

**CITY OF WACONIA
JANUARY 5, 2026**

1. CALL MEETING TO ORDER AND ROLL CALL

Mayor Litfin called the January 5, 2026, Waconia City Council meeting to order at 6:00 p.m. with Council Member Coleman and Council Member Gleason absent.

2. PLEDGE OF ALLEGIANCE

1) Silas Ellingson, Bayview Elementary

The Pledge of Allegiance was led by Bayview Elementary student Silas Ellingson.

3. PROCLAMATIONS

None.

4. ADOPT AGENDA

Motion to adopt the agenda as published made by Council Member Grengs, seconded by Council Member Siddons.

MOTION CARRIED.

5. PUBLIC HEARING

None

6. OPEN FORUM

None

7. COMMUNITY INTEREST PRESENTATIONS

1) Park Board Recognition

Mayor Litfin introduced Lacey Shaw and Tom Adamini of the Park and Recreation Board. The Council recognized both Ms. Shaw and Mr. Adamini for their years of dedicated service to the community as Park Board members. The Park and Recreation Board is responsible for reviewing current and future community park and recreation needs, programs, and facilities, and for recommending actions to promote the implementation of the City's park, trail, and recreation plans. Mr. Adamini has served

two full terms beginning in 2020. Ms. Shaw began her service as an alternate member in 2017 and has also served two full terms since 2020. The Council thanked both individuals for their commitment and passion for the community, to the city's park system, and for the leadership they provided during their tenure.

2) Legislative Update - Representative Jim Nash

Representative Jim Nash provided an update to the Council on legislative activity in 2026. He noted that the November budget forecast will be released and discussed, including the potential ramifications for cities, counties, and residents. Representative Nash also shared an update on the bonding bill, highlighting the importance of the Highway 5 improvement project, which is a vital project for the City of Waconia, its residents, and its businesses. He stated that the Legislature is working diligently to ensure this project moves forward. Roads, bridges, and water treatment plants are expected to receive the highest level of attention in the bonding process. At this time, the state budget remains complicated. While the November forecast projects a cash surplus through the balance of 2026, the state is projected to face a structural deficit of approximately \$3 billion by the end of 2026, requiring difficult decisions. A key consideration will be whether the state has the cash flow and capacity to service debt associated with a future bonding bill. Representative Nash explained that all legislators will advocate for projects within their districts. As the Legislature heads into the next session, discussions will focus on what projects can realistically be decided upon during calendar year 2026, while also considering the impact of the projected structural deficit beginning in 2027. He emphasized that, unless a project is of vital importance, the Legislature cannot commit to spending funds that are not available. The second year of the biennium is traditionally a policy-focused year, and the Legislature will primarily address policy bills. Representative Nash stated that he will continue to focus on information technology-related issues.

Mayor Litfin expressed appreciation to Representative Nash for championing the bonding bill tour, which took place in October 2025. The purpose of the tour was to demonstrate to community members and legislators the project being proposed in the bonding bill. The three major items highlighted include: the Highway 5 Corridor Improvements. The City, in partnership with regional stakeholders, has identified critical corridor needs along Highway 5 that will benefit the entire region. A request was made for \$6 million in state capital investment funds through the bonding bill, and the City will renew that request if another bonding bill is considered. The water treatment plant, when fully operational, will provide 2,000 gallons per minute of potable water, ensuring the City can meet demand into the future. The \$24 million project includes a request for \$5 million in state funding support. Under economic development, the City continues to advance local economic growth initiatives and has held a public hearing on social districting to explore opportunities for community and business engagement.

8. ADOPT CONSENT AGENDA

- 1) **City Council Minutes December 22, 2025.**
- 2) **Approve January 5, 2026 Expenditures**
- 3) **Contractor Pay Request - Downtown Reconstruction Phase 3 to GMH Asphalt Corporation #7**
- 4) **Contractor Pay Request - CSAH 10 & Waconia Parkway North Improvements to Minger Construction #5**
- 5) **Appointment of Acting Mayor**
- 6) **Appointment of Council Representatives to Advisory Boards**
- 7) **Council Liaison Appointments**
- 8) **Council Committee Appointments**
- 9) **Appointment of Bond Counsel**
- 10) **Appointment of City Attorney**
- 11) **Designation of Official Newspaper**
- 12) **Appointment of Consulting Engineer**
- 13) **Designate Official Depositories**
- 14) **Approving Delegation of Business Administrator — Electronic Funds Transfers**
- 15) **Workers' Compensation and Property/Liability Insurance Agent**
- 16) **Amend Chapter 415 Regarding Storm Water Reuse Systems**
- 17) **Facade Improvement Grant - Lakeside Books**
- 18) **Elm Creek Ridge Final Plat — Magellan Land Development LLC**
- 19) **Award the 2025 Pond Cleaning Contract**
- 20) **Temporary On-Sale Liquor Licenses for Waconia Lions Club**
- 21) **Temporary On-Sale Liquor Licenses for St. Joseph Catholic Church**
- 22) **Special Event Permit - Special Olympics Polar Plunge**

Mayor Litfin requested the removal of:

Consent Agenda item 8.12 *Appointment of Consulting Engineer*

Consent Agenda item 8.22 *Special Event Permit — Special Olympics Polar Plunge*

Motion to accept the consent agenda made by Council Member Siddons, seconded by Council Member Grengs with removing Consent Agenda Items 8.12 and 8.22.

MOTION CARRIED.

9. COUNCIL BUSINESS

- 1) **Ordering Preparation of Plans & Specifications and Authorizing Advertisement for Bids - CSAH 10 Connector Trail**

Jon Haukaas, Public Services Director, stated that a goal of the City has long been to connect the City's trail system to the Sterling Hill neighborhood and to also provide a safe alternative to walking/biking on the shoulder of CSAH 10. A trail along CSAH 10 to the north of Sterling Road was originally included in the recent CSAH 10/Waconia Parkway North roundabout project but later removed due to overall budget concerns. Saff has worked with Caver County and now has a new funding commitment for a portion of the construction costs. The DNR local Trails Connections Program grant funds obtained in 2024 will be expiring on June 20, 2026. Therefore, it is recommended to complete the trail project from Sterlin Road to Waconia Parkway North this upcoming spring. The preliminary plans were complete with the CSAH 10 - Waconia Parkway North Roundabout project and this will help with a tight schedule to retain a trails grant from the MN DNR for \$175,000.

Motion to adopt Resolution No. 2026-022 authorizing the preparation of plans and specifications and authorizing an advertisement for bids for the CSAH 10 connector trail project made by Council Member Grengs, seconded by Council Member Siddons.
MOTION CARRIED.

2) Intersection Control Change to All Way Stop at 1st Street and Vine Street

John Haukaas stated this has been an objective of the Council for a number of years. The safety concerns raised regarding this intersection include sight lines, steep uphill grade for vehicles approaching the intersection northbound on Vine Street, and the higher pedestrian traffic during downtown events. The City's engineering firm of Bolton & Menk were requested to conduct this evaluation. While the review showed the intersection did not meet the standard primary criteria, the provision of an all-way stop may be considered based on engineering study secondary criteria noted in the Mn MUTCD Option D: An intersection of two residential neighborhood collector streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection. The review showed that the safety concerns raised were valid and provided the jurisdiction for a change to the traffic control of the intersection. It may reduce the potential for vehicle conflicts.

Motion to adopt Resolution No. 2026-023 approving the installation of stop signs on 1st Street at the intersection with Vine Street to create an all-way stop condition made by Council Member Siddons, seconded by Council Member Grengs.
MOTION CARRIED.

10. ITEMS REMOVED FROM CONSENT AGENDA

Consent Agenda item 8.12 Appoint of Consulting Engineering.
The Mayor pulled this item as a good news item.

Bolton & Menk offers a municipal discount for key staff members serving the City. This discount applies to day-to-day general engineering items and is intended to minimize the engineering impact on the City's general fund budget. All fees have remained constant for

10 years, including attending Council meetings, attending Planning Commission meetings, and design fees for City projects.

Motion to adopt Resolution No. 2026-008 appointing a Consulting Engineer made by Council Member Grengs, seconded by Council Member Siddons.

MOTION CARRIED.

Consent agenda item 8.22 Special Event Permit for Special Olympics Polar Plunge
Mayor pulled this item for good news and to promote the event.

This event is scheduled for Saturday, February 14th, at Lola's Lakehouse. The Mayor will be attending and jumping. Contact the Special Olympics Polar Plunge for more information. Big thank you to Mark Anderson for organizing this event.

Motion to Adopt Resolution No. 2026-021 approving the Special Event Permit for the Special Olympics Polar Plunge at Lola's Lakehouse made by Council Member Grengs, seconded by Council Member Siddons.

MOTION CARRIED.

11. BOARD REPORTS

1) Staff Reports

None.

2) Councilmember Siddons

None.

3) Councilmember Coleman

Absent.

4) Councilmember Gleason

Absent.

5) Councilmember Grengs

None.

6) Mayor Litfin

Mayor's Report for January 1, 2026:

1. Earlier tonight...the city council toured and discussed the Old Fire Station.
 1. I am in favor of keeping the 13,000 square foot former fire station.
 2. It is an asset.
 3. There are multiple uses that facility has now, and could have in the future for our great city.
 4. There are some issues with the non-operational water treatment plant on the property that will be dealt with.

5. And like any 45 year old building, it has some maintenance items that need to be taken care of.
 6. That building is an asset for the city.
2. This Wednesday morning at 7:30 am, is the January opportunity for anyone who wants to visit with me. It is "The Mayor Is In" session here at City Hall. Stop by if you are able, or call, email or text at any time. Thank you.
 3. Franchise Fees. This is a topic that the city administrator has been asking the council to consider since last February.

No doubt, Franchise Fees could bring in some revenue for our city. It is a new fee that each of us would have to pay.

These Fees would be collected from all 5,449 resident electric utility customers. And all 4,755 residential gas utility customers. As well as businesses, churches and schools who would also have to pay.

This council has heard loud and clear from multiple residents who oppose this hidden tax. Including three who presented at our last meeting on December 22.

Thank you to the many citizens who have been willing to share their comments. Well done.

It is important for our residents to know that Franchise Fees are separate from Property Taxes. Though it will be like a tax to you, from our two utility companies. Centerpoint and Excel Energy.

Your property taxes will continue to increase separate from Franchise Fees.

Alongside that, Franchise Fees could also increase from year to year.

I will work hard to keep your property taxes as low as possible. We did have a lower percentage growth in property taxes for 2026 than in the previous several years. I am happy about that. As is the council.

Again, separate from property taxes could be Franchise Fees.

If passed by this council, residents could have two parallel fees/taxes increasing at the same time.

Franchise Fees. Once enacted... will be very hard to stop.

Please continue to email, call, and text me and all of our city council members. We need to hear how you feel.

At our next City Council meeting is Tuesday, January 20, 2026 and Franchise Fees will be on the agenda.

Please consider attending that meeting.

Thank you.

12. ANNOUNCEMENTS

Jon Haukaas reminded everyone of the Downtown Street Project Open House scheduled for January 7, 2026, from 4:30 to 6:00 p.m. at City Hall.

13. ADJOURN REGULAR MEETING

Motion to adjourn the meeting by Siddons, second by Council Member Grengs at 7:00 p.m.

WORK SESSION: OLD FIRE STATION PLANNING (4:45 P.M. AT 26 S MAPLE ST)

UPCOMING CALENDAR OF EVENTS/MEETINGS:

Tim Litfin, Mayor

ATTEST: _____
Sue Schwalbe, Administrative Specialist