5,305                            |
| <b>Total</b>        | <b>185,305</b>                   |

## Expenses

More information about maintenance projects can be found in the Capital Improvement Plan section.

Table 33: Building Replacement Fund Expenditures

| Expenditures | 2027 Proposed Budget (\$) |
|--------------|---------------------------|
| Maintenance  | 185,305                   |
| <b>Total</b> | <b>185,305</b>            |

# Department Summaries

## Finance & Administration

### Department Overview

The Administrative Services & Finance Department serves as the City's operational backbone, bringing together financial management, legal recordkeeping, election administration, and public communication functions that keep the City of Mound running smoothly and transparently.

### Services Provided

The Administration Department provides a variety of services:

#### Finance Management

- Coordinates the annual City budget
- Manages debt issuance and repayment
- Oversees revenue collection and distribution
- Handles general accounting and financial reporting
- Maintains the City's investment portfolio
- Manages the City's insurance coverage

#### Human Resources

- Manages employee recruitment and retention
- Administers City policies
- Administers benefits and payroll

#### City Clerk

- Administers business licenses and permits
- Processes public data requests
- Maintains official City records
- Publishes public notices
- Administers the Docks & Commons Program
- Administers City, County, State, and Federal Elections

#### Communications

- Handles public-facing messaging and resident communications through social media and the City's website
- Supports special projects and cross-department communication needs
- Produces materials for public notices, outreach, and City updates

## Expenditures

### New Spending

The City Council has proposed \$101,143 in ongoing and \$337,650 in one-time expenditures for a Communications & Marketing Coordinator, a special election, and a new enterprise software platform. These expenses are built into the Finance & Administration budget.

The 2027 budget includes \$101,143 in ongoing expenditures for a Communications & Marketing Coordinator. This position will support city departments with communications, engagement, and marketing. This includes managing social media platforms, developing the Mound Compass, assisting with liquor store marketing and events, and supporting events in Mound parks and open spaces.

Pending the outcome of the 2026 Minnesota Governor's race, the City may be required to administer a 2027 Special Election for the Minnesota U.S. Senator office. \$12,650 in one-time expenses have been budgeted for this purpose.

The City currently has outdated, disjointed systems and processes for managing finance, human resources, utility billing, and planning functions. A new enterprise software platform can consolidate these functions into one place, creating administrative efficiencies and improved customer service for residents, business owners, and developers. Long term, this could also reduce consultant dollars spent in these areas. The Council has proposed \$325,000 in one-time expenses for this project in 2027.

*Table 34: Finance & Administration Detailed Expense Budget*

| <b>Account Description</b>     | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|--------------------------------|-------------------------|----------------------------------|
| Staff Salaries                 | 414,197                 | 662,592                          |
| PERA                           | 36,240                  | 49,694                           |
| FICA                           | 36,965                  | 50,688                           |
| Employer Paid Health           | 70,513                  | 97,738                           |
| Employer Paid Life             | 245                     | 590                              |
| LTD                            | 2,561                   | 2,970                            |
| Paid Family Medical Leave      | 2,126                   | 3,180                            |
| Workers Comp Insurance Prem    | 2,422                   | 13,169                           |
| Office Supplies                | 1,200                   | 500                              |
| Duplicating and Copying Supply | 4,000                   | -                                |
| Computer Hardware/Software     | 400                     | 332,500                          |
| Operating Supplies             | 600                     | -                                |
| Clothing and Uniforms          | 300                     | 375                              |
| Professional Services          | -                       | 10,000                           |
| Auditing & Accounting Services | 8,400                   | 23,923                           |
| Service Charges                | 2,500                   | 8,000                            |
| Postage                        | 2,000                   | -                                |

| <b>Account Description</b>                  | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------------|-------------------------|----------------------------------|
| Use of Personal Auto                        | 200                     | 500                              |
| Legal Notices Publishing                    | 900                     | 1,600                            |
| General Liability Ins                       | 3,217                   | 3,790                            |
| Miscellaneous                               | 1,899                   | -                                |
| Meeting Expense                             | 200                     | 200                              |
| Volunteer Recognition                       | 300                     | 1,200                            |
| Dues & Subscriptions                        | 1,000                   | 3,000                            |
| Conference & Training                       | 2,000                   | 9,000                            |
| Newsletter (Printing & Postage)             | 29,000                  | 29,000                           |
| Official Meetings Production - City Council | 6,000                   | 6,000                            |
| Other Contractual - TV Planning Commission  | 3,000                   | 3,000                            |
| Website                                     | 4,000                   | 2,920                            |
| <b>Total</b>                                | <b>636,384</b>          | <b>1,316,128</b>                 |

# City Council

## Department Overview

The City Council is the elected legislative body that sets policy direction, makes major decisions, and provides oversight into how the City operates.

Under a Statutory Plan B form of government, the City of Mound elects a mayor and four council members to serve as the City Council.

All policy and legislative decisions are the responsibility of the City Council. The City Council delegates administrative duties to the City Manager.

## Services Provided

The City Council provides a variety of services:

- Serving as the elected voice of the residents in City decision-making
- Setting policy priorities and strategic direction for the City
- Overseeing City operations at a policy level
- Balancing competing interests across neighborhoods, businesses, and community groups
- Holding public hearings and taking public comments before major decisions
- Passing ordinances and resolutions
- Adopting zoning and land use regulations
- Approving the annual City budget
- Setting property tax levies
- Authorizing major expenditures, bonds, and capital improvement plans
- Reviewing and approving contracts above certain dollar thresholds
- Hiring the City Manager
- Appointing members to boards, commissions, and committees

## Expenditures

Table 35: City Council Detailed Expense Budget

| <b>Account Description</b>       | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|----------------------------------|-------------------------|----------------------------------|
| City Council Stipends            | 22,500                  | 22,500                           |
| FICA                             | 1,721                   | 1,721                            |
| Paid Family Medical Leave        | 99                      | 108                              |
| Workers Comp Insurance Prem      | 112                     | 434                              |
| Office Supplies                  | 50                      | 50                               |
| Duplicating and Copying Supply   | 8,000                   | -                                |
| Operating Supplies               | 300                     | 1,000                            |
| Use of Personal Auto             | 200                     | 200                              |
| Miscellaneous - Gillespie Center | 10,000                  | 10,000                           |
| Conference & Training            | 2,000                   | 1,500                            |
| <b>Total</b>                     | <b>44,982</b>           | <b>37,513</b>                    |

## Planning & Inspections

### Department Overview

The Community Development and Building Inspections Department handles all planning, zoning, code enforcement and building inspection activities within the City of Mound.

The full-time staff includes a Community Development Director, City Planner, and Administrative Assistant/Planning Technician. The City also contracts with SAFEBuilt for all building department needs. Planning firm HKGi has been used for external planning support.

This department is dedicated to supporting community development throughout Mound through the process of carrying out the objectives set in the City's Comprehensive Plan.

### Services Provided

The department provides a variety of services as follows:

- Reviews and processes zoning applications, variances, and conditional use permits
- Administers the City's zoning ordinance and land use regulations
- Reviews and approves site plans, subdivisions, and plats
- Issues building, grading, and land use permits (in coordination with SAFEBuilt)
- Conducts code enforcement for zoning, property maintenance, and nuisance violations
- Staffs and supports the Planning Commission
- Manages the City's Comprehensive Plan
- Reviews development proposals for compliance with codes, environmental regulations, and design standards
- Coordinates public hearings and notices for zoning and development matters
- Administers economic development programs, incentives, or redevelopment initiatives
- Coordinates with county, regional, and state agencies on planning and land use matters
- Reviews signage, fencing, and other permit-based property requests
- Provides guidance to residents, developers, and businesses on permitting and land use questions

### Expenditures

#### New Spending

The City Council proposes an additional \$19,000 in one-time expenses to complete Phase II of the 2050 Comprehensive Plan. An update to the Comprehensive Plan is required every ten years by the State of Minnesota.

*Table 36: Planning & Inspections Detailed Expense Budget*

| <b>Account Description</b>           | <b>2026 Budget (\$)</b> | <b>2027 Proposed (\$)</b> |
|--------------------------------------|-------------------------|---------------------------|
| Staff Salaries                       | 336,577                 | 302,678                   |
| Overtime                             | 500                     | 500                       |
| PERA                                 | 25,281                  | 22,738                    |
| FICA                                 | 25,786                  | 23,183                    |
| Employer Paid Health                 | 63,857                  | 48,738                    |
| Employer Paid Life                   | 193                     | 273                       |
| LTD                                  | 1,784                   | 1,650                     |
| Paid Family Medical Leave            | 1,153                   | 1,453                     |
| Workers Comp Insurance Prem          | 1,213                   | 7,128                     |
| Office Supplies                      | 200                     | 100                       |
| Duplicating and copying supply       | 2,000                   | -                         |
| Computer Hardware/Software           | 3,000                   | 3,000                     |
| Operating Supplies                   | 200                     | 100                       |
| Motor Fuels                          | 600                     | 490                       |
| Clothing and Uniforms                | 150                     | 300                       |
| 2050 Comprehensive Plan Phase 1 Work | 16,000                  | -                         |
| 2050 Comprehensive Plan Phase 2 Work | -                       | 40,000                    |
| Professional Services                | 35,000                  | -                         |
| Medical Services                     | 100                     | -                         |
| Building Inspection Fees             | 175,000                 | 175,000                   |
| Telephone, Cells & Radios            | 720                     | 105                       |
| Postage                              | 900                     | -                         |
| Use of Personal Auto                 | 100                     | -                         |
| Legal Notices Publishing             | 1,500                   | 1,000                     |
| General Liability Ins                | 2,527                   | 2,977                     |
| Miscellaneous (Abatement/Trans)      | 3,000                   | 3,000                     |
| Meeting Expense                      | 300                     | 150                       |
| Conference & Training                | 750                     | 6,000                     |
| <b>Total</b>                         | <b>698,391</b>          | <b>640,562</b>            |

## Public Works

### Department Overview

The Public Works Department is responsible for maintaining and meeting the needs of the community. The department keeps the systems residents rely on daily running smoothly, from clean water and reliable sewer service to plowed streets and well-kept parks.

The department operates under three divisions: Utilities & Public Services, Streets, and Parks & Open Spaces, all working together to ensure the needs of each division are met.

### Services Provided

The Public Works Department provides a variety of services:

- Maintains the City's overall infrastructure
- Operates and maintains the City's water utility system
- Operates and maintains the City's sanitary sewer utility system
- Ensures uninterrupted stormwater collection
- Maintains 41.6 miles of streets and parking lots, plus the municipal parking ramp
- Performs snow removal
- Performs street sweeping
- Repairs potholes and cracks
- Oversees seal coating and blacktopping
- Installs and maintains traffic signs
- Maintains 38 city parks and open spaces
- Supports and maintains beaches, boulevards, cemetery open space, city buildings, city docks, city gardens/planters/ground, city trees, parks, and playgrounds
- Handles storm cleanup of city-owned trees

### Expenditures

#### New Spending

The City Council proposes \$86,000 in ongoing expenditures to add one FTE to the Parks division. The Parks division of Public Works currently has two maintenance workers and one lead worker, and the City currently maintains 38 parks and open spaces. Parks employees assist with community events like Spirit of the Lakes, clear sidewalks during snow events, and assist where needed within the Public Works Department. This expense is incorporated into the Parks budget.

The City Council approved \$90,500 in one-time expenditures for the Water & Sewer Utilities to update the Supervisory Control and Data Acquisition (SCADA) system. The system collects data from utility equipment and presents it on centralized dashboards, as well as monitors water levels within the water towers. The updates will improve communication reliability with

lift stations and well houses to reduce communication losses and system downtime. Additionally, the update will prepare the system for upcoming changes as utility phone line services are transitioned. The cost of the SCADA update is divided equally between the Water & Sewer Utilities.

The City Council approved \$52,000 in one-time expenditures for the Water & Sewer Utilities to complete Phase II of the 2050 Comprehensive Plan. An update to the Comprehensive Plan is required every ten years by the State of Minnesota. The cost is divided equally between the Water & Sewer Utilities.

### Parks Division

The Parks Division is a General Fund division. Capital projects like new playgrounds are funded by the Community Investment Fund within the Capital Improvement Plan.

*Table 37: Public Works, Parks Division Detailed Expense Budget*

| <b>Account Description</b>              | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------------------------------|-------------------------|----------------------------------|
| Staff Salaries                          | 321,016                 | 312,250                          |
| Overtime                                | 10,000                  | 10,000                           |
| Part-Time Employees                     | 37,338                  | 72,000                           |
| Earned Safe & Sick Time                 | -                       | 2,584                            |
| PERA                                    | 24,826                  | 23,423                           |
| FICA                                    | 31,010                  | 29,597                           |
| Employer Paid Health                    | 52,438                  | 58,698                           |
| Employer Paid Life                      | 217                     | 332                              |
| LTD                                     | 1,701                   | 3,480                            |
| Paid Family Medical Leave               | 1,784                   | 1,467                            |
| Workers Comp Insurance Prem             | 12,003                  | 10,928                           |
| Office Supplies                         | 200                     | 200                              |
| Duplicating and copying supply          | 400                     | -                                |
| Computer Hardware/Software              | 3,000                   | 2,000                            |
| Operating Supplies                      | 15,000                  | 15,000                           |
| Motor Fuels                             | 20,000                  | 21,037                           |
| Clothing and Uniforms                   | 6,000                   | 2,145                            |
| Equip. Parts, Repair/Maintenance Supply | 40,000                  | 40,000                           |
| Landscape Material                      | 20,000                  | 30,000                           |
| Professional Services & Engineering     | 5,000                   | 5,000                            |
| Medical Services                        | 700                     | 700                              |
| Telephone, Cells & Radios               | 3,500                   | 3,500                            |
| Postage                                 | 100                     | -                                |

| <b>Account Description</b>                        | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------------------|-------------------------|----------------------------------|
| Employment Advertising (moved to Finance & Admin) | 500                     | -                                |
| Legal Notices Publishing                          | 100                     | 100                              |
| General Liability Insurance                       | 5,973                   | 7,037                            |
| Electric Utilities                                | 4,000                   | 2,979                            |
| Gas Utilities                                     | 10,000                  | 8,988                            |
| Refuse/Garbage Disposal                           | 5,000                   | 5,500                            |
| Building Repairs & Maintenance                    | 10,000                  | 15,000                           |
| Machinery/Equip Repairs/Maintenance               | 30,000                  | 30,000                           |
| Rentals (GENERAL)                                 | 13,000                  | 10,000                           |
| Meeting Expense                                   | 500                     | -                                |
| Dues & Subscriptions                              | 300                     | -                                |
| Conference & Training                             | 5,000                   | 4,000                            |
| Licenses and Taxes                                | 600                     | 600                              |
| Infrastructure. Repairs/Contractual Services      | 50,000                  | 50,000                           |
| Board of Prisoners & Sentence to Service          | 27,000                  | 20,000                           |
| Janitorial Services                               | 1,600                   | 1,659                            |
| City Tree Removal                                 | 200,000                 | 200,000                          |
| <b>Total</b>                                      | <b>969,805</b>          | <b>1,000,204</b>                 |

### Streets Division

The Streets Division is a General Fund division. The Capital Improvement Plan includes funding for capital projects that are not included in the operating budget.

*Table 38: Public Works, Streets Division Detailed Expense Budget*

| <b>Account Description</b>  | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------------------|-------------------------|----------------------------------|
| Staff Salaries              | 428,042                 | 508,454                          |
| Overtime                    | 13,500                  | 13,500                           |
| Part-Time Employees         | 9,060                   | 9,000                            |
| Earned Safe & Sick Time     | -                       | 323                              |
| PERA                        | 33,116                  | 39,147                           |
| FICA                        | 34,471                  | 40,618                           |
| Employer Paid Health        | 95,072                  | 93,007                           |
| Employer Paid Life          | 297                     | 575                              |
| LTD                         | 2,269                   | 3,480                            |
| Paid Family Medical Leave   | 1,983                   | 2,484                            |
| Workers Comp Insurance Prem | 24,034                  | 19,226                           |
| Office Supplies             | 50                      | 50                               |

| <b>Account Description</b>                        | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------------------|-------------------------|----------------------------------|
| Duplicating and copying supply                    | 200                     | -                                |
| Computer Hardware/Software                        | 6,000                   | 6,000                            |
| Operating Supplies                                | 8,000                   | 5,000                            |
| Motor Fuels                                       | 32,000                  | 31,211                           |
| Clothing and Uniforms                             | 6,000                   | 6,000                            |
| Equip. Parts, Repair/Maintenance Supply           | 40,000                  | 28,000                           |
| Street Maintenance Materials                      | 105,000                 | 84,000                           |
| Sign Repair Materials                             | 15,000                  | 9,000                            |
| Professional Services                             | 40,000                  | 46,000                           |
| Medical Services                                  | 1,500                   | 1,000                            |
| Telephone, Cells & Radios                         | 9,000                   | 9,500                            |
| Postage                                           | 100                     | -                                |
| Employment Advertising (moved to Finance & Admin) | 200                     | -                                |
| General Liability Insurance                       | 14,933                  | 17,593                           |
| Electric Utilities                                | 85,000                  | 86,303                           |
| Gas Utilities                                     | 4,500                   | 4,047                            |
| Refuse/Garbage Disposal                           | 1,600                   | 2,000                            |
| Building Repairs & Maintenance                    | 10,000                  | 3,000                            |
| Machinery/Equip Repairs/Maintenance               | 65,000                  | 57,000                           |
| Miscellaneous                                     | 300                     | 100                              |
| Dues & Subscriptions                              | 4,000                   | 3,500                            |
| Conference & Training                             | 6,000                   | 6,500                            |
| Licenses and Taxes                                | 3,000                   | 600                              |
| Infrastructure Repairs/Contractual Services       | 110,000                 | 107,000                          |
| Permits                                           | 260                     | 260                              |
| Janitorial Services                               | 2,000                   | 2,074                            |
| <b>Total</b>                                      | <b>1,211,485</b>        | <b>1,245,552</b>                 |

## Water Division

Water Division operations are funded by the Water Utility Fund. The Water Utility Fund is an enterprise fund, meaning the utility is run similarly to a business, should be self-sufficient, and net income stays within the fund.

Typically, property taxes are not a revenue source for an enterprise fund since not all water rate payers are taxpayers (i.e.: religious institutions, schools, and nonprofits). It is best practice to fund enterprise funds with revenues from operations and non-property tax revenues. When setting the 2027 preliminary levy, the council approved \$90,000 in property tax revenue for the fund. This appropriation is intended to be temporary while the Financial Management Plan is updated to account for new spending, the possibility of a water

treatment facility, and current economic conditions. It is anticipated this revenue source will be removed before the final levy is set.

*Table 39: Public Works, Water Division Detailed Expense Budget*

| <b>Account Description</b>              | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------------------------------|-------------------------|----------------------------------|
| Staff Salaries                          | 257,340                 | 271,739                          |
| Overtime                                | 30,000                  | 30,000                           |
| Part-Time Employees                     | 4,680                   | 4,500                            |
| Earned Safe & Sick Time                 | -                       | 323                              |
| PERA                                    | 21,551                  | 22,630                           |
| FICA                                    | 22,340                  | 23,427                           |
| Employer Paid Health incl eye           | 46,761                  | 47,238                           |
| Employer Paid Life                      | 168                     | 273                              |
| LTD                                     | 1,364                   | 1,650                            |
| Paid Family Medical Leave               | 1,285                   | 1,326                            |
| Workers Comp Insurance Prem             | 14,106                  | 11,385                           |
| Office Supplies                         | 250                     | 50                               |
| Duplicating and copying supply          | 500                     | 350                              |
| Computer HW/Software/Scada              | 3,500                   | 4,000                            |
| Operating Supplies                      | 80,000                  | 100,000                          |
| Motor Fuels                             | 9,000                   | 9,479                            |
| Clothing and Uniforms                   | 5,000                   | 2,420                            |
| Equip. Parts, Repair/Maintenance Supply | 23,000                  | 17,000                           |
| Chemicals                               | 15,000                  | 12,000                           |
| Professional Services                   | 35,000                  | 63,000                           |
| Comp Plan                               | -                       | 26,000                           |
| Auditing & Accounting Services          | 3,850                   | -                                |
| Medical Services                        | 550                     | 623                              |
| Admin/Finance/Comp Charges              | 63,407                  | 117,533                          |
| Service Charges                         | 600                     | 26,117                           |
| Telephone, Cells & Radios               | 9,000                   | 9,000                            |
| Postage                                 | 6,000                   | 5,500                            |
| Employment Advertising                  | 100                     | -                                |
| Legal Notices Publishing                | 1,200                   | 300                              |
| General Liability Insurance             | 17,230                  | 18,436                           |
| Electric Utilities                      | 55,000                  | 50,948                           |
| Gas Utilities                           | 5,000                   | 4,219                            |
| Refuse/Garbage Disposal                 | 900                     | 990                              |

| <b>Account Description</b>                  | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------------|-------------------------|----------------------------------|
| Gopher One-Call                             | 1,000                   | 1,500                            |
| Building Repairs and Maintenance            | 10,000                  | 4,000                            |
| Machinery/Equip Repairs/Maintenance Trucks  | 15,000                  | 7,500                            |
| Depreciation Expense                        | 917,000                 | 917,000                          |
| Miscellaneous                               | 300                     | -                                |
| Dues & Subscriptions                        | 2,000                   | 2,000                            |
| Conference & Training                       | 7,000                   | 7,000                            |
| Licenses and Taxes                          | 2,000                   | 4,500                            |
| Infrastructure Repairs/Contractual Services | 155,000                 | 160,000                          |
| Permits                                     | 3,000                   | 1,800                            |
| Janitorial Services                         | 2,000                   | 2,074                            |
| Water Samples                               | 2,500                   | 3,000                            |
| <b>Total</b>                                | <b>1,850,482</b>        | <b>1,992,831</b>                 |

### Sewer Division

Sewer Division operations are funded by the Sewer Utility Fund. The Sewer Utility Fund is also an enterprise fund, meaning the utility is run similarly to a business, should be self-sufficient, and net income stays within the fund.

Typically, property taxes are not a revenue source for an enterprise fund since not all sewer rate payers are taxpayers (i.e.: religious institutions, schools, and nonprofits). It is best practice to fund enterprise funds with revenues from operations and non-property tax revenues. When setting the 2027 preliminary levy, the council proposes \$90,000 in property tax revenue for the fund. This appropriation is intended to be temporary while the FMP is updated to account for new spending and current economic conditions. It is anticipated this revenue source will be removed before the final levy is set.

*Table 40: Public Works, Sewer Division Detailed Expense Budget*

| <b>Account Description</b>    | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-------------------------------|-------------------------|----------------------------------|
| Staff Salaries                | 266,316                 | 310,443                          |
| Overtime                      | 30,000                  | 30,000                           |
| Part-Time Employees           | 4,680                   | 4,500                            |
| Earned Safe & Sick Time       | -                       | 323                              |
| PERA                          | 22,224                  | 23,342                           |
| FICA                          | 23,026                  | 24,153                           |
| Employer Paid Health incl eye | 48,744                  | 49,163                           |
| Employer Paid Dental          | -                       | -                                |

| <b>Account Description</b>               | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|------------------------------------------|-------------------------|----------------------------------|
| Employer Paid Life                       | 174                     | 283                              |
| Employer Health Care Saving Pl           | -                       | -                                |
| LTD                                      | 1,411                   | 1,710                            |
| Paid Family Medical Leave                | 1,285                   | 1,371                            |
| Workers Comp Insurance Premiums          | 14,106                  | 11,704                           |
| Office Supplies                          | 200                     | 100                              |
| Duplicating and copying supplies         | 200                     | 100                              |
| Computer HW/Software/SCADA               | 6,000                   | 6,000                            |
| SCADA Updates                            |                         | 45,000                           |
| Operating Supplies                       | 10,000                  | 10,000                           |
| Motor Fuels                              | 9,000                   | 10,800                           |
| Clothing and Uniforms                    | 5,000                   | 2,530                            |
| Equip. Parts, Repair/Maintenance. Supply | 23,000                  | 23,000                           |
| Professional Services                    | 35,000                  | 35,000                           |
| Professional Services - Comp Plan        | -                       | 26,000                           |
| Auditing & Accounting Services           | 3,850                   | -                                |
| Medical Services                         | 501                     | 652                              |
| Admin/Finance/Comp Charges               | 53,864                  | 115,191                          |
| Service Charges                          | 600                     | 29,202                           |
| Telephone, Cells & Radios                | 11,000                  | 11,000                           |
| Postage                                  | 6,000                   | 5,000                            |
| Employment Advertising                   | 300                     | -                                |
| Legal Notices Publishing                 | 500                     | 500                              |
| General Liability Ins                    | 28,717                  | 30,727                           |
| Electric Utilities                       | 38,000                  | 40,242                           |
| Gas Utilities                            | 15,000                  | 15,450                           |
| Refuse/Garbage Disposal                  | 1,000                   | 1,040                            |
| Waste Disposal-MCES                      | 1,035,567               | 1,069,373                        |
| Gopher One-Call                          | 1,000                   | 1,500                            |
| Building Repairs and Maintenance         | 10,000                  | 10,000                           |
| Machinery/Equip Repairs/Maintenance      | 40,000                  | 35,000                           |
| Depreciation Expense                     | 650,000                 | 650,000                          |
| Miscellaneous                            | -                       | -                                |
| Dues & Subscriptions                     | -                       | 1,000                            |
| Conference & Training                    | 7,000                   | 8,000                            |
| Licenses and Taxes                       | 200                     | 700                              |
| Infrastructure Repairs/Contractual Serv. | 90,000                  | 100,000                          |

| <b>Account Description</b> | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|----------------------------|-------------------------|----------------------------------|
| Permits                    | 500                     | -                                |
| Janitorial Services        | 2,000                   | 2,040                            |
| <b>Total</b>               | <b>2,495,965</b>        | <b>2,742,139</b>                 |

### Stormwater Division

Stormwater operations are funded by the Stormwater Utility Fund. The Stormwater Utility Fund is also an enterprise fund, meaning the utility is run similarly to a business, should be self-sufficient, and net income stays within the fund.

This fund is currently operating at a deficit and has a negative net position. The City has not increased rates or found additional revenue sources to ensure the overall health of the Fund. When the Financial Management Plan update is complete, staff will consider various recommendations to ensure the fund is recovering its operational costs and is in a positive net position.

*Table 41: Public Works, Stormwater Division Detailed Expense Budget*

| <b>Account Description</b>     | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|--------------------------------|-------------------------|----------------------------------|
| Admin Cost Share Charges       | 15,000                  | 9,188                            |
| Auditing & Accounting Services | 970                     | -                                |
| Bond Interest                  | -                       | 45,038                           |
| Depreciation Expense           | 234,000                 | 234,000                          |
| Fiscal Agent Fees              | -                       | 900                              |
| Other Contractual Services     | 25,189                  | 26,196                           |
| Service Charges                | -                       | 2,381                            |
| <b>Total</b>                   | <b>275,159</b>          | <b>317,703</b>                   |

### Recycling Division

Recycling operations are funded by the Recycling Utility Fund. The Recycling Utility Fund is also an enterprise fund, meaning the utility is run similarly to a business, is self-sufficient, and net income stays within the fund.

*Table 42: Public Works, Recycling Division Detailed Expense Budget*

| <b>Account Description</b>     | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|--------------------------------|-------------------------|----------------------------------|
| Overtime                       | -                       | 576                              |
| Duplicating and Copying Supply | 10                      | -                                |
| Operating Supplies             | 1,000                   | 100                              |
| Auditing & Accounting Services | 970                     | -                                |
| Admin Cost Share Charges       | 10,885                  | 8,996                            |
| Service Charges                | -                       | 2,281                            |

| <b>Account Description</b>           | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|--------------------------------------|-------------------------|----------------------------------|
| Miscellaneous (Leaf Drop - Organics) | 16,200                  | 16,200                           |
| Other Contractual Services           | 224,500                 | 246,950                          |
| <b>Total</b>                         | <b>253,565</b>          | <b>275,103</b>                   |

## Liquor Store Harbor – Wine & Spirits (HWS)

### Department Overview

Harbor Wine & Spirits is a municipal liquor store, proudly owned and operated by the City of Mound. The City entered the retail liquor business shortly after Prohibition ended, specifically to control alcohol sales locally and funnel profits back into the City rather than to private owners.

This department has a full-time staff of three, including a Store Manager, Assistant Store Manager, and Lead Keyholder. Supported by a part-time staff of six employees.

### Services Provided

Harbor Wine & Spirits provides a variety of services:

- Operates full-service retail sales of wine, beer, spirits, and THC products to the public
- Generates revenue that funds community projects
- Maintains a broad product selection spanning local, regional, national, and imported brands
- Provides staff expertise and product recommendations
- Offers keg sales and ordering for events and parties
- Manages inventory, purchasing, and vendor relationships
- Handles cash management, sales reporting, and financial reconciliation tied to the City's enterprise fund
- Ensures compliance with state and local alcohol licensing and regulatory requirements
- Provides staffing, scheduling, and customer service operations
- Supports periodic renovations/upgrades to remain competitive with private retailers
- Contributes to the City's broader financial picture as a self-sustaining enterprise fund

### Expenditures

City staff were informed in early September 2026 that the City will lose liability insurance for THC products sold at HWS due to a federal policy change going into effect in November 2026. The proposed expenses do not reflect this policy development. City staff will work with the City Council on refining the budget and exploring alternative options before the budget is adopted in December 2026.

The liquor store used fund balance to offset its expenses in 2026. In 2027, the liquor store will reduce its cost of sales by purchasing less product to ensure expenses do not outpace revenues. HWS also converted a part-time position into a full-time Assistant Store Manager position, increasing the store's FTE complement by 0.5 FTE. The increase, along with COLAs, is driving the personnel increase.

*Table 43: Liquor Store Detailed Expense Budget*

| <b>Category</b>        | <b>Account Description</b>     | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|------------------------|--------------------------------|-------------------------|----------------------------------|
| <b>Cost of Sales</b>   | <i>Cost of Sales Total</i>     | 2,592,000               | 2,459,875                        |
| <b>Operating Costs</b> |                                |                         |                                  |
|                        | Office Supplies                | 1,000                   | 900                              |
|                        | Duplicating and copying supply | 1,500                   | 1,500                            |
|                        | Computer Hardware/Software     | 4,500                   | 2,500                            |
|                        | Operating Supplies             | 13,000                  | 12,000                           |
|                        | Clothing and Uniforms          | 1,500                   | 500                              |
|                        | Professional Srvs              | 1,500                   | -                                |
|                        | Auditing & Accounting Services | 8,000                   | -                                |
|                        | Medical Services               | 1,600                   | 450                              |
|                        | Admin Cost Share Charges       | 50,579                  | 173,576                          |
|                        | Service Charges                | 900                     | 660                              |
|                        | Telephone, Cells & Radios      | 4,500                   | 3,000                            |
|                        | Employment Advertising         | 500                     | -                                |
|                        | Use of personal auto           | 500                     | 400                              |
|                        | Advertising/Marketing          | 10,000                  | 5,000                            |
|                        | Legal Notices Publishing       | 200                     | -                                |
|                        | General Liability Ins          | 22,426                  | 23,996                           |
|                        | Electric Utilities             | 22,000                  | 20,285                           |
|                        | Water Utilities                | 1,200                   | 1,200                            |
|                        | Gas Utilities                  | 5,000                   | 5,150                            |
|                        | Building Repairs/Maintenance   | 15,000                  | 10,000                           |
|                        | Depreciation Expense           | 37,733                  | 37,733                           |
|                        | Building Rentals               | 24,000                  | 24,000                           |
|                        | Meeting Expense                | 500                     | -                                |
|                        | Dues & Subscriptions           | 3,000                   | 5,000                            |
|                        | Conference & Training          | 1,700                   | 2,000                            |
|                        | Other Contractual Services     | 8,000                   | 3,300                            |
|                        | Credit Card Charges            | 100,000                 | 90,000                           |
|                        | <i>Operating Cost Total</i>    | 340,338                 | 423,149                          |
| <b>Personnel</b>       |                                |                         |                                  |
|                        | Staff Salaries                 | 194,155                 | 257,897                          |
|                        | Part-Time Employees            | 166,000                 | 131,976                          |
|                        | Earned Safe & Sick Time        | 6,000                   | 4,370                            |
|                        | PERA                           | 26,894                  | 29,568                           |
|                        | FICA                           | 27,432                  | 30,160                           |
|                        | Employer Paid Health           | 39,687                  | 49,350                           |
|                        | Employer Paid Life             | -                       | 297                              |
|                        | LTD                            | 1,002                   | 1,800                            |

| <b>Category</b>           | <b>Account Description</b>           | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------|--------------------------------------|-------------------------|----------------------------------|
|                           | Unemployment Comp                    | 1,500                   | 1,283                            |
|                           | Paid Family Medical Leave            | 1,562                   | 1,871                            |
|                           | Workers Comp Insurance               | 10,259                  | 12,187                           |
|                           | <i>Personnel Total</i>               | 474,492                 | 520,759                          |
| <b>Transfer Out</b>       |                                      |                         |                                  |
|                           | Transfers to Street Maintenance Fund | 135,000                 | 135,000                          |
|                           | Transfers to Water Fund              | 225,000                 | 165,000                          |
|                           | <i>Transfer Out Total</i>            | 360,000                 | 300,000                          |
| <b>Expenditures Total</b> |                                      | <b>3,766,830</b>        | <b>3,703,784</b>                 |

## City Facilities

### Department Overview

City Facilities are the physical spaces and infrastructure a municipality maintains to deliver services, support daily life, and keep local government running efficiently.

These facilities exist to make services accessible, house essential staff and equipment, and give residents a place to interact with local government.

### Services Provided

Facilities within the City of Mound include:

- City Hall/Fire Station
- Centennial Building

### Expenditures

#### City Hall

*Table 44: City Hall Detailed Expense Budget*

| <b>Account Description</b>             | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|----------------------------------------|-------------------------|----------------------------------|
| Office Supplies                        | 3,000                   | 3,200                            |
| Duplicating and Copying Supply         | 2,000                   | 17,370                           |
| Operating Supplies                     | 2,500                   | 2,500                            |
| Telephone & Cells - Internet           | 3,000                   | 3,000                            |
| Telephone, Cells & Radios              | 8,000                   | 15,000                           |
| Postage                                | 100                     | 3,850                            |
| General Liability Insurance            | 22,743                  | 26,794                           |
| Electric Utilities                     | 22,000                  | 19,502                           |
| Gas Utilities                          | 2,600                   | 2,163                            |
| Refuse/Garbage Disposal                | 1,600                   | 1,760                            |
| Building Repairs & Maintenance         | 19,000                  | 19,000                           |
| LMCD Levy, LMCIT Dues, & Subscriptions | 31,000                  | 75,189                           |
| Other Contractual Services             | 5,000                   | 5,000                            |
| Other Contractual Services - Shredding | 400                     | 400                              |
| Janitorial Services                    | 8,500                   | 8,815                            |
| <b>Total</b>                           | <b>131,443</b>          | <b>203,542</b>                   |

## Centennial

Table 45: Centennial Detailed Expense Budget

| Account Description                     | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|-----------------------------------------|------------------|---------------------------|
| Operating Supplies                      | 1,000            | -                         |
| Equip. Parts, Repair/Maintenance Supply | 150              | -                         |
| Telephone, Cells & Radios               | 2,000            | 1,700                     |
| General Liability Insurance             | 6,433            | 7,579                     |
| Electric Utilities                      | 13,000           | 13,427                    |
| Gas Utilities                           | 14,000           | 12,763                    |
| Building Repairs & Maintenance          | 10,000           | 10,000                    |
| Miscellaneous                           | -                | -                         |
| Licenses and Taxes                      | 100              | 100                       |
| Other Contractual Services              | 7,000            | 7,000                     |
| Janitorial Services                     | 6,500            | 7,341                     |
| <b>Total</b>                            | <b>60,183</b>    | <b>59,910</b>             |

## Contracted City Services

### Department Overview

Many cities do not have the capacity to perform every function with in-house staff, and instead, they contract with private companies to deliver specific services more cost-effectively, or that can provide special expertise.

Contracted City Services include services that help the City run efficiently by supporting staff and keeping the City safe.

### Contracted Services

Contracted City Services include:

- Orono Police Department, providing police services
- IT services
- Legal services

### Expenditures

#### Police

Table 46: Police Detailed Expense Budget

| Account Description         | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|-----------------------------|------------------|---------------------------|
| Telephone, Cells & Radios   | 3,000            | 3,000                     |
| General Liability Insurance | 1,467            | 1,728                     |
| Miscellaneous               | 643              | -                         |
| Other Contractual Services  | 2,171,020        | 2,273,058                 |
| <b>Total</b>                | <b>2,176,130</b> | <b>2,277,786</b>          |

#### Information Technology

Table 47: Information Technology Detailed Expense Budget

| Account Description        | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|----------------------------|------------------|---------------------------|
| Computer Hardware/Software | 8,000            | 5,000                     |
| Other Contractual Services | 36,000           | 37,440                    |
| <b>Total</b>               | <b>44,000</b>    | <b>42,440</b>             |

#### Legal

Table 48: Legal Detailed Expense Budget

| Account Description         | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|-----------------------------|------------------|---------------------------|
| Professional Legal Services | 126,000          | 126,000                   |

| <b>Account Description</b>  | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------------------|-------------------------|----------------------------------|
| Legal Fees - Prosecutor     | 55,000                  | 47,000                           |
| General Liability Insurance | 460                     | 542                              |
| <b>Total</b>                | <b>181,460</b>          | <b>173,542</b>                   |

## Docks

### Department Overview

The Docks & Commons Program is a unique program run by the City of Mound. It is the largest municipally owned dock program in the state of Minnesota.

The Dock Program is run by the City Clerk, with 30% of their time given to the program and with support from Public Works and a seasonal, part-time Docks Inspector.

### Services Provided

The Dock Program provides a variety of services:

- Issues annual dock licenses to residents at non-abutting dock sites
- Issues annual dock licenses for abutting dock sites adjacent to public shoreline
- Management of the Docks & Commons Program waitlist and assigns newly available sites according to established procedures
- Processes yearly dock license applications and fee collection
- Enforces program rules and ordinances governing dock use, transfers, and shares
- Reviews and processes ordinance changes affecting dock allocation and equity
- Maintains public shoreline access points for community use
- Coordinates dock site inspections and compliance with maintenance standards
- Maintains Docks & Commons Program shoreline and infrastructure
- Provides resident support/guidance for new applicants, waitlist status, and transfers when purchasing lakeshore-adjacent property

### Expenditures

Table 49: Docks Fund Expense Budget

| Account Description            | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|--------------------------------|------------------|---------------------------|
| Staff Salaries                 | 69,000           | 59,116                    |
| Seasonal Inspector             | 37,570           | 1,760                     |
| PERA                           | -                | 4,434                     |
| FICA                           | -                | 4,657                     |
| Employer Paid Health           | -                | 10,168                    |
| Paid Family Medical Leave      | -                | 292                       |
| Worker's Comp Insurance Prem   | -                | 1,801                     |
| Office Supplies                | 100              | 100                       |
| Duplicating and copying supply | 300              | 300                       |
| Operating Supplies             | 1,000            | 1,000                     |
| Motor Fuels                    | 1,250            | 1,500                     |
| Clothing and Uniforms          | -                | 220                       |

| <b>Account Description</b>                        | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|---------------------------------------------------|-------------------------|----------------------------------|
| Equip. Parts, Repair/Maintenance Supply           | 500                     | 500                              |
| Professional Services                             | 1,500                   | 1,500                            |
| Auditing & Accounting Services                    | 1,500                   | -                                |
| Medical Services                                  | -                       | 60                               |
| Administrative Cost Share Charges                 | 11,300                  | 20,876                           |
| Service Charges                                   | 100                     | -                                |
| Postage                                           | 500                     | 500                              |
| Use of personal auto                              | 250                     | 250                              |
| Legal Notices Publishing                          | 50                      | 50                               |
| General Liability Ins                             | 1,467                   | 1,570                            |
| Electric Utilities                                | 625                     | 662                              |
| Gas Utilities                                     | 750                     | 773                              |
| Refuse/Garbage Disposal                           | 750                     | 825                              |
| Repairs & Maintenance-Dock Rehab                  | 8,000                   | 8,000                            |
| Machinery/Equip Repairs/Maintenance Stairways     | 10,000                  | 7,000                            |
| Conference, Training, Dues, Subs. & Miscellaneous | 500                     | 500                              |
| LMCD                                              | 6,000                   |                                  |
| Other Contractual Services - In & Out             | 32,000                  | 37,000                           |
| Capital Outlay                                    | 35,000                  | 35,000                           |
| City Tree Removal                                 | 80,000                  | 80,000                           |
| <b>Total</b>                                      | <b>300,011</b>          | <b>280,412</b>                   |

## Emergency Preparedness

### Department Overview

Emergency Preparedness ensures that the City of Mound is ready to respond quickly and effectively to severe weather, natural disasters, or other emergency situations that may threaten the community.

This focuses on planning ahead, coordinating city departments, training staff, and maintaining the systems needed to protect residents, property, and critical infrastructure before, during, and after an incident.

### Preparedness

Current Emergency Preparedness includes:

- Develops and maintains the City's Emergency Operations Plan (EO), Continuity of Operations Plan (COOP), and hazard mitigation planning for local risks
- Coordinates emergency response through the EOC structure, mutual aid agreements, ICS staff training, and regular tabletop exercises/drills
- Manages public emergency notification (RAVE/Smart911), including proactive alerts on severe weather and public safety incidents, and advance notice of planned disruptions

### Expenditures

Table 50: Emergency Preparedness Expense Budget

| Account Description                     | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|-----------------------------------------|------------------|---------------------------|
| Duplicating and copying supply          | 120              | -                         |
| Operating Supplies                      | 1,770            | -                         |
| Motor Fuels                             | 420              | -                         |
| Equip. Parts, Repair/Maintenance Supply | 400              | -                         |
| Telephone, Cells & Radios               | 1,860            | 1,193                     |
| Sirens/Phone Lines                      | 3,420            | 3,200                     |
| General Liability Insurance             | 919              | 1,083                     |
| Electric Utilities                      | 600              | 768                       |
| Miscellaneous                           | 340              | -                         |
| Dues & Subscriptions                    | 240              | 200                       |
| Conference & Training                   | 1,600            | -                         |
| Other Contractual Services              | 3,700            | 3,300                     |
| Personnel costs                         | 42,824           | 10,365                    |
| <b>Total</b>                            | <b>58,213</b>    | <b>20,109</b>             |

## Housing Redevelopment Authority (HRA)

### Department Overview

The Housing & Redevelopment Authority (HRA) is a separate legal entity from the City Council and is guided by Legislative statute. The HRA assists the City Council in addressing the City's housing and redevelopment goals and objectives in accordance with the City's Comprehensive Plan.

The City Manager serves as the Executive Director of this entity.

### Services Provided

The HRA provides a variety of services:

- Functions as a legally distinct public entity from the City Council, guided by state statutes
- Advances the City's housing and redevelopment goals in alignment with the Comprehensive Plan
- Levies a special property tax to fund designated projects
- Funds maintenance of the Transit Center and Harbor District
- Acquires, holds, and manages real estate for redevelopment purposes
- Supports commercial and business development activity tied to redevelopment goals
- Holds public meetings as needed, with agenda, packets, minutes, and video recordings published for transparency

### Expenditures

#### New Spending

The City Council proposes \$15,000 in one-time expenditures for Lost Lake slip maintenance. The pilings or pipes that hold the slips in Lost Lake in place have dropped below their optimal level. The pilings need to be shored up and replaced with extenders in 61 slip locations. This project would allow for the slip complex to maintain stability for many years to come.

*Table 51: Housing Redevelopment Authority Expense Budget*

| <b>Account Description</b>        | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|-----------------------------------|-------------------------|----------------------------------|
| Staff Salaries                    | 3,000                   | 3,000                            |
| Operating Supplies                | 2,500                   | 2,500                            |
| Professional Services             | 4,500                   | 4,500                            |
| Auditing and Accounting Services  | 1,000                   | -                                |
| Administrative Cost Share Charges | -                       | 2,784                            |
| General Liability Insurance       | 6,892                   | 7,374                            |
| Electric Utilities                | 26,000                  | 27,534                           |

| <b>Account Description</b> | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|----------------------------|-------------------------|----------------------------------|
| Repairs & Maintenance      | 10,000                  | 25,000                           |
| Building Repairs           | 1,800                   | 1,800                            |
| Other Contractual Services | 27,000                  | 27,000                           |
| <b>Total</b>               | <b>82,692</b>           | <b>101,492</b>                   |

## Fire Area Services

### Department Overview

The Mound Fire Department is a combination full-time / paid-on-call fire department that responds to all-hazards incidents within the City and neighboring communities, including Minnetrista, Spring Park, and Shorewood.

The full-time staff includes a Fire Chief, Deputy Fire Chief, and an Administrative Assistant, with a total of 40 paid-on-call firefighters.

Dedicated to enhancing the safety and well-being of residents, businesses, and visitors, the Mound Fire Department delivers professional emergency services and effective community risk reduction programs.

### Services Provided

Facilities within the City of Mound include:

- Fire suppression
- Medical emergency response
- Auto extrication
- Water and ice rescue
- Hazardous materials response
- Fire prevention service

### Expenditures

#### New Spending

The City Council proposes \$47,000 in ongoing expenditures to add duty crews to the Fire Department's staffing model. The duty crews are expected to improve response times and overall operational readiness.

Table 52: Fire Area Services Expense Budget

| Account Description            | 2026 Budget (\$) | 2027 Proposed Budget (\$) |
|--------------------------------|------------------|---------------------------|
| FT Employees Regular           | 277,548          | 384,997                   |
| PERA                           | 40,671           | 53,196                    |
| FICA                           | 34,238           | 39,464                    |
| 2% Fire State Aid flow through | 185,525          | 205,000                   |
| Fire Pens Contribution         | 167,800          | 176,200                   |
| Employer Paid Health           | 45,523           | 53,550                    |
| Employer Paid Dental           | -                | -                         |
| Employer Paid Life             | 153              | 297                       |
| Health Care Saving PI          | -                | -                         |

| <b>Account Description</b>     | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|--------------------------------|-------------------------|----------------------------------|
| LTD                            | 1,491                   | 1,800                            |
| Paid Family Medical Leave      | 2,863                   | 3,481                            |
| Worker s Comp Insurance Prem   | 42,630                  | 53,662                           |
| Fire Chief-Officer Pay         | 55,800                  | 55,800                           |
| Fire-Drill Pay                 | 26,936                  | 26,936                           |
| Maintenance Pay                | 25,344                  | 25,344                           |
| Fire-Monthly Salaries          | 219,700                 | 215,630                          |
| Duty Crews                     | -                       | 43,400                           |
| Office Supplies                | 1,600                   | 1,650                            |
| Duplicating and copying supply | 1,500                   | 1,500                            |
| Computer Hardware/Software     | 2,400                   | 2,400                            |
| Instructional Supplies         | 1,200                   | 1,240.00                         |
| Operating Supplies             | 27,000                  | 27,800                           |
| Motor Fuels                    | 10,560                  | 12,672                           |
| Cleaning Supplies              | 900                     | 900                              |
| Fire Prevention Supplies       | 2,400                   | 2,475                            |
| Safety supplies                | 31,200                  | 32,200.00                        |
| Professional Srvs              | 7,736                   | 11,000.00                        |
| Auditing & Accounting Services | 6,200                   | -                                |
| Medical Services               | 6,200                   | 6,400.00                         |
| Admin/Finance/Computer Chgs    | 20,392                  | 129,634                          |
| Building Inspection Fees       | 2,400                   | 2,475                            |
| Service Charges                | 1,600                   | 1,650                            |
| Telephone, Cells, & Radios     | 44,400                  | 47,900                           |
| Postage                        | 600                     | 600                              |
| Pagers-Fire Dept.              | 5,400                   | 5,400                            |
| Use of personal auto           | 600                     | 620                              |
| General Liability Ins          | 18,663                  | 20,343.00                        |
| Electric Utilities             | 19,200                  | 20,333                           |
| Gas Utilities                  | 12,960                  | 13,360                           |
| Refuse/Garbage Disposal        | 1,800                   | 1,980                            |
| Building Repairs               | 7,500                   | 7,725                            |
| Building Maintenance           | 7,500                   | 7,725                            |
| Other Equipment Repair         | 24,800                  | 25,500                           |
| Miscellaneous                  | 1,200                   | 1,200                            |
| Meeting Expense                | 400                     | 400                              |
| Dues & Subscriptions           | 11,520                  | 11,990                           |
| Conference & Training          | 19,800                  | 20,400                           |
| Licenses and Taxes             | 300                     | 300                              |
| Other Contractual Services     | 13,800                  | 26,735                           |

| <b>Account Description</b>   | <b>2026 Budget (\$)</b> | <b>2027 Proposed Budget (\$)</b> |
|------------------------------|-------------------------|----------------------------------|
| Janitorial Services          | 4,500                   | 4,590                            |
| Capital Outlay FA            | -                       | -                                |
| Other Capital Improvements   | 16,000                  | 16,000                           |
| Facility Replacement Reserve |                         | -                                |
| Debt Srv Principal           | 185,000                 | 65,000                           |
| Bond Interest                | 7,250                   | 4,750                            |
| Fiscal Agents Fees           | 150                     | 225                              |
| <b>Expenditures Total</b>    | <b>1,652,855</b>        | <b>1,875,829</b>                 |

## Capital Improvement Plan

The Capital Improvement Plan (CIP) is a six-year schedule for the City of Mound's capital improvement expenditures that exceed \$10,000 and have a useful life of five or more years. It is a planning tool used to plan for the acquisition and funding of capital improvements for buildings, equipment, parks, vehicles, and other city infrastructure.

### 2027 Capital Projects by Fund

The 2027 Proposed Budget includes all capital projects that are funded by Capital Funds in 2027. See Capital Funds in the Fund Summary section for more details on the revenues used to fund the projects. The six-year CIP will be included as part of the final budget.

Table 53: Capital Projects Expense Budget by Fund

| Project Name                                 | 2027 Proposed Expense Budget - Project Cost (\$) |
|----------------------------------------------|--------------------------------------------------|
| <b>Capital Improvement Fund</b>              |                                                  |
| Annual Outlet Cleaning - 10 Locations        | 33,000                                           |
| Mill and Overlay                             | 2,118,000                                        |
| Street Reconstruction                        | 3,007,750                                        |
| Annual Repairs & Pond Cleaning               | 67,000                                           |
| County Sidewalks                             | 15,000                                           |
| Maple Manors Reclaim and Pave                | 147,550                                          |
| Misc. Wall Repair                            | 85,000                                           |
| Norwood Lane Mill and Overlay                | 60,750                                           |
| Retaining Wall w/ Street Repairs             | 50,000                                           |
| Administrative Costs & Other Charges         | 111,949                                          |
| <b>Capital Equipment Replacement Fund</b>    |                                                  |
| Ford F450 Street Service Truck               | 125,000                                          |
| Toro Mower                                   | 85,000                                           |
| John Deere Mower                             | 100,000                                          |
| Ford F350 Pickup                             | 55,000                                           |
| <b>Road Maintenance Capital Reserve Fund</b> |                                                  |
| Crack Seal and Seal Coat                     | 186,500                                          |
| Pavement Repairs                             | 78,750                                           |
| Building Replacement                         |                                                  |
| City Hall                                    | 80,018                                           |
| Centennial Building                          | 58,493                                           |
| Public Works                                 | 29,246                                           |
| The Depot                                    | 17,548                                           |
| <b>Water Utility Fund</b>                    |                                                  |
| Chateau Water Tower Recoat                   | 850,000                                          |
| Lead Service Lines Compliance                | 120,000                                          |

| <b>Project Name</b>                                | <b>2027 Proposed Expense<br/>Budget - Project Cost (\$)</b> |
|----------------------------------------------------|-------------------------------------------------------------|
| Lead Service Replacement                           | 375,000                                                     |
| Cast Iron Watermain Improvement                    | 85,000                                                      |
| Public Works Building                              | 14,623                                                      |
| Water Meter Replacement                            | 973,440                                                     |
| Three Points Area North                            | 360,000                                                     |
| Debt Service, Administrative Costs & Other Charges | 1,311,754                                                   |
| <b><i>Sewer Utility Fund</i></b>                   |                                                             |
| Generator Upgrades                                 | 70,000                                                      |
| Lakewood Lane Force main                           | 230,000                                                     |
| Lift Station Rehab                                 | 257,000                                                     |
| Lift Station Panel Improvements                    | 42,500                                                      |
| Manhole Repairs - Street Project                   | 178,300                                                     |
| Televises - Dutch Lake/Tonkawood                   | 45,000                                                      |
| Public Works Building                              | 14,623                                                      |
| Manhole Repairs - Dutch Lake/Tonkawood             | 45,000                                                      |
| Freightliner JetVac                                | 725,000                                                     |
| Debt Service, Administrative Costs & Other Charges | 1,335,154                                                   |

## Debt

The City of Mound has a debt service fund to account for the payment of long-term debt principal and interest and related fees for all city funds.

The City maintains individual debt service funds for each bond issue and has established financial plans for all General Obligation (GO) bond funds and certificate of indebtedness funds. The funding for tax-supported debt comes from the debt service portion of the property tax rate.

### Legal Debt Limit

Minnesota State Law prohibits cities from incurring debt in excess of 3% of the market value of taxable property in the city. The City has pledged the full faith and credit that bonds will be repaid from future tax levies.

### Bond Rating

In January 2026, the City of Mound was assigned a 'AA' bond rating from Standard & Poor's Rating Services.

### Anticipated Borrowing in 2027

The City of Mound plans to issue an estimated \$8,500,000 in debt for 2027 Capital Improvement Fund and Water Utility Fund projects. *Please see Capital Funds and Capital Improvement Plan sections for details on the projects.* It's important to note that the dollar amounts shown in these sections reflect anticipated costs for budgeting purposes. Projections are typically based on historical bid data from past projects in the city or market cities on projects of similar size and scope. As each project progresses and design and specifications are finalized, actual costs may differ from what is projected.

### 2027 Special Levy

Table 54 shows the debt service that makes up the special levy portion of the overall property tax levy.

Table 54: Debt Service Schedule

| Debt Service Description         | Use                                                            | 2027 Principle & Interest (\$) |
|----------------------------------|----------------------------------------------------------------|--------------------------------|
| G.O. Improvement - 2013A         | SE Island Park Area full street reconstruction                 | 69,000                         |
| G.O. Improvement/Ref- 2015A      | Refunded 2006A & 2007A bonds; 2015 road reconstruction project | 55,000                         |
| G.O. Improvement - 2016A         | 2016 road reconstruction project                               | 150,000                        |
| G.O. Improvement - 2011B - 2020A | Refunded 2011B bonds; various road projects                    | 110,000                        |

|                        |                                                              |                  |
|------------------------|--------------------------------------------------------------|------------------|
| GO Improvement 2026A   | 2025 & 2026 street reconstruction; mill and overlay projects | 345,713          |
| GO Tax Abatement 2026A | Phase II improvements to Lost Lake Commons Park              | 93,240           |
| GO 2020A Improvement   | Sewer improvement projects                                   | 360,000          |
| <b>Total</b>           |                                                              | <b>1,182,953</b> |

**CITY OF MOUND  
HENNEPIN COUNTY,  
MINNESOTA  
RESOLUTION NO. 26-65**

**APPROVING THE PROPOSED 2027 TAX LEVY, SET DEBT SERVICE LEVELS AT LEVELS  
UNDER THOSE REQUIRED IN THE BOND DOCUMENTS, APPROVING THE 2027 BUDGET,  
AND SETTING THE BUDGET MEETING DATE**

**NOW THEREFORE BE IT RESOLVED**, that the City Council of the City of Mound, Minnesota, hereby approves the following sums be levied for 2027 upon the taxable property in the City of Mound, for the following purposes:

**Revenue Levies**

|                         |             |
|-------------------------|-------------|
| General Fund            | \$6,495,896 |
| Area Fire Services      | \$100,216   |
| Capital                 | \$1,600,000 |
| Water & Sewer           | \$180,000   |
| <hr/>                   |             |
| Subtotal Revenue Levies | \$8,376,112 |

**Special Levies**

**Debt Levies**

|                                  |             |
|----------------------------------|-------------|
| G.O. Improvement - 2013A         | 69,000      |
| G.O. Improvement/Ref- 2015A      | 55,000      |
| G.O. Improvement - 2016A         | 150,000     |
| G.O. Improvement - 2011B - 2020A | 110,000     |
| GO Improvement 2026A             | 345,713     |
| GO Tax Abatement 2026A           | 93,240      |
| GO 2020A Improvement             | 360,000     |
| <hr/>                            |             |
| Subtotal Special Levies          | \$1,182,953 |

|            |             |
|------------|-------------|
| Total Levy | \$9,559,065 |
|------------|-------------|

That the Proposed 2027 General Fund Budget be set at \$8,087,979.

That the budget meeting to discuss the 2027 budget and tax levy be set for December 8, 2026, at 6:00 PM in the City Council Chambers.

**BE IT FURTHER RESOLVED** that the City Clerk is hereby ordered and directed to transmit a certified copy of this resolution to the County Auditor of Hennepin County, Minnesota.

Adopted by the City Council on this 22<sup>nd</sup> day of September 2026.

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Mayor Jason R. Holt

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Attest: Kevin Kelly, Clerk



## City Council Item 9b

To: Honorable Mayor and Council Members  
Jesse Dickson, City Manager

From: Laila Imihy, AICP, Deputy City Manager

Date: September 22, 2026

Subject: Approve Proposed 2027 HRA Tax Levy

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### **RECOMMENDED ACTION:**

**MOTION** to Approve Resolution 26-66 Approving the Proposed 2027 HRA Tax Levy

### **OVERVIEW:**

The City is required to certify a proposed HRA/EDA tax levy and submit it to Hennepin County by September 30th. Staff is recommending that City Council set the 2027 levy at \$247,975 which is a decrease of \$2,025 or 0.81%.

Following the adjournment of the Council Meeting, the HRA will meet and adopt HRA Resolution 26-01H approving the preliminary HRA special levy in the amount of \$247,975.

### **SUPPORTING INFORMATION**

- Resolution 26-66

**CITY OF MOUND  
RESOLUTION NO. 26-66**

**RESOLUTION APPROVING A LEVY NOT TO  
EXCEED \$247,975 FOR THE PURPOSE OF DEFRAYING THE COST  
OF OPERATION, PURSUANT TO THE PROVISIONS OF MSA 469, OF THE  
HOUSING AND REDEVELOPMENT AUTHORITY OF AND FOR THE  
CITY OF MOUND FOR THE YEAR 2027**

**WHEREAS**, the City Council of the City of Mound is the governing body of the City of Mound; and

**WHEREAS**, the City Council has received a resolution from the Housing and Redevelopment Authority of and for the City of Mound, entitled "Resolution Authorizing The Levy of a Special Benefit Levy Pursuant to Minnesota Statutes Section 469.033, Subdivision 6 and Approval of a Budget for Fiscal Year 2027; and

**WHEREAS**, the City Council, pursuant to the provisions of MSA 469, must by resolution consent to the proposed tax levy of the Housing and Redevelopment Authority of the City of Mound.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Mound, Minnesota, that a special tax be levied upon real and personal property within the City of Mound in the amount not to exceed \$247,975.

**BE IT FURTHER RESOLVED** that the said levy, not to exceed \$247,975, is approved by this Council to be used for the operation of the Mound Housing and Redevelopment Authority pursuant to the provisions of MSA 469, and such proposed special levy shall be certified as a tax levy to the County Auditor of Hennepin County on or before September 30, 2026. The final special levy shall be certified to the County Auditor of Hennepin County by December 29, 2026.

Adopted by the City Council this 22<sup>nd</sup> day of September, 2026.

\_\_\_\_\_  
Mayor Jason R. Holt

\_\_\_\_\_  
Attest: Kevin Kelly, Clerk



## City Council Item 9c.

To: Honorable Mayor and Council Members  
Jesse Dickson, City Manager

From: Matt Bauman, PE, City Engineer

Date: 9/22/2026

Subject: Request to Authorize Study for 2027 Street and Utility Improvements Project

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### RECOMMENDED ACTION:

**MOTION TO** approve Resolution No. 26-67 Ordering Report of the 2027 Street and Utility Improvements Project, PW-27-01, PW-27-02 & PW-27-03

### OVERVIEW

The 2027 Capital Improvement Plan includes several aspects that make sense to complete as one project based on similar work types and project vicinity:

- Street reconstruction of the “2005” street project area in Three Points neighborhood
- Mill and overlay improvements of the “2007” street project area in the Shirley Hills neighborhood
- Rehabilitation of lift station C7 in the Three Points area

The attached memo identifies the proposed study areas and provides background on the planned improvements.

### SUPPORTING INFORMATION

- Feasibility Study Request Memo
- Resolution 26-67

September 17, 2026

Mr. Jesse Dickson, City Manager  
City of Mound  
2415 Wilshire Boulevard  
Mound, MN 55364

RE: 2027 Street & Utility Improvement Projects  
City Projects PW-27-01, PW-27-02 & PW-27-03  
Ordering of Feasibility Report

Dear Mr. Dickson:

The Capital Improvement Plan (CIP) for year 2027 includes various improvements consisting of mill and overlay, full reconstruction and utility replacements. The project areas are a mixture of roadways last improved in 2005 in the Three Points neighborhood and 2007 in the Shirley Hills neighborhood.

Reconstruction project areas consist of full street reconstruction and curb replacement where necessary. Utilities are evaluated if any replacement is warranted, and drainage improvements are conducted as well. This is also the time to make stormwater treatment improvements when feasible and may be required by the watershed if a large enough area of pavement base is disturbed.

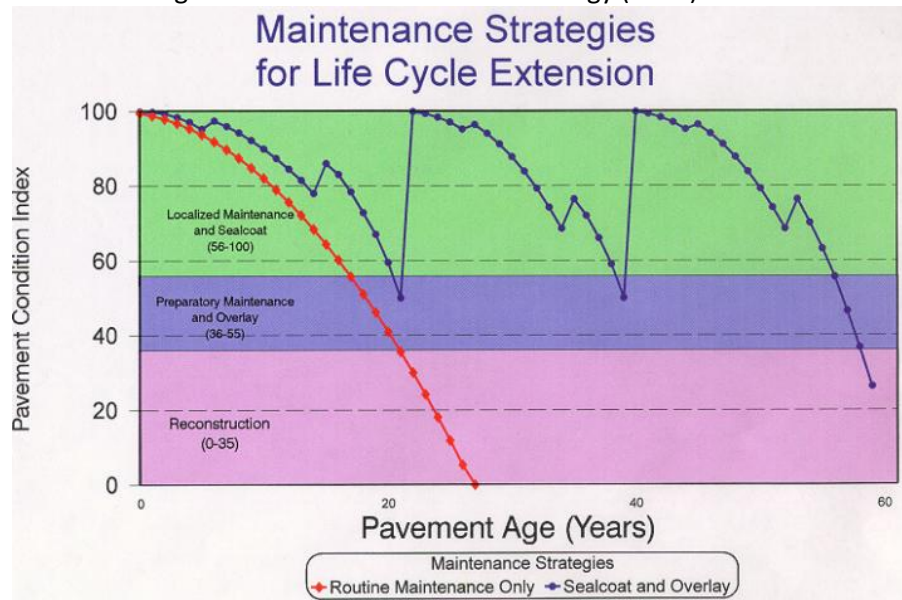
The attached figures show the project areas. Roadways planned for reconstruction include:

- Avocet Lane (north of Three Points Boulevard)
- Bluebird Lane (north of Three Points Boulevard)
- Canary Lane (north of Three Points Boulevard)
- Dove Lane (north of Three Points Boulevard)
- Eagle Lane (north of Three Points Boulevard)
- Finch Lane (north of Three Points Boulevard)
- Gull Lane (Three Points Boulevard to Crestview Road)
- Jennings Road
- Heron Lane (Three Points Boulevard to Crestview Road)
- Crestview Road (Three Points Boulevard to Heron Lane)
- Woodland Road (Bluebird Lane to Gull Lane)
- Maple Manors Ct

An area south of Three Points Boulevard is also proposed to be studied as an alternate and shown in the attached figures. The streets in this area were last reconstructed at the same time as the others listed above, but were postponed in the latest CIP based on projected higher overall project costs and the corresponding impact to the Long-Term Financial Plan. The effort to include them in the study at this time can better inform the true overall cost for the entire area and if postponement until 2029 is beneficial. Studying this area now will also aid in the watershed permitting process and determine improvements we can make with the final 2027 project and plan for future improvements.

Mill and overlay projects extend the useful life of the roadway by replacing the top few inches of pavement surface and include minor curb, drainage and roadway corrections if necessary and feasible. This is a pavement preservation technique scheduled for approximately 20 years after initial construction and to be repeated 20 years later. The Local Road Research Board (LRRB) completed a study in 2009 demonstrating how the incremental surface improvements can approximately double the pavement life with a lower cost investment and less overall disturbance in a 60-year cycle.

Chart 1 – Eagan Pavement Maintenance Strategy (LRRB)



Several of the streets in this proposed project are Municipal State Aid (MSA) streets and are eligible for costs to be covered by use of the City's MSA allotment. Proposed roadways planned for mill and overlay improvements consist of:

- Lost Lake Road
- Lakewood Lane
- Emerald Drive
- Avon Drive
- Glendale Road
- Channel Road
- Ruby Lane
- Chateau Lane
- Woodridge Road
- Bayport Road
- Fernside Lane
- Fairview Lane (MSA) (Bartlett Blvd to Shoreline Drive)
- Fairview Lane (Lynwood Blvd to Edgewater Drive)
- Norwood Lane
- Montclair Lane
- Driftwood Lane
- Northern Road
- Sandy Lane
- Edgewater Drive
- Arbor Lane
- Pecan Lane
- Rosedale Road
- Hickory Lane
- Eden Road (MSA)

There will also be some minor park improvements at Avon Park coordinated with this project to take advantage of the paving operations.

As part of the reconstructed street work, utilities will be replaced on the following streets based on age and break history:

- Maple Manors - Rehabilitate Lift Station C7\*
- Lakewood Lane - Replace forcemain (Bartlett Blvd to Wilshire Blvd)
- Dove Lane – Replace watermain (Woodland Rd to Waurika Commons)
- Eagle Lane – Replace watermain (Woodland Rd to Waurika Commons)

\*Lift Station C7 is proposed for rehabilitation work in the 2027 CIP. Lift station projects are typically stand-alone projects and completed the year before a street project would happen in the area, but in this case, as a rehabilitation project, it can be combined with the street project. Work consists of mechanical and control equipment upgrades along with a new generator while using the existing station structure. Further review and project direction will be determined through the feasibility study process.

We are requesting the Council's authorization to prepare an engineering report for the projects. Preparation of an engineering report will better inform the Council to estimate the costs, begin preliminary design (including survey), and provide more information in anticipation of requesting permission to produce plans and specifications and subsequently advertise the project for bids in 2027.

Please consider the attached resolution requesting authorization for Bolton & Menk, Inc. to prepare an Engineering Report for:

- The 2027 Street & Utility Improvements projects: PW-27-01, PW-27-02 & PW-27-03

I will be at the September 22 council meeting to present the attached brief on the proposed project and to answer any questions you may have.

Sincerely,

**Bolton & Menk, Inc.**



**Matthew S. Bauman, P.E.**

City Engineer

**CITY OF MOUND  
RESOLUTION NO. 26-67**

**RESOLUTION ORDERING PREPARATION OF REPORT FOR THE 2027 STREET &  
UTILITY IMPROVEMENT PROJECT  
CITY PROJECTS PW-27-01, PW-27-02 & PW-27-03**

**WHEREAS**, as part of the Capital Improvement Plan (CIP) the City of Mound has replaced and rehabilitated its aging infrastructure; and

**WHEREAS**, street reconstruction projects are recommended for roadways with deteriorating pavement that cannot be cost-effectively rehabilitated or require utility replacements; and

**WHEREAS**, it is proposed to reconstruct streets last improved in 2005 within the Three Points neighborhood; and

**WHEREAS**, the mill and overlay process is a cost-effective means of extending the pavement life when completed within a few years of the 20-year mark; and

**WHEREAS**, it is proposed to complete mill and overlay improvements to several streets last improved in 2007 within the Shirley Hills neighborhood; and

**WHEREAS**, a lift station reconstruction program was started in 2007 to address the replacement of thirty (30) city-owned and operated sanitary sewer lift stations; and

**WHEREAS**, the program has continued from 2008 to present; and

**WHEREAS**, the Capital Improvement Program (CIP) for 2027 includes the rehabilitation of C-7, which is within the Street and Utility Reconstruction project area;

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Mound, Minnesota, that the 2027 Street & Utility Improvement Project be referred to Bolton & Menk, Inc for study and that they are instructed to report to the Council as to whether the proposed improvement is necessary, cost effective, and feasible.

Adopted by the City Council this 22<sup>nd</sup> day of September 2026.

\_\_\_\_\_  
Jason R. Holt, Mayor

ATTEST: \_\_\_\_\_  
Kevin Kelly, City Clerk