

**CITY OF WACONIA
MAY 19, 2025**

1. CALL MEETING TO ORDER AND ROLL CALL

Mayor Litfin called the May 19, 2025, Waconia City Council Meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Mayor Litfin led all in the Pledge of Allegiance

3. PROCLAMATIONS

1) Proclamation Declaring May 18 through May 24, 2025, as National Public Works Week

Mayor Litfin read the Proclamation Declaring May 18 through May 24, 2025, as National Public Works Week into record.

4. ADOPT AGENDA

Motion to Adopt the Agenda as Published made by Council Member Coleman, seconded by City Council Member Siddons.

MOTION CARRIED.

5. PUBLIC HEARING

None

6. VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE

None

7. ADOPT CONSENT AGENDA

- 1) May 5, 2025 Council Minutes**
- 2) Approve May 19, 2025 Expenditures**
- 3) Rink Management Services Corporation Waconia Ice Arena Expenditures Incurred April 2025**
- 4) Rink Management Services Corporation Safari Island Community Center Expenditures Incurred April 2025**
- 5) Contractor Pay Request - Water Treatment Facility Piping Modifications to Municipal Builders #6**

- 6) **Contractor Pay Request - Fire Station Project with Kraus-Anderson #30**
- 7) **Lot 4 Parking Time Limits**
- 8) **Public Works Roof Repair - Capital Project #838**
- 9) **Material Testing in Support of the CSAH 10 and Waconia Parkway North Roundabout Intersection Improvement Project**
- 10) **Approve Extension of Compost Contract with SMSC**
- 11) **Sale or Disposal of Surplus Equipment**
- 12) **Hiring of Probationary Firefighters**
- 13) **Performance Measures & Report for 2024**
- 14) **2026 State Capital Budget Local Requests**
- 15) **Minnesota State Arts Board 2026 Arts Experiences for Older Adults Grant Application**
- 16) **Service Contract for Outdoor Warning System - Annual Service, Inspections, and Preventative Maintenance**
- 17) **Optional 2:00 a.m. Closing Applications**

Mayor Litfin requested pulling Item No. 7.14 from the Consent Agenda, *2026 State Capital Budget Local Requests*, for staff to provide details to the Council and residents.

Motion by Council Member Gleason seconded by Council Member Coleman Adopting the Consent Agenda pulling the 2026 State Capital Budget Local Request Agenda item.

MOTION CARRIED.

8. COUNCIL BUSINESS

- 1) **Accepting Audited Annual Comprehensive Financial Report as of December 31, 2024**

Nicole Meyer, Finance Director, stated staff and the City's auditing firm, Redpath Company, have completed the 2024 audit and is being presented to the Council for approval.

The full reports that were provided by the auditors are included in the packet, which are the internal control report, the legal compliance report, the governance letter, and the Auditors report. The complete report can be found online on the City's website or a hard copy is available at City Hall.

Andy Hering, representing Redpath Company, presented their findings to the Council. In 2023, the City, again, received the Certificate of Achievement in Financial Reporting from the Government Officers Finance Association. This award

demonstrates the City's commitment to preparing financial statements that are comprehensive, transparent and consistent with accounting standards. This is the 11th consecutive year the City of Waconia has received this award.

There are four reports issued by the Auditor which include the Opinion on the Fair Presentation of the Financial Statements (unmodified audit opinion), Report on Internal Controls over Financial Reporting (no findings), Minnesota Legal Compliance Report (no findings) and Communication with those Charged with Governance (standard communications from the auditor to governing body). Andy also explained that it is the City's policy that the unassigned fund balance should be approximately 50% of actual expenses and should never fall below 40%. Overall, once again, great results. A clean audit gives confidence to the public and finances critical projects like the Fire Station, road projects, and more.

Motion to Adopt Resolution No. 2025-149 Accepting the Audited Annual Comprehensive Financial Reports as of December 31, 2024, made by Council Member Siddons, seconded by Council Member Coleman.

MOTION CARRIED.

2) Provide for the Issuance and Sale of \$9,425,000 General Obligation Bonds, Series 2025A

Ncirole Meyer stated that staff have been working with Ehler's and Associates on the issuance of bonds to fund the 2025 infrastructure improvement project, equipment financing, and utility oversizing for the southeast area.

Tom Hagen of Ehlers and Associates stated the City issues five different bonds and bundles them together for the best rate with one 10-year bond. General Obligation 429 special assessment bonds, General Obligation special assessment 429 bonds, General Obligation 444 revenue bonds, General Obligation 410/412 bonds, and General Obligation 115 bonds. The Council has been provided a pre-sale report which explains the conditions and terms. The bond sale will take place on June 16, 2025. This bond is under the 10 million dollar bank qualification limit, which saves the City interest expense with a lower interest rate. Also, the City can prepay the bonds without penalty on any day after February 1, 2033. The City has a Double A+ rating by Standard and Poors. This is a General Obligation bond that has the lowest interest rate that can be on a bond issued and this is the most cost-effective bond and should sell very well on the market.

Motion to Adopt Resolution No. 2025-150 Providing for the Issuance and Sale of General Obligation Bonds made by Council Member Grengs, seconded by Council Member Siddons.

MOTION CARRIED.

3) Comprehensive Plan Amendment - Norsq Companies, LLC

Lane Braaten, Community Development Director, stated that the application is for a Comprehensive Plan Amendment submitted by Norsq Companies and staff provided a brief history of the parcel. The property is located in Waconia Township and is bisected by Hartmann Drive and 10th Street East. The property is currently guided as "I" industrial. The applicant is requesting to re-guide the 7-acre portion located west of Hartmann Drive and north of 10th Street East as Medium Density Residential to allow for a future townhome development. This was brought to the Planning Commission which held a public hearing and recommended 3-2 to deny the application. As this property is in Waconia Township, the zoning does not apply until annexed into the City of Waconia Limits. By approving this resolution, the parcel will remain as industrial. There have been some inquiries by industrial users on this property.

The Mayor stated that this 7-acre area is a challenging property with a gas line and sloped topography. The Mayor feels this is an opportunity to spur development. Grengs asked staff if the property owner considered selling anything to the east so that this is a larger parcel and the road can be vacated, which would make this a more attractive parcel. Braaten stated the property owner, back in 2022, did not provide a timeline for the sale of the additional property. Staff also believe the parcel could be developed industrial. Council Member Siddons asked if the City had completed any re-guiding of the 2040 plan. Staff stated that the City has completed comp plan amendments. Mostly re-guidance from medium density to a high density but nothing regarding the industrial amendments.

Council Member Grengs stated that for many years, industrial commercial property has been greatly needed in Waconia to supply jobs and the City is severely lacking in industrial/commercial space. This property has been guided for years for this industrial purpose. The City has a major road project along Highway 5 and that has funding tied to it that is related to industrial and commercial growth.

Fineran stated that the Highway 5 Phase II project was awarded \$5 million in transportation/economic development (TED) grant funds and those funds are given to transportation projects that promote and support economic development in communities. Mayor Litfin asked Mr. Fineran if there is a deferred assessment due to the City if any part of this land is sold. Fineran explained that, yes, there is a deferred assessment of approximately \$500,000 on this property from 2006-2008. This was levied on the entirety of this property, with the agreement that the assessments will be deferred until any of the property is sold. Mayor Litfin thanked Mr. Fineran for the information.

City Attorney Mike Melchert stated that the Resolution in front of the Council is approving the denial which would deny the Comprehensive Plan Amendment; however a Council Member could make an oral motion to approve the comprehensive plan amendment. This would require a 4/5 vote to approve.

Motion to Adopt Resolution No. 2025-151 Denying the Comprehensive Plan Amendment made by Grengs seconded by none.

MOTION FAILED due to lack of a second

Motion to approve the comprehensive plan amendment pertaining to this property as applied for by the applicant made by Council Member Gleason seconded by Council Member Siddons

Mayor Litfon - Aye
Council Member Coleman - Aye
Council Member Gleason - Aye
Council Member Siddons - Aye
Council Member Grengs - Nay

MOTION CARRIED.

4) Ordinance Amending Chapter 900 - Zoning Code Updates Related to Cannabis Businesses

Jackie Schulze, Assistant City Administrator, stated that in December 2024, the Council approved Ordinance updates related to Cannabis zoning and licensing. Recently, the State of Minnesota approved the rules related to sales, cultivation, manufacturing, and the licensing of cannabis products. Staff have been working through the application process, zoning map, and to include the buffer areas the Council requested. The first update is regarding the low-potency cannabis sales. As of now, those items are available for sale at local gas stations, grocery stores, etc. In the City Ordinance, low-potency hemp edibles are subject to this Ordinance and subject to the buffer requirements, which are 100 feet from schools, and 500 from parks and day cares. Staff are requesting to modify the Ordinance to remove the low-potency cannabis buffer area as these current businesses are in the buffered areas. The second update is to remove language for Ordinance clarification. This will remove the buffer requirements for cultivation and manufacturing, as it was the Council's intent for those buffer requirements to be for retail only.

Motion to Adopt Ordinance #782 Amending Chapter 900 Zoning Code Updates Related to Cannabis Businesses made by Council Member Siddons, seconded by Council Member Grengs.

MOTION CARRIED.

Motion to Adopt Resolution No. 2025-152 Approving Summary Publication of Ordinance No. 782 made by Council Member Siddons, seconded by Council Member Grengs.

MOTION CARRIED.

9. ITEMS REMOVED FROM CONSENT AGENDA

Mayor Litfin removed Consent Agenda Item #7.14 2026 State Capital Budget Local Requests

Shane Fineran stated that bi-annually the State of Minnesota accepts applications for local projects for the State Capital Budget, also known as the bonding bill. The deadline for applications for consideration in the 2026 legislative session is June 2025. Previously, the City had submitted an application for the construction of the frontage road system for completion between CSAH 59 and Hartman Drive as part of the Phase 2 Highway 5 construction in 2027. A bonding bill was not passed in the 2024 legislative session and appropriation in this year's session is undetermined. The previous request was for \$4.7 million in capital bonding funds to complete this segment of roadway and utilities. This frontage road system will allow for local traffic to safely and efficiently traverse through the community, access businesses, serve future industrial and commercial development, and enhance the pedestrian connections in this area.

The City is seeking additional funding for transportation upgrades. The Trunk Highway portion of 5 is directly on and adjacent to Highway 5 and has been fully funded through a construction standpoint. The City was awarded 12 million dollars to date and staff continue to chase grant dollars to complete the Council's vision of this project. Staff have been active in trying to acquire outside funding for the 4.7 million dollars needed for the frontage road. Staff will also submit a request for the Water Treatment Plant #4.

Motion to Adopt Resolution No. 2025-144 Approving the Capital Budget Request made by Council Member Coleman, seconded by Council Member Grengs.

MOTION CARRIED.

10. STAFF REPORTS

Fire Chief Justin Sorenson provided the Council a brief annual report. This was a snippet of the full report that will be posted on the City website on May 20, 2025.

In January 2025, two additional captains were hired. Also in 2025, four firefighters will be hired: two experienced firefighters and two probationary firefighters. Firefighters were acknowledged for their years of service, including Assistant Chief Mike Dressel with 25 years of service and Firefighter Doug Rolf with 30 years of service to the community. The Fire Chief then reviewed the strategic priorities of the department, which include staffing, service delivery and resources. The major accomplishments for 2024 include the completion and operation of the new fire station and the replacement of Command Vehicle 11. 2024 was the first year the department hosted an open house, with this being the first opportunity to show the residents of Waconia the fire station. Other outreach accomplishments include fire prevention month and National Night Out. Statistically, in 2024 call volumes were 1,390. The average response time in 2024 was 2 minutes 18

seconds, which is 12 seconds faster than 2023. The goals and priorities for 2025 will be the project close-out of the fire station, hiring two firefighters, and fire inspections with the new software system.

11. BOARD REPORTS

1) Councilmember Coleman

Nothing to report

2) Councilmember Grengs

Nothing to report.

3) Councilmember Gleason

Nothing to report.

4) Councilmember Siddons

Nothing to report.

5) Mayor Litfin

May 6th attended the Waconia Senior Center for a Cinco de Mayo celebration.

May 7th "The Mayor Is In" session with two attending.

May 14th Met with and was interviewed by the Southview Elementary School Student Council Members

May 14th Met with Carver County Parks Director

May 14th Gave a presentation to the American Legion Club Post #150

May 15th Met with Student Council representatives of the Waconia High School. This was the first meeting of the new "Mayor's Youth Advisory Council". This group will meet next in September.

May 18th Public Services Open House

May 18th Waconia Baseball Association hosted Minnesota Baseball Day.

12. ANNOUNCEMENTS

13. CLOSED SESSION

1) Closed Session

Mayor Litfin stated the Council will move to closed session pursuant to Minn Stat.13.05, subd. 3(c)(3) to consider the purchase of real property in the City of Waconia identified as PID 750240100, located at 801 Highway 284.

14. ADJOURN REGULAR MEETING

**WORK SESSION: STRATEGIC PLAN SUMMARY, MEETING GUIDELINES
POLICY, ANNEXATION 101, 1ST QTR BUDGET TO ACTUAL**

UPCOMING CALENDAR OF EVENTS/MEETINGS:

Tim Litfin, Mayor

ATTEST: _____
Sue Schwalbe, Administrative Specialist