

**CITY OF WACONIA**  
**JUNE 1, 2026**

**1. CALL MEETING TO ORDER AND ROLL CALL**

Mayor Litfin called the June 1, 2026, Waconia City Council Meeting to order at 6:00 p.m. with all Council Members present.

**2. PLEDGE OF ALLEGIANCE**

- 1) Caleb Louden, fifth grader from Southview Elementary, will lead all in the Pledge of Allegiance.**

Caleb Louden led all in the Pledge of Allegiance.

**3. PROCLAMATIONS**

None.

**4. ADOPT AGENDA**

Motion to adopt the agenda as published was made by Council Member Gleason, seconded by Council Member Siddons.  
**MOTION CARRIED.**

**5. PUBLIC HEARING**

- 1) Public Hearing on the Improvements to the 5th Street Reconstruction Project**

Motion to open the public hearing was made by Council Member Coleman, seconded by Council Member Gleason.  
**MOTION CARRIED.**

Jake Saulsbury, City Engineer, provided a presentation for the 5th Street Reconstruction Project. He explained that the Council received the feasibility report on May 4 and that the public hearing was part of the process required before ordering final plans and improvements and considering future special assessments. Property owners within the project area were notified of the hearing. The project areas include 5th Street, between Olive Street and Orange Street; Elm Street South, between 5th Street and Highway 5; and Pine Street South, between 5th Street and Highway 5. Mr. Saulsbury reviewed the project timeline, scope, estimated costs, financing sources, and the City's assessment policy. He noted that all assessment amounts are preliminary and will be recalculated based on final project design and bonding costs. Mr. Saulsbury provided a general project timeline, project scope, project costs, financing and funding and reviewed the City's assessment policy. At this time, all assessments are very preliminary. The final assessments will be based on project costs, design

costs, bond costs and number will be recalculated.

The proposed street improvements include reconstruction of 5th Street, Elm Street, and Pine Street; truck section improvements on Elm Street; residential street sections on 5th Street and Pine Street; coordination with the Highway 5 project; curb and gutter replacement; sidewalk replacement and completion on Elm Street; access modifications at Elm Street, and closure of the Highway 5 access east of Pine Street with an estimated cost of \$2,576,000 with storm sewer

The proposed storm sewer improvements include extension of the storm sewer from Elm Street to the 5th Street intersection; modification of the storm sewer at the Highway 5 entrance to be moved; installation of drain tile behind curbs throughout the project area; maintenance of an existing drainage pattern; stormwater treatment through a basin included in the Highway 5 Phase 2 project with an estimated cost of 2,576,000 with Street.

The proposed sanitary sewer improvements include replacement of all existing 8-inch sanitary sewer mains; replacement of sanitary sewer manholes, and replacement of sanitary sewer services to the right-of-way line with an estimated cost of \$551,000.

The proposed water system improvements include replacement of existing 6-inch water mains with 8-inch mains; installation of a new 8-inch looped watermain on 5th Street from Olive Street to Pine Street; replacement of hydrants and gate valves; replacement of water services to the right-of-way line; addition of cathodic protection; with an estimated cost of \$700,000 anticipated to be fully funded by MnDOT due to Highway 5 Phase 2 project coordination.

Mr. Saulsbury explained that project financing would include bond proceeds and funding from special assessments, utility funds, the Pavement Improvement and Replacement Fund, and Highway 5 Grant funding.

Mayor Litfin requested additional information regarding MnDOT's partnership. Mr. Saulsbury noted the project benefits significantly from approximately \$12,000,000 in grant funding including: \$7 million from the Metropolitan Council Regional Solicitation Program; and \$5 million from the Transportation Economic Development (TED) Fund.

Jon Haukaas, Public Services Director, addressed concerns raised in three resident letters. He stated that the sidewalk work is limited to Elm Street and includes connecting to the new Highway 5 trail, future sidewalk construction on 5th Street may occur if grant funding becomes available, and the 8-inch watermain is the City's standard for looped systems and is not intended to accommodate future development.

Kurt Sieberg, 501 Olive Street South, opposed the special assessments, stating that while infrastructure maintenance is necessary, the funding mechanism places an unfair burden on property owners. He expressed concern that the project primarily benefits

commercial development and questioned the need for curb replacement.

Leland Otto, 509 Pine Street South and 441 Pine Street South, stated that 5th Street appears to need only maintenance and seal coating rather than reconstruction. He also questioned the need to replace water and sewer infrastructure that has not experienced failures and expressed concern regarding assessment costs.

Philip Graffunder, 440 Elm Street South, opposed the project and stated that maintenance rather than reconstruction is needed. He suggested greater speed enforcement, opposed property acquisition for street widening, questioned the need for sidewalks, and expressed concerns regarding the pace of Highway 5 construction.

Charles Schmakel, 156 5th Street, noted that major street improvements had not occurred since 1972. He expressed concern about closing the Highway 5 access at 5th Street and hoped assessments would not force residents from their homes.

Douglas Haran, 1606 Gale Lane, asked about the range of potential changes to the preliminary assessments.

Mr. Saulsbury responded that assessments on recent projects have typically decreased by approximately 10-15% from the feasibility study estimates. Shane Fineran, City Administrator, explained that the City also conducts a Special Benefit Evaluation through an independent third-party evaluator. Under City policy, the final assessment is limited to the lower of the special benefit determination or the actual assessable project costs.

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

**MOTION CARRIED.**

## **6. OPEN FORUM**

None.

## **7. COMMUNITY INTEREST PRESENTATIONS**

None.

## **8. ADOPT CONSENT AGENDA**

- 1) Approve the May 18, 2026, City Council Minutes**
- 2) Approve June 1, 2026 Expenditures**
- 3) Contractor Pay Request - Downtown Reconstruction Phase 4 to GMH Asphalt Corporation #1**

- 4) **Downtown Reconstruction Phase 4, Change Order No. 1, City Square Park Electrical Improvements**
- 5) **Waterford 10th Addition Development Agreement– JMH Land Development Company, LLC**
- 6) **Elm Creek Ridge 1st Addition Final Plat & Elm Creek Ridge 2nd Addition Final Plat — Elm Creek Ridge, LLC**
- 7) **Elm Creek Ridge Development Agreement - REVISED**
- 8) **Utility Easement Agreement – Song River Holdings, LLC**
- 9) **Close Debt Fund No. 304 & Authorize Transfer to PIR Capital Project Fund No. 103**
- 10) **Accepting Cash Donations for Operations of the Fire Department**

Motion to adopt the consent agenda as published was made by Council Member Gleason, seconded by Council Member Coleman.

**MOTION CARRIED.**

## 9. COUNCIL BUSINESS

### 1) **Ordering Improvements for the 5th Street Reconstruction Project**

Jon Haukaas stated that this item represents the next step in the 2026 5th Street Reconstruction Project following the public hearing after the Public Hearing earlier in this meeting. Staff is requesting that the Council order the improvements for the project in order to continue moving it forward. No additional presentation was provided.

Mayor Litfin asked what percentage of savings the City would realize by completing the project at this time. Shane Fineran, City Administrator, explained that one of the primary savings is the approximately \$700,000 watermain cost. If the project were not completed in conjunction with the State's Highway 5 project, that cost would be the responsibility of the adjacent property owners. He noted that this represents a direct financial benefit to both the City and the affected property owners. Mr. Fineran further stated that because the State's Highway 5 Project is being bid on at the same time, the City is expected to receive more competitive bids from contractors. Based on estimates from the City Engineer, the combined savings associated with the project could approach \$1,000,000. He noted that while the project was originally scheduled for 2032, advancing it to coincide with the Highway 5 Project allows the City to take advantage of these significant cost-savings opportunities.

Motion to adopt Resolution No. 2026-140 ordering improvements and preparation of plans was made by Council Member Grengs, seconded by Council Member Siddons.  
**MOTION CARRIED.**

### 2) **Accept Plans & Specifications and Authorize Ad for Bids - Water Treatment Plant No. 4**

Jon Haukaas, stated that Kevin Young of SEH, Incorporated, is the City's consultant for the proposed new water treatment facility and has finalized the plans and specifications to begin the bidding process.

Mr. Young stated that the project addresses the City's long-term water treatment capacity and regulatory compliance needs. On April 6, 2026, the Council authorized the incorporation of a Cold Storage Building into the project. SEH has advanced the design to near completion, including integration of this additional facility and related site improvements.

This project will be developed on the new 15 acre site purchased in 2025 on the east side of Little Avenue, south of County Road 10/Engler Blvd. A new road with utilities will be constructed across the site which will serve as the entrance to a future business park based on the proposed land use of the comprehensive plan. The facility will include an oversized two-stall garage to house the newest jet wash vacuum sewer cleaning combination unit and a utility repair response truck. Also included is an alternate to construct a 20,000 square foot cold storage facility that will be used for parking of seasonal vehicles, traffic control equipment, and other long-term uses to greatly improve the flow and efficiency of the existing Public Works Facility. If approved, the online bid opening will be June/July with a contract award considered at the August 3, 2026, Council meeting. Construction is to begin in September of the site grading, utility, and road extension into the site, foundations, and underground tank construction. The total project is estimated to be complete and operational in the summer of 2028. This is a total probable cost of \$35,041,000, which includes the base bid, the cold storage building (alternate) contingency, engineering, geotechnical services, materials and administrative costs.

Motion to adopt Resolution No. 2026-141 Accepting Plans and Specifications and Authorizing Advertisement for Bids for the Water Treatment Plant No. 4 Project was made by Council Member Gleason, seconded by Council Member Siddons.

**MOTION CARRIED.**

## **10. ITEMS REMOVED FROM CONSENT AGENDA**

None.

## **11. BOARD REPORTS**

### **1) Staff Reports**

#### **a. Regulation of Short Term Rentals - Shane Fineran**

City Administrator Shane Fineran responded to an inquiry from Council Member Siddons regarding how municipalities regulate short-term rentals, including private homes, rooms, or apartments rented for less than 30 days. Mr. Fineran explained that the City does not currently regulate short-term rentals separately from other rental

properties. Short-term rentals are subject to the City's rental licensing and inspection program, which provides oversight of life-safety requirements and the adequacy of rental units. The City does not distinguish between short-term rentals and traditional long-term rental arrangements for licensing purposes. He further noted that bed-and-breakfast establishments are regulated separately under the City Code and may be permitted through a Conditional Use Permit in the R-2 and R-3 zoning districts, subject to specific requirements regarding parking, owner occupancy, meal service, animals, and the number of guest units.

Mr. Fineran stated that short-term rental operators are required to collect and remit the City's lodging tax and must also obtain the appropriate lodging license from the State of Minnesota. A review of popular rental platforms identified approximately 13 short-term rental properties operating in Waconia. Of those, nine appeared to have valid rental licenses, and two regularly remit lodging taxes to the City. Lodging tax reporting is self-reported. State records indicate no lodging licenses have been issued within the city beyond the traditional hotels and motels currently operating.

Council Member Siddons stated that his intent was to raise public awareness and initiate a discussion regarding short-term rentals, noting that the City is currently enforcing the regulations already in place.

Mayor Litfin requested that the topic be scheduled for a future City Council work session for further evaluation.

**b. Election Update - Jackie Schulze**

Jackie Schulze, Assistant City Administrator, reported that the candidate filing period for the 2026 election will open on July 14 and close on July 28. She noted that filing has traditionally occurred in August and Staff will continue to promote the new filing dates to the public. Ms. Schulze stated that the primary election will be held on August 11, 2026, and the general election on November 3, 2026. She explained that Waconia is the only city in Carver County that provides in-person absentee voting for its residents. A recent change in Minnesota law allows cities to opt into an 18-day early voting period instead of the previous 46-day absentee voting period. Under the early voting process, voters can place their ballots directly into a tabulating voting machine rather than sealing them in multiple envelopes as required under absentee voting procedures. She stated this change will reduce the number of times ballots are handled and enhance election security. Ms. Schulze noted that approximately 85% of Waconia voters who voted early during the last election did so within the final 18 days of the voting period. She also outlined the City's planned early voting schedule, which will include extended voting opportunities on Saturday, October 24; Tuesday, October 27, until 7:00 p.m.; Saturday, October 31; Sunday, November 1; and Monday, November 2, 2026, in addition to regular business hours.

Sgt. Howard reported that the Department responded to 30 total offenses in May 2026, a significant decrease from 65 offenses in May 2025. He noted that theft-related incidents were a major contributor to last year's higher total but have declined this

year. Residents were encouraged to continue taking preventive measures, such as keeping vehicles locked both during the day and overnight to help maintain the reduction in thefts. Sgt. Howard also reminded residents that school is out for the summer, resulting in more children walking and biking throughout the community. Motorists were urged to drive cautiously and obey posted speed limits.

He further noted that there have been no calls for service related to VRBO properties in Waconia indicating no issues associated with short-term rental activity. The department issued 57 traffic citations and violations during May, including enforcement actions involving e-bikes and other traffic-related offenses. This represents an increase in traffic enforcement activity compared to the same period last year.

**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 for 06-01-2026:

A big thank you to the Waconia Marching Band Director Nick Hansbury, and two of his student leaders, Benet and Mia, for hosting the Mayor's Minute on Tuesday, May 19th.

The Mayor also attended three ribbon-cutting ceremonies on May 21st. The first was at the Wilford, where Chamber members joined Steve and Rita Yetzer and Carl Yetzer in celebrating the opening of the new downtown Waconia building. The second ribbon cutting was held for Lakeview Clinic's newly completed addition, reception area, and lobby renovation. The third ceremony celebrated the opening of Three Bears, a new indoor playground located in Brian Falk's recently constructed building.

Mayor Litfin further recognized the community's Memorial Day observance on May 25th, and thanked the American Legion Post 150 for organizing and preserving the annual tradition. He noted that Waconia is fortunate to have both the Memorial Day ceremony and the veteran's monuments in City Square Park. The Mayor participated as one of the presenters during the ceremony and described it as a meaningful event

honoring those who made the ultimate sacrifice, while also recognizing veterans and active-duty and reserve military personnel. He encouraged all residents to attend Memorial Day observances.

## **12. ANNOUNCEMENTS**

Jackie Schulze, Assistant City Administrator. Thursday, June 4th, is the return of the Summer Music Series from 6:30 to 8:00 p.m. with Anti Skip Protection performing on Olive Street between 1st Street and 2nd Street. Local businesses will be offering food and drink specials with fun for the whole family.

On Tuesday, June 2, from 5:00 to 7:00 at Waconia City Hall, there will be an Open House for the former UFC Location at 801 Highway 284. The City is developing a small area plan and has recently completed a market study to explore the best potential uses for the site. This is an opportunity to learn more about the site, view potential concepts, and share your feedback.

## **13. ADJOURN REGULAR MEETING**

Motion to adjourn the June 1, 2026, Waconia City Council Meeting at 7:45 p.m. was made by Council Member Coleman, seconded by Council Member Siddons.  
**MOTION CARRIED.**

## **WORK SESSION: OLD FIRE STATION, SOCIAL MEDIA COMMUNICATIONS**

### **UPCOMING CALENDAR OF EVENTS/MEETINGS:**

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Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Sue Schwalbe, Administrative Specialist