

Waverly City Council
Special Session Meeting
 Wednesday, February 25, 2026
 5:00 PM Central

Waverly City Offices
Council Chambers
 502 Atlantic Ave.
 Waverly, MN 55390

Ben Duske: Present
 Connie Holmes: Present
 Scott Jacobson: Absent
 Jim Kittock: Present
 Jacob Koch: Present
 Present: 4, Absent: 1.

1. Call to Order

The Waverly Special Session Meeting was called to order at 5:00 p.m. by Mayor Connie Holmes.

2. Roll Call

Council Members Present: Mayor Connie Holmes, Jim Kittock, Jacob Koch and Ben Duske

Absent: Scott Jacobson

Staff Present: City Administrator Carrie Krienke, and Maintenance Supervisor Jason Karels

Others present: City Attorney Rhonda Pagel, City Planner Robin Cauffman, City Engineer Sheila Kroshe and John Peterson.

3. Agenda Approval

The agenda required two changes: John Peterson was added after agenda approval to discuss a road closure for Saint Patrick's Day celebration on March 14th, and Sheila's presentation was moved earlier due to her schedule constraints.

A motion was m/s/p, Duske/Kittock, to approve the agenda with said changes. All present voted in favor.

3.1 Saint Patrick's Day:

John Peterson, who is helping make arrangements for the Waverly St. Patrick's Day Parade and celebration, requested closure of Elm Street between the KC Hall and Uptown Bar and Grille located on the opposite side of the street, for the annual Saint Patrick's Day event. The closure would be after the parade's completion until approximately 9:00 PM for safety purposes, as many people move between the two businesses. Peterson noted this was primarily for safety rather than setting up anything in the street. The closure would use traffic cones as barricades, which Peterson would remove after the event.

A motion was m/s/p, Duske/Kittock, to approve blocking off Elm street between 5th and 6th after the St. Patrick's Day parade until 9:00 p.m. on March 14, 2026.

3.2 Item # 8 moved

City Engineer Updates

Wastewater Project Update

City Engineer Sheila provided updates on the wastewater project funding and timeline. The project qualified for a PSIG (Point Source Implementation Grant) worth potentially \$10 million, representing 90% of the \$12 million PSIG-eligible costs from the total \$13 million project. However, the project which is not yet certified, ranks 37th on project list, and funding is only available for projects above a certain threshold this year.

The strategy shifted to focus on getting certified this year to potentially receive funding next year, rather than starting construction in 2026. PSIG grants require that expenditures occur after the agreement is signed, unlike PFA loans that allow reimbursement for work done prior to the grant/loan approval. The city also received \$2 million in federal direct appropriations from Emmer, which should remain available for the project duration.

The new timeline involves submitting plans and specs to PCA by end of March, achieving certification by end of June, and potentially bidding in February 2027 for construction that year. The delay aligns well since the joint wastewater plant won't be fully ready until next year anyway.

Elm Ave Preliminary Engineering Report:

City Engineer Sheila presented the preliminary engineering report for Elm Avenue infrastructure replacement, covering water main, street reconstruction, storm sewer, and lift station improvements from Second to Ninth Streets, plus some side streets and a block on Maple Avenue.

The total project cost is estimated at \$5.68 million, including \$3 million for street reconstruction, \$1.5 million for the lift station replacement, \$1 million for water main, and \$180,000 for storm sewer. The project includes 10% contingency and full engineering costs.

The project qualifies for both clean water revolving fund (for sanitary improvements) and drinking water revolving fund (for water and street improvements) financing through PFA, leaving only the \$180,000 storm sewer costs unfunded by these programs.

The next steps require a public hearing, which Sheila recommended for March 25th, followed by submission to PCA and Department of Health for inclusion on the Priority Funding Lists. The city would then have five years to proceed with construction once listed, with final timing dependent on funding availability and council priorities.

A motion was m/s/p. Duske/Kittock, to approve Resolution 2026-10 authorizing filing of the preliminary engineering report with PCA. Motion carried with roll call vote. Passed 4/0.

Buffalo Water Treatment Discussion

The council briefly discussed a request from Montrose Mayor Sam Solar regarding a potential agreement with Buffalo for water treatment services. Mayor Holmes agreed to contact Mayor

Solarz to set up an informal meeting. Council members suggested exploring options with Howard Lake first due to shorter distance and potentially lower costs.

Joint Wastewater Development Agreement Amendment

City Attorney Rhonda noted that a proposed amendment to the pre-development agreement was received at the recent Montrose meeting and should be placed on the March 10th agenda.

4. Maintenance Issues

Maintenance Supervisor Jason Karels reported on Maintenance activities.

Jason Karels reported that the Royalty Committee asked whether the Council would approve changing the Royalty 5K Run to a Color Run and moving the event date to March 30, 2026.

The Council approved the request to hold the Royalty 5K as a Color Run and to change the event date to March 30, 2026.

4.A. OSHA Workplace Safety Consultation 02/17/26

Maintenance Supervisor Jason Karels and City Administrator Carrie reported on the OSHA workplace safety consultation conducted on February 17th. The consultation identified several compliance issues, primarily electrical problems including daisy chaining, missing faceplates, and inadequate outlets in the shop, cold storage, and compost areas. The consultants estimated potential fines could exceed \$20,000 if OSHA conducted an actual inspection.

The city has 30 days to address the issues, though extensions are available if progress is being made. Major needs include hiring an electrician to install proper outlets to eliminate daisy chaining, replacing broken electrical covers, and general housekeeping improvements including maintaining required clearances around electrical panels.

Administrator Carrie emphasized the proactive nature of this consultation and plans to request Phase 2 reviews of well houses, septic systems, and parks to ensure full compliance.

4.B. MMUA Confined Space Training

City Administrator Carrie Krienke had approved this training at a cost of \$1,600, covering Jason and his staff for this required training that will need to be held every two years.

4.C. Tree Course Outline Training

Carrie strongly recommended this comprehensive three-tier training program costing approximately \$4,500 for all four public works staff members. The training covers proper tree trimming, brush cutting, and safety procedures. Given the city's extensive tree work and safety concerns about staff not consistently wearing proper PPE, this training was deemed essential.

The council expressed support for both training programs, recognizing the importance of proper safety procedures and compliance requirements.

Personal Protective Equipment (PPE) Updates:

The consultation revealed that much of the city's PPE is outdated and staff compliance with wearing required safety equipment is inconsistent. Plans include applying for grants that could cover 50% of replacement costs for items like chaps, hard hats, face shields, and hearing

protection. The consultant will assist with grant applications and provide lists of required equipment.

Employee Safety Postings

New requirements include installing employee boards at both the main building (by the time clock) and at the municipal liquor store for posting OSHA logs and safety information.

Safety Committee Formation:

Following the active shooter training conducted by Wright County on February 24th, Administrator Carrie proposed establishing a safety committee. The committee would include one council member, with Ben Duske volunteering with Jacob Koch as the alternate, plus city staff members representing different departments. The committee will develop emergency response plans and ensure proper safety protocols are followed.

5. Administrative Items

5.A. Caselle Kick-Off — May 2026

The new software implementation will begin with kickoff in May 2026, with the system going live in July. Caselle representatives will be on-site during both payroll and billing weeks to ensure smooth transition with hands-on staff support.

5.B. Trail Estimate — Expert

The council reviewed an \$80,000 estimate from Expert for trail repairs, significantly lower than a previous \$500,000 quote for complete trail replacement. However, since the amount exceeds \$25,000, if quotes are obtained, two are needed if possible. The challenge is that many contractors lack equipment for the narrow trail work.

City Attorney Rhonda confirmed that the city needs either two quotes or documentation that other companies cannot perform the work. The item was tabled pending additional quote attempts, with plans to contact Mueller for an apples-to-apples comparison and to have Tyler from the audit firm clarify requirements.

5.C. Liquor Store Manager - Application Update

The Municipal Liquor Store received four complete applications out of nine total submissions. A committee meeting is scheduled for March 4th to discuss candidates and interview processes, with final council interviews planned for late March.

5.D. Contributions/Donations

Following auditor confirmation that there are no statutory limits on city donations to nonprofits that benefit the community, the council addressed the Ambassadors' request for support with their new float trailer. The city has historically donated \$1,500-\$2,000 annually to the Ambassadors.

A motion was m/s/p. Duske/Koch to donate \$2,000 from the Winsted Fire Relief contributions to the Queen's Committee. All present voted in favor.

The Council also addressed the old trailer title, which needs to be transferred to facilitate storage arrangements for the new trailer. It was discussed that the trailer is in bad condition and is of no value.

A motion was m/s/p, Duske/Kittock, that the city sign over to the new potential buyer. All present voted in favor.

5.E. Shredding Company

City Administrator Carrie is obtaining quotes from Republic and other companies for quarterly document shredding services. The city has accumulated significant amounts of scanned documents requiring proper destruction, with plans for regular quarterly service once the backlog is addressed.

5.F. Nationwide Presentation for Employees - 3/11/26

Nationwide will present retirement plan options such as a 457 plan to city staff on March 11th, allowing employees to explore additional retirement savings opportunities through employee contributions.

5.G. Active Shooter Training by Wright County 02/24/26

City Hall staff participated in Active Shooter/Threat Training conducted by Josh Hinton of Wright County.

Lieutenant Hinton stated that he will return to review the City's safety plan once it has been established.

5.H. Advertisement for Seasonal Workers

The council approved hiring two seasonal workers for 2026: one capable of lawn mowing and general maintenance, and another for lighter duties such as weeding, painting crosswalks, cleaning park equipment, and facility maintenance. The younger worker position's age requirements will be determined after consulting with the city's insurance provider regarding equipment operation and transportation requirements.

A Motion was m/s/p, to hire two seasonal workers – one for lawn mowing and one for lighter maintenance tasks, with age requirements to be determined based on insurance coverage.

6. City Attorney Updates

6.A. Franchise Agreements

City Attorney Rhonda provided extensive information about franchise agreements for broadband companies, explaining that cities are statutorily required to have franchise agreements or extension permits for cable communication systems. Recent legal developments have established that broadband-only providers can be classified as cable communication systems subject to franchising requirements.

The benefits of franchise agreements include potential franchise fee revenue, quality of service requirements, customer service standards, and city-wide coverage mandates. However, franchise agreements must treat all similar providers equally, meaning any agreement with Kinetic would require similar agreements with Nuvera and potentially Comcast.

Since this represents relatively new legal territory for broadband-only services, and given the specialized nature of franchise law, Rhonda recommended hiring outside counsel experienced in franchise agreements to provide detailed consultation and potentially draft agreements if the council chooses to proceed.

The council requested that Rhonda arrange for a specialized attorney to present to the council, potentially at the March 10th meeting, to provide more detailed information before making decisions about franchise agreements.

6.B. Woodland Township Annexation Agreement

Rhonda reviewed the 2004 annexation agreement with Woodland Township, noting that it makes the city solely responsible for maintaining border roads with no specific notice requirements for costs. The agreement includes annual review provisions and requires mutual consent for modifications.

Mayor Holmes explained that informal modifications were discussed in 2014, including 50/50 cost sharing and advance notice for expenditures over \$2,000, plus designating 70th Street East as minimum maintenance. However, the township never responded to the proposed amendment language.

Given that the supervising township official who has served for 60 years is not seeking reelection, and considering that no development has occurred in the annexation area during the 22-year agreement period, the council agreed this is an appropriate time to revisit the agreement terms. The substantial road maintenance costs without corresponding development or tax base growth has created an unsustainable situation for the city.

Plans include scheduling a meeting with all supervisors and council members, along with attorneys for both parties, to negotiate updated terms that better reflect current circumstances.

6.C. Nuisance Ordinance Updates

Rhonda presented updates to the nuisance ordinance designed to streamline processes while maintaining due process protections. Key changes include eliminating the "substantial abatement" category and allowing multiple city officials to serve as code enforcers to avoid delays when specific individuals are unavailable.

The updated ordinance references specific code sections by number to avoid conflicts between different ordinances, and Rhonda continues working on updates to weed and noise provisions. The draft will be posted on the website Friday, with council action planned for March 10th.

7. City Planner Updates

7.A. Draft Subdivision Chapter 152

City Planner Robin presented comprehensive updates to the subdivision ordinance, including three new categories of land division processes:

Administrative Lot Combinations/Lot Line Adjustments - A streamlined process for simple lot combinations or boundary adjustments that don't create new lots, reviewable by city administration without planning commission or council review.

Minor Subdivisions - For simple lot splits meeting specific criteria (no new roads, utilities, or easements), requiring council but not planning commission approval, and no public hearing.

Standard Subdivisions - The traditional process for complex developments, with planning commission eliminated from final plat review when no substantive changes occur.

The ordinance also removes specific design standards from the code, instead referencing design manuals adoptable by resolution for easier updates. Park dedication language was strengthened to ensure quality land dedication with specific slope and soil requirements.

The planning commission supported eliminating their review of minor subdivisions and final plats when appropriate, recognizing these as primarily administrative functions.

Both the subdivision ordinance and nuisance ordinance updates will be posted online Friday, with council action scheduled for March 10th to accommodate the anticipated Spring Meadows development and other spring construction projects.

8. City Engineer Updates – Moved to 3.2 on the Agenda

8.A. Elm Ave Preliminary Engineering Report

9. Other Business

A scheduling conflict emerged regarding Community Education's request to use the baseball field for youth programs. Baseball/Softball Association representative Ben Duske expressed concerns about Adam Keoppe claiming permission to use the field 75% of requested time, potentially interfering with established youth baseball and softball schedules.

Duske emphasized that the association has invested significantly in the field over 12 years and should maintain first priority, suggesting that Community Education should primarily use the school field, which has water access and is more appropriate for their younger participants' scrimmage-style games.

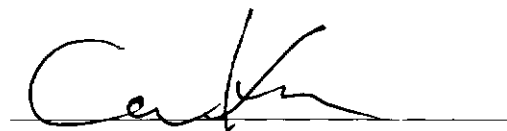
Administrator Carrie agreed to coordinate a meeting between all parties to establish a clear scheduling protocol, similar to arrangements with other communities, using shared Google calendar systems to avoid conflicts.

10. Adjournment

A motion was m/s/p, Kittock/Duske, approve to adjourn meeting at 7:15 p.m. All present voted in favor.



Mayor Connie Holmes



City Administrator/Clerk Carrie Krienke