

Waverly City Council
Special Session Meeting Minutes
 Wednesday, June 24, 2026 5:00 PM Central

Waverly City Offices
Council Chambers
 502 Atlantic Ave.
 PO Box 189
 Waverly, MN 55390

Ben Duske: Present
 Connie Holmes: Present
 Scott Jacobson: Present
 Jim Kittock: Present
 Jacob Koch: Present
 Present: 5 Absent: 0

1. Call to Order

The Waverly City Council Meeting was called to order at 5:00 p.m. by Mayor Holmes.

2. Roll Call

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

Staff Present: Maintenance Supervisor Jason Karels, Accountant Cierra Nagovsky, and City Administrator Carrie Krienke via Zoom.

Others Present: City Attorney Rhonda Pagel and City Engineer Sheila Khrose.

Absent: None

3. Agenda Approval

Two agenda amendments were noted by Mayor Holmes: approval of Waverly Daze events (already included on the agenda as distributed) and a discussion of parking in front of the fire barn, to be added under Other Business. Commissioner Duske suggested an amendment to move agenda item number 7 to right after agenda approval.

Motion was m/s/p, Duske/Kittock, to approve the agenda as presented with the item number 7 moving up to after agenda approval and a discussion about parking in front of the fire barn to be added under Other Business. All present voted in favor.

4. Approval for Waverly Daze Event July 9-12 2026

Motion was m/s/p, Duske/Kittock, to approve the events for Waverly Daze between July 9-12, 2026. All present voted in favor.

5. Orderly Annexation discussion

Mayor Holmes opened with background on the city's existing Orderly Annexation Agreement with Woodland Township, originally signed in 2004. The discussion was framed around the need to negotiate possible changes to the agreement before the city's scheduled meeting with Woodland Township supervisors on June 29, 2026 at City Hall at 7:00 PM.

The council's primary concerns centered on two areas: (1) the procedures for approving future annexations, and (2) the city's financial exposure for road maintenance under Sections 4(a)–(c) of the current agreement.

Spot Annexation and Minimum Size: The council discussed whether to allow spot (non-contiguous) annexation, and if so, whether to require a minimum parcel size. Members agreed that spot annexation offers important benefits — particularly the ability to annex parcels that wouldn't qualify under annexation by ordinance — but expressed concern about accumulating responsibility for numerous small, scattered parcels. Council members generally supported allowing spot annexation with a minimum size requirement, though no specific acreage threshold was established. It was noted that any annexation should also be consistent with the city's comprehensive plan and future land use map. The council agreed that future annexation requests should go before the Planning & Zoning Commission as part of the review process.

Road Maintenance Liability: The council identified the road maintenance language in Sections 4(b) and (c) as the most problematic element of the existing agreement. Under the current terms, the city assumes full or shared responsibility for township roads bordering annexed parcels, even in cases where the city has only a single resident along that road. Mayor Holmes noted the city had previously attempted — and failed — to renegotiate this provision to a proportional (50%) split. The council acknowledged it was unlikely to recoup responsibility for roads already committed under the 2004 agreement (such as Emerson Avenue and 70th Street), but agreed strongly that going forward, any new annexation should trigger a case-by-case negotiation with the township regarding road responsibilities, rather than applying blanket language. Factors to consider in such negotiations would include the percentage of road frontage bordering city property, expected property tax revenue, loss of tax base to the township, traffic impact, and whether road improvements would be required as part of development.

Attorney Pagel recommended that the revised agreement language replace Sections 4(b) and (c) with a provision requiring the city and township to enter into a separate road maintenance agreement at the time of each annexation, unless the city agrees to assume 100% responsibility. She also advised the council to consider developing an internal city policy — separate from the annexation agreement — that would set criteria for when annexations would be considered. A policy would be easier to amend unilaterally and would protect future councils from approving annexations without fully understanding the financial implications. The Council agreed a policy should be implemented and should be discussed at the next council meeting.

Billing Process for Existing Roads: The council also raised the issue of the township's practice of sending road maintenance invoices with little notice and no itemized breakdown. It was agreed that improved billing procedures — including advance notice, detailed quotes, and submission by August 1 for next year's budget planning purposes — should be part of the discussions with the township, framed around the city's audit requirements.

Fee Schedule in the Agreement: Attorney Pagel noted that the per-acre annexation fees paid by property owners to the township (set in 2004) are significantly outdated and could be offered as a negotiating concession in exchange for the road maintenance language changes.

Direction to Staff: Attorney Pagel was directed to prepare a revised draft of Sections 4(b) and (c) incorporating the case-by-case negotiation approach, including reference to relevant factors,

for distribution prior to the June 29 meeting. She will also prepare a draft city annexation policy for consideration at the council's next regular meeting.

6. Woodland Shores

Attorney Pagel provided an update on the long-running Woodland Shores matter. The underlying detachment had been completed previously, but the county could not combine the platted sliver parcels with the metes-and-bounds parcels. The county's solution was an administrative order declaring the parcels combined for planning and zoning purposes. Both affected property owners — Halderson and Bury — were directed to visit Wright County Planning & Zoning to sign the administrative order. Per direction at a previous meeting, the City has paid the feeds for the Administrative Orders.

The final step before the matter can be closed is transferring the Outlots to the respective property owner. Pagel has prepared the Quit Claim Deeds conveying Outlot A to Gary Halderson and Outlot C to Gary and Brenda Bury.

6.A. Resolution 2026-25 Quit Claim Deed

Motion was m/s/p, Duske/Jacobson, to approve Resolution 2026-25 Approving the Quit Claim Deeds to Halderson and Bury. Roll Call Vote Passed 5-0.

6.B. Quit Claim Deed – Halderson

Addressed under Resolution 2026-25 above.

6.C. Quit Claim Deed – Bury

Addressed under Resolution 2026-25 above.

7. Special Assessment Agreement - Ward Property

Note: This item was moved earlier on the agenda to accommodate the property owner's attendance.

Attorney Pagel presented the Special Assessment Agreement with property owner Dan Ward, whose building had previously been identified as a hazardous structure. Mr. Ward was cooperative and agreed to voluntarily demolish the building. The agreement required demolition and removal of the building no later than July 10, 2026, and restoration of the property to a level, seeded surface by July 17, 2026. Failure to complete the work would authorize the city to enter the property and complete it.

The assessment amount is \$15,000 — representing only the portion Mr. Ward requested the city finance — plus a \$50 certification fee, at 5% interest over a two-year term. Mr. Ward was present and had no additional comments beyond expressing appreciation for the council's cooperation. He was advised to have the agreement notarized and return the signed copy to City Hall.

Mr. Ward also briefly inquired about the process for a future townhome development on the site. Staff directed him to the city's website for zoning and setback information and noted that rezoning would be required, which would involve a public hearing through Planning & Zoning.

7.A. Resolution 2026-26 Approving Special Assessment

Motion was m/s/p, Kittock/Duske, to approve Resolution 2026-26 Approving Special Assessment for 303 3rd Street North. Roll Call Vote Passed 4-0.

7.B. Resolution 2026-27 Approving Assessment

Motion was m/s/p, Kittock/Duske, to approve Resolution 2026-27 Certifying Special Assessment for 303 3rd Street North. Roll Call Vote Passed 4-0.

8. Attorney Update

No specific attorney update items were noted beyond the matters addressed earlier on the agenda.

9. City Planner Update

9.A. Public Hearing Update Rescinding Chapter 151 & Amending Chapter 153

The Planning Commission held a public hearing on the proposed rescission of Chapter 151 and amendment of Chapter 153 of the zoning code was reported on June 18th 2026 and there was not attendance by the public.

9.B. Swimming Pool/Zoning Code Amendments

The amendments addressed primarily swimming pool regulations, along with setbacks in the B1 (downtown commercial) district and right-of-way fees for lineal impacts. It was noted that the B1 setback changes are particularly significant as they are needed to facilitate any future downtown building development.

9.C. Resolution 2026-28 Rescinding Chapter 151 & Amending Chapter 153

Motion was m/s/p, Kittock/Jacobson, to approve Resolution 2026-28 Rescinding Chapter 151 and Amending Chapter 153 as noted. Roll Call Vote Passed 5-0.

9.D. Resolution 2026-29 Approving Summary for Publication

The Council reviewed the summary that was in the packet.

Motion was m/s/p, Kittock/Jacobson, to approve Resolution 2026-29 Approving Summary for Publication. Roll Call Vote Passed 5-0.

9.E. Summary for Publication

Addressed under Resolution 2026-29 above.

10. Maintenance Issues

Maintenance Supervisor Jason Karels provided an update on recent activity. Pickleball court signs were recently installed. Staff member Colton has been conducting pre-Waverly Daze painting and touch-up work, including lift station control panels. Fire hydrant painting is planned for the following week to match the recently painted hydrants along Highway 12. A street sweeper is scheduled for the week of July 6 to prepare for Waverly Daze. Three portable restroom units are being added at the park location as a precautionary measure in addition to the permanent bathrooms.

Karels noted the first act of vandalism had occurred at the new restroom facility — seat covers were stuffed into the toilets and flushed. A brief question was raised about vehicles occasionally parking near the lift station at Railroad Park. Jason indicated it was a known, temporary situation and he would speak to the individual directly.

11. Administrative Items

11.A. Resolution 2026-30 Close Petty Cash Account at Harvest Bank

The petty cash account at Harvest Bank had maintained a balance of \$134.70 with no activity for an extended period and was recommended for closure.

Motion was m/s/p, Kittock/Jacobson, to approve Resolution 2026-30 Close Petty Cash Account at Harvest Bank. Roll Call Vote Passed 5-0.

11.B. Resolution 2026-31 Changing employee access to accounts at Harvest Bank

With the retirement of Wanda Tussing and the hiring of the new liquor store manager, changes are needed with the City's bank accounts. The proposed resolution updated authorized employee access to city accounts at Harvest Bank, including granting limited access to Deborah McAlpine for the Waverly Municipal Liquor Store accounts.

Motion was m/s/p, Jacobson/Duske, to approve Resolution 2026-31 Changing Employee Access to Accounts at Harvest Bank. Roll Call Vote Passed 5-0.

11.C. Rental Dwelling Update from 6/9

Two rental property owners had appeared at the June 9, 2026 meeting requesting waiver of fines assessed for failure to complete rental license applications and inspections by the April 15, 2026 deadline. Staff noted that notices were mailed February 19, 2026 and March 18, 2026 clearly stating the April 15, 2026 deadline.

Jodi Kust Properties: Mr. Kust holds three rental properties. Two received \$500 fines each for late compliance. On the first property (602 Frankfort Alcove), the application was submitted April 20 and the inspection was not completed until June 1. On the second property (306 5th Street North), the application was submitted April 21, the inspection was conducted April 30 but failed, and a subsequent dispute arose when the initial inspector verbally told Mr. Kust the property had passed when it had not. The MetroWest owner overrode the inspection, citing foundation issues and missing window screens. The council recognized the confusion on the reinspection but noted the original fine predated that issue and was due to lateness. The council agreed the fines should stand, but directed that no additional fines be assessed on 306 5th Street as long as Mr. Kust remains in contact with the city and is actively working toward completion, given the scale of the foundation repair required.

Motion was m/s/p, Jacobson/Duske, to uphold the fines assessed to Jodi Kust, with the provision that no further fines be assessed on 306 5th Street provided the property owner remains in compliance and active contact with staff regarding the ongoing foundation repairs. All present voted in favor.

CCK Properties (302 2nd Street North): This property owner submitted the rental application on April 14 (on time) but was informed on that date that an inspection was also required by April 15. The inspection was completed April 6 (failed) and passed on

reinspection April 22. The property owner had previously been told by prior staff that rentals to family members did not require inspection. Staff confirmed this was never codified. The council noted that regardless of the prior miscommunication, the inspection was not completed on time, and consistent enforcement required upholding the fine.

Motion was m/s/p, Koch/Duske, to uphold the fine assessed to CCK Properties at 302 2nd Street North. The motion carried 4-0, with Kittock abstaining due to a conflict of interest.

The council also discussed, at Attorney Pagel's suggestion, whether special assessment agreements (similar to the Ward agreement) could be used to assist rental property owners with costly required repairs. The council indicated this would not generally be appropriate for rental property owners, as rental income should allow them to self-finance repairs, but left open the possibility of bringing exceptional cases back to the council for consideration on an individual basis. Attorney Pagel also recommended that MetroWest be asked to maintain a complete log of all contact with property owners for scheduling and documentation purposes.

11.D. Kennel License

A resident with three licensed dogs requested a kennel license after a disgruntled neighbor made threats. Staff noted the city's kennel ordinance references a State Board of Animal Health license, which Attorney Pagel confirmed is only required for commercial pound-type facilities.

Attorney Pagel proposed a long-term solution: amending the zoning ordinance to establish an "interim use" permit category for hobby kennels (three or more dogs kept for personal use) and commercial kennels (breeding or training for profit), modeled after a similar approach used in Maple Lake. This would require a public hearing, set conditions (no excessive barking, no running at large, sanitary maintenance), and provide a mechanism for revocation if violations occur. An amendment to the zoning ordinance to add this as a permitted interim use in residential districts would be required.

The council expressed support for moving the amendment forward promptly rather than treating it as routine housekeeping. In the interim, staff was directed to inform the applicant that enforcement would be held in abeyance while the amendment is being prepared. Attorney Pagel indicated she would coordinate with City Planner Robin Cauffman to advance the amendment.

11.E. Approval for Park Board Member - Mary Jo Akervik

Mary Jo Akervik was recommended for appointment to the Parks Board at the previous night's Parks Commission meeting.

Motion was m/s/p, Jacobson/Holmes, to approve the appointment of Mary Jo Akervik to the Parks Commission. All present voted in favor.

11.F. Water Usage

Staff reported the discovery of three lake-area water accounts that had never been entered into the billing system and therefore had never been billed for water usage. The accounts — 1003 North Shore and 1005 North Shore (seasonal properties owned by Barbara Hardie) connected in approximately 2020 and 517 North Shore (full-time residence of Carolyn Willi) connected

in approximately 2021 — were identified during the city's transition to a new billing software platform. Total unbilled water usage amounted to approximately \$3,595 for the Hardie accounts and \$14,386 for the Willi account.

The council discussed the circumstances at length. It was determined that the billing omission was entirely the result of a city administrative error — the meters were never activated in the billing system. The property owners had been receiving bills for sewer and garbage, but the water line had never appeared. As this was an entirely new service for all three properties (previously on wells), the council found it unreasonable to expect the property owners to have identified the error. The council agreed unanimously to waive all retroactive water usage charges and to bill only on a going-forward basis once the meters were properly entered into the new system. Staff was also directed to contact the property owner at 517 North Shore to confirm whether a separate irrigation meter exists, and to inform her of the increase in her monthly bill going forward especially if she were to irrigate extensively.

Motion was m/s/p, Duske/Jacobson, to waive all prior unpaid water usage charges for the three unbilled accounts at 1003 North Shore Drive, 1005 North Shore Drive, and 517 North Shore Drive and to bill on any future bills on actual metered usage. All present voted in favor.

12. Other Business

The council discussed an observed incident in which a large group of motorcycles — estimated at approximately 100 vehicles — was parked in front of and blocking the fire station during a group ride stop at the neighboring Uptown bar. The council agreed this presented a serious public safety hazard, as fire department personnel and apparatus would have been completely unable to exit in the event of an emergency call. The council directed staff to send a formal reminder to the adjacent business making clear that parking in front of the fire station is prohibited, and that future violations would be reported to the Sheriff's Office for ticketing. Council members also discussed the importance of calling in such situations when observed, rather than waiting.

13. Adjournment

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



Mayor Connie Holmes



City Administrator/Clerk Carrie Krienke

