

**CITY OF WACONIA
FEBRUARY 19, 2026**

1. CALL MEETING TO ORDER AND ROLL CALL

Mayor Litfin called the February 19, 2026, City Council Meeting to order at 6:00 p.m. with all Council Members present.

2. PLEDGE OF ALLEGIANCE

Mayor Litfin led all in the Pledge of Allegiance.

3. PROCLAMATIONS

None

4. ADOPT AGENDA

Motion to Adopt the Agenda as published made by Council Member Coleman seconded by Council Member Siddons.

MOTION CARRIED.

5. PUBLIC HEARING

1) PUBLIC HEARING –Vacation of Drainage and Utility Easement – Waterford 9th Addition, Outlot A and Outlot C

Shane Fineran, City Administrator, explained that the phased development of the Waterford residential project has required the developer to dedicate drainage and utility easements across all Outlots platted throughout the various phases of the Waterford Addition. The developer is requesting that the identified drainage and utility easements encompassing Outlots A and C of Waterford 9th Addition be vacated. The vacation of these easements is necessary to allow Outlots to be replatted in a manner consistent with the proposed Waterford 10th Addition, which is included on the consent agenda. JMH Land Development Company, as the underlying property owner of Outlots A and C, Waterford 9th Addition, has petitioned for the vacation of the identified drainage and utility easements. No public comments were received regarding this request and the Planning Commission voted 5-0 in favor of this vacation.

Motion to open the public hearing for approval of the Vacation of the Drainage and Utility Easement identified for Outlot A and C , Waterford 9th Addition made by Council Member Grengs seconded by Council Member Siddons.

MOTION CARRIED.

Motion to close the public hearing made by Council Member Grengs, seconded by Council Member Coleman.

MOTION CARRIED.

Motion to adopt Resolution No. 2026-045 approving the Vacation fo the Drainage and Utility Easement identified for Outlot A and Outlot C, Waterford 9th Addition made by Council Member Siddons, seconded by Council Member Gleason.

MOTION CARRIED.

6. OPEN FORUM

Mayor Lifin provided direction on open forum.

Bernie Benz, 528 Ravencroft Road, addressed the Council for the third time regarding the proposed franchise fees. Mr. Benz stated that he and his neighbors are not in favor of implementing franchise fees and questions whether any residents are actually supportive of the proposal. He encouraged Council Members and residents to closely review their Xcel Energy bill, noting that there are already numerous additional charges associated with electricity service. Mr. Benz expressed concern that the proposed franchise fee amounts have changed three times and stated that he would prefer the Council identify specific projects to be funded through the budget process and consider placing the matter before residents on a ballot.

7. COMMUNITY INTEREST PRESENTATIONS

None.

8. ADOPT CONSENT AGENDA

- 1) Approve the February 2, 2026, Council Minutes.**
- 2) Approve February 19, 2026 Expenditures**
- 3) Safari Island Community Center Expenditures from Sports Facilities Companies Incurred January 2026**
- 4) Ice Arena Expenditures from Sports Facilities Companies Incurred January 2026**
- 5) Group Fitness Room Sound System Replacement - Safari Island Community Center**
- 6) Group Fitness Small Equipment - Safari Island Community Center**
- 7) Award Contract for Sealing of Wells 3&4**
- 8) Public Services and Water Treatment Plant HVAC Projects**
- 9) Donation and Approve Pass Thru Recommendation - Waconia Fire Relief Association**
- 10) 801 Highway 284 Small Area Plan Project**

- 11) **Carver County CDA Planning Grant for Small Area Plan**
- 12) **Waterford 10th Addition Final Plat – JMH Land Development Company**
- 13) **Collaboration Agreement Between City of Waconia and Carver County for GIS Software Licensing**
- 14) **Approve Waconia Works Loan for Springs Wellness Center - 26 2nd Street West**
- 15) **Authorize Application for Metropolitan Council Municipal Inflow and Infiltration Grant**
- 16) **Call Public Hearing - Revision to City's Fee Schedule : Waconia City Code - Chapter 1100**
- 17) **Audio Visual Equipment Upgrade City Council Chambers**
- 18) **Hire of Street Maintenance Worker**
- 19) **Recruitment Services Authorization**
- 20) **Temporary On-Sale Liquor Licenses Waconia Lions**

Motion made to adopt the Consent Agenda as published was made by Council Member Siddons, seconded by Council Member Coleman.
MOTION CARRIED.

9. COUNCIL BUSINESS

1) SITE PLAN and DESIGN REVIEW – GVT Tire & Auto

Shane Fineran, City Administrator, stated that Axys Construction has submitted a site plan and design review application proposing the construction of a 6,640 square foot motor vehicle repair garage at 401 13th Street East in Waconia. The subject property is currently a vacant parcel owned by the City. The proposed GVT Tire & Auto building complies with all required setbacks, hardcover, and building height requirements for the B-1 Highway Business District. The applicant has proposed installation of a sidewalk along the front facade of the building, as well as a pedestrian connection linking the sidewalk from the New Creations Day Care site north to the existing sidewalk located along the south side of County Road 10. Based on a review of the plan provided by the applicant, the Planning Commission determined that the application meets the Highway Business District Design Standards and voted 5-0 to approve the application, subject to the conditions outlined in the meeting packet. The site plan includes screening on the north side of the property; additional required screening will be addressed during the building permit process. This development will complete the small three-lot commercial area.

Motion to adopt Resolution No. 2026-060 approving the Site Plan & Design Review Application for the property located at 401 13th Street East made by Council Member Grengs, seconded by Council Member Gleason.
MOTION CARRIED.

2) Franchise Agreement & Fee Ordinance Updates

Nicole Meyer, Finance Director, stated that this agenda item was previously tabled at the January 20th Council Meeting. As the matter involves several ordinances and resolutions, Ms. Meyer provided a summary for the Council's consideration. Currently, the City has three franchise fee holders; Xcel Energy, CenterPoint Energy, and Minnesota Valley Electric. The Council has been discussing the implementation of franchise fees for approximately one year, with initial discussions beginning at a work session last year. During that time, the Council reviewed projected revenues, the methodology for calculating those revenues, and the overall financial impact such fees would have on the City. As part of the annual budget process, the Council engaged in further discussion regarding franchise fees and their potential impact on the Capital Improvement Plan. On December 22nd, the Council conducted a public hearing on this topic and undertook extensive public outreach efforts to ensure transparency. Communication efforts included information distributed through the City Newsletter, the City website, and social media platforms. Adoption of the proposed ordinances would result in franchise fees being applied to residents' natural gas and electric utility bills. The proposal under consideration includes a \$5 per month, per utility fee for residential customers. As outlined in the ordinances, the revenue generated from these fees would be designated specifically for mill & overlay street projects and park equipment replacements.

Staff is requesting that Ordinance No. 790 and Resolution No. 2026-035 related to Minnesota Valley Electric be tabled, as the Staff continues to address several outstanding construction items unrelated to the franchise fee structure itself.

Shane Fineran outlined the procedure for these action items. Each Ordinance has a corresponding Resolution for summary publication. Each resolution requires a 4/5ths vote.

Mayor Litfin *stated that an explanation is important tonight as the Council discusses and votes on franchise fees. I could vote yes to show solidarity with Council Members. I see the benefits of franchise fees. However, at this point, I do not agree with franchise fees. We all want the same things for our wonderful City. Often the details and the process are what we disagree on. This is such an important topic because of that, a month ago, I asked the Council to consider placing this on a ballot. And that was dismissed. Now the citizens have asked me to vote no or do what I can to put this item on the ballot. I have been told by Council Members that an elected official, myself, will benefit from street improvements and playgrounds without taking the hard vote. As I said earlier, we can make these improvements—just not as often. All indications are that franchise fees will pass tonight on a 4-1 vote. Voting no to franchise fees is the hard vote. As a city, we cannot normalize hidden taxes. Franchise fees are hidden taxes. Based on feedback from multiple residents and my belief that our residents pay enough in taxes, I need to stand on principle and vote no on franchise fees. Thank you for listening.*

Council Member Coleman *stated that tonight we are facing a fundamental choice.*

We can step up to responsibly fund the maintenance of our city streets and parks, or we can allow them to worsen while slapping homeowners with something that would be nearly a 20% property tax increase. Along with three of my fellow Council Members, I stand committed to doing our duty. Delivering safe roads which keep our commute reliable, our economy moving, and quality parks that offer fun spaces for our children and families. These are essential services. Skimping on them means that we are failing the community that we serve. The franchise fees before us are the most affordable and the fairest option that we have. It is dedicated strictly to pavement management, street repairs, and replacing one aging playground per year without a massive tax hike that would otherwise be required. So you can ask why it is the fairest. Property taxes hit homeowners almost exclusively. Renters, who are a key part of our community and drive our streets and play in our parks daily, non-profits, schools, churches, and other tax-exempt users do not have to pay for that same infrastructure. Franchise fees fix that inequity by spreading the cost equally across every gas and electric customer through a small monthly addition to their utility bills. Everyone who benefits pays their fair share with no exemptions and no disproportionate burden on the property tax owners. And it is the most affordable for nearly everyone. City estimates show that this equates to roughly \$120 per year per residential address, which is about \$5 per month. A flat, predictable amount. Compare that to funding the same through property taxes, which comes out to an extra \$145 annually for the average home, with costs rising over time as values increase. Franchise fees deliver stable revenue right away, including for new growth at a lower net cost for most households, and with proven success in similar cities around us. This avoids a big tax jump while keeping our infrastructure strong. I have talked personally with many residents explaining clearly how the franchise fees work, what they are dedicated to—streets and parks only, and why they are a better alternative than a broad property tax hike. The response has been very supportive. People understand and appreciate the fairness of sharing the burden more equitably and the real cost savings for most households. Some may argue that we could simply do less or go without major fixes, cut back on street maintenance, delay playground replacements, or pass things minimally. But that is not leadership. It is kicking the can down the road, leading to higher long-term costs, emergency repairs are far more expensive than planned fixes, safety risks on roads that are breaking down as well as diminished quality of life in our parks. Our residents deserve better than deferred maintenance that turns small problems into big costly crises. We directly asked the Mayor to identify alternative savings all through the budget to cover these needs without new revenue. Despite that request, the Mayor was unable to find viable offsets, proving that doing less is not backed by realistic budget alternatives that protect core services. Unfortunately, the Mayor appears set on opposing this plan. Seemingly prioritizing this route over the practical, equitable relief that it provides our residents. This stance risks an unfair burden on homeowners, prolonged neglect of our infrastructure, and missed opportunities for true fairness. Let's reject these shortcuts and choose responsibility. Let's invest in Waconia's future without punishing property owners or shortchanging our streets and parks.

Motion to Adopt Ordinance No. 787 Amending a Gas Energy Franchise Fee on

Centerpoint Energy Minnesota Gas ("Centerpoint Energy") for Providing Gas Energy Services within the City of Waconia was made by Council Member Coleman, seconded by Council Member Siddons.

Coleman: Aye

Siddons: Aye

Gleason: Aye

Grengs: Aye

Litfin: Nay

MOTION CARRIED.

Motion to Adopt Resolution No. 2026-032 Approving Summary Publication of Ordinance No. 787 made by Council Member Grengs, seconded by Council Member Siddons.

Grengs: Aye

Siddons: Aye

Gleason: Aye

Coleman: Aye

Litfin: Nay

MOTION CARRIED.

Motion to Approve Ordinance No. 788 Amending the Provision of the Electric Utility Franchise for Northern States Power Company ("Xcel Energy"), Waconia City Code Chapter 595 to Provide for a Franchise Fee made by Council Member Coleman, seconded by Council Member Siddons.

Coleman: Aye

Siddons: Aye

Gleason: Aye

Grengs: Aye

Litfin: Nay

MOTION CARRIED.

Motion to Adopt Resolution No. 2026-033 Approving Summary Publication of Ordinance No. 788 made by Council Member Grengs, seconded by Council Member Siddons.

Grengs: Aye

Siddons: Aye

Gleason: Aye

Coleman: Aye

Litfin: Nay

MOTION CARRIED.

Motion to Approve Ordinance No. 789 Implementing an Electric Energy Franchise Fee on Northern States Power Company ("Xcel Energy") for Providing Electric Energy Service Within the City of Waconia was made by Council Member Coleman, seconded by Council Member Siddons.

Coleman: Aye

Siddons: Aye
Gleason: Aye
Grengs: Aye
Litfin: Nay

MOTION CARRIED.

Motion to Adopt Resolution No. 2026-034 Approving Summary Publication of Ordinance No. 789 made by Council Member Coleman, seconded by Council Member Grengs.

Coleman: Aye
Grengs: Aye
Siddons: Aye
Gleason: Aye
Litfin: Nay

MOTION CARRIED.

Motion to Table Approving Ordinance No. 790 Granting Minnesota Valley Electric Cooperative a Non-Exclusive Franchise for Electric Energy to the March 16, 2026, Council Meeting was made by Council Member Coleman, seconded by Council Member Siddons.

Litfin: Aye
Siddons: Aye
Gleason: Aye
Coleman: Aye
Grengs: Aye

MOTION CARRIED.

Motion to Approve Ordinance No. 791 Implementing an Electric Energy Franchise Fee on the Minnesota Valley Electric Cooperative for Providing Electric Energy Service within the City of Waconia was made by Council Member Coleman, seconded by Council Member Grengs.

Coleman: Aye
Grengs: Aye
Siddons: Aye
Gleason: Aye
Litfin: Nay

MOTION CARRIED.

Motion to adopt Resolution No. 2026-036 Approving Summary Publication of Ordinance No. 791 made by Council Member Coleman, seconded by Council Member Siddons.

Coleman: Aye
Siddons: Aye
Gleason: Aye
Grengs: Aye
Litfin: Nay

MOTION CARRIED.

10. ITEMS REMOVED FROM CONSENT AGENDA

11. BOARD REPORTS

1) Staff Reports

None.

2) Councilmember Siddons

Nothing to report.

3) Councilmember Coleman

Nothing to report.

4) Councilmember Gleason

Nothing to report.

5) Councilmember Grengs

Nothing to report.

6) Mayor Litfin

Mayor's Report – February 19, 2026

On Thursday, February 5, I attended the monthly Chamber Coffee event at Waconia High School, hosted by Superintendent Brian Gersich. It was a great event—thank you to the high school for hosting.

Also on February 5, I interviewed Carver County Public Works Director Lyndon Robgent for a Mayor's Minute video to discuss the 2026–2027 road and trail construction projects in our area. Later that day, I visited with Trinity Lutheran School Principal Heidi Rauworth.

On Wednesday, February 11, I recorded a Mayor's Minute with Waconia High School Activities Director Bucky Riese.

On Thursday, February 12, I met with the WYMAC group to discuss the upcoming Earth Day event.

Congratulations to Mark Anderson and the Special Olympics organization for another successful Polar Plunge on Saturday, February 14, with approximately 550 participants taking the plunge.

On Wednesday, February 18, the WYMAC group presented to the West Carver

Rotary Club.

Today, February 19, I participated in Transportation Day at the State Capitol to advocate for additional transportation funding for the Highway 5 frontage road project and met with state representatives.

Safari Island Community Center will be installing a new group fitness room sound system, along with upgrades to small fitness equipment.

12. ANNOUNCEMENTS

None.

13. ADJOURN REGULAR MEETING

Motion to adjourn the February 19, 2026, City Council Meeting made by Council Member Coleman, seconded by Council Member Siddons.

MOTION CARRIED.

**WORK SESSION: FRANCHISE FEES ADDITIONAL INFORMATION,
COMMUNITY SURVEY CUSTOM QUESTIONS, MAY SPECIAL MEETING
DATE**

UPCOMING CALENDAR OF EVENTS/MEETINGS:

Tim Litfin, Mayor

ATTEST: _____
Sue Schwalbe, Administrative Specialist