

# WACONIA CITY COUNCIL MEETING AGENDA



Monday, January 6, 2025  
6:00 PM

## VISION STATEMENT

A thriving, connected community with deep roots: a great place to live for a lifetime.

## MISSION STATEMENT

A city that leads, serves, and governs to enhance the quality of life for all community members.

MAYOR: TIM LITFIN  
COUNCIL MEMBER: JEFF GRENGS  
COUNCIL MEMBER: NICK GLEASON  
COUNCIL MEMBER: JACOB COLEMAN  
COUNCIL MEMBER: DEREK SIDDONS

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**NOTE: TO ENSURE THAT YOU ARE PRESENT FOR ITEMS OF INTEREST, PLEASE BE PRESENT AT 6:00 P.M.**

Those with items on the agenda should reach out to their staff contact. Others who wish to participate in the meeting, please contact the City Administrator at 952-442-3100 or [sfineran@waconia.org](mailto:sfineran@waconia.org) to make certain that you are called upon during the meeting.

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

**2. PLEDGE OF ALLEGIANCE**

**3. OATH OF OFFICE**

- Oath of office for Mayor Tim Litfin and Council Members Jacob Coleman and Derek Siddons

**4. ADOPT AGENDA**

**5. VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE**

- Mark Anderson- Waconia Polar Plunge Event

**6. ADOPT CONSENT AGENDA**

*The items listed on the Consent Agenda are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember, City Staff, or Citizen so requests; in which case, the item will be removed from the Consent Agenda and considered at the end of the Regular Agenda.*

- 1) [Approve City Council Minutes December 16, 2024](#)  
Motion to approve the December 16, 2024 Council Minutes
- 2) [Approve January 6, 2025 Expenditures](#)  
Motion to Approve Payment of January 6, 2025 Expenditures
- 3) [Contractor Pay Request #6 - Waconia Downtown Reconstruction - Phase 2](#)  
Motion to approve Pay Estimate No. 6 to W.M. Mueller & Sons, Inc. for the Waconia Downtown

- Reconstruction - Phase 2 Project.
- 4) [Approve Kraus-Anderson Construction Pay Request #27 for the New Fire Station](#)  
Motion to Approve Kraus-Anderson Construction Pay Request #27 for the New Fire Station Project
  - 5) [Contractor Pay Request #2 - Water Treatment Facility Piping Modifications](#)  
Motion to approve Pay Estimate No. 2 to Municipal Builders, Inc. for the Water Treatment Facility Piping Modifications
  - 6) [Appointment of Acting Mayor](#)  
Adopt Resolution No. 2025-001 Appointing Acting Mayor
  - 7) [Appointment of Council Representatives to Advisory Boards](#)  
Adopt Resolution No. 2025-002 Appointing Council Representatives to Advisory Boards
  - 8) [Council Liaison Appointments](#)  
Adopt Resolution No. 2025-003 Appointing Council Liaison Appointments
  - 9) [Council Committee Appointments](#)  
Adopt Resolution No. 2025-004 Approving Council Committee Appointments
  - 10) [Appointment of Bond Counsel](#)  
Adopt Resolution No. 2025-005 Appointing Bond Counsel
  - 11) [Appointment of City Attorney](#)  
Adopt Resolution No. 2025-006 Appointing City Attorney
  - 12) [Designation of Official Newspaper](#)  
Adopt Resolution No. 2025-07 Designating Official Newspaper
  - 13) [Appointment of Consulting Engineer](#)  
Adopt Resolution No. 2025-008 Appointing Consulting Engineer
  - 14) [Designate Official Depositories](#)  
Adopt Resolution No. 2025-009 Designating Official Depositories
  - 15) [Approve Delegation of Business Administrator - Electronic Funds Transfers](#)  
Adopt Resolution No. 2025-010 Approving Designated Business Administrator for Electronic Funds Transfers
  - 16) [Accepting Donation and Approving Pass Thru Recommendation - Waconia Fire Relief Association](#)  
Adopt Resolution No. 2025-011 Accepting Donation and Approving Pass Thru Recommendation from Waconia Fire Relief Association.
  - 17) [Donation Acceptance - Cash Donation for Parks Department - Pickleball Courts](#)  
Adopt Resolution No. 2025-012 Accepting Cash Donation for Parks Department - Pickleball Courts
  - 18) [Authorize Purchase of Mobile Vehicle Lifts, CIP Project #784](#)  
Adopt Resolution 2025- 013 Approving the Purchase of Mobile Vehicle Lifts, CIP Project #784
  - 19) [Authorize Execution of Large Printer Lease](#)  
Adopt Resolution No. 2025-014 Approving Lease of Large Format Printer with Marco
  - 20) [2024 Pay Equity Report](#)  
Adopt Resolution No. 2025-015 Approving 2024 Pay Equity Report
  - 21) [Approving Investment Portfolio Diversification Due to Unspent Bond Proceeds - Fiscal Year End 2024](#)  
Adopt Resolution No. 2025-016 Approving Investment Portfolio Diversification Due to Unspent Bond Proceeds - Fiscal Year End 2024
  - 22) [Olive and Second Development Agreement with Olive & Second Holding, LLC](#)  
Adopt Resolution No. 2025-017 Approving the Olive and Second Development Agreement with Olive & Second, LLC  
Adopt Resolution No. 2025-018 Consenting to Assignment of Tax Increment Revenue Note
  - 23) [Application for Exempt Permit for Carver County Pheasants Forever](#)  
Adopt Resolution No. 2025-019 Approving Application for Exempt Permit for Carver County Pheasants Forever

## 7. COUNCIL BUSINESS

- 1) [Approve Purchase of Playground Equipment for Windmill Creek Park](#)  
Adopt Resolution No. 2025-020 Approving the purchase of Playground Equipment for Windmill Creek Park, CIP Project #290

**8. ITEMS REMOVED FROM CONSENT AGENDA**

**9. STAFF REPORTS**

**10. BOARD REPORTS**

- 1) Councilmember Coleman
- 2) Councilmember Gleason
- 3) Councilmember Grengs
- 4) Councilmember Siddons
- 5) Mayor Litfin

**11. ANNOUNCEMENTS**

**12. ADJOURN REGULAR MEETING .....OFFICE OF THE CITY ADMINISTRATOR**

**Shane Fineran**

**Work Session:** Review Water Supply Plan & Water Modeling Report

**UPCOMING CALENDAR OF EVENTS/MEETINGS:**

- Planning Commission - January 9th at 6:30 p.m.
- City Council Training Session - January 13th at 6:00 p.m.
- Park Board - January 16th at 6:30 p.m.
- City Council - January 21st at 6:00 p.m.



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Approve City Council Minutes December 16, 2024
<b>Originating Department:</b>	Administration
<b>Presented by:</b>	Sue Schwalbe

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	X	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** (Include motion in proper format.)

Motion to approve the December 16, 2024 Council Minutes

**EXPLANATION OF AGENDA ITEM** (Include a description of background, benefits, and recommendations.)

Approve City Council Minutes of December 16, 2024.

**Attachments:**

1. [Council Minutes December 16, 2024](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>
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Budget Information: <input type="checkbox"/> Budgeted <input type="checkbox"/> Non Budgeted <input type="checkbox"/> Amendment Required	Planning Commission	
	Parks and Recreation Board	
	Safari Island Advisory Board	
	Other	

**CITY OF WACONIA  
DECEMBER 16, 2024**

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

Council Members Present: Jacob Coleman, Jeff Grengs, Nick Gleason, Randy Sorensen and Mayor Nicole Waldron

Staff Presents: Shane Fineran, Jackie Schulze, Nicole Meyer, Justin Sorensen, Lane Braaten, Jon Haukaas, Mike Dressel, Nevin Waldron, City Attorney Mike Melchert, and City Engineer Jake Saulsbury.

2) **PLEDGE OF ALLEGIANCE**

3) **ADOPT AGENDA**

Motion by Sorensen, second by Coleman to Adopt the Agenda as Published.  
MOTION CARRIED

4) **PUBLIC HEARING**

4.1 **PUBLIC HEARING: 2025 Fee Schedule Ordinance Amendment**

[Cover Page](#)

[Ordinance No. 777 Amending Chapter 1100 Related to Permits, Licenses and Fees](#)

[Resolution No. 2024-290 Summary Publication of Ordinance No. 777](#)

[City of Waconia\\_Fee Book\\_Ordinance 1100\\_Approval 12.16.24.pdf](#)

Nicole Meyer, Finance Director, stated that under Minnesota law, the City is required to hold a public hearing before a zoning ordinance is amended. Chapter 1100 of the City's Code contains zoning and land use fees charged by the City. Changes to these types of fees require a public hearing. Tonight's public hearing is for the entire fee schedule to avoid inadvertently violating this requirement for land use/zoning fee changes. The fee schedule changes include fees changed that are incorporated in the 2025 budget. (Included are Safari Island membership fees, daily fees at the Ice Arena, some user fees for utility bill and some license/permit fees.)

Motion by Grengs second by Sorensen to open the Public Hearing for the 2025 Fee Schedule Ordinance Amendment.

MOTION CARRIED.

No comments from the public.

Motion by Sorensen second by Grengs to close the Public Hearing for the 2025 Fee Schedule Ordinance Amendment.  
MOTION CARRIED

Motion by Gleason second by Grengs to Adopt Ordinance No. 777 Amending Chapter 1100 of the City Code Related to Permits, Licenses, and Fees and to Adopt Resolution No. 2024-290 Summary Publication of Ordinance No. 777  
MOTION CARRIED

5) [VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE](#)

NONE

6) [ADOPT CONSENT AGENDA](#)

6.1 Approve City Council Minutes December 2, 2024

[Cover Page](#)

[City Council Minutes December 2, 2024](#)

6.2 Approve December 16, 2024 Expenditures

[Cover Page](#)

[Expenditures Regular 12-16-2024](#)

[Expenditures Electronic 12-16-2024](#)

[Expenditures Purchasing Card 12-16-2024](#)

6.3 Approve Rink Management Services Corporation Waconia Ice Arena Expenditures Incurred November 2024

[Cover Page](#)

[Waconia Ice Bills & Applied Payments 11-2024](#)

6.4 Approve Rink Management Services Corporation Safari Island Community Center Expenditures Incurred November 2024

[Cover Page](#)

[Safari Island - Bills & Applied Payments Nov 24.pdf](#)

6.5 Approve Lodging Tax Fund Request - Waconia CVB

[Cover Page](#)

[Lodging Tax Request12-11-2024](#)

6.6 Contractor Pay Request #1-Final - Storm Sewer Structure Repair

[Cover Page](#)

[Storm Sewer Rehabilitation Pay Request #1 Final](#)

6.7 Contractor Pay Request #3-Final - 2024 Infrastructure Improvements

[Cover Page](#)

[2024 Infrastructure Improvements Pay Request #3 - Final - Valley Paving](#)

6.8 Contractor Pay Request #1 - Water Treatment Facility Piping Modifications

[Cover Page](#)

[Water Treatment Facility Piping Modification Pay Request #1 with Municipal Builders](#)

6.9 Board and Commission Appointments

[Cover Page](#)

[Resolution No. 2024-257 Approving Planning Commission & Park Board Appointments](#)

6.10 Assistant Public Services Director Hire

[Cover Page](#)

[Resolution No. 2024-258 Authorizing Assistant Public Services Director Hire](#)

6.11 Authorize Hire for Street Maintenance Worker

[Cover Page](#)

[Resolution No. 2024-259 Authorizing Hire of Street Maintenance Worker](#)

6.12 Resignation of Assistant Planner and Recruitment Authorization

[Cover Page](#)

[Resolution No. 2024-260 Accepting Voluntary Resignation of Assistant Planner & Recruitment Authorization](#)

- 6.13 Reclassification of Administration Specialist: Human Resources & Communications to Human Resources & Communications Coordinator Position and Authorize Recruitment for Customer Support Specialist

[Cover Page](#)

[Resolution No. 2024-261 Approving Appointment of Human Resources/Communications Coordinator Position and Authorization to Recruit for Customer Support Specialist Position](#)

- 6.14 Authorize Staff to Solicit Pricing for 2025 Capital Projects and Equipment Acquisitions

[Cover Page](#)

[Resolution No. 2024-262 Authorizing Staff to Obtain Pricing for 2025 Capital Projects and Equipment Acquisitions](#)

- 6.15 Accept Proposal for Geotechnical Exploration for the Design of the Trunk Highway 5 Phase 2 Improvements

[Cover Page](#)

[Resolution No. 2024-263 Authorizing Acceptance of Proposal for Geotechnical Exploration in Support of the Design of Trunk Highway 5 Phase 2 Corridor Improvements](#)

[Highway 5 Phase 2 Improvements Proposal](#)

- 6.16 Approve additional upfit items for new Aerial Bucket Truck.

[Cover Page](#)

[Resolution No. 2024-264 Authorizing Addition Upfit for Aerial Buck Truck](#)

[Equipment Quote Upfit Aerial Lift Truck with ABM Equipment](#)

- 6.17 Authorizing Approval of Sale or Disposal of Surplus Equipment

[Cover Page](#)

[Resolution No. 2024-265 Approving Surplus Equipment and Sale](#)

- 6.18 Joint Assessment Contract with Carver County

Cover Page

Resolution No. 2024-266 Authorizing 2025 Joint Assessment Contract

Service Agreement for 2025 Joint Assessment Agreement with Carver County Assessor

6.19 Firefighter to Active Status

Cover Page

Resolution No. 2024-268 Approving Active Firefighter Status

6.20 Addition of Oppenheimer & Company, Inc. as Official Depositories

Cover Page

Resolution No. 2024-269 Approving Oppenheimer & Company Inc as an Official Depository

6.21 Updated Employee Reference Manual

Cover Page

Resolution No. 2024-270 Approving Updated Employee Handbook

Employee Handbook 2025

6.22 Accepting Waterford 6th & 7th Addition Development Municipal Improvements

Cover Page

Resolution No. 2024-271 Accepting Waterford 6th & 7th Addition Development Municipal Improvements

6.23 Approving Liquor License Applications Renewals

Cover Page

Resolution No. 2024-272 Approving Liquor License Applications

Liquor License List 02-01-2025 Thru 02-31-2026

6.24 Approve Tobacco License Applications

Cover Page

[Resolution No. 2024-273 Approving Tobacco License Applications](#)

[2025 Tobacco License List](#)

- 6.25 [Application for an Exempt Permit from the Ridgeview Foundation to Conduct a Raffle on March 3, 2025](#)

[Cover Page](#)

[Resolution No. 2024-274 Approving Application for Exempt Permit for Ridgeview Foundation to Conduct a Raffle](#)

- 6.26 [Application for an Exempt Permit from the Church of St. Joseph to Conduct a Raffle on February 1, 2025 and on March 21, 2025, Bingo and a Raffle.](#)

[Cover Page](#)

[Resolution No. 2024-275 Approving Exempt Permit for St. Josephs Church Raffle](#)

[Resolution No. 2024-276 Approving Exempt Permit for St. Josephs Church for Bingo and Raffle](#)

- 6.27 [Approve Temporary On-Sale Liquor Licenses for the Church of St Joseph for February 2, 2025 and March 21, 2025.](#)

[Cover Page](#)

[Resolution No. 2024-277 Approving Temporary On-Sale Liquor License Event on February 1, 2025](#)

[Resolution No. 2024-278 Approving Temporary On-Sale Liquor License on March 21, 2025](#)

- 6.28 [Approve a Special Event Permit - Polar Plunge](#)

[Cover Page](#)

[Resolution No. 2024-279 Approving Special Event Permit and Temporary Noise Permit](#)

[Special Event Permit Application](#)

[Polar Plunge Site Diagram](#)

[Warning Lights Closure Layout](#)

6.29 Use of Ice Arena Municipal Lot for Hockey Fights Cancer Event

[Cover Page](#)

[Resolution No. 2024-280 Approving Use of Ice Arena Parking Lot for Benefit](#)

[Ice Arena Food Truck Location Map](#)

Motion by Coleman second by Sorensen to Adopt the Consent Agenda as Published.  
MOTION CARRIED

7) COUNCIL BUSINESS

7.1 New Firefighter Oath and Badge Pinning

[Cover Page](#)

Fire Chief Justin Sorensen introduced Mike Mawdsley and Erik Olson as having both moved from probationary to active status in 2024. Mayor Waldron swore in the new firefighters and Badges were pinned on by family members.

7.2 Approving Final Tax Levy Collectible in 2025

[Cover Page](#)

[Resolution No. 2024-281 Approving the Final Tax Levy Collectible in 2025](#)

[Financial Model Updated 12-11-2024](#)

Nicole Meyer, Finance Director, provided a short presentation and stated the Council has conducted numerous budget work sessions and held a public information meeting on December 2, 2024, to discuss the 2025 levy as part of the budgeting process. With the final proposed levy, the City's tax rate will increase from 44.778% to approximately 47.622%. The total final tax levy collectable in 2025 is \$13,012,694.

Motion by Grengs second Gleason by to Adopt Resolution No. 2024-281 Approving the Final Tax Levy Collectible in 2025  
MOTION CARRIED.

7.3 Adopting the 2025 Final Budget

[Cover Page](#)

[Resolution No. 2024-282 Adopting 2025 Budget for all General, Enterprise, Special Revenue, Capital Project, and Debt Service Funds](#)

[2025 All Funds Budget Summary Report Updated 12-11-2024](#)

Motion by Gleason second by Grengs to Adopt Resolution No. 2024-282 Adopting the 2025 Budget for all General, Enterprise, Special Revenue, Capital Project, and Debt Service Funds.

MOTION CARRIED

#### 7.4 Site Plan & Design Review - Tractor Supply Co. - 880 Marketplace Drive

Cover Page

Resolution No. 2024-283 Approving Site Plan & Design Review at 870, 880, and 910 Marketplace Drive

Location Map

Applicant Statement

ALTA Survey

Site Plan

Exterior Elevations

Photometric Plan

Dimension Floor Plan

Exhibit I Detail Sheet

Sign Details

Propane Tank

Civil & Landscape Set

Lane Braaten, Community Development Director stated that the City has received an application for Site Plan & Design Review to construction a 21,390 square foot Tractor Supply Company building at 870, 880, and 910 Marketplace Drive and will be referred to as 880 Marketplace Drive. This property is zoned B-1 Highway Business District and rural retail is a permitted use with special restrictions.

Motion by Sorensen second by Coleman to Adopt Resolution No. 2024-283 Approving the Site Plan & Design Review application for the proposed Tractor Supply Company building at 880 Marketplace Drive

MOTION CARRIED

#### 7.5 Falk-Saltire/Holbrook Environmental Assessment Worksheet (EAW)

[Cover Page](#)

[Resolution No. 2024-284 Negative Declaration for EIS Waconia Falk Saltire Site](#)

[EAW Finds of Fact Falk-Saltire Site](#)

[EAW Findings Of Fact Attachments](#)

Lane Braaten, Community Development Director stated that Minnesota Rules 4410 dictate the authority, scope, purpose and objective related to all projects for which an environmental review is necessary. Based on the review of the Holbrook preliminary plat information, and a review of Minnesota Rules 4410, the applicant has submitted the required Environmental Assessment Worksheet for review and consideration. Staff and the applicant has provided the necessary draft to the required entities and noticed the Environmental Assessment Worksheet in the newspaper and on the City website.

The 30-day public review period for the Waconia Falk-Saltire Environment Assessment Worksheet began on October 22nd and was closed on November 22<sup>nd</sup>. All comments are included in the Council packet.

Motion by Grengs second by Coleman to Adopt Resolution No. 2024-284 Negative Declaration for EIS Waconia Falk Saltire Site.

**MOTION CARRIED**

7.6 [Approve Holbrook Preliminary Plat, PUD Zoning Request & Comprehensive Plan Amendment - 9550 Little Avenue, 9780 Little Avenue and 10080 Little Avenue](#)

[Cover Page](#)

[Resolution No. 2024-285 Approving Holbrook Preliminary Plat and Planned Unit Development](#)

[Resolution No. 2024-286 Approving Comprehensive Plan Amendment Authorizing Submittal to the Metropolitan Council](#)

[Project Location Map](#)

[Narrative Holbrook Preliminary Plat](#)

[Site Plan](#)

[Holbrook Preliminary Plan Set](#)

[Shoreland PUD Density Information Sheet](#)

[Park Dedication Map](#)

[Phasing Plan](#)

[TIA Summary Falk Saltire](#)

[ISD #110 Comments](#)

[Public Hearing Comments](#)

Lane Braaten, Community Development Director, stated that the City has received a Preliminary Plat application titled Holbrook which proposes to plat the subject properties (9550 Little Avenue, 9780 Little Avenue and 10080 Little Avenue) into 339 single-family home parcels and five outlots retained by the underlying property owner. Also, the City received an application to zone the properties Planned Unit Development District to allow reduced lot sizes, reduced setbacks and increased impervious surface allowances. The City received a Comprehensive Plan Amendment to allow the southerly 35 acres of 10080 Little Avenue be guided for single-family residential development within the 2020-2030 staging plan.

Council Member Grengs requested staff to provide a Construction Access Plan for this development.

Motion by Coleman second by Gleason to Adopt Resolution No. 2024-285 Approving Holbrook Preliminary Plat and Planned Unit Development.

MOTION CARRIED

Motion by Coleman second by Grengs to Adopt Resolution No. 2024-286 Approving Comprehensive Plan Amendment Authorizing Submittal to the Metropolitan Council.

MOTION CARRIED

[7.7 Amendment of Chapter 515. Cannabis and Amendment to Chapter 900. Zoning Ordinance and Chapter 1100. Fee Schedule](#)

[Cover Page](#)

[Ordinance No. 778 Amending Chapter 515 Cannabis](#)

[Resolution No. 2024-287 Summary Publication of Ordinance No. 778](#)

[Ordinance No. 779 Amending Chapter 900 Zoning](#)

[Resolution No. 2024-288 Summary Publication of Ordinance No. 779](#)

Lane Braaten, Community Development Director, stated that in 2023 the Minnesota Legislature passed a comprehensive bill to legalize adult use cannabis. Since then, the Office of Cannabis Management (OCM) has created an implementation team with

permanent OCM staff and state agency experts who are standing up the new state office and development the operational and regulatory systems for the new cannabis industry. The Planning Commission conducted a work session to discuss the options related to what the City's zoning code may or may not allow and gave direction to City staff related to the concerns and options available. City staff and the City Attorney took those comments and collaborated in drafting the first draft of the City Code language. The City will verify the zoning and registration before the state issue the license.

Buffer distances were also discussed stating that a 1000 foot buffer from a school, 500 foot buffer from a day care, 500 foot buffer from a residential treatment facility and a 500 foot buffer from a public park attraction. All the buffers are the maximum.

Motion by Gleason second by Coleman to Adopt Ordinance No. 778 Amending Chapter 515/Cannabis  
MOTION CARRIED

Motion by Gleason second by Sorensen to Adopt Resolution No. 2024-287 Summary Publication.  
MOTION CARRIED

Motion by Grengs second by Coelman to Adopt Ordinance No. 779 Amending Chapter 900 Zoning as amended.  
MOTION CARRIED

Motion by Coleman second by Grengs to Adopt Resolution No. 2024-288 Summary Publication as amended.  
MOTION CARRIED.

## 7.8 [Receive Feasibility Report and Call Hearing for the 2025 Downtown Phase 3 Improvement Project](#)

[Cover Page](#)

[Resolution No. 2024-289 Receiving Feasibility Report & Calling for Public Hearing on Improvement](#)

[Downtown Reconstruction Feasibility Study Phase 3](#)

Jake Saulsbury, City Engineer stated that on May 20, 2024, the Council authorized the preparation of the Design and Feasibility Report for the 2025 Improvement Project. The Feasibility Report has been submitted noting the design layouts and costs associated for the Project.

First Street West from Maple Street o Olive Street  
Olive Street South from First Street to Second Street  
Second Street West Form City Hall to Elm Street.

Motion by Grengs second by Coleman to Adopt Resolution No. 2024-289 Receiving the Feasibility Report and Call for the Public Hearing on Improvements.  
MOTION CARRIED

8) ITEMS REMOVED FROM CONSENT AGENDA

NONE

8) STAFF REPORTS

NONE

9) BOARD REPORTS

Council Member Sorensen: Nothing to report.  
Council Member Coleman: Nothing to report.  
Council Member Grengs: Nothing to report.  
Council Member Gleason: Nothing to report.  
Mayor Waldron: Nothing to report.

10) ANNOUNCEMENTS

Mayor Waldron thanked the City of Waconia for six great years serving on this Council and saying thank you to the residents of Waconia putting their trust in her to do her job.

Council Member Sorensen stated the last four years passed very quickly and enjoyed the pleasure of serving with the current Council. Also, wishes the best to the new Council.

City Administrator Shane Fineran thanked Mayor Waldron and Council Member Sorensen for this service to the City of Waconia and presented them both with a plaque.

11) ADJOURN REGULAR MEETING\*The City Council and staff will convene immediately following the adjournment of the meeting at Garage Bar & Bowl, 16 1st St W, for a social event. Members of the public are welcome to attend.\*

Motion by Sorensen second by Waldron to adjourn the December 16, 2024 City Council Meeting at 8:00 p.m.  
MOTION CARRIED

\_\_\_\_\_  
Timothy A. Litfin, Mayor

ATTEST: \_\_\_\_\_

Sue Schwalbe, Office Specialist



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025			
<b>Item Name:</b>		Approve January 6, 2025 Expenditures			
<b>Originating Department:</b>		Finance			
<b>Presented by:</b>		Nicole Meyer			
<b>Previous Council Action</b> (if any):					
<b>Item Type (X only one):</b>		Consent	X	Regular Session	Discussion Session
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>					
Motion to Approve Payment of January 6, 2025 Expenditures					
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>					
Attached is the claim and disbursements register for the City of Waconia as of January 6, 2025. Payments are made to vendors via check, electric payment, and through the City's purchasing card program.					
<b>Attachments:</b>					
<b>FINANCIAL IMPLICATIONS:</b>			<b>ADVISORY BOARD RECOMMENDATIONS:</b>		
Funding Sources & Uses:					
Budget Information:			Planning Commission		
_____ Budgeted			Parks and Recreation Board		
_____ Non Budgeted			Safari Island Advisory Board		
_____ Amendment Required			Other		



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Contractor Pay Request #6 - Waconia Downtown Reconstruction - Phase 2
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Amanda Ortloff

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Motion to approve Pay Estimate No. 6 to W.M. Mueller & Sons, Inc. for the Waconia Downtown Reconstruction - Phase 2 Project.

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

Staff has reviewed the contractor pay request for the Waconia Downtown Reconstruction - Phase 2 Project and recommends payment of \$44,432.61 based on the engineering request for payment. This payment represents approximately 81.0% of the total approved contract for the project.

**Attachments:**

1. [Downtown Reconstructions Phase 2 Pay Request #6](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: PIR, Water, Sewer, Storm Water	<b>ADVISORY BOARD RECOMMENDATIONS:</b>								
Budget Information: <input checked="" type="checkbox"/> Budgeted <input type="checkbox"/> Non Budgeted <input type="checkbox"/> Amendment Required	<table border="1"> <tr> <td>Planning Commission</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Parks and Recreation Board</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Safari Island Advisory Board</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Other</td> <td><input type="checkbox"/></td> </tr> </table>	Planning Commission	<input type="checkbox"/>	Parks and Recreation Board	<input type="checkbox"/>	Safari Island Advisory Board	<input type="checkbox"/>	Other	<input type="checkbox"/>
Planning Commission	<input type="checkbox"/>								
Parks and Recreation Board	<input type="checkbox"/>								
Safari Island Advisory Board	<input type="checkbox"/>								
Other	<input type="checkbox"/>								



Real People. Real Solutions.

2638 Shadow Lane  
Suite 200  
Chaska, MN 55318-1172

Ph: (952) 448-8838  
Fax: (952) 448-8805  
Bolton-Menk.com

November 27, 2024

City of Waconia  
Attn: Nicole Meyer  
201 South Vine St.  
Waconia, MN 55387

**RE: Waconia Downtown Reconstruction – Phase 2  
Pay Request No. 6**

Dear Mrs. Meyer:

Enclosed please find Pay Request No. 6 for work completed through 10/31/2024 on the above referenced project. The work completed includes payment for storm sewer, castings, landscaping, building repair, and other miscellaneous items.

We have reviewed the estimate, verified the quantities, and recommend the City make payment in the amount of **\$44,432.61** to W.M. Mueller & Sons, Inc. Below is a total for the project as well as the estimated percent of work completed for each funding type.

Funding Group	Total Payment	Street	Storm	Irrigation	Sewer	Watermain	Sidewalk
Recon	\$44,432.61	20%	68%	0%	12%	0%	0%
<b>TOTAL</b>	<b>\$44,432.61</b>						

Please contact me if you have any questions regarding this pay request.

Respectfully Submitted,  
**Bolton & Menk, Inc.**

**Jake Saulsbury, P.E.**

cc: Jon Haukaas, City of Waconia  
Ryan Johnson, Bolton & Menk

Enclosure



**REQUEST FOR CITY COUNCIL ACTION**

**Meeting Date:** January 6, 2025

**Item Name:** Approve Kraus-Anderson Construction Pay Request #27 for the New Fire Station

**Originating Department:** Finance

**Presented by:** Amanda Ortloff

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session		Discussion Session	
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** (Include motion in proper format.)

Motion to Approve Kraus-Anderson Construction Pay Request #27 for the New Fire Station Project

**EXPLANATION OF AGENDA ITEM** (Include a description of background, benefits, and recommendations.)

Kraus-Anderson Construction Co. has reviewed the contractor pay request #27 for the new fire station project. The contractors requesting payment are as follows:

- QC Companies \$20,504.00
- Yale Mechanical \$39,126.22
- Superset Tile & Stone, LLC \$6,300.00
- Twin City Acoustics, Inc. \$4,080.13
- MCI Inc. \$834.73
- Electrical Production Services, Inc. \$62,485.59
- Parker Contracting, LLC \$9,620.02
- Northwest Asphalt, Inc. \$10,470.00
- Century Fence Company \$1,552.50

The total amount of the contractor payments for this request is \$154,973.19. Retainage remains due for each contractor until the project is complete and upon review of liquidated damages.

**Attachments:**

<b>FINANCIAL IMPLICATIONS:</b>		<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Funding Sources & Uses: PIR			
Budget Information:		Planning Commission	
<input checked="" type="checkbox"/> Budgeted		Parks and Recreation Board	
<input type="checkbox"/> Non Budgeted		Safari Island Advisory Board	
<input type="checkbox"/> Amendment Required		Other	



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Contractor Pay Request #2 - Water Treatment Facility Piping Modifications
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Amanda Ortloff
<b>Previous Council Action (if any):</b>	Resolution #2024-209 - Authorizing Award of Contracts for the Construction of Well #9 and Associated Water Treatment Plant 3 Piping Modifications

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Motion to approve Pay Estimate No. 2 to Municipal Builders, Inc. for the Water Treatment Facility Piping Modifications

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

Staff has reviewed the contractor pay request for the Water Treatment Facility Piping Modifications and recommends payment of \$16,387.50 based on the engineering request for payment. This payment represents approximately 6.7% of the total approved contract for the project.

**Attachments:**

1. [Water Treatment Facility Piping Pay Request #2](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: Water	<b>ADVISORY BOARD RECOMMENDATIONS:</b>
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Budget Information: <input checked="" type="checkbox"/> Budgeted <input type="checkbox"/> Non Budgeted <input type="checkbox"/> Amendment Required	Planning Commission	
	Parks and Recreation Board	
	Safari Island Advisory Board	
	Other	



Real People. Real Solutions.

2638 Shadow Lane  
Suite 200  
Chaska, MN 55318-1172

Ph: (952) 448-8838  
Fax: (952) 448-8805  
Bolton-Menk.com

December 31, 2024

City of Waconia  
Attn: Nicole Meyer  
201 South Vine St.  
Waconia, MN 55387

**RE: Water Treatment Facility Piping Modifications  
Pay Request No. 2**

Dear Mrs. Meyer:

Enclosed please find Pay Request No. 2 for the Water Treatment Facility Piping Modifications project. The request includes payment for the valves required by the project.

We have reviewed the estimate and recommend the City make payment in the amount of **\$16,387.50** to Municipal Builders, Inc. 100% of this requested payment is for work associated with the water system.

Please contact me if you have any questions regarding this pay request.

Respectfully Submitted,  
**Bolton & Menk, Inc.**

**Jake Saulsbury, P.E.**

cc: Jon Haukaas, Public Services Director  
Seth Peterson, Bolton & Menk

Enclosure



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025			
<b>Item Name:</b>		Appointment of Acting Mayor			
<b>Originating Department:</b>		Administration			
<b>Presented by:</b>		Shane Fineran			
<b>Previous Council Action</b> (if any):					
<b>Item Type (X only one):</b>	Consent	X	Regular Session		Discussion Session
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>					
Adopt Resolution No. 2025-001 Appointing Acting Mayor					
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>					
<b>Attachments:</b>					
1. <a href="#">Resolution No. 2025-001 Appointing Acting Mayor</a>					
<b>FINANCIAL IMPLICATIONS:</b>			<b>ADVISORY BOARD RECOMMENDATIONS:</b>		
Funding Sources & Uses:					
Budget Information:			Planning Commission		
_____ Budgeted			Parks and Recreation Board		
_____ Non Budgeted			Safari Island Advisory Board		
_____ Amendment Required			Other		

**CITY OF WACONIA**

**RESOLUTION NO. 2025-001**

**RESOLUTION APPOINTING ACTING MAYOR**

**WHEREAS**, Mayor Tim Litfin has recommended the appointment of Jeff Grengs as Acting Mayor for 2025.

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the appointment of Jeff Grengs as Acting Mayor for 2025.

Adopted by the City Council of the City of Waconia this 6th day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025			
<b>Item Name:</b>		Appointment of Council Representatives to Advisory Boards			
<b>Originating Department:</b>		Administration			
<b>Presented by:</b>		Shane Fineran			
<b>Previous Council Action</b> (if any):					
<b>Item Type (X only one):</b>		Consent	X	Regular Session	Discussion Session
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>					
Adopt Resolution No. 2025-002 Appointing Council Representatives to Advisory Boards					
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>					
<b>Attachments:</b>					
1. <a href="#">Resolution No. 2025-002 Appointing Council Representative to Advisory Boards</a>					
<b>FINANCIAL IMPLICATIONS:</b>			<b>ADVISORY BOARD RECOMMENDATIONS:</b>		
Funding Sources & Uses:					
Budget Information:			Planning Commission		
_____ Budgeted			Parks and Recreation Board		
_____ Non Budgeted			Safari Island Advisory Board		
_____ Amendment Required			Other		

**CITY OF WACONIA  
RESOLUTION NO. 2025-002**

**RESOLUTION APPOINTING COUNCIL REPRESENTATIVE TO  
ADVISORY BOARDS**

**WHEREAS**, Mayor Litfin recommends that a Council Member be appointed to attend Advisory Board meetings as a liaison to the Council; and

**WHEREAS**, Mayor Litfin recommends that Tim Litfin be appointed as Council representative to the Planning Commission; and

**WHEREAS**, Mayor Litfin recommends that Derek Siddons be appointed as Council representative to the Park Board.

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the Advisory Board Council Representative appointments as recommended by Mayor Litfin.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025			
<b>Item Name:</b>		Council Liaison Appointments			
<b>Originating Department:</b>		Administration			
<b>Presented by:</b>		Shane Fineran			
<b>Previous Council Action</b> (if any):					
<b>Item Type (X only one):</b>		Consent	X	Regular Session	Discussion Session
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>					
Adopt Resolution No. 2025-003 Appointing Council Liaison Appointments					
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>					
<b>Attachments:</b>					
1. <a href="#">Resolution No. 2025-003 Appointing Council Liaison Appointments</a>					
<b>FINANCIAL IMPLICATIONS:</b>			<b>ADVISORY BOARD RECOMMENDATIONS:</b>		
Funding Sources & Uses:					
Budget Information:			Planning Commission		
_____ Budgeted			Parks and Recreation Board		
_____ Non Budgeted			Safari Island Advisory Board		
_____ Amendment Required			Other		

**CITY OF WACONIA  
RESOLUTION NO. 2025-003**

**RESOLUTION APPOINTING COUNCIL LIAISON APPOINTMENTS**

**WHEREAS**, Mayor Tim Litfin recommends that a Council Member be appointed to attend various meetings as a liaison to the Council; and

**WHEREAS**, Mayor Tim Litfin recommends the appointment of Jacob Coleman as Council Liaison to the Southwest Corridor Transportation Coalition; and

**WHEREAS**, Mayor Tim Litfin recommends the appointment of Derek Siddons as Council Liaison to Independent School District 110 and District 110 Community Education Advisory Council; and

**WHEREAS**, Mayor Tim Litfin recommends the appointment of Tim Litfin to the RMC Board of Directors Ex-Officio; and

**WHEREAS**, Mayor Tim Litfin recommends the appointment Tim Litfin as Council Liaison to the Carver County Leaders, and

**WHEREAS**, Mayor Tim Litfin recommends the appointment of Jacob Coleman as Council Liaison to the Chamber of Commerce.

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the Council Representative Liaison appointments as recommended by Mayor Litfin.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2026.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025					
<b>Item Name:</b>		Council Committee Appointments					
<b>Originating Department:</b>		Administration					
<b>Presented by:</b>		Shane Fineran					
<b>Previous Council Action</b> (if any):							
<b>Item Type (X only one):</b>		Consent	X	Regular Session		Discussion Session	
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2025-004 Approving Council Committee Appointments							
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>							
<b>Attachments:</b>							
1. <a href="#">Resolution No. 2025-004 Approving Council Committee Appointments</a>							
<b>FINANCIAL IMPLICATIONS:</b>				<b>ADVISORY BOARD RECOMMENDATIONS:</b>			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA  
RESOLUTION NO. 2025-004**

**RESOLUTION APPROVING COUNCIL COMMITTEE APPOINTMENTS**

**WHEREAS**, Mayor Tim Litfin has recommended the appointment of Mayor Tim Litfin and City Council Member Jeff Grengs to the 2025 Personnel Committee; and

**WHEREAS**, Mayor Litfin has recommended the appointment of Council Member Jeff Grengs and Nick Gleason to the Long Range Capital Improvement Projects Planning Committee; and

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the Council Committee appointments as recommended by Mayor Litfin.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Appointment of Bond Counsel
<b>Originating Department:</b>	Administration
<b>Presented by:</b>	Shane Fineran

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-005 Appointing Bond Counsel

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

The City works with Taft, Steinhaus, & Hollister, LLP for legal services related to financial matters such as the issuance of bonds and economic development. These matters are not typically handled by the City Attorney.

**Attachments:**

1. [Resolution No. 2025-005 Appointing Bond Counsel](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
<input checked="" type="checkbox"/> Budgeted	Parks and Recreation Board	
_____ Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-005  
RESOLUTION APPOINTING BOND COUNSEL**

**WHEREAS**, the City has recommended the appointment of the following firm as Bond Counsel for 2025:

Taft, Stettinius, & Hollister, LLP

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the appointment of the above noted firm as Bond Counsel for 2025.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025					
<b>Item Name:</b>		Appointment of City Attorney					
<b>Originating Department:</b>		Administration					
<b>Presented by:</b>		Shane Fineran					
<b>Previous Council Action</b> (if any):							
<b>Item Type (X only one):</b>		Consent	X	Regular Session		Discussion Session	
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2025-006 Appointing City Attorney							
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>							
Staff recommends that the City of Waconia continue representation with Melchert, Hubert, Sjodin, PLLP for 2025. Terms are substantially similar to last year with a 3.2% increase.							
<b>Attachments:</b>							
<ol style="list-style-type: none"> <li>1. <a href="#">Resolution No. 2025-006 Appointing City Attorney</a></li> <li>2. <a href="#">MHS Engagement Letter.pdf</a></li> </ol>							
<b>FINANCIAL IMPLICATIONS:</b>				<b>ADVISORY BOARD RECOMMENDATIONS:</b>			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA  
RESOLUTION NO. 2025-006  
RESOLUTION APPOINTING CITY ATTORNEY**

**WHEREAS,** The City of Waconia annually reviews the designation of its City Attorney.

**NOW, THEREFORE, BE IT RESOLVED,** That the City Council of the City of Waconia hereby approves the appointment of Melchert Hubert Sjodin as City Attorney for 2025.

Adopted by the City Council of the City of Waconia this 6th day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator

**J. Michael Melchert, Esq.**

Direct Dial:  
(952) 442-7788

Email Address:  
mmelchert@mhsllaw.com



MELCHERT HUBERT SJODIN  
ATTORNEYS AT LAW

121 West Main Street, Suite 200  
Waconia, Minnesota 55387  
Telephone: (952) 442-7700

*OTHER OFFICES*  
Chaska, Minnesota  
Hutchinson, Minnesota

[www.mhsllaw.com](http://www.mhsllaw.com)

December 18, 2024

Shane Fineran  
City Administrator  
City of Waconia  
201 South Vine Street  
Waconia, MN 55387

***Re: Waconia City Attorney  
2025 Representation***

Dear Shane:

Melchert Hubert Sjodin, PLLP, respectfully requests that the City of Waconia (the "City") appoint our firm as City attorneys for 2025. This letter confirms terms of representation. As you will see, the terms are substantially similar to last year, except we are requesting a 3.2% cost of living increase over last year (rounded to the nearest \$5.00). If the City approves, please sign both copies of this letter, keep one for the City's file and return the other to me.

#### **SCOPE OF SERVICES**

We will provide usual and customary legal services to the City as requested by the City. In certain instances, due to the need for particular expertise or due to a conflict of interest, it may be necessary for the City to retain other legal counsel. The City acknowledges this possibility and that our representation does not entail a continuing obligation to advise the City concerning legal developments bearing on the City's affairs generally or, after the completion of any matter, subsequent legal developments.

#### **STAFFING**

I will serve as your primary contact. When questions or comments arise about our services, staffing, billing, or other aspects of our representation, please contact me. My direct dial telephone number is (952) 442-7788. It is important that you are satisfied with our services and responsiveness.

Shane Fineran  
December 18, 2024  
Page 2

We strive to provide quality legal services in an efficient, economical manner. To do this, we sometimes involve other attorneys and paralegals from our firm. Although this approach might appear to be a duplication of effort, under certain circumstances this practice facilitates communication, improves the quality of the work and ultimately is more economical.

## **RESPONSIBILITIES**

Based upon information and guidance provided by you, we will provide legal counsel and assistance to you in accordance with this letter, keep you reasonably informed of progress and developments, and respond to your inquiries. You agree to cooperate fully in all matters relating to the work we are performing and to fully and accurately disclose to us all facts that may be relevant to the matter or that we may otherwise request, and to keep us apprised of developments relating to the matter. You also will make yourself reasonably available to attend meetings, discovery proceedings and conferences, hearings, and other proceedings. Your responsibilities will further include approving negotiations and business terms in documents; approving causes of action and parties to any litigation; and determining acceptable terms of any compromise, settlement, or agreement. In addition, you will be responsible for advising us whether any document we have prepared or received and sent to you for your approval or review reflects the principal terms of your proposed agreement, or other expectations, as the case may be.

Either at the beginning or during the course of our representation, we may express our opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any partner or employee of our firm is intended to be an expression of opinion only, based on information available to us at the time, and may not be construed by you as a promise or guaranty of any particular result.

## **FEES, DISBURSEMENTS, AND OTHER CHARGES**

Our fees will be based on the complexity of the particular matter, the skill and experience of the attorney providing the service and the amount of time spent by attorneys and paralegals on the matter. Each lawyer and paralegal has an hourly billing rate based generally on his or her experience and expertise. The rate multiplied by the time spent on your behalf, measured in tenths of an hour, will be evaluated by the billing attorney as the basis for determining the fee.

My standard billing rate is \$325.00 per hour. We have agreed to reduce billing rates for certain services provided to the City, as a governmental entity, in accordance with the schedule set forth on **Exhibit A** attached hereto. Time devoted by paralegals is charged at billing rates currently ranging from \$130.00 to \$190.00 per hour. These rates are adjusted from time to time to reflect increased experience and inflationary cost increases affecting our practice, and the

Shane Fineran  
December 18, 2024  
Page 3

adjusted rates will apply to all services performed thereafter. Our hourly rates are adjusted as of January 1 of each year.

Other factors may be considered in determining our fees, including the novelty and difficulty of the questions involved; the skill needed to perform the services properly; the experience, reputation, and ability of those performing the services; the time limitations imposed by you or the circumstances; the amount involved and results obtained; and any other factors that may be relevant under applicable rules of professional conduct. However, these factors will not result in our fees exceeding the indicated amounts based on our hourly rates without prior discussion with you.

In addition to our fees, we will expect payment for disbursements and other charges as billed. You authorize us to incur all reasonable costs and to retain any investigators, consultants, or experts necessary, in our judgment, in our representation of the City.

Each month we will furnish you with a statement describing our services, disbursements and other charges to the date of the statement (in a format and with such detail as you and we may agree). There is often an unavoidable delay in reporting disbursements and other charges, and therefore not all disbursements and charges will be billed at the same time as the related legal services. Also, statements for a matter that has a fee of less than \$250.00 may be held for a month if we anticipate additional fees the next month.

#### **TERMINATION**

Either party may terminate our appointment as City Attorney at any time, with or without cause.

#### **GENERAL PROVISIONS**

Enclosed is a statement entitled *General Provisions of Representation* setting forth additional terms and conditions, which are incorporated into this letter and apply to our representation to the extent not expressly inconsistent with this letter. If this letter correctly reflects your understanding of the terms and conditions of our representation, please confirm your acceptance by signing in the space provided below and returning a signed copy to me.

Shane Fineran  
December 18, 2024  
Page 4

We are pleased to have this opportunity to be of service and to work with you.

Very truly yours,

A handwritten signature in cursive script that reads "Mike".

J. Michael Melchert

JMM/clv

cc: Christophe Morschen

The City of Waconia acknowledges and agrees to the terms and conditions set forth in this letter (including the attached *General Provisions of Representation* and **Exhibit A**).

The City of Waconia appoints J. Michael Melchert and Melchert Hubert Sjodin, PLLP, as City Attorney to represent the interests of the City of Waconia in the matters which are the subject of this letter.

---

Shane Fineran, City Administrator

Shane Fineran

December 18, 2024

Page 5

### GENERAL PROVISIONS OF REPRESENTATION

Except as modified by the accompanying engagement letter, the following provisions will apply to the relationship between Melchert Hubert Sjodin, PLLP, and our clients:

(1) The time for which a client will be charged will include, but will not be limited to, telephone and office conferences with a client and counsel, witnesses, consultants, court personnel, and others; conferences among our personnel; factual investigation; legal research; responding to clients' requests to provide information to auditors in connection with reviews or audits of financial statements; drafting of letters, pleadings, briefs, and other documents; travel time; waiting time in court or elsewhere; and time in depositions and other discovery proceedings.

(2) In addition to our fees, we will be entitled to payment or reimbursement for disbursements and other charges incurred in performing services such as photocopying, messenger and delivery, air freight, computerized research, videotape recording, travel (including mileage, parking, airfare, lodging, meals, and ground transportation), long distance telephone, facsimiles, word processing, court costs, and filing fees. To the extent we directly provide any of these services, we reserve the right to adjust the amount we charge, at any time or from time to time, as we deem appropriate, in light of our direct costs, our estimated overhead allocable to the services, and outside competitive rates. Unless special arrangements are made, fees and expenses of others (such as experts, investigators, witnesses, consultants, and court reporters) and other large disbursements will not be paid by our firm and will be the responsibility of, and billed directly to, the client.

(3) Although we may, from time to time, furnish estimates of fees or charges that we anticipate will be incurred on a client's behalf, these estimates are subject to unforeseen circumstances and are by their nature inexact. We will not be bound by any estimates except as otherwise expressly set forth in the engagement letter or otherwise agreed to by us in writing.

(4) Fees, disbursements, and other charges will be billed monthly and are payable upon presentation. We expect prompt payment.

(5) A client shall have the right at any time to terminate our services and representation upon written notice to the firm. Such termination shall not, however, relieve the client of the obligation to pay for all services rendered and disbursements and other charges made or incurred on behalf of the client prior to the date of termination.

Shane Fineran

December 18, 2024

Page 6

(6) We reserve the right to withdraw from our representation with the client's consent or for good cause. Good cause may include the client's failure to honor the terms of the engagement letter, the client's failure to pay amounts billed in a timely manner, the client's failure to cooperate or follow our advice on a material matter, or any fact or circumstance that would, in our view, impair an effective attorney-client relationship or would render our continuing representation unlawful or unethical. If we elect to do so, the client will take all steps necessary to free us of any obligation to perform further, including the execution of any documents (including forms for substitution of counsel) necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and disbursements and other charges made or incurred on behalf of the client prior to the date of withdrawal.

(7) If any attorney providing services to you leaves our firm, we will work with you to replace that attorney with someone acceptable to you.

**EXHIBIT A**  
**Waconia City Attorney 2024 Fee Schedule**

We will provide the following types of services for the fees indicated. If a firm attorney with an hourly rate lower than the rate quoted in this schedule provides the billed services, the lower hourly rate will be billed to the City.

1. Public Meetings. We will attend City Council meetings and, as requested, other public meetings. Our rate for attendance at such meetings is \$195.00 per hour.
2. Routine Code Amendments and Code Enforcement. We will provide requested legal services in relation to minor amendments to the City Code and preparation of basic ordinances and enforcement of basic City Code provisions (utility hookup, nuisance, animal, etc.) including litigation. Our rate for these services is \$250.00 per hour.
3. Municipal Finance/Chapter 429. We will provide requested legal services to the City in relation to public financing, tax increment financing and financing of public improvements pursuant to Minnesota Statutes Chapter 429. We are not bond counsel. Our rate for these services is \$270.00 per hour.
4. Personnel and Labor Relations. We will provide requested legal services to assist the City in personnel matters including but not limited to, employment practices, employment disciplinary proceedings, employment contracts, data practices act matters, and personnel policy review and analysis. Our rate for these services is \$250.00 per hour.
5. Economic Development. We will provide requested legal services in relation to economic development and redevelopment projects including, but not limited to, land acquisition, land sales, covenant preparation, negotiations with developers and drafting agreements. Our rate for these services is our standard hourly rate.
6. Eminent Domain. We will provide requested legal services in relation to condemnation of land and relocation benefits and litigation related thereto. Our rate for these services is \$250.00 per hour.
7. Land Use and Construction Litigation. We will provide requested representation of the City in pre-litigation negotiation, litigation and alternative dispute resolution relating to land use and construction matters. Our rate for these services is our standard hourly rate.

Shane Fineran  
December 18, 2024  
Page 8

8. Routine Land Use Matters. We will provide requested legal services for simple and routine land use matters such as minor subdivisions, one parcel conditional use permits (excepting big box) or variances and minor amendments to the zoning and subdivision provisions of the City Code. Our rate for these services is \$250.00 per hour.
9. Complex Land Use Matters. We will provide requested legal services for more complex land use matters including, but not limited to, subdivision review and approval, rezoning requests, amendments to or new comprehensive plans, major revisions to zoning ordinances or subdivision ordinances, variances associated with subdivisions, big box conditional use permits, annexation matters, negotiations with developers and other governmental agencies and utility companies and preparation of development agreements and resolutions. Our rate for these services is our standard hourly rate.
10. Environmental Review. We will provide requested legal services for City environmental matters including services related to the preparation and review of EAWs, AUARs and EISs. Our rate for these services is our standard hourly rate.



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025					
<b>Item Name:</b>		Designation of Official Newspaper					
<b>Originating Department:</b>		Administration					
<b>Presented by:</b>		Shane Fineran					
<b>Previous Council Action</b> (if any):							
<b>Item Type (X only one):</b>		Consent	X	Regular Session		Discussion Session	
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2025-07 Designating Official Newspaper							
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>							
<b>Attachments:</b>							
1. <a href="#">Resolution No. 2025-007 Designating Official Newspaper</a>							
<b>FINANCIAL IMPLICATIONS:</b>				<b>ADVISORY BOARD RECOMMENDATIONS:</b>			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA**

**RESOLUTION NO. 2025-007**

**RESOLUTION DESIGNATING OFFICIAL NEWSPAPER**

**WHEREAS**, The City must annually designate an Official Newspaper.

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the designation of *The Patriot* as Official Newspaper for 2025.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Appointment of Consulting Engineer
<b>Originating Department:</b>	Administration
<b>Presented by:</b>	Shane Fineran

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-008 Appointing Consulting Engineer

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

Staff Recommends that the City of Waconia contract with Bolton & Menk, Inc for professional engineering services in 2025.

- Attachments:**
1. [Resolution No. 2025-008 Appointing Consulting Engineer](#)
  2. [Professional Engineering Services Fee Memorandum for 2025 from Bolton & Menk](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
<input checked="" type="checkbox"/> Budgeted	Parks and Recreation Board	
<input type="checkbox"/> Non Budgeted	Safari Island Advisory Board	
<input type="checkbox"/> Amendment Required	Other	

**CITY OF WACONIA**

**RESOLUTION NO. 2025-008**

**RESOLUTION APPOINTING CONSULTING ENGINEER**

**WHEREAS**, The City of Waconia annually reviews the designation of its City Engineer.

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the appointment of Jake Saulsbury/Bolton & Menk, Inc. as Consulting Engineer for 2025.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



Real People. Real Solutions.

2638 Shadow Lane  
Suite 200  
Chaska, MN 55318-1172

Ph: (952) 448-8838  
Fax: (952) 448-8805  
Bolton-Menk.com

December 24, 2024

City of Waconia  
Attn: Mr. Shane Fineran, City Administrator  
201 South Vine Street  
Waconia, MN 55387

RE: 2025 Professional Engineering Services

Dear Mr. Fineran:

We are pleased to once again offer professional engineering services to the City of Waconia for 2025 in accordance with the attached Fee Schedule. We look back with great satisfaction on the important projects we have been able to complete with you and your staff at the direction of the City Council. I have every confidence that our long-term knowledge of your community and understanding of your needs coupled with cooperation and hard work will result in the continued advancement of the City's vision for its future.

It is also my pleasure to inform you we will continue to offer the "municipal discount" for key staff members serving your City. This discount applies to day-to-day general engineering items and is intended to minimize the engineering impact on the General Fund budget. For your City, the municipal discount includes the following:

- Kreg Schmidt - First 10 hours/month at \$65/hour
- Jake Saulsbury - First 15 hours/month at \$60/hour
- Colton Lee - First 15 hours/month at \$55/hour

Further, we have not changed our fee for City Council meeting attendance or Planning Commission meeting attendance. We have also not changed our design fees for City projects. All of these fees have remained unchanged for well over 10-years. The fee structure items identified above reflect our continued commitment to provide you high quality and full service municipal engineering services with increasing value and efficiency.

Please review the attached information and contact me with any questions you may have. **We are committed to providing you with the superior service you expect and require as together we work to build a safe, sustainable and beautiful community.**

Respectfully Submitted,  
**Bolton & Menk, Inc.**

**Kreg J. Schmidt, P.E.**  
Vice President

# 2025 SCHEDULE OF FEES

The following fee schedule is based upon competent, responsible professional services and is the minimum, below which adequate professional standards cannot be maintained. It is, therefore, to the advantage of both the professional and the client that fees be commensurate with the service rendered. Charges are based on hours spent at hourly rates in effect for the individuals performing the work. The hourly rates for principals and members of the staff vary according to skill and experience. The current specific billing rate for any individual can be provided upon request.

The fee schedule shall apply for the period through December 31, 2025. These rates may be adjusted annually thereafter to account for changed labor costs, inflation, or changed overhead conditions.

These rates include labor, general business, and other normal and customary expenses associated with operating a professional business. For projects with typical expenses and unless otherwise agreed, the above rates include vehicle and personal expenses, mileage, telephone, survey stakes, and routine expendable supplies; no separate charges will be made for these activities and materials. Expenses beyond typical project expenses, non-routine expenses, and expenses beyond the agreed scope of services, such as out of town travel expenses, long travel distances, large quantities of prints, extra report copies, outsourced graphics and photographic reproductions, document recording fees, outside professional and technical assistance, and other items of this general nature will be invoiced separately. Rates and charges do not include sales tax, if applicable.

Employee Classification	2025 Hourly Billing
Graduate Engineer	\$116-180
Design Engineer	\$115-180
Project Engineer	\$139-190
Senior Project Engineer	\$151-191
Project Manager	\$130-215
Senior Project Manager	\$181-230
Architect	\$176-261
Planner	\$117-146
Senior Planner	\$145-199
Landscape Designer	\$85-154
Landscape Architect	\$142-165
Senior Landscape Architect	\$152-199
Survey Technician <sup>1</sup>	\$75-189
Graduate Surveyor	\$116-182
Licensed Project Surveyor	\$171-189
Technician	\$72-176
Senior Technician	\$125-196
Administrative/Corporate Specialists	\$66-156
Specialist*	\$90-226
Practice Expert**	\$160-363
Principal**	\$162-286
Senior Principal**	\$209-320
Municipal Project Design Fee - Final Plans and Specifications (Well Defined Scope)	6%
Municipal Project Design Fee - Final Plans and Specifications (State Aid & Federally Funded Projects)	8%
City Council/Planning Commission Meeting Attendance	\$60.00/Meeting
GPS/Robotic Survey Equipment <sup>1</sup>	NO CHARGE
CAD/Computer Usage	NO CHARGE
Routine Office Supplies	NO CHARGE
Routine Photo Copying/Reproduction	NO CHARGE
Field Supplies/Survey Stakes & Equipment	NO CHARGE
Mileage	NO CHARGE

<sup>1</sup> No separate charges will be made for GPS or robotic total stations on Bolton & Menk, Inc. survey assignments; the cost of this equipment is included in the rates for survey technicians.

\*Specialized role not classified above otherwise.

\*\*Highly specialized and industry expertise unique to the market or area of discipline.



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>		January 6, 2025					
<b>Item Name:</b>		Designate Official Depositories					
<b>Originating Department:</b>		Administration					
<b>Presented by:</b>		Shane Fineran					
<b>Previous Council Action</b> (if any):							
<b>Item Type (X only one):</b>		Consent	X	Regular Session		Discussion Session	
<b>RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED</b> <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2025-009 Designating Official Depositories							
<b>EXPLANATION OF AGENDA ITEM</b> <i>(Include a description of background, benefits, and recommendations.)</i>							
<b>Attachments:</b>							
1. <a href="#">Resolution No. 2025-009 Designating Official Depositories</a>							
<b>FINANCIAL IMPLICATIONS:</b>				<b>ADVISORY BOARD RECOMMENDATIONS:</b>			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA**

**RESOLUTION NO. 2025-009**

**RESOLUTION DESIGNATING OFFICIAL DEPOSITORIES**

**WHEREAS**, The City must annually consider institutions as Official Depositories for City of Waconia funds for 2025:

Old National Bank  
Security Bank Waconia  
MidCounty Bank  
Hometown Bank  
Oppenheimer & Company, Inc.  
Wells Fargo  
Moreton Capital Markets, LLC  
Ehlers Investment Services

**NOW, THEREFORE, BE IT RESOLVED**, That the City Council of the City of Waconia hereby approves the designation of Official Depositories for 2025 as recommended.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfon, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Approve Delegation of Business Administrator - Electronic Funds Transfers
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Nicole Meyer

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	X	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** (Include motion in proper format.)

Adopt Resolution No. 2025-010 Approving Designated Business Administrator for Electronic Funds Transfers

**EXPLANATION OF AGENDA ITEM** (Include a description of background, benefits, and recommendations.)

To pay some vendor claims, the City of Waconia may use electronic funds transfers instead of paper checks. Electronic funds transfers may also be used to purchase and sell investments. While these transactions are convenient, they present unique opportunities for fraud. As a result, state law requires local units of government to adopt certain policies and procedures before electronic funds transfers are made. These guidelines are presented in Minnesota State Statutes 471.38. The law now specifically has these requirements:

- On an annual basis, the governing body must delegate to a designated business administrator the authority to make electronic funds transfers;
- The disbursing bank must keep on file a certified copy of the delegation of authority;
- The person initiating the electronic transfer must be identified;
- The person initiating the electronic transfer must document the request and obtain approval from the designated business administrator before initiating the transfer;
- Written confirmation of the transaction must be made within one business day after the transaction; and
- A list with all transactions made by electronic funds transfer must be submitted to the governing body at its next regular meeting.

The City’s financial policy and guidelines requires all of these processes and approvals as part of the City’s accounts payable processing. However, the City Council needs to annually delegate a designated business administrator for electronic funds transfers. It is recommended that the Finance Director be delegated this role.

With the City Council’s approval, a copy of the attached resolution will be shared with the banks and brokers the City uses for electronic funds transfers.

**Attachments:**

1. [Resolution No. 2025-010 Approving Designated Business Administrator for Electronic Funds Transfers](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
_____ Budgeted	Parks and Recreation Board	
_____ Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-010**

**RESOLUTION APPROVING DESIGNATED BUSINESS ADMINISTRATOR FOR  
ELECTRONIC FUNDS TRANSFERS**

**WHEREAS**, in accordance with Minnesota Statute 471.38, the City Council must annually delegate authority to the City’s Finance Director to make electronic funds transfers (EFT); and

**WHEREAS**, the disbursing bank(s) will receive a copy of the annual delegation of authority; and

**WHEREAS**, the documentation of each EFT will include the identification of the initiator, evidence of approval by an authorized party, electronic or written confirmation of each transaction within one business day; and

**WHEREAS**, electronic disbursement payments shall be processed through the accounts payable procedures; and

**WHEREAS**, all electronic transfer transactions shall continue to be included on the expenditure list provided to the City Council.

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of Waconia hereby approves the City’s Finance Director as the designated business administrator for electronic funds transfers.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jacqueline Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Accepting Donation and Approving Pass Thru Recommendation - Waconia Fire Relief Association
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Nicole Meyer

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-011 Accepting Donation and Approving Pass Thru Recommendation from Waconia Fire Relief Association.

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

The City received a donation from the Waconia Fire Department Gambling Board totaling \$678.02. The gambling board approved this donation as a pass thru for the following purposes:

- \$678.02 – Minnesota State Fire Chief’s Association – Lodging and Travel Expense for Borg Family

With the Council’s acceptance of the donation and recommended purpose for pass thru from the gambling board, City staff will recognize the donation revenue and off-setting expenditures in the General Fund - Fire budget. Overall, the City has receipted \$25,900.22 in donation revenue from the gambling board in 2024 and expensed \$20,838.56 for purposes approved by the board. One expense is still outstanding for \$5,000 for interior design work at the new fire station (Approved on August 19, 2024). In addition, the City Council approved Resolution 2024-226 on October 21, 2024 for the donation accepted for expenditures of \$6,003.80 for food for the fire station open house. The total that was actually spent was \$6,008.80. This minor change has been reported to the gambling board as part of the regular reconciliation of these types of revenues and expenditures.

The remaining balance of \$61.66 will be a balance brought forward into 2025 and will be applied to future gambling donation requests.

**Attachments:**

1. [Resolution No. 2025-011 Accepting Donation and Pass Thru Recommendation From Waconia Fire Relief Association](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: General Fund - Fire (101)	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
_____ Budgeted	Parks and Recreation Board	
<input checked="" type="checkbox"/> Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-011  
RESOLUTION ACCEPTING DONATION AND PASS THRU RECOMMENDATION FROM  
WACONIA FIRE RELIEF ASSOCIATION**

**WHEREAS**, the City of Waconia is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statutes Sections 412.21 and 465.03 for the benefit of its citizens and is specifically authorized to accept gifts and requests for the benefit of recreational facilities, services and the development of programs to benefit residents pursuant to Minnesota Statutes Section 471.17; and

**WHEREAS**, the following persons and/or entities have offered to contribute the items set forth below to the City:

<u>Name of Donor</u>	<u>Item</u>	<u>Value</u>	<u>Department/Fund</u>
Waconia Fire Gambling Board	Check	\$678.02	General Fund - Fire

**WHEREAS**, these donations have been contributed for the benefit of residents within the City's corporate limits either alone or in cooperation with others, as allowed by law; and

**WHEREAS**, the City Council hereby finds that it is appropriate to accept the contributions offered.

**WHEREAS**, the Waconia Fire Department Gambling Board wishes to enhance the donation by passing the funds thru for the following purpose:

- \$678.02 – Minnesota State Fire Chief's Association – Lodging & Travel Expense for Borg Family

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WACONIA, MINNESOTA, AS FOLLOWS:**

1. The contribution described above is hereby accepted and acknowledged with gratitude.
2. Said contribution shall be deposited to the appropriate funds and used for the designated purposes.
3. That the Finance Director is hereby directed to issue receipts to the donor acknowledging the City's receipt of the donor's contribution.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2024.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jacqueline Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Donation Acceptance - Cash Donation for Parks Department - Pickleball Courts
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Nicole Meyer

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-012 Accepting Cash Donation for Parks Department - Pickleball Courts

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

The City received a cash donation of \$50,000 from Dr. Paul Brown for the construction of pickleball courts. The funds have been recorded as a donation in the PIR Capital Project fund as of December 31, 2024 until the project is constructed. The donation proceeds will remain restricted in the fund for the specific purpose of this project that is included in the City's capital improvement plan.

**Attachments:**

- [1. Resolution No. 2025-012 Accepting Cash Donation for Park Department Pickleball Courts](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: PIR Capital Project Fund	<b>ADVISORY BOARD RECOMMENDATIONS:</b>								
Budget Information: <input checked="" type="checkbox"/> Budgeted <input type="checkbox"/> Non Budgeted <input type="checkbox"/> Amendment Required	<table border="1"> <tr> <td>Planning Commission</td> <td></td> </tr> <tr> <td>Parks and Recreation Board</td> <td></td> </tr> <tr> <td>Safari Island Advisory Board</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> </table>	Planning Commission		Parks and Recreation Board		Safari Island Advisory Board		Other	
Planning Commission									
Parks and Recreation Board									
Safari Island Advisory Board									
Other									

**CITY OF WACONIA  
RESOLUTION NO. 2025-012**

**RESOLUTION ACCEPTING CASH DONATION FOR PARKS DEPARTMENT –  
PICKLEBALL COURTS**

**WHEREAS**, the City of Waconia is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statutes Sections 412.21 and 465.03 for the benefit of its citizens and is specifically authorized to accept gifts and requests for the benefit of facilities, services and the development of programs to benefit residents pursuant to Minnesota Statutes Section 471.17; and

**WHEREAS**, the following persons and/or entities have offered to contribute the items set forth below to the City:

<u>Name of Donor</u>	<u>Item</u>	<u>Value</u>
Dr. Paul Brown	Cash	\$50,000

**WHEREAS**, these donations have been contributed for the benefit of residents within the City’s corporate limits either alone or in cooperation with others, as allowed by law; and

**WHEREAS**, the City Council hereby finds that it is appropriate to accept the contributions offered to the City’s capital project fund for the construction of pickleball courts.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WACONIA, MINNESOTA, AS FOLLOWS:**

1. The contribution described above is hereby accepted and acknowledged with gratitude.
2. Said contribution shall be used for the designated purposes.
3. That the Finance Director is hereby directed to issue receipts to the donor acknowledging the City’s receipt of the donor’s contribution.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jaqueline Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Authorize Purchase of Mobile Vehicle Lifts, CIP Project #784
<b>Originating Department:</b>	Public Services
<b>Presented by:</b>	Jon Haukaas
<b>Previous Council Action (if any):</b>	December 16, 2024 - Adopt Resolution No. 2024-262 Authorizing Staff to Solicit Pricing for 2025 Capital Projects and Equipment Acquisitions

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution 2025- 013 Approving the Purchase of Mobile Vehicle Lifts, CIP Project #784

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

A request was included and accepted as part of the 2025 Capital Equipment budgeting process to purchase a set of mobile vehicle lifts for use by the mechanics in servicing vehicles. Initial estimates budgeted inclusion of this equipment at \$195,000.

This will allow the mechanics to safely lift a piece of equipment without being constrained to only working in the Public Services mechanics bays. There are often situations where it would be more expedient to lift and repair a vehicle on site rather than towing it back to the central facility.

Staff researched the product offerings from multiple vendors. Pricing ranged from just over \$90,000 to nearly \$180,000.

After review of the options, staff determined that the product offered by Reliable Plus provided the best value while meeting the needs of the city.

This quote includes six (6) mobile lift columns with wireless controllers to lift variety of vehicles. Most often four columns will be used together when lifting a vehicle. Light trucks can be lifted with just two columns while the fire department ladder truck would require all six working together to lift it. Multiple adaptors and support plates are included to support attachments such as plows.

Staff recommends approving the attached quote from Reliable Plus in the amount of \$90,586.72

**Attachments:**

1. [Resolution No. 2025-013 Approving Purchase of Mobile Vehicle Lifts CIP Project #784](#)
2. [Mobile Lift Estimate Dated 12-18-2024 with Reliable Plus](#)

<b>FINANCIAL IMPLICATIONS:</b>	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Funding Sources & Uses:		
Capital Equipment Bonds		
Budget Information:	Planning Commission	
<input checked="" type="checkbox"/> Budgeted	Parks and Recreation Board	
<input type="checkbox"/> Non Budgeted	Safari Island Advisory Board	
<input type="checkbox"/> Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-013**

**RESOLUTION APPROVING PURCHASE OF MOBILE VEHICLE LIFTS  
CIP PROJECT #784**

**WHEREAS**, one of the City’s Priorities is to “manage, maintain, and improve our current and future physical assets”; and

**WHEREAS**, the mechanics need additional equipment to safely lift the variety of vehicles in the city fleet including large fire apparatus that do not fit within the existing Public Services garage bays; and

**WHEREAS**, it was determined after significant research that the industry is moving to mobile lift columns to safely meet this need; and

**WHEREAS**, the 2025 Capital Equipment replacement plan budgeted \$195,000 for this equipment; and

**WHEREAS**, the city staff have solicited quotes through the Minnesota State Cooperative Purchasing Contracting system to guarantee the best government pricing; and

**WHEREAS**, Staff recommend approval of the acquisition of the equipment per the attached quote.

**NOW, THEREFORE, BE IT RESOLVED** That the City Council of the City of Waconia hereby authorizes acquisition of the Mobile Vehicle Lifts from Reliable Plus in the amount of \$90,568.72.

Adopted by the City Council of the City of Waconia this 6th day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

Attest: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



# Estimate

Date: 12/18/2024

(Expires after 15 days)

Estimate# 16993

Sold To Name Address
Cash Sale ESI 850 MENDELSSOHN AVE N  GOLDEN VALLEY MN 55427-4361

Ship To
Cash Sale ESI 850 MENDELSSOHN AVE N GOLDEN VALLEY MN 55427-4361

Description of Work: City of Waconia- Tom  
Rotary mobile columns- (6) MCHM19 Black in color  
Trauschers@waconia.org

Item	Description	Qty	Price	Total
900005	SET OF 6 ROTARY MOBILE COLUMNS MCHM619U100BK	1	73,433.23	73,433.23
900005	FORE AND AFT KIT FOR 2 COLUMNS M140168YL	1	3,482.35	3,482.35
900005	CART FOR MOVING/STORING FORE AND AFT KIT M110108BK	1	1,024.12	1,024.12
900005	WIDE CENTER ADAPTER KIT M120651YL	1	461.18	461.18
900005	EXTRA WIDE PLOW CROSSBEAM FD2448KITYL	1	5,267.06	5,267.06
900382	FREIGHT CHARGES	1	6,900.78	6,900.78

This proposal may be withdrawn if not accepted within 15 days. Additional work performed outside of the scope of work and the description above will be subject to additional charges.

- Sales tax will be applied unless a Tax Exempt form is on file at Lube Tech.
- All plumbing and electrical other than identified within to be performed by others.

\* ACCEPTANCE OF PROPOSAL: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

**TOTAL 90,568.72**  
**TAX AND FREIGHT SUBJECT TO CHANGE**

Authorized Lube Tech Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_

Title TIM LITFIN, MAYOR

Date JANUARY 6, 2025



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Authorize Execution of Large Printer Lease
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Nicole Meyer
<b>Previous Council Action (if any):</b>	Resolution No. 2020-035 Authorizing Approval of Trade of Cannon 710 Large Format Printer and Execution of Large Format HP DesignJet-Z6DRV Printer Lease Agreement with Marco - Dated: January 21, 2020

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-014 Approving Lease of Large Format Printer with Marco

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

The City currently leases a large scale printer from Marco. The printer is utilized at the public services facility to print large maps and documents from the City's GIS and mapping systems.

The lease of the current printer started in January 2020 and is set to end in January 2025. At the end of the lease, the equipment is set to be returned to Marco. Staff reached out to Marco for an updated lease and received the attached agreement. Marco has proposed another 5 year term for a similar, but new printer. The new printer will be a HP Designjet which is a similar layout to the current printer. The total cost of the lease increased from \$141 per month to \$152.38 per month. The City budgets for the lease of this equipment in the water and sewer utility funds. The 2025 budget has been updated accordingly to accommodate for this new lease agreement.

The City utilizes Marco for its phone system and copier/printer leases at its facilities. Our relationship with Marco has been extremely good for these system integrations, and we feel confident in their support capabilities of the large format printer.

**Attachments:**

1. [Resolution No. 2025-014 Approving Lease of Large Format Printer with Marco](#)
2. [Large Printer Lease Agreement with Marco](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
<input checked="" type="checkbox"/> Budgeted	Parks and Recreation Board	
<input type="checkbox"/> Non Budgeted	Safari Island Advisory Board	
<input type="checkbox"/> Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-014**

**RESOLUTION APPROVING LEASE OF LARGE FORMAT PRINTER WITH MARCO**

**WHEREAS**, the City of Waconia currently leases a large format printer from Marco; and

**WHEREAS**, the printer is used at the Public Services facility for printing large maps and documents from the City’s GIS and mapping systems; and

**WHEREAS**, the current lease was executed in January 2020 with a 60-month term; and

**WHEREAS**, the current lease will end in January 2025, at which time the current equipment will need to be returned to Marco; and

**WHEREAS**, a quote was provided by Marco for a similar, updated printer (HP Designjet) with a monthly lease fee of \$152.38; and

**WHEREAS**, the updated lease is a 60-month term; and

**WHEREAS**, the lease will continue to be paid from the water and sewer utility fund budgets in 2025 and in future budget years.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Waconia hereby approves the lease of a large format printer with Marco for a 60 month term with a monthly fee of \$152.38.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jacqueline Schulze, Assistant City Administrator



November 14, 2024

**PROPOSAL FOR  
CITY OF WACONIA**

Attn: Jody Lechner

Proposal: HP Designjet Z6ps-DRV (44")

Prepared by:

**Curt Thompson**  
Technology Advisor  
651-288-6944  
Curt.thompson@marconet.com



Managed Services



Copiers & Printers



Audio Visual



Business IT Services



## RECOMMENDED PRINT SOLUTION

### HP Designjet Z6 PostScript Printer (#T8W18A)

#### Specifications:

- 44" 6 Color Inkjet Printer w/PS Module
- *Print Speed:* up to 916 sf/hr (media dependent)
- 300ml Pigmented Ink Tanks – MBk, C, Y, M, G, PBK
- *Print Resolution:* up to 2400 x 1200 optimized dpi
- *Print Languages:* PDF, Tiff, Jpeg, CalsGroup4
- *Paper Sizes:* up to 44" wide, up to 300' roll, 2" core
- *Paper Thickness:* up to 31.5mil
- **Two-roll**, rear-feed
- **Vertical Trimmer**
- *Fabric Catch Tray*
- 128 GB Memory / 500 GB Self Encrypting Hard Drive
- 1yr. HP Limited Warranty



### MARCO LEASE OPTION

<b>Marco FMV Lease</b>	<b>60 Month Term</b>
<b>60 Month Term</b>	<b>\$152.38</b>

#### HP Designjet Z6 (8TW18A)

\*The above lease pricing does not include applicable sales tax, is based on zero payments upfront and a fair market value buyout at the end of the lease term.

\*Includes: 1 set starter cartridges  
 1 roll 24# IJ Bond  
 Marco Delivery, Installation and training

HP 130ml Ink Tanks: 6 @ \$187 ea \$1,122.00

"In the Box"

- 1 Printhead
- 1 set of "starter" ink tanks
- 1 roll 20# Bond, 36" x 150', 2" core \$1,122.00

Accepted by \_\_\_\_\_ Date: JANUARY 6, 2025  
 TIM LITFIN, MAYOR

By signing this proposal, you are authorizing Marco Technologies LLC to order, install and invoice the above listed equipment.



## MARCO Maintenance Plan

MAINTENANCE AGREEMENT	PRICE
Marco 5 yr. Maintenance Agreement (Parts & Labor Only)	\$3,393.00

Note: Marco Warranty program includes, service time, travel, and HP parts, does not include, inks, printhead and paper

## MARCO SUPPLIES

SUPPLIES	PRICE
HP #P2V78A 300ml Ink Tank Magenta	\$187
HP #P2V79A 300ml Ink Tank Yellow	\$187
HP #P2V80A 300ml Ink Tank Cyan	\$187
HP #P2V81A 300ml Ink Tank Chrom. Red	\$187
HP #P2V82A 300ml Ink Tank Photo Black	\$187
HP #P2V83A 300ml Ink Tank Matte Black	\$187
HP #P2V25A Universal Printhead	\$145 ea
730360U 36" x 300' 20# IJ Bond, 2" core – 2 rolls/bx	\$102
745360U 36" x 300' 24# IJ Bond, 2" core – 2 rolls/bx	\$188
746360K 36" x 100' 36# Presentation Bond, 2" core – 1 roll/bx	\$56

Note: Other size rolls and media types available upon request

***The above pricing does not include applicable sales tax.  
Price quoted are subject to change and should be verified before placing your order***

*Above prices are valid through Dec. 31<sup>st</sup>, 2024.*

Client represents that it has reviewed and agreed to the Terms and Conditions as outlined in the Return Policy located here: <https://www.marconet.com/support/request-a-return/return-policy> for products it is obtaining as identified in the Proposal. If the parties have negotiated changes to the Terms and Conditions outlined in the Return Policy, the modified version(s) of such Terms and Conditions, that have not expired or been terminated, shall control.

Accepted by \_\_\_\_\_ Date: JANUARY 6, 2025 \_\_\_\_\_  
Tim Litfin, Mayor

By signing this proposal, you are authorizing Marco Technologies LLC to order, install and invoice the above listed equipment.



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	2024 Pay Equity Report
<b>Originating Department:</b>	Administration
<b>Presented by:</b>	Jackie Schulze

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	X	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-015 Approving 2024 Pay Equity Report

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

All municipalities are required to submit Pay Equity Reports to the Minnesota Department of Management and Budget every three years. This reporting requirement is part of the Local Government Pay Equity Act of 1984. The intent of this legislation is for local governments to provide equal pay for equal work among male and female employees of each individual jurisdiction.

The Pay Equity Report is based upon "points" which are assigned to each specific job classification and the corresponding salary range of each job classification. The points for each job classification are determined based on the duties and responsibilities of each job description. Historically, the City of Waconia has used the State of Minnesota's job match system for conducting this analysis. However, in 2023, we conducted a Class and Compensation Study with David Drown and Associates (DDA). In this study, DDA rewrote and "graded" all job descriptions.

The salary ranges of each job classification, not the actual salary paid to individuals, are used in the computation of the Pay Equity Report. The salary range information, along with other factors such as job classification points and employee gender, is entered into a computer generated program provided by the Minnesota Department of Management and Budget for analysis. The report generated from this computer program is a statistical analysis of the predicted pay ranges in each job classification.

This report will be provided to the Minnesota Department of Management and Budget following its approval by the City Council. The Minnesota Department of Management and Budget evaluates the data and renders a determination of compliance at a later date. Based on the required tests, the City should be found in compliance. In order to be in compliance, the underpayment ratio needs to be at or above 80% (currently at 116.67%). In addition, our T-test results and degrees of freedom are within range, according to the T-test table provided. Lastly, the salary range test must be at zero, or above 80% (currently at 100%).

This report is based off of wages paid and employees present in 2024.

**Attachments:**

1. [Resolution No. 2025-015 Approving 2024 Pay Equity Report](#)
2. [2024 Compliance Report](#)

<b>FINANCIAL IMPLICATIONS:</b>	<b>ADVISORY BOARD RECOMMENDATIONS:</b>
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Funding Sources & Uses:	
Budget Information:	Planning Commission
_____ Budgeted	Parks and Recreation Board
_____ Non Budgeted	Safari Island Advisory Board

\_\_\_\_\_ Amendment Required

Other

**CITY OF WACONIA  
RESOLUTION NO. 2025 - 015**

**RESOLUTION APPROVING 2024 PAY EQUITY REPORT**

**WHEREAS**, pursuant to the Local Government Pay Equity Act, the City of Waconia is required to submit a Pay Equity Report every three years; and

**WHEREAS**, a report, based on 2024 positions and wages, has been completed as directed by the Minnesota Department of Management and Budget; and

**NOW, THEREFORE, BE IT RESOLVED**, that the 2025 Pay Equity Implementation Report is hereby approved.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator

# Compliance Report

Jurisdiction: Waconia  
201 South Vine Street

Report Year: 2025  
Case: 1 - 2024 Data (Private (Jur Only))

Waconia, MN 55387

Contact: Jackie Schulze

Phone: (952) 442-3103

E-Mail: jschulze@waconia.org

The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.

For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

## I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	14	7	1	22
# Employees	30	13	2	45
Avg. Max Monthly Pay per employee	8195.03	8125.20		8185.11

## II. STATISTICAL ANALYSIS TEST

### A. Underpayment Ratio = 116.6667 \*

	Male Classes	Female Classes
a. # At or above Predicted Pay	7	4
b. # Below Predicted Pay	7	3
c. TOTAL	14	7
d. % Below Predicted Pay (b divided by c = d)	50.00	42.86

\*(Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

### B. T-test Results

Degrees of Freedom (DF) = 41	Value of T = -1.999
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a. Avg. diff. in pay from predicted pay for male jobs = 15

b. Avg. diff. in pay from predicted pay for female jobs = 231

## III. SALARY RANGE TEST = 100.00 (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 10.00

B. Avg. # of years to max salary for female jobs = 10.00

## IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

A. % of male classes receiving ESP = 0.00 \*

B. % of female classes receiving ESP = 0.00

\*(If 20% or less, test result will be 0.00)



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Approving Investment Portfolio Diversification Due to Unspent Bond Proceeds - Fiscal Year End 2024
<b>Originating Department:</b>	Finance
<b>Presented by:</b>	Nicole Meyer

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-016 Approving Investment Portfolio Diversification Due to Unspent Bond Proceeds - Fiscal Year End 2024

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

The City's investment policy is outlined in the City's Financial Policy and Guidelines. In the policy, it is stated that not one of the City's broker-dealers or financial institutions will hold more than 50% of the City's investment portfolio at any time. For fiscal year end 2024, the City will have more than 50% of its cash and investments held with one institution due to bond proceeds that are left unspent for the fire station construction project. This is not a usual circumstance for the City as bonds are normally issued and then spent in the same fiscal year. However, this is a multi-year project and was expected to occur with this project. Because of this, staff wanted to make the City Council aware of this and acknowledge approval for audit purposes for 2024.

With the bonds being issued in 2022, City staff invested the funds with Moreton Capital Investments to maximize the City's return on investment while the funds are waiting to be spent in 2023 and 2024 on the project. Moreton Capital is a trusted advisor that assisted City staff in maximizing yield and building a maturity ladder based on when the construction manager advised payments would be due to contractors. The City will see some interest income to assist with any unforeseen costs for this project due to these efforts.

In summary:

- City staff attempts to diversify the investment portfolio by limiting investments to no more than 50% at any one-broker dealer throughout the course of each fiscal year.
- Due to unspent bond proceeds, more than 50% is currently held at Moreton Capital Investments.
- As proceeds from the 2022 bonds are spent during 2023 and 2024, funds will be drawn from the City's account at this broker. City staff is also looking at other options with Ehlers to reduce the City's arbitrage liability in future years.
- Based on past experience working with the broker, City staff are confident the broker will act in the best interest of the City.

**Attachments:**

1. [Resolution No. 2025-016 Approving Investment Portfolio Diversification due to Unspent Bond Proceeds Year End 2025](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: 2022A GO Bond Account (Fund 312)	<b>ADVISORY BOARD RECOMMENDATIONS:</b>
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Budget Information: <input checked="" type="checkbox"/> Budgeted	Planning Commission	
	Parks and Recreation Board	

_____ Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-016**

**RESOLUTION APPROVING INVESTMENT PORTFOLIO DIVERSIFICATION DUE  
TO UNSPENT BOND PROCEEDS – FISCAL YEAR END 2024**

**WHEREAS**, the City of Waconia (the “City”) outlines investment policies as part of the City’s Financial Policy and Guidelines; and

**WHEREAS**, City staff attempts to diversity the investment portfolio by limiting investments to no more than 50% at any one-broker dealer throughout the course of each fiscal year; and

**WHEREAS**, due to unspent bond proceeds, more than 50% is currently held at Moreton Capital Investments; and

**WHEREAS**, as proceeds from the 2022 bonds are spent during 2023, 2024, and 2025 for construction of the City’s fire station facility, funds will be drawn from the City’s account at this broker; and

**WHEREAS**, based on past experience working with the broker, City staff are confident the broker will act in the best interest of the City.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Waconia hereby approves the investment portfolio diversification due to unspent bond proceeds for fiscal year end 2024.

Adopted by the City Council of Waconia, this 6<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jacqueline Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Olive and Second Development Agreement with Olive & Second Holding, LLC
<b>Originating Department:</b>	Community Development
<b>Presented by:</b>	Lane Braaten

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	X	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-017 Approving the Olive and Second Development Agreement with Olive & Second , LLC  
 Adopt Resolution No. 2025-018 Consenting to Assignment of Tax Increment Revenue Note

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

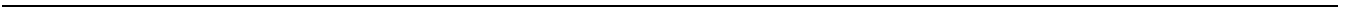
The City Council, at their regular meeting on August 19th, 2024, approved a site plan, variance and final plat for Olive & Second, LLC. The plat, titled OLIVE AND SECOND, was approved pursuant to Chapter 1000 of the Waconia City Ordinance and consists of two (2) commercial parcels. The City Council approved the preliminary and final plat applications via Resolution 2024-178 subject to certain conditions including Olive & Second, LLC entering into a development agreement with the City. The City Council subsequently approved via Resolution 2024-XX, the execution of a Tax Increment Financing Development Agreement.

City staff have prepared a proposed development agreement for the Olive and Second Development, a copy of which is attached for the Council’s review and consideration. The agreement includes provisions and partnership in the construction of certain city and developer funded municipal improvements in coordination with street reconstruction and storm water treatment as well as the sale of the small municipally owned parcel that will become part of the surface public parking area. City staff recommend approval of the development agreement language as proposed.

The City will also need to provide consent to the collateral assignment of the value of the Tax Increment Financing Note to Magnifi Financial. As part of the financing package between the developer and the bank, the future realized value of the TIF note, once issued upon completion and verification of all costs, will be assigned to the bank. The assignment agreement has been reviewed by the City's bond attorney and recommended for approval.

- Attachments:**
1. [Development Agreement Draft 01-02-2025](#)
  2. [Resolution No. 2024-017 Approving Development Agreement for Olive and Second](#)
  3. [Collateral Assignment of Development Agreement ant TIF Note](#)
  4. [Resolution No. 2025-018 Consenting to Assignment of Tax Increment Revenue Note and Development Agreement](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
_____ Budgeted	Parks and Recreation Board	
_____ Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	



**DEVELOPMENT AGREEMENT  
FOR  
OLIVE AND SECOND DEVELOPMENT**

This agreement (the “**Agreement**”) is dated January 6, 2025, and is between the City of Waconia, a Minnesota municipal corporation (the “**City**”) and Olive & Second Holding, LLC, a Minnesota limited liability company (the “**Developer**”).

**RECITALS**

WHEREAS, the Developer owns, as of the date hereof, the real property located at 125 Olive Street South (PID#750501511), 24 Second Street West (PID# 750501505), 16 Second Street West (PID# 750501480), 8 Second Street West (PID# 750501460), 136 Elm Street South (PID# 750501450), and the parcel assigned PID#750501470, all in the City, which parcels are legally described on attached Exhibit A; and

WHEREAS, the Developer has petitioned the City to plat the above-referenced parcels as Lot 1, Block 1, and Lot 2, Block 1, OLIVE AND SECOND, Carver County, Minnesota (“**Olive and Second**”); and

WHEREAS, on August 19, 2024, the City Council passed Resolution No. 2024-177 conditionally approving a site plan, design review, and a variance for Olive and Second; and

WHEREAS, on August 19, 2024, the City Council also passed Resolution No. 2024-178 conditionally approving the Preliminary Plat and Final Plat for Olive and Second; and

WHEREAS, a copy of the Final Plat for Olive and Second prepared by Sambatek, Inc., dated [REDACTED], 2024, is attached as Exhibit B (the “**Final Plat**”); and

WHEREAS, the Developer plans to demolish the existing buildings on Lot 1, Block 1, OLIVE AND SECOND, Carver County, Minnesota (the “**Property**”) and construct a new five (5) story mixed-use building, which will include a 92-unit apartment complex, 4,615 square feet of commercial space, two levels of structured underground parking, surface parking, driveways, sidewalks, and other associated improvements (collectively, the “**Development**”); and

WHEREAS, pursuant to a separate written agreement between the City and the Developer, the City has agreed to sell a small parcel of vacant land, PID#750501470, to the Developer in consideration of the Developer paying the City the sum of \$1,500 and granting the City an easement for surface public parking stalls as described in this Agreement; and

WHEREAS, City staff has reviewed and conditionally approved the following plans

for the Development (collectively, the “Plans”):

[List plans]; and

WHEREAS, this Agreement memorializes for the parties and subsequent owners the understandings and agreements of the parties regarding the Development;

NOW, THEREFORE, the City and the Developer agree as follows:

## TERMS

1. **INTRODUCTORY MATTERS.** The following are incorporated by reference as terms of this Agreement:

1.1. The Recitals set forth above; and

1.2. The all terms and requirements of the City resolutions referred to in the above Recitals and the exhibits attached to such resolutions (the “City Resolutions”).

2. **DEFINITIONS.** Defined terms, when capitalized, shall have the meanings ascribed to them in this Section 2, unless the context clearly requires otherwise. Additional terms are defined in the introductory paragraph, the Recitals, and later in this Agreement.

“**City Building Inspector**” means the then current building official for the City, as designated by the City Council, or such person’s designee.

“**City Community Development Director**” means Lane Braaten, City of Waconia, 201 South Vine Street, Waconia, MN 55387, or his designee or successor.

“**City Engineer**” means Jake Saulsbury, Bolton & Menk, Inc., 2638 Shadow Lane, Suite 200, Chaska, MN 55318-1172, or his designee or successor.

“**City Public Services Director**” means Jon Haukaas, City of Waconia, 310 East 10th Street, Waconia, MN 55387, or his designee or successor.

“**County**” means Carver County, Minnesota.

“**Governmental Entity**” means the City, the County, Minnesota, the United States of America, or any subdivision or department thereof including the Minnesota Department of Transportation, the Carver County Highway Department, the appropriate watershed district, the Board of Soil and Water Resources, the Minnesota Department of Natural Resources, the Army Corps of Engineers, the Minnesota Pollution Control Agency, the Metropolitan Council, the Minnesota Department of Health, or any other regulatory or jurisdictional agency having jurisdiction over the Property or the development of the Property.

“**Improvements**” means, collectively, the Municipal Improvements, Utility Relocations, Private Improvements, and Landscape Improvements, all as described in Section 6 of this Agreement.

“**Minnesota**” means the State of Minnesota.

**“Municipal Improvements”** means the Developer Installed Municipal Improvements and the Developer Funded Municipal Improvements, all as described in Section 6 below.

**“Olive and Second Street Reconstruction Project”** means the portion of the City’s 2025 public improvement reconstruction project that includes the reconstruction of Olive Street and Second Street adjacent to the Property and the replacement of public utilities beneath such street segments.

**“Security”** means the financial security provided by the Developer to the City, as set forth in Section 12 of this Agreement.

3. **RIGHT TO PROCEED; CONSTRUCTION.** Unless separate written approval has been given by the City, the Developer shall not grade or fill the Property or otherwise start construction of any improvement on the Property until the following conditions have been met to the satisfaction of the City: i) this Agreement has been fully executed and filed with the City Clerk; ii) the Security required by this Agreement has been received by the City; iii) all documents required by this Agreement to be recorded have been recorded with the Carver County Recorder’s Office or Registrar of Titles, as applicable; iv) the Developer has provided the City with recording information for all instruments required to be recorded; v) the Developer is not in default of this Agreement or any other agreement related to the Property or any other property within the City limits owned by the Developer or within the Developer’s control; vi) the Developer is not in violation of any federal, state or local regulation related to the Property; and vii) the City Community Development Director has issued a letter to the Developer stating that the Developer may proceed, which letter shall be issued within three (3) business days of the satisfaction of subparts i) through vi) above. Construction on the Property shall proceed in accordance with the Plans, the City Resolutions, the Waconia City Code, and this Agreement.

4. **ENGINEERING AND PLANNING REQUIREMENTS.**

- 4.1. **Developer’s Engineer.** The Developer warrants: i) the Developer has retained a duly registered professional civil engineer authorized to practice in Minnesota to prepare the Plans; and ii) such engineer has prepared the Plans in conformance with the City’s standard specifications for the Improvements.

- 4.2. **Requirements.** The Developer shall meet the following engineering, planning, and dedication requirements to the City’s satisfaction:

- 4.2.1. **Erosion and Sediment Control Plan.** The Developer shall have applied for and received an erosion and sediment control plan for the Property from the County. The Developer shall comply with the erosion and sediment control plan. Further, during the development of the Property, the Developer shall follow all measures required by the City Engineer to protect any wooded areas and steep slopes on the Property, as determined and directed by the City Engineer.

- 4.2.2. **Wetlands.** The Developer shall have applied for and received all

required approvals for any wetland alterations or mitigations on the Property from each Governmental Entity with jurisdiction.

- 4.2.3. **Approvals from other Governmental Entities.** The Developer shall submit the Plans to all Governmental Entities that require submission and shall modify the Plans as required by such Governmental Entities. The Developer shall further comply with the requirements of all Governmental Entities having jurisdiction to their satisfaction and make dedications of right-of-way or other dedications as required by such Governmental Entities. Any modifications to the Plans are subject to the review and approval of the City Council. The Developer shall comply with any further requirements of the City Council based on the City Council's additional review.
- 4.2.4. **Razing.** If the Developer plans to raze any structures as part of the Development, the Developer shall obtain all appropriate permits before performing such work.
- 4.2.5. **Plan for Construction Access.** The Developer shall submit a written plan for construction access to the City Public Services Director, who must approve such plan before any grading or construction occurs for the Development.
- 4.2.6. **Site Drainage.** The Developer, at its expense, shall provide adequate temporary drainage for the Property during construction of the Improvements on an as-needed basis. The Developer acknowledges temporary piping and/or pumping may be required if the storm sewer system is needed during construction, prior to its installation by the City.
- 4.2.7. **Parking, Drainage, and Utility Easement.** The Developer shall: i) construct a surface public parking lot on the Property as depicted in the Plans; and ii) grant the City an easement for public parking, drainage, and utility purposes as set forth in the form of Parking, Drainage, and Utility Easement Agreement attached as Exhibit C (the "**Parking, Drainage, and Utility Easement**"). Prior to the City granting any building permits pursuant to Section 9.1 below, the Developer shall execute the Parking, Drainage, and Utility Easement and record it against the Property at the Developer's expense. The Developer shall promptly provide the City with proof of recording.

5. **GRADING.** The Property shall be graded in compliance with the approved grading, drainage and erosion control portion of the Plans. Within 60 days after completion of such grading, the Developer shall provide the City with a "record" grading plan certified by a registered land surveyor or engineer showing field verified locations, site grades and elevations, lot corners, and tops and bottoms of retaining walls.

6. **IMPROVEMENTS.**

6.1. **Municipal Improvements Installed by the Developer.**

6.1.1. **Required Improvements.** The Developer shall construct,

reconstruct, and install public improvements on and adjacent to the Property in conformance with the Plans, the Waconia City Code, and this Agreement (the “**Developer Installed Municipal Improvements**”) including:

- 6.1.1.1. sanitary sewer laterals or extensions required to serve the Development, including all necessary services, lift stations and other appurtenances;
- 6.1.1.2. other storm water improvements for the Development that meet the requirements of each Governmental Entity with jurisdiction, excepting the storm sewer pipe described in Section 6.2.1.5 below (which will be installed by the City);
- 6.1.1.3. water main laterals or extensions, including all necessary building services, hydrants, valves, and other appurtenances;
- 6.1.1.4. temporary paving of all public sidewalks removed or disturbed during construction of the Development along South Elm Street, which shall occur promptly after Developer’s substantial completion of the Development until such time as the new sidewalks referred to in Sections 6.2.1.1 and 6.2.1.2 below are installed by the City.

6.1.2. **Allocation of Expenses.** The Developer shall pay all expenses associated with the Developer Installed Municipal Improvements.

6.1.3. **Reimbursement.** For expenses that are the City’s responsibility, the City shall reimburse the Developer pursuant the procedure set forth in Section 11.3 of this Agreement.

6.1.4. **Ownership and Maintenance.** All Developer Installed Municipal Improvements will be the property of the City once accepted by the City pursuant to the terms of this Agreement and upon acceptance, the City shall repair, maintain and replace such Developer Installed Municipal Improvements at its sole cost and expense.

6.2. **Municipal Improvements Installed by the City.**

6.2.1. **Required Improvements.** The City shall construct, reconstruct, and install public improvements adjacent to the development of the Property as follows (the “**Developer Funded Municipal Improvements**”):

- 6.2.1.1. a sidewalk for Olive Street in public right-of-way along the west boundary of the Property and a sidewalk for Second Street in public right-of-way along the south boundary of the Property, the estimated cost of which is \$65,600.00;
- 6.2.1.2. a sidewalk for Elm Street in public right-of-way along the east boundary of the Property, the estimated cost of which is \$41,500;

- 6.2.1.3. adjacent boulevard sodding/seeding and blanket after the above-referenced sidewalks have been installed;
- 6.2.1.4. full reconstruction of the segment of public alley bordering the north boundary of the Development, which segment lies between Olive Street to the west and Elm Street to the east (the “**Public Alley**”);
- 6.2.1.5. a storm sewer pipe underneath the Public Alley, as depicted in the Plans, which has been oversized per the City’s request;
- 6.2.1.6. a public storm water storage detention structure, which will be located underneath the surface parking area on the Property (the “**Storm Water Detention Structure**”);
- 6.2.1.7. new street signs adjacent to the development of the Property; and
- 6.2.1.8. if any public right-of-way is damaged by the Developer’s work or is used for more than 30 days pursuant to a right-of-way permit issued under Chapter 320 of the Waconia City Code, full replacement of all associated pavement, curb, and gutter so that such streets, curb, and gutter are returned to a condition that is, in the sole judgement of the City Public Services Director, equal to or better than their condition prior to commencement of the Development.

6.2.2. **Allocation of Expenses.** The Developer shall pay all expenses associated with the Developer Funded Municipal Improvements, except as follows:

- 6.2.2.1. The City, at its expense, shall provide the Developer with plans and specifications for reconstructing the Public Alley;
- 6.2.2.2. The City and the Developer shall share equally (i.e., 50/50) the cost of reconstructing the western 180 feet of the Public Alley (the Developer’s estimated share of the Public Alley reconstruction cost is \$40,000.00);
- 6.2.2.3. The City and the Developer shall share the cost of the storm sewer pipe referenced in 6.2.1.5 above, with the Developer responsible for such portion of the cost associated with the installation of a 15” diameter pipe to meet the requirements of the development and the City responsible for such portion of the cost to oversize the pipe as desired by the City (the Developer’s estimated share of the storm sewer pipe cost is \$67,000); and
- 6.2.2.4. The City shall pay all costs associated with designing, supplying and installing the Storm Water Detention Structure.

- 6.2.3. **Staff Time.** Any City of Waconia staff time associated with the Developer Funded Municipal Improvements shall be invoiced to the Developer at the then current staff labor rates set forth in Chapter 1100 of the Waconia City Code.
- 6.2.4. **Reimbursement.** For installation expenses that are the Developer's responsibility, the Developer shall reimburse the City pursuant the procedure set forth in Section 11.2 of this Agreement.
- 6.2.5. **Acknowledgement Regarding Separate Public Improvement Assessment.** The Developer acknowledges that, concurrent with the construction of the Development, the City will be reconstructing Olive Street and Second Street adjacent to the Property and replacing water, sanitary sewer, and storm sewer utilities under these portions of the streets. The Property will be separately assessed for such street and utility work pursuant to Minn. Stat. Chap. 429.
- 6.2.6. **Utility Relocations and Accommodations.** The Developer, at its expense, shall work with the City to relocate water, sanitary sewer, and storm sewer utilities and private utility companies to relocate all other non-city utilities required to complete the Development, which utilities shall be moved to locations approved by the City and, as applicable, utility companies. Such work shall include, but not be limited to, the relocation of the utility pole in the Public Alley near the Yetzer's Home Furnishing Store. The parties acknowledge the segment of the City's water main underneath Second Street between Olive and Elm Streets will require decommissioning (the "**Decommissioned Segment**") while grading and foundation work is occurring for the Development. The Developer, at its expense, shall temporarily cap the water main at the Olive/Second Street and Elm/Second Street intersections to effectuate such decommissioning and install temporary water services to all impacted properties. The City shall remove the Decommissioned Segment and reinstall new pipe in place of the Decommissioned Segment as part of its Olive and Second Street Reconstruction Project. The Developer shall reimburse the City pursuant the procedure set forth in Section 11.2 of this Agreement for all City expenses related to utility relocations performed by the City, except for replacement of the Decommissioned Segment, a portion of the cost of which shall be assessed to the Property as described in Section 6.2.5 above. The Developer shall pay third-party utilities directly for all utility relocations performed by such utilities or their contractors.
- 6.2.7. **Ownership and Maintenance.** All Developer Funded Municipal Improvements will be the property of the City once accepted by the City pursuant to the terms of this Agreement and upon acceptance, the City shall repair, maintain and replace such Developer Funded Municipal Improvements at its sole cost and expense.
- 6.3. **Private Improvements.** The Developer shall, at its expense, install private

improvements on the Property (the “**Private Improvements**”) in conformance with the Plans, the Waconia City Code, and this Agreement, including:

- 6.3.1. grading of the Property and installation of corrected soil areas;
- 6.3.2. construction of the mixed-use building described in the Plans;
- 6.3.3. construction of internal driveways, sidewalks, and parking areas described in the Plans;
- 6.3.4. concrete curb and gutter meeting ADA accessibility requirements;
- 6.3.5. internal site lighting; and
- 6.3.6. such pipes and other improvements as are required to drain storm water from the roof of the mixed-use building on the Property to the Storm Water Detention Structure located under the surface parking area.

6.4. **Landscape Improvements.** The Developer shall install, at its expense, all landscape improvements required by the Landscape Plans attached as Exhibit D (the “**Landscape Improvements**”). The Developer shall cause all future owners and tenants of the Property to assume maintenance, repair, and replacement responsibilities for all Landscape Improvements located on the portion of the Property owned or leased by such person. The City shall have no obligation to maintain, repair, or replace any Landscape Improvements.

6.5. **Use of Public Right-of-Way for Foundation Work/Deadline for Completion.** The Developer anticipates the need to use the Elm Street, Second Street and Olive Street right-of-way adjacent to the Property (defined as everything outside of the boundary of the Property and referred to collectively herein as the “**Public Right-of-Way**”) to complete foundation work for the Development. The Developer shall not start using any portion of the Public Right-of-Way until it has applied for and received an appropriate right-of-way permit from the City and caused Developer’s Engineer to stake the boundary between the Property and the Public Right-of-Way. Notwithstanding anything in the City’s right-of-way permit to the contrary, the Developer shall complete its use of the Public Right-of-Way, in all respects, no later than June 30, 2025 (the “**Prime Deadline**”) so the City can proceed with its Olive and Second Street Reconstruction Project.

6.6. **Cooperation.** The City and the Developer acknowledge that portions of the Development will be under construction at the same time as the City’s Olive and Second Street Reconstruction Project is occurring. The parties agree to coordinate their construction activities so as to minimize disruptions to either party’s work to the greatest extent possible. To facilitate such coordination, the Developer shall designate, in writing, a Developer representative that has authority to bind the Developer regarding matters related to work coordination. The Developer shall further cause its general contractor to designate, in writing, a representative of the general contractor that has

authority to bind the general contractor/subcontractors on matters related to work coordination. The City Public Services Director shall have authority to bind the City on matters related to work coordination.

- 6.7. **Permits.** Prior to any grading, filling, or construction occurring on the Property, the Developer shall determine and obtain all necessary approvals, permits, and licenses required by each Governmental Entity with jurisdiction and obtain them. As part of such work, the Developer shall determine all design requirements of such Governmental Entities and revise the Plans to include them, subject to the Plan approval process described in this Agreement. All costs incurred to obtain such approvals, permits, and licenses and all fines or penalties levied by any Governmental Entity due to the failure of the Developer to obtain or comply with the conditions of such approvals, permits, and licenses shall be the sole responsibility of the Developer. The Developer agrees to defend and hold the City, its officers, employees, and agents harmless from any action initiated by any Governmental Entity resulting from any failure of the Developer to acquire the approvals, permits and licenses required herein.
- 6.8. **Access License.** The Developer grants the City, its agents, employees, officers, and contractors a license to enter the Property to perform all work and inspections deemed appropriate by the City in conjunction with the development of the Property.
- 6.9. **Standard of Performance.** All labor and work shall be done and performed by Developer in the best and most workmanlike manner and in strict conformance with the Plans, the Waconia City Code, and this Agreement, unless approved in writing to the contrary by the City Engineer.
- 6.10. **Deadlines for Completion.** Excepting the matter described in Section 6.5 above, which has its own deadline, the Developer shall substantially complete all Developer Installed Municipal Improvements and Private Improvements by June 30, 2026. All Landscape Improvements shall be substantially complete by June 30, 2027. The Developer may request an extension of time from the City regarding any deadline, which the City may grant or deny in its sole discretion; provided, however, that the City shall not unreasonably deny any request for an extension to the extent the need therefor is caused by events of force majeure (including strikes, unusually severe or prolonged bad weather, acts of God, global pandemic, fire or other casualty, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit other than the City). If an extension is granted, it shall be conditioned upon updating the Security posted by the Developer to reflect cost increases and the extended completion date. Regarding the Prime Deadline, “substantially complete” means the date an unconditional certificate of occupancy is issued for the Development’s residential units, which certificate of occupancy shall not be unreasonably withheld or delayed by the City once the Developer has met all applicable requirements and applied for such certificate of occupancy. Regarding the sidewalks and

Landscape Improvements, “substantially complete “ means the date on which all improvements have been installed and only minor punch list items remain uncompleted.

- 6.11. **Construction Times.** The Developer shall conduct all construction activities in conformance with the City’s noise ordinance (Chapter 740 of the Waconia City Code). Construction activities shall be allowed between 7:00 a.m. and 10:00 p.m. on weekdays (excepting holidays) and between 9:00 a.m. and 10:00 p.m. on Saturdays. Any deviation from the allowed construction times must be approved by the Public Services Director or the City Engineer.
- 6.12. **Public Property Damage.** To the extent not previously addressed by Section 6.2.1.8 above, the Developer is liable for all damage to public property and improvements (e.g., street and utility systems) directly or indirectly arising from the grading or the development of the Property. The Developer shall promptly notify the City Public Services Director of any such damage the Developer discovers. Further, the Developer shall repair all such damage, at its expense, within 10 days after receiving written notice from the City requesting repair. If the Developer fails to repair any damage within 10 days of receiving the City’s notice, the City may elect to make the repair itself, in which case the Developer shall reimburse the City for all materials and labor associated with the repair.
- 6.13. **Street Cleaning.** During the grading and the development of the Property, the Developer shall keep the streets, sidewalks, and trails within, and adjoining, the Property free of dirt, debris and clutter caused by the Development. If the City determines the Developer has violated this requirement, the City may give the Developer written notice of the violation and the Developer shall perform the cleanup within 48 hours. If the Developer fails to perform the cleanup to the City’s satisfaction within 48 hours of receiving the City’s notice or the City determines, in its discretion, that circumstances warrant cleanup faster than within 48 hours, the City may perform the cleanup itself, in which case the Developer shall reimburse the City for all materials and labor associated with the cleanup.
- 6.14. **Inspection.** The Developer shall instruct its engineer to provide adequate field inspection personnel to assure an acceptable level of quality control and conformance to the City’s standards. Further, the City may, at the City’s discretion and at the Developer’s expense, have one (1) or more City inspectors and a soil engineer inspect the work on a full or part-time basis. The Developer, its contractors, and subcontractors, shall follow all instructions received from the City’s inspectors. The Developer’s engineer shall provide on-site project management. The Developer’s engineer is responsible for design changes and contract administration between the Developer and the Developer’s contractor. The Developer, through its engineer, must also provide all surveying and construction staking necessary to ensure that the construction conforms to the Plans. The Developer or its engineer shall schedule a pre-construction meeting at a mutually agreeable time at City Hall or via Zoom with all parties concerned, including the City

staff, to review the program for the construction work.

- 6.15. **Final Inspection by the City.** Promptly upon completion of the Improvements, the Developer shall provide the following to the City (the “**Inspection Deliverables**”):
- 6.15.1. as-built plans of the Improvements in both paper and electronic format, which electronic format shall be acceptable to the City Public Services Director; and
  - 6.15.2. a recording of closed-circuit televising of the sanitary sewer improvements and a written report describing such televising.
- 6.16. **Acceptance by the City.** All the Improvements are subject to final inspection by the City Engineer, the City Public Services Director, and the City Building Inspector (collectively, the “**City Staff Inspectors**”). If any of the City Staff Inspectors determine corrective action is needed to conform any of the Improvements to the Plans, this Agreement, any requirement of a Governmental Entity, or to correct defective or damaged work (including, but not limited to, pavement and sidewalk and/or trail cracks and damage), the City shall inform the Developer of the corrective action needed. Upon receiving notice from the City of the corrective action needed, the Developer shall, at the Developer’s expense, promptly complete the corrective action to the satisfaction of the City Staff Inspectors. Further, within 60 days of the City’s receipt of the Inspection Deliverables, the City shall either accept, by resolution of the City Council, the Developer Installed Municipal Improvements or inform the Developer of corrective action needed. Regarding the Developer Installed Municipal Improvements, the City’s failure to act as stated above within the 60-day period shall be deemed acceptance. Upon acceptance by the City, the Developer Installed Municipal Improvements shall become City property without further action.

## 7. **WARRANTIES.**

- 7.1. **Developer Installed Municipal Improvements.** The Developer agrees, or shall cause its prime contractor to agree, to guarantee and warrant all work performed and all materials supplied for the construction of the Developer Installed Municipal Improvements for a period of 2 years from final acceptance by the City and to promptly repair or replace any portion of the Developer Installed Municipal Improvements found to be defective. Upon completion of the Developer Installed Municipal Improvements and acceptance thereof by the City Council, the Developer shall furnish the City with a 2-year warranty bond for 100% of the cost of the Developer Installed Municipal Improvements.
- 7.2. **Developer Funded Municipal Improvements.** Except for its obligation to pay for the Developer Funded Municipal Improvements, the Developer has no obligation to provide any guarantee or warranty for such improvements.
- 7.3. **Landscape Improvements.** The Developer agrees, or shall cause its prime contractor to agree, to guarantee and warrant to the City all work performed

and all materials supplied regarding the Landscape Improvements for a period of 2 years from the date installed. If any plant material dies or is not growing properly within 2 years of the date it is installed, the Developer or its prime contractor shall promptly replace it.

## 8. **INSURANCE AND INDEMNIFICATION.**

8.1. **Insurance.** The Developer shall furnish, or shall cause its prime contractor to furnish, proof of insurance prior to the commencement of construction of the Improvements, which shall be subject to the review and approval of the City, covering public liability and property damage by reason of operation of the contractor's equipment, laborers and hazard caused by the Improvements at a minimum policy amount of \$1,000,000.00. The contractor shall keep such insurance in force during construction of the Improvements and applicable warranty periods. The insurance shall name the City as an additional insured and shall require the insurer to give the City not less than 30 days' written notice prior to modification or cancellation of the insurance policy.

8.2. **Indemnification.** Claims against the Developer, its agents, servants, or employees relating to the development of the Property shall in no way be the obligation of the City. The Developer shall indemnify, hold harmless, and defend the City, its elected officials, officers, employees, consultants, contractors and agents (the "**Indemnified Parties**") from and against any and all liabilities, losses, costs, damages, expenses, claims, actions, or judgments, including reasonable attorneys' fees and court costs, that the Indemnified Parties, or any of them, may sustain, incur, or be required to pay, directly or indirectly arising out of the Developer's violation of this Agreement or any act or failure to act by the Developer, its officers, employees, consultants, contractors or agents, except to the extent directly caused by the negligence of the Indemnified Parties or any of them.

## 9. **BUILDING PERMITS AND CERTIFICATES OF OCCUPANCY.**

9.1. **Building Permit Requirements.** The City shall have no obligation to issue a building permit for the Development, or any portion thereof, until:

9.1.1. the requirements of Section 4.2 have been met and all documents required by this Agreement have been executed and, as applicable, recorded;

9.1.2. all required financial Security has been provided to the City;

9.1.3. site plans, if applicable, have been reviewed and approved by the City Council;

9.1.4. all Waconia City Code requirements for issuance of the requested building permit have been met;

9.1.5. the applicant for the permit has paid all fees then required by the City or any other Governmental Entity including any fees for: i) metro sewer availability; ii) sewer trunk; iii) sewer permit; iv) sewer hookup;

- v) water trunk; vi) water permit; vii) water hookup; viii) storm water trunk; and ix) storm water connection; x) park dedication;
- 9.1.6. the City Public Services Director has approved access and temporary construction access for the Property;
- 9.1.7. the Property is established with Best Management Practices devices approved by the City Public Services Director including slit-in silt fence (spring – fall months) or proper log rolls (winter season); and
- 9.1.8. all amounts due the City under this Agreement have been paid and the Developer is not then in default of this Agreement.
- 9.2. **Certificate of Occupancy Requirements.** No certificate of occupancy shall be issued for the commercial structure until:
  - 9.2.1. the Improvements have been substantially completed;
  - 9.2.2. the City Public Services Director has approved an as-built final grade, topsoil inspection for the Property;
  - 9.2.3. the City Public Services Director has approved a utility check for the Property;
  - 9.2.4. the City Public Services Director has approved storm water infiltration compliance for the Property;
  - 9.2.5. all amounts due the City under this Agreement or the Waconia City Code have been paid; and
  - 9.2.6. all Waconia City Code, building code, and other requirements for issuance of a certificate of occupancy have been met.
- 9.3. **Default.** Notwithstanding anything to the contrary herein, the City shall have no obligation to issue any building permit or occupancy permit regarding the Development if the Developer has breached any covenant or agreement of this Agreement and such breach is then continuing.
- 10. **ZONING/DESIGN REQUIREMENTS.** The Property shall meet the requirements of:
  - i) the B-3, Central Business District, as stated in Section 900.05, Subd. 2.H of the City Code; ii) the Architectural Design Standards stated in Section 900.06, Subd. 9; and iii) all requirements found in the City Resolutions.
- 11. **PAYMENT OF COSTS AND EXPENSES.**
  - 11.1. **General.** Except as otherwise set forth in this Agreement, the Developer shall pay, upon demand of the City, all costs, expenses, charges, and fees incurred or paid by the City in relation to this Agreement or the development of the Property. For example, the Developer shall reimburse the City for staff time, consulting fees, reasonable attorneys' fees and costs relating to: i) review of the Plans; ii) the negotiation and preparation of this Agreement; iii) reviews and inspections required or permitted by this Agreement; or iv) except as otherwise set forth in Section 8.2 and 18.7, any action or suit relating to this Agreement or the development of the Property. Concurrent with the full execution of this Agreement, the Developer shall deposit the sum

of \$10,000.00 in escrow to cover such costs. The City may, from time to time, withdraw funds from such escrow to pay costs, expenses, and charges the Developer is required to pay; provided however, that concurrent with each such withdrawal the City shall provide the Developer with an itemized statement showing the costs, expenses and charges incurred, the amount withdrawn from escrow to pay them, and the amount remaining in escrow. The City shall promptly refund any excess amount remaining in escrow to the Developer. Any costs, expenses, or charges, in excess of the escrow amount (or incurred after the escrow account is closed) shall be billed to the Developer by the City and paid by the Developer in conformance with Section 11.2 below.

11.2. **City Billing Procedure.** Whenever this Agreement permits the City to demand payment from the Developer or requires the Developer to reimburse the City, the City shall invoice the Developer for the amount due. Each amount invoiced by the City to the Developer shall be due and payable 30 days after the date of the applicable invoice. If the Developer fails to pay any amount on or before the date such amount is due, the Developer shall be deemed in default of this Agreement.

11.3. **Developer Billing Procedure.** Whenever this Agreement permits the Developer to demand reimbursement from the City, the Developer shall invoice the City for the amount due. Each amount invoiced by the Developer to the City shall be due and payable 30 days after the date of the applicable invoice. If the City fails to pay any amount on or before the date such amount is due, the City shall be deemed in default of this Agreement. Any invoice for reimbursement shall itemize the amounts previously incurred by the Developer for which reimbursement is sought.

12. **FINANCIAL SECURITY.** Prior to the issuance of any building permit, the Developer shall provide the following financial security (collectively, the “**Security**”):

12.1. **Security for Municipal Improvements.**

12.1.1. **Letter of Credit.** To assure the installation of all Municipal Improvements in a good and workmanlike manner and the Developer’s faithful performance of its obligations under this Agreement, the Developer shall provide the City with an irrevocable letter of credit from a U.S. bank with a physical branch location in Minnesota, the form of which shall be satisfactory to the City (the “**Letter of Credit for the Municipal Improvements**”) in the amount of \$ [REDACTED] (which equals 120% of the cost of the Municipal Improvements). If the Developer fails to install the Developer Installed Municipal Improvements in accordance with the provisions of this Agreement, fails to reimburse the City for the Developer Funded Municipal Improvements as required herein, or otherwise breaches its obligations under this Agreement, the City shall notify the Developer in writing of such breach. If the Developer fails to cure the breach within 30 days of receipt of the City’s written notice the City may declare a default under the Agreement. Thereafter, the

City may draw upon the Letter of Credit for the Municipal Improvements in such amount as is reasonably adequate to cure the breach. The Letter of Credit for the Municipal Improvements shall be renewable on an annual basis and shall require the issuer to give the City notice at least 30 days prior to the date of renewal.

12.1.2. **Release/Reduction of Letter of Credit.** The Developer shall have no right to request a partial release of the Letter of Credit for the Municipal Improvements. The Developer may request a full release, when all the following requirements have been met:

12.1.2.1. All of the Municipal Improvements have been completed and accepted by the City;

12.1.2.2. The warranty bond required by Section 7 of this Agreement has been provided to the City; and

12.1.2.3. The Developer has fully reimbursed the City for the cost of all Developer Funded Municipal Improvements.

## 12.2. **Security for Landscape Improvements.**

12.2.1. **Letter of Credit.** To assure the installation of all Landscape Improvements in a good and workmanlike manner, the proper growth of all plants for the period of 2 years after installation, and the Developer's faithful performance of its obligations under this Agreement, the Developer shall provide the City with an irrevocable letter of credit from a U.S. bank with a physical branch location in Minnesota, the form of which shall be satisfactory to the City (the "**Letter of Credit for the Landscape Improvements**") in the amount of \$ [REDACTED] (which equals 100% of the cost of the Landscape Improvements). If the Developer fails to install and maintain the Landscape Improvements in accordance with the provisions of this Agreement, fails to replace a plant not growing properly, or otherwise breaches this Agreement, the City shall notify the Developer in writing of such breach. If the Developer fails to cure the breach within 30 days of receipt of the City's written notice the City may declare a default under the Agreement. Thereafter, the City may draw upon the Letter of Credit for the Landscape Improvements in such amount as is reasonably adequate to cure the breach. Such Letter of Credit for the Landscape Improvements shall be renewable on an annual basis and shall require the issuer to give the City notice at least 30 days prior to the date of renewal.

12.2.2. **Release/Reduction of Letter of Credit for Landscape Improvements.** The Developer may apply to the City for a release of all or a portion of the Letter of Credit for the Landscape Improvements as follows:

12.2.2.1. When another irrevocable letter of credit acceptable to the City is furnished to the City to replace the Letter of Credit

for the Landscape Improvements; or

12.2.2.2. Upon such time as the Landscape Improvements have been installed for a period of 2 years or a warranty bond ensuring the proper growth of all plant material for a period of 2 years following installation has been provided to the City.

- 12.3. **Expiration.** If any letter of credit required by this Section 12 will expire pursuant to its terms prior to the time that all money or obligations of the Developer are paid or completed pursuant to this Agreement, the Developer shall provide the City with a new letter of credit, acceptable to the City, at least 30 days prior to the expiration of such expiring letter of credit. If the City does not receive a new letter of credit as required above, the City may declare the Developer in default of this Agreement and draw, in whole or in part, at the City's discretion, upon the expiring letter of credit to avoid the loss of security.
- 12.4. **Failure to Perform.** If the Developer is in default of this Agreement or otherwise fails to perform any of the duties, conditions, or terms of this Agreement in the time permitted herein, the City shall be entitled to draw on any letter of credit provided by the Developer pursuant to this Section 12, to enter the Property, and to cure the default. If the default consists of the Developer's failure to install any of the Improvements in accordance with the provisions of this Agreement, the City shall cure the default by performing the work in accordance with this Agreement and the Plans. The City may reimburse itself for all costs and expenses, including, but not limited to reasonable legal and consulting fees, arising out of, or related to, curing the Developer's default from letter of credit funds. The Developer shall indemnify, hold harmless, and defend the City, its officers and employees against any and all liability, loss, costs, damages, expenses, claims, actions, or judgments (including reasonable attorneys' fees) that the City, its officers or employees may hereafter sustain, incur, or be required to pay, arising out of or by reason of the City exercising its power under this Section 12.
- 12.5. **Costs.** The City's costs for processing any letter of credit reduction or release request shall be billed to the Developer at \$125.00 per hour with a minimum of 1 hour per reduction or release and shall be paid by the Developer to the City within 30 days of billing. Any request for reduction or release of a letter of credit shall be either approved or denied within 30 days of being made in writing to the City.
- 12.6. **Deficiency.** If any of the securities described in this Section 12 are used by the City and found to be deficient in amount to pay or reimburse the City in total as required herein, the Developer agrees that upon being invoiced by the City, the Developer will pay the deficiency amount to the City within 10 days of receipt of such invoice. If the Developer fails to timely pay the full amount due, the City may assess all costs, including, but not limited to, staff time, reasonable engineering fees and legal fees against the Property. The Developer acknowledges that the City has the authority, pursuant to

Minnesota Statutes Chapters 412 and 429, to specially assess property benefited by improvements. If there is an overage in the amount of utilized security the City shall, upon making such determination, refund to the Developer any monies in the City's possession that are in excess of the security needed by the City. In addition to the above, the City may seek a civil judgment against the Developer.

13. **PROOF OF TITLE/ATTORNEY REVIEW.** Prior to release of the Final Plat, the Developer shall provide an updated and certified Abstract of Title and/or Registered Property Abstract as required by Minn. Stat. §505.03, or in the alternative, the Developer may provide a commitment for a title insurance policy for the Property, as platted, naming the City as the proposed insured and with the amount of coverage listed as \$10,000. The evidence of title shall be subject to the review and approval of the City Attorney to determine which entities must execute the Final Plat and other documents to be recorded against the Property. The Developer shall cause a title insurance policy to be issued consistent with each commitment for a title insurance policy provided by the Developer and the requirements of the City Attorney and with an effective date on which the Final Plat is recorded (the City will not issue any certificate of occupancy until it is provided with the title insurance policy). Further, prior to the City approving any building permits or other permits applicable to the development of the Property, the Developer shall provide the City with evidence, which sufficiency shall be determined by the City, that all documents required to be recorded pursuant to this Agreement, or required by the City Attorney, have been recorded and all conditions for release of the Final Plat have been met.
14. **REPRESENTATIONS AND WARRANTIES OF DEVELOPER.** The Developer, as an inducement to the City to enter into this Agreement, hereby represents, warrants, and covenants to the City as follows:
  - 14.1. **Authorization.** The Developer is an organized limited liability company under the laws of Minnesota and is in good standing and authorized to do business in Minnesota. The Developer has full authority to enter into this Agreement and make it binding on itself and its successors and assigns, and to make this Agreement, and the covenants herein, binding upon and running with the Property. This Agreement shall not become effective until it fully executed and delivered by the City and the Developer.
  - 14.2. **Ownership.** The Developer has a fee ownership interest in the Property.
  - 14.3. **Execution No Violation.** The execution, delivery and performance of this Agreement does not and will not result in any breach of, or constitute a default under, any indenture, mortgage, contract, agreement, or instrument to which the Developer is a party or by which it, or the Property, is bound.
  - 14.4. **Litigation.** There are no pending actions or proceedings, or to the knowledge of the Developer, threatened actions or proceedings before any court or administrative agency that will adversely affect the Property or the ability of the Developer to perform its obligations under this Agreement.
  - 14.5. **Compliance.** The Developer will comply with and promptly perform all the Developer's obligations under this Agreement and all related documents and

instruments.

- 14.6. **Wetlands.** As of the date of this Agreement, the Property and the proposed development thereof complies with the Wetland Conservation Act.
- 14.7. **Environmental Laws.** To the best of the Developer's knowledge, as of the date of this Agreement, the Developer is not in violation of any local, state, or federal environmental law, regulation, or review procedure, which would give any person a valid claim under the Minnesota Environmental Rights Act with respect to the Property.

15. **DEFAULT.**

- 15.1. **Liquidated Damages for Failure to Meet Prime Deadline.** Time is of the essence in this Agreement. If the Developer fails to completely cease its use of the Public Right-of-Way (as defined in Section 6.5 above) by the Prime Deadline, the Developer will likely cause the City to default on the City's contracts for the Olive and Second Street Reconstruction Project. The parties further acknowledge the extent of the damage the City will incur would be impractical or extremely difficult to ascertain. Therefore, if the Developer fails to completely and permanently cease its use of the Public Right-of-Way by the Prime Deadline, the Developer shall pay the City, as liquidated damages, and not as a penalty, the sum of \$2,500.00 per day for each calendar day beyond the Prime Deadline until the date that the Developer completely and permanently ceases use of the Public Right-of-Way. The parties agree this daily amount represents a reasonable estimate of the damage the City will incur as a result of the Developer's failure to meet the Prime Deadline. For each day liquidated damages accrue, the Developer shall pay the liquidated damages for such day to the City in certified funds no later than 10 a.m. the following business day. If the Developer fails to pay any liquidated damage amount when due, the City may draw and/or utilize the Security, or other surety funds to satisfy the payment due, and to the extent not satisfied from such funds, to bring legal action against the Developer to collect any sums due pursuant to this Section 15.1.
- 15.2. **Other Defaults.** If the Developer, its successors, or assigns breaches any of the covenants or agreements herein contained (excepting a Prime Deadline default addressed by Section 15.1 above) and any such breach remains uncured for more than 10 days after the City gives the Developer notice of the breach (unless another provision of this Agreement calls for a shorter cure period, in which case the shorter period shall apply), the City may draw and/or utilize the Security, or other surety funds to complete the Developer's obligations as set forth herein, and to the extent not satisfied from such funds, to bring legal action against the Developer to collect any sums due pursuant to this Agreement. In the event of an uncured breach, the Developer hereby grants the City and the City's employees, representatives, or agents the right to enter the Property to perform any act deemed necessary by the City to cure the Developer's breach. In addition to the above, the City may initiate any action allowed by law or equity, including, but not limited to, injunctive relief for compliance with this Agreement.

16. **PERMITS FOR USE OF PUBLIC RIGHT-OF-WAY (INCLUDING TOWER CRANE SWING AREAS).**
- 16.1. **Right-of-Way Permits Required.** Prior to using any portion of public right-of-way for the Project, the Developer shall, in each instance, obtain a right-of-permit pursuant to Chapter 320 of the Waconia City Code. Further, if any work associated with the Development will block any portion of public right-of-way on a temporary basis, the Developer shall provide and implement a traffic control plan approved by the City Public Services Director. Moreover, if public right-of-way is used for more than seven (7) calendar days in conjunction with the Development, the Developer shall provide concrete barrier protection or, in the alternative, request the City to provide such protection at the Developer's expense.
- 16.2. **Tower Cranes.** If a tower crane is used for construction of the Development, the Developer shall obtain a right-of-way permit, as described in Section 16.1 above, for all airspace where the tower crane will swing over/through public right-of-way. Further, if a tower crane will swing over private property not owned by the Developer, the developer shall obtain a tower crane swing license from the property owner and provide proof of such license to the City.
- 16.3. **Scope.** The Developer acknowledges any right-of-way permits granted by the City are temporary in nature, are personal to Developer, and do not grant any title or interest in public right-of-way. The Developer's rights under any right-of-way permit are limited to those expressly described in the permit, shall not be expanded by implication, and shall not be assigned.
- 16.4. **"As Is" Condition.** All public right-of-way used pursuant to a right-of-way permit is provided in "as is" condition. The City makes no representation or warranty that such area is suitable for the Developer's use.
- 16.5. **Utilities.** The Developer acknowledges separate permits are required from utilities that are owned or operated by third parties. The Developer agrees to obtain all utility permits required in conjunction with the Development.
- 16.6. **Use of Fuel and Other Hazardous Substances.** The Developer shall not allow refueling of equipment on public right-of-way in conjunction with the Development.
- 16.7. **Restoration.** The Developer shall, at its expense, restore all public right-of-way and public grounds used pursuant to a right-of-way permit to the condition required by the applicable permit or to the condition required by this Agreement, whichever obligation is stricter.
- 16.8. **Public Grounds.** For purposes of this Section 16, references to "public right-of-way" also include public grounds and other public property owned by the City.
17. **NOTIFICATION INFORMATION.** Any notice to the parties herein shall be deemed given or delivered if sent by certified mail addressed as follows or by email with a return receipt requested:

If to the City:

City of Waconia  
Attn: Lane Braaten, Community Development Director  
201 South Vine Street  
Waconia, MN 55387

If to the Developer:

Olive & Second Holding, LLC  
Attn: Steve Yetzer  
332 West 4<sup>th</sup> Street  
Waconia, MN 55387

18. **MISCELLANEOUS.**

- 18.1. **Runs with the Property.** The terms and conditions of this Agreement shall be binding on the parties hereto, their respective successors and assigns. The benefits and burdens of this Agreement run with the Property. Notwithstanding the foregoing, no conveyance of the Property or any part thereof shall relieve the Developer of its personal liability for full performance of this Agreement unless the City expressly releases the Developer in writing.
- 18.2. **Recording.** The City shall record this Agreement against the Property at the Developer's expense. The City shall not issue any building permits until such recording occurs.
- 18.3. **Compliance.** Use of the Property shall be consistent and comply with federal, state, and local regulation.
- 18.4. **Past Due Amounts.** In addition to all other remedies available to the City under this Agreement, amounts owed the City and not paid when due shall accrue interest at the rate of 8% per annum from the date due until the date actually paid.
- 18.5. **Construction of Agreement.** This Agreement, the attached exhibits, the incorporated instruments pursuant to Section 1 of this Agreement and any addenda or amendments signed by the parties shall constitute the entire agreement between the parties, and they supersede any other written or oral agreements between the parties as it relates to the terms and obligations contained herein. The word "including" shall mean including without limitation. The parties intend that each representation, warranty, and covenant contained in this Agreement have independent significance. The captions used in this Agreement are for convenience only and do not constitute terms of the Agreement. Whenever required by the context of the Agreement, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neutral genders, and vice versa.
- 18.6. **Warranty of Authority.** The Developer warrants and guarantees it has the authority to enter into this Agreement and to make it a covenant on the Property binding all current and future owners. The Developer further

warrants and guarantees there are no mortgages or other instruments containing a right of foreclosure recorded against the Property.

- 18.7. **Attorneys' Fees.** If either party brings a suit or action to enforce the terms of this Agreement, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees and legal costs.
- 18.8. **Severability.** If one or more of the provisions contained in this Agreement are found to be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions, and any application thereof, shall not be affected or impaired.
- 18.9. **Data Practices Compliance.** The Developer will have access to data collected or maintained by the City to the extent necessary to perform the Developer's obligations under this Agreement. The Developer agrees to maintain all data obtained from the City, as it relates to the Municipal Improvements, in the same manner as the City is required to maintain the data under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (the "**Act**"). The Developer will not release or disclose the contents of data classified as not public to any person except at the written direction of the City. Upon receipt of a request to obtain and/or review data as defined in the Act, the Developer will immediately notify the City. The City shall provide written directions to the Developer regarding the request within a reasonable time, not to exceed 10 days. The City agrees to indemnify, hold harmless and defend the Developer for any liability, expense, cost, damage, claim, and action, including reasonable attorneys' fees arising out of, or related to, the Developer complying with the City's direction. Subject to the above, the Developer agrees to defend and indemnify the City from any claim, liability, damage, or loss asserted against the City as a result of the Developer's failure to comply with the requirements of the Act. Upon termination and/or completion of this Agreement, the Developer agrees to return all data to the City, as requested by the City.
- 18.10. **Governing Law.** This Agreement shall be governed, construed, and enforced in accordance with the laws of Minnesota.
- 18.11. **Time is of the Essence.** Time is of the essence in the performance of the terms and obligations of this Agreement.
- 18.12. **Survival.** Any obligations in this Agreement to indemnify or hold another party harmless shall survive the expiration or earlier termination of this Agreement.
- 18.13. **Modification.** Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.
- 18.14. **Non-Waiver.** The action or inaction of the City or the Developer shall not constitute a waiver or amendment of the provisions of this Agreement. The

waiver by or the failure of the City or the Developer to enforce any particular section, portion, or requirement of this Agreement at any particular time shall not in any way constitute a waiver of any other section, provision, requirement, time element, or the right to enforce such provision at a subsequent time. To be binding, any amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's or the Developer's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

- 18.15. **Cumulative Rights.** Each right, power, or remedy herein conferred upon the City or the Developer is cumulative and in addition to every other right, power, or remedy, express or implied, now or hereinafter arising, available to the City or the Developer, at law or in equity, or under any other agreement, and each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City or the Developer and will not be a waiver of the right to exercise at any time thereafter any other right, power, or remedy.
- 18.16. **Estoppel Certificate.** The City agrees, within 20 days after receipt of written request by the Developer, which shall be made no more than once every three months, to execute a certification in writing and in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments that: i) this Agreement is unmodified and in full force and effect, or if there have been modifications, the identify of such modifications and that the same are in full force and effect as modified; ii) all Improvements to be constructed under this Agreement have been constructed, or, if not, specifying the Improvements yet to be constructed. Any such instrument on behalf of the City may be executed by appropriate City officials without City Council approval.
- 18.17. **Release.** Following the Developer's satisfactory completion of all of the Improvements, the full release of all Security required by this Agreement, the provision of all warranty bonds required by this Agreement, and Developer's full satisfaction of all other obligations contained herein, and within 60 days of a written request by the Developer, the City agrees to execute a certification in writing, recordable among the land records of Carver County, Minnesota, releasing the Property from the lien of this Agreement. The Developer may record such certification as conclusive evidence that the Property is released from the encumbrances and burdens of this Agreement. Any such instrument on behalf of the City may be executed by appropriate City officials without City Council approval.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first above written.

*[Signature pages follow.]*







## **EXHIBIT A**

### **Legal Description of Property Prior to Plat**

Lot 1, Block 16, CITY OF WACONIA, Carver County, Minnesota;

Lot 2, Block 16, CITY OF WACONIA, Carver County, Minnesota, except the North 32 feet;

Lot 3, Block 16, CITY OF WACONIA, Carver County, Minnesota;

Lot 4, Block 16, CITY OF WACONIA, Carver County, Minnesota;

Lot 5, Block 16, CITY OF WACONIA, Carver County, Minnesota, except the North 56.50 feet lying east of the West 21.50 feet of said Lot 5 and except the North 78.50 feet of the West 21.50 feet of said Lot 5;

The North 56.50 feet lying east of the West 21.50 feet of Lot 5, Block 16, CITY OF WACONIA, Carver County, Minnesota; and

Lot 6, and the North 78.50 feet of the West 21.50 feet of Lot 5, Block 16, CITY OF WACONIA, Carver County, Minnesota.



## EXHIBIT C

### Form of Parking, Drainage, and Utility Easement

#### PARKING, DRAINAGE, AND UTILITY EASEMENT AGREEMENT

This Parking, Drainage, and Utility Easement Agreement (“**Agreement**”) is dated \_\_\_\_\_, 2025, and is between the City of Waconia, a Minnesota municipal corporation (the “**City**”) and Olive & Second Holding, LLC, a Minnesota limited liability company (the “**Owner**”). The City and the Owner are jointly referred to herein as the “**Parties**” and individually as a “**Party**.”

#### RECITALS

WHEREAS, the Owner owns Lot 1, Block 1, OLIVE AND SECOND, Carver County, Minnesota (the “**Property**”); and

WHEREAS, the Owner platted and intends to develop the Property as a multi-story mixed-use building (the “**Building**”), which will include an apartment complex (the “**Residential Space**”), commercial area (the “**Commercial Space**”), two levels of structured underground parking (the “**Underground Garage**”), surface parking, driveways, sidewalks, and other associated improvements (the “**Development**”); and

WHEREAS, the City conveyed a portion of the land comprising the Property to the Owner, processed and approved certain land use applications, and provided other support for the Development pursuant to certain agreements between the Parties, including a Development Agreement dated \_\_\_\_\_, 2025, and a TIF Assistance Agreement dated November \_\_\_\_, 2024 (collectively, the “**Development Agreements**”); and

WHEREAS, the City has acted to further the Development by, among other things, entering the Development Agreements in exchange for consideration, including the provision of public parking pursuant to this Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and terms herein, the Parties hereby agree as follows:

#### TERMS OF EASEMENT

##### 1. **Public Parking Easement.**

- 1.1 **Easement.** The Owner grants, sells, and conveys to the City, its successors and assigns a perpetual, nonexclusive easement for pedestrian and vehicular ingress and egress and vehicular parking (the “**Parking Easement**”) over and across that portion of the Property shown with shading and designated as the “**Surface Parking Lot**” on attached Exhibit 1 (the “**Parking Easement Area**”). The Parking Easement is for the benefit of the public and shall exist as an outdoor surface parking lot with 31 parking stalls designated for public use (the

**“Public Parking Spaces”**). Within a reasonable period of time after the Surface Parking Lot has been constructed, the Owner shall delineate, paint, and sign the Public Parking Spaces in a manner reasonably acceptable to the City.

- 1.2 **Access Over Adjacent Areas of the Property.** The Parking Easement includes the right of the public to have pedestrian and vehicular access over the entirety of the surface parking lot in order to permit reasonable and convenient access and use of the designated Public Parking Spaces. Additionally, the Owner grants for the benefit of the public a right of pedestrian access, passage and thoroughfare in, over and through all private sidewalks, boulevards, or other private outdoor spaces of the Property adjoining the Surface Parking Lot.
- 1.3 **Maintenance of Surface Parking Area.** The Owner shall be responsible for all regular maintenance and repair of the Parking Easement Area including, but not limited to:
  - 1.3.1 The Owner shall, at all times, maintain the Parking Easement Area in a safe, clean, and orderly condition. This obligation includes, but is not limited to, periodic sweeping, sealing, resurfacing, line repainting, signage replacement, and reconstruction. All such maintenance, repair, resurfacing, and reconstruction of the Parking Easement area shall be at the Owner’s sole cost and expense.
  - 1.3.2 The Owner shall provide for all snow and ice removal from the Parking Easement Area and surrounding private sidewalks on the Property within a reasonable period, not to exceed 24 hours, after each snowfall exceeding 1/2 inch. Snow may be stored on a portion of the surface parking lot area for up to 72 hours after each snowfall to facilitate off-site removal, provided such area shall be kept to the smallest area reasonable possible. Within 72 hours after each snowfall, all snow shall be cleared from the surface parking lot area so as to restore full access to all 31 parking stalls.
  - 1.3.3 The Owner shall not construct or install, or permit to be constructed or installed, any fence, barrier, or other obstruction in the Parking Easement Area that impairs the use or enjoyment of the easement rights granted in this Agreement.
  - 1.3.4 If the Owner fails to perform reasonable maintenance or routine repairs, the City may, upon ninety (90) days written notice to the Owner, provide for such maintenance or repairs; provided, however, that the City may clear snow and ice without advance notice should the Owner fail to clear snowfall from a snowfall event within thirty-six (36) hours. The Owner acknowledges and agrees that the City may assess all costs incurred for any such maintenance or repairs performed by the City to the Property pursuant to Minnesota Statutes, Ch. 429, provided, however, that the City shall only assess such costs if they remain unreimbursed by the Owner for sixty (60) days after the City’s delivery of an invoice for such costs to the Owner. Any such assessment shall be payable over a period

and with such interest as may be determined by the City in its sole discretion. The Owner acknowledges and agrees that the Property is not, and shall not be, classified for real estate tax purposes so as to result in any avoidance or deferral of the obligation to pay any assessments imposed under this Agreement.

1.4 **Signage for Public Parking.** The Owner shall erect and thereafter maintain a pedestal sign at the public parking entrance from Elm Street, which, in addition to providing information about the Development, shall provide public notice of the availability of public parking in the Parking Easement area. The City may erect additional signage for the public parking within the Parking Easement Area after providing written notice to the Owner. Any such signage provided by the City shall be a size and style that is consistent with other public parking signage in the City, provided, however, that the City shall, at the Owner's request, endeavor to coordinate the appearance of such signage with other private signage at the Development. The Owner may not designate or sign the Public Parking Spaces in the Parking Easement area for the use of tenants or guests of the Property without the written approval of the City. The City and the Owner may reach additional understandings regarding signage for the parking in and adjacent to the Property, and any such understandings shall be reduced to writing.

1.5 **Covenant Regarding Other Underground Parking.** In addition to the 31 surface parking stalls in the Parking Easement Area, the Owner shall construct and maintain, in perpetuity, no fewer than 144 underground parking stalls on the Property. The right to use each such underground parking stall shall be associated with an apartment in the Residential Space and provided for the tenant's use at no additional cost (i.e., the cost for parking shall be included in each tenant's rent). The Owner acknowledges this covenant has been placed in this Agreement, in part, to ensure the surface parking in the Parking Easement Area remains available for public use.

## 2. **Drainage and Utility Easement.**

2.1 **Easement.** The Owner grants, grants, sells, and conveys to the City, its successors and assigns a perpetual, non-exclusive easement for drainage and utility purposes (the "**DU Easement**") over, under, and across the Parking Easement Area for the purposes of installing and maintaining a stormwater storage detention structure underneath the Parking Easement Area, together with associated piping, manholes, electrical utilities, and related improvements. Such easement includes the right of the City and its officers, employees, agents, contractors, designees, successors, and assigns to enter and go upon the Public Parking Area at any time to construct, install, erect, maintain, operate, repair, remove, reconstruct, inspect, alter, and replace the above-described improvements and other drainage, utility, and related improvements of such size, type, character and manner as Grantee may determine.

2.2 **Ownership and Maintenance.** All improvements constructed, installed, and maintained under the authority of the DU Easement will be the property of the City and the City shall repair, maintain and replace such improvements at its

sole cost and expense. If the City needs to disturb any pavement or other surface improvements in the Surface Parking Area while exercising its rights under the DU Easement, the City shall, at its sole cost and expense, promptly restore the Surface Parking Area to substantially the same condition as existed prior to such disruption.

**2.3 Non-disturbance.** Owner agrees not to do anything within the Surface Parking Area that unreasonably interferes with the City's rights under the DU Easement.

3. **Risk.** Each party to this Agreement shall be responsible for its own acts and omissions. Nothing in this Agreement shall be construed as a waiver by the City of any immunity, defenses, or other limitations on liability to which the City is entitled by law.
4. **Insurance.** The Owner shall procure and keep in force a general property casualty insurance policy which shall include the Parking Easement Area. Any claims for damages based upon use of such public parking shall be submitted to the Owner's insurance policy.
5. **Notices.** Any notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by certified or registered mail or delivered personally to the respective address of each party as set forth herein:

City: City of Waconia  
Attn: City Administrator  
201 South Vine Street  
Waconia, MN 55387

Owner: Olive & Second Holding, LLC  
Attn: President  
332 West 4th Street  
Waconia, MN 55387

6. **Recording.** The City shall record and pay for all recording costs in connection with recording this Agreement and any amendments thereto in the office of the Carver County Recorder or Registrar of Titles.
7. **Entire Agreement; Amendments.** This Agreement constitutes the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties as to the Public Parking Spaces and Parking Easement. Any subsequent amendments to this Agreement shall not be effective until signed by the City and the Owner, or subsequent owner of the Property, and duly recorded against the Property.
8. **Assignment.** This Agreement shall run with the land and shall be assumed by any subsequent owner of the Property.
9. **Binding Upon Successors.** This Agreement and the obligations and other provisions hereof shall run with the land and be binding upon and inure to the benefit of the Parties, and their respective assigns or successors in title to the Property, until terminated by the City. Every person, including a mortgagee acquiring or holding any interest or estate in the Property, or any portion thereof, shall take and hold such

interest, estate or lien with respect thereto, with notice of and subject to the terms and provisions of this Agreement.

10. **Severability.** If any term of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such term shall not be affected thereby.
11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
12. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be originals and all of which together shall constitute one and the same instrument.

*[Signature pages follow.]*

SIGNATURE PAGE FOR PARKING EASEMENT AGREEMENT

CITY OF WACONIA

\_\_\_\_\_  
Tim Litfin  
Its: Mayor

\_\_\_\_\_  
Jacqueline Schulze  
Its: City Clerk

STATE OF MINNESOTA    )  
  )  
COUNTY OF CARVER    )

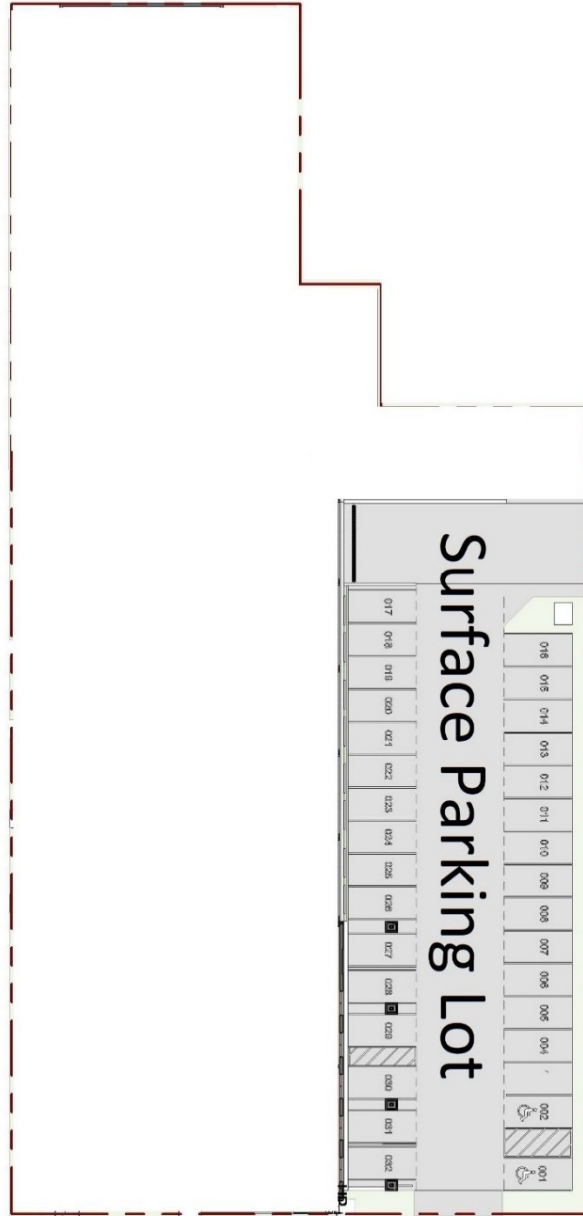
The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by Tim Litfin and Jacqueline Schulze, the Mayor and City Clerk, respectively, of the City of Waconia, a Minnesota municipal corporation under the laws of Minnesota, on behalf of the municipal corporation.

\_\_\_\_\_  
Notary Public



**EXHIBIT 1**  
**Diagram of Parking Easement Area**

Property



**EXHIBIT D**  
**Landscape Plans**

[Attach Landscape Plans]

**CITY OF WACONIA**  
**RESOLUTION NO. 2024-017**

**RESOLUTION APPROVING DEVELOPMENT AGREEMENT  
FOR OLIVE AND SECOND**

WHEREAS, on August 19, 2024, the City Council of the City of Waconia, Minnesota (the “City”) passed Resolution No. 2024-178 conditionally approving the preliminary and final plat for OLIVE AND SECOND, Carver County, Minnesota; and

WHEREAS, one condition of such approval is the City and the Developer entering into a Development Agreement acceptable to the City; and

WHEREAS, City staff has negotiated a proposed Development Agreement with the Developer for the Olive and Second project, a copy of which is attached to this resolution (the “Development Agreement”); and

WHEREAS, City staff and the Developer have also negotiated a proposed Parking, Drainage, and Utility Easement that primarily relates to a surface parking lot that will be constructed as part of the development and available for public use, a copy of which is attached to the Development Agreement as Exhibit C (the “Easement Agreement”);

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Waconia, Minnesota, that:

1. The above recitals, including the findings contained therein, are incorporated into these resolutions.
3. The form of the Development Agreement and the documents attached to it as exhibits (including, but not limited to, the Easement Agreement) are approved in substantially the form attached to this resolution, together with such modifications thereof, deletions therefrom, and additions thereto as the City Administrator may deem appropriate.
5. The Mayor and City Clerk are hereby authorized to execute, acknowledge and deliver the Development Agreement, the Easement, and any other documents or instruments necessary or desirable to effectuate the transactions described in the Development Agreement. In the event of the absence or disability of the Mayor or the City Clerk, then such officers of the City as, in the opinion of the City Attorney, may act on their behalf shall, without further act or authorization of the City Council, do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any document or instrument by the officer or officers of the City authorized herein shall be conclusive evidence of the approval of such document or instrument in accordance with the terms of this resolution.

Passed and adopted by the City Council of the City of Waconia this 6th day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jacqueline Schulze, Assistant City Administrator

## **COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TIF NOTE**

THIS COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TIF NOTE (this “Assignment”), is made and entered into as of the 6th day of January, 2025, by and among THE CITY OF WACONIA, a municipal corporation under the laws of the State of Minnesota (the “City”), OLIVE & SECOND HOLDING, LLC, a Minnesota limited liability company (the “Borrower”), and MAGNIFI FINANCIAL CREDIT UNION, a Minnesota state chartered credit union, its successors and assigns (the “Lender”).

### **WITNESSETH:**

WHEREAS, the City and the Borrower have entered into that certain Development Agreement dated as of November \_\_, 2024 (as the same may be amended, restated, renewed or supplemented from time to time, the “Development Agreement”), providing for the development of certain real property legally described on Exhibit A attached hereto (the “Property”); and

WHEREAS, in connection therewith, the City will provide to the Borrower tax increment financing in the principal amount of up to \$3,500,000.00 evidenced by that certain Tax Increment Revenue Note (Olive & Second Project) to be issued by the City in accordance with the terms of the Development Agreement and payable to the order of the Borrower in the original principal amount of up to \$3,500,000.00 (the “TIF Note”); and

WHEREAS, the Lender has agreed to make a real estate loan to the Borrower in the original principal amount of \$21,900,000 (the “Loan”) to finance the development and construction of certain improvements to be located on the Property pursuant to the terms of that certain Construction Loan Agreement of even date herewith by and between the Borrower and the Lender (as the same may be amended, restated, renewed or supplemented from time to time, the “Loan Agreement”); and

WHEREAS, the Loan is secured by, among other things, that certain Construction Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents of even date herewith executed by the Borrower in favor of the Lender and encumbering the Property (as the same may be amended, restated, renewed or supplemented from time to time, the “Mortgage”); and

WHEREAS, the Lender has required, as an express condition to providing the Loan that (a) the Borrower assign to the Lender all of the Borrower’s rights under the Development Agreement

and the TIF Note to secure the Loan and all other obligations of the Borrower to the Lender under the Mortgage, the Loan Agreement and the documents related thereto (collectively, as the same may be amended, restated, renewed or supplemented from time to time, the "Loan Documents"), and (b) the City agree to certain other matters, all as more fully contained herein.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Borrower hereby assigns to the Lender all of the Borrower's right, title and interest in and to the Development Agreement and the TIF Note to secure the Loan and all of the other obligations of the Borrower to the Lender under the Loan Documents. To perfect the Lender's security interest in the TIF Note, the Borrower shall endorse and deliver to the Lender the original TIF Note, when issued, to be held by the Lender pursuant to the terms of this Agreement.
2. Upon the City's receipt of written notice from the Lender of an Event of Default (as defined in the Loan Agreement), and delivery of the TIF Note to the City for re-registration in the name of the Lender, Borrower hereby instructs the City to make all payments as and when due under the Development Agreement and the TIF Note directly to the Lender at the address set forth herein without further authorization from the Borrower. The Borrower indemnifies and holds the City harmless for any losses, claims, liabilities, and expenses incurred by the City arising from making such payments under the Development Agreement and the TIF Note to the Lender, as collateral assignee thereof, and the City shall have no responsibility or liability to the Borrower for complying with the provisions of this Section. The City shall have no duty to investigate or make any determination as to whether a default exists under any agreement between the Borrower or the Lender prior to complying with the terms of this Section. Payment to the Lender will discharge the City and fully satisfy any obligation of the City with respect to the payment of such amount under the TIF Note.
3. The Borrower hereby represents and warrants that there have been no prior assignments of the Development Agreement or the TIF Note, that the Development Agreement is a valid and enforceable agreement, that the TIF Note (when issued) will be a valid and enforceable agreement, that neither the City nor the Borrower is in default under the Development Agreement or the TIF Note and that all covenants, conditions and agreements have been performed as required therein (except those not to be performed until after the date hereof). The Borrower hereby agrees not to sell, assign, pledge, mortgage, encumber or otherwise transfer its interest in the Development Agreement or the TIF Note as long as this Assignment is in effect. The Borrower hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Borrower's rights with respect to the Development Agreement and the TIF Note for and on behalf of and in the name of the Borrower or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Borrower could do if this Assignment had not been made.

4. This Assignment shall constitute a perfected, absolute and present assignment, provided that the Lender shall have no right under this Assignment to enforce any of the provisions of the Development Agreement or the TIF Note or exercise any rights or remedies under this Assignment until an Event of Default shall occur and be continuing.
5. Upon the occurrence and during the continuance of an Event of Default, the Lender may, without affecting any of its rights or remedies against the Borrower under any other instrument, document or agreement, exercise its rights under this Assignment as the Borrower's attorney-in-fact in any manner permitted by law and, in addition, the Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the Uniform Commercial Code as adopted in the State of Minnesota. If notice to the Borrower of any intended disposition of collateral or of any intended action is required by law in any particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) calendar days prior to the intended disposition or other action.
6. The City hereby consents and agrees to the terms and conditions of this Assignment. The City further represents and warrants to the Lender that the Development Agreement (and the TIF Note upon issuance) is a valid and enforceable agreement of the City in accordance with its terms. To the knowledge of the City, neither the City nor the Borrower is in default under the Development Agreement or the TIF Note and all covenants, conditions and agreements have been performed as required therein (except those not to be performed until after the date hereof). In accordance with Section 2 hereof, the City will note the assignment of the TIF Note by the Borrower to the Lender on the registration records for the TIF Note. This consent to the assignment herein shall not deprive the City of or otherwise limit any of the City's rights or remedies under the Development Agreement or the TIF Note and shall not relieve the Borrower of any of its obligations under the Development Agreement.
7. No provision of this Assignment shall be deemed or construed to alter, amend or modify, in any way, the rights and obligations of the City with respect to the Borrower and the Borrower with respect to the City as contained in the Development Agreement or the TIF Note.
8. The City hereby agrees that any agreement of the Borrower to construct the improvements on the Property or otherwise to indemnify the City as set forth in the Development Agreement is not the obligation of, nor shall any provisions in such section impose any obligation upon, the Lender or any other holder of the Mortgage unless and until the Lender or such other holder expressly assumes such obligations in writing.
9. The Borrower and the City each hereby agrees to promptly provide the Lender with copies of any default, notice or demand made under the Development Agreement. The City agrees that the Lender shall have the right, but not the obligation, to cure any defaults on behalf of the Borrower within an additional sixty (60) days after the expiration of any Borrower cure periods set forth in the Development Agreement.

Notwithstanding the foregoing, the City shall not be liable to the Lender for any loss incurred by the Lender if the Lender does not receive a copy of a default, notice or demand under the Development Agreement from the City to the Borrower.

10. The parties hereto agree that no termination, modification or amendment shall be made to the terms of the Development Agreement or the TIF Note without the prior written consent of the Lender.
11. This Assignment can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the Lender, the City and the Borrower. A waiver by the Lender shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Lender's rights or remedies hereunder. All rights and remedies of the Lender shall be cumulative and may be exercised singularly or concurrently at the Lender's option, and any exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.
12. Any notice, request, demand or other communication hereunder shall be deemed fully given if delivered or postage prepaid, certified or registered, addressed to the party as set forth below:

If to the City:

City of Waconia  
201 South Vine St.  
Waconia, Minnesota 55387  
Attn: City Administrator

If to the Borrower:

Olive & Second Holding, LLC  
332 West 4<sup>th</sup> Street  
Waconia, MN 55387  
Attn: Carl J. Runck

If to the Lender:

Magnifi Financial Credit Union  
7951 Elm Creek Blvd. North  
Maple Grove, MN 55369  
Attn: Daniel Schreiner

13. This Assignment shall be governed by and construed in accordance with the laws of the State of Minnesota.

14. This Assignment may be executed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same document.

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30175936v3

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have made and entered into this Collateral Assignment of Development Agreement and TIF Note as of the day and year first above written.

**CITY:**

CITY OF WACONIA, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

STATE OF MINNESOTA    )  
  )  
COUNTY OF CARVER    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of January 2025, by Tim Litfin and Jacqueline Schulze, the Mayor and City Clerk, respectively, of the City of Waconia, a Minnesota municipal corporation under the laws of Minnesota, on behalf of the municipal corporation.

\_\_\_\_\_  
Notary Public



*Signature Page to Collateral Assignment of  
Development Agreement and TIF Note*

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9902044v2

**BORROWER:**

OLIVE & SECOND HOLDING, LLC, a  
Minnesota limited liability company

By: OLIVE & SECOND MANAGER, LLC,  
a Minnesota limited liability company  
Its: Manager

By: \_\_\_\_\_  
Name: Carl J. Runck  
Its: President

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of January 2025, by Carl J. Runck, the President of Olive & Second Manager, LLC, a Minnesota limited liability company, the Manager of Olive & Second Holding, LLC, a Minnesota limited liability company, for and on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public



**EXHIBIT A**

(Legal Description)

**[TO BE INSERTED]**

EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE CITY  
OF WACONIA, MINNESOTA

HELD: January 6, 2025

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Waconia, Carver County, Minnesota, was duly called and held at the City Hall, on January 6, 2025, at 6:00 P.M.

The following members of the Council were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2025-018

RESOLUTION CONSENTING TO ASSIGNMENT OF TAX INCREMENT  
REVENUE NOTE AND DEVELOPMENT AGREEMENT AND AUTHORIZING  
EXECUTION OF CONSENT THERETO

A. WHEREAS, on November 4, 2024 the City Council for the City of Waconia, Minnesota (the "City") approved a Development Agreement (the "Development Agreement") with Monarch Development Partners, LLC, a Minnesota limited liability company (the "Developer") relating to the construction of an building containing ninety-two (92) units, approximately 4,184 square feet of retail space, and 41 spaces of public parking (the "Project"); and

B. WHEREAS, pursuant to the Development Agreement, the City is to execute that certain Tax Increment Revenue Note (Olive & Second Project) in the maximum principal amount of up to \$3,500,000 (the "TIF Note") upon the terms and conditions set forth in the Development Agreement; and

C. WHEREAS, the Developer proposes to obtain financing for the Project from Magnifi Financial Credit Union, a Minnesota state chartered credit union (the "Lender") and enter into an Collateral Assignment of Development Agreement and TIF Note (the "Assignment") with the Lender and the City;

D. WHEREAS, a draft of the Assignment has been submitted to the City Council for approval.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Waconia follows:

1. The City Council hereby approves the Assignment in substantially the form submitted, and the Mayor and City Administrator are hereby authorized to execute the Assignment behalf of the City.

2. The approval hereby given to the Assignment includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by a resolution of the City to execute the Assignment. The execution of the Assignment shall be conclusive evidence of the approval of the Assignment in accordance with the terms hereof

The motion for adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

and the following voted against same:

Adopted this 6<sup>th</sup> day of January, 2025

\_\_\_\_\_  
Tim Litfin, Mayor

Attest: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator

STATE OF MINNESOTA  
CARVER COUNTY  
CITY OF WACONIA

I, the undersigned, being the duly qualified and acting City Administrator of the City of Waconia, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the Resolution Authorizing the Execution of an Assignment of Tax Increment Revenue Note and Development Agreement.

WITNESS my hand this \_\_\_\_ day of January, 2025.

\_\_\_\_\_  
City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Application for Exempt Permit for Carver County Pheasants Forever
<b>Originating Department:</b>	Administration
<b>Presented by:</b>	Jackie Schulze

**Previous Council Action** (if any):

<b>Item Type (X only one):</b>	Consent	<input checked="" type="checkbox"/>	X	Regular Session	<input type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-019 Approving Application for Exempt Permit for Carver County Pheasants Forever

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

Carver County Pheasants Forever has submitted an application for an Exempt Permit to conduct BINGO at American Legion Post 150, 4 East Main Street on February 2, 2025.

Staff recommend the approval of this application.

**Attachments:**

1. [Resolution No. 2025-019 Approving Application for Exempt Permit for Carver County Pheasants Forever](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses:	<b>ADVISORY BOARD RECOMMENDATIONS:</b>	
Budget Information:	Planning Commission	
_____ Budgeted	Parks and Recreation Board	
_____ Non Budgeted	Safari Island Advisory Board	
_____ Amendment Required	Other	

**CITY OF WACONIA  
RESOLUTION NO. 2025-019**

**A RESOLUTION APPROVING APPLICATION FOR EXEMPT PERMIT,  
CARVER COUNTY PHEASANTS FOREVER**

**WHEREAS**, The City Council of the City of Waconia, Minnesota has received an Application for an Exempt Permit from the Carver County Pheasants Forever; and

**WHEREAS**, Carver County Pheasants Forever has requested this application in order to conduct BINGO at American Legion Post 150, 4 East Main Street, Waconia, Minnesota on February 2, 2025 as stated on the application for said exemption: and

**WHEREAS**, The City Council of the City of Waconia has no objection to the said application.

**NOW, THEREFORE, BE IT RESOLVED** That the City Clerk is hereby instructed to provide a copy of this Resolution to be included with the permit application to the Department of Gaming, Gambling Control Division, State of Minnesota.

Adopted by the City Council of the City of Waconia this 6<sup>th</sup> day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

ATTEST: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**REQUEST FOR CITY COUNCIL ACTION**

<b>Meeting Date:</b>	January 6, 2025
<b>Item Name:</b>	Approve Purchase of Playground Equipment for Windmill Creek Park
<b>Originating Department:</b>	Public Services
<b>Presented by:</b>	Jon Haukaas
<b>Previous Council Action (if any):</b>	December 16, 2024 - Adopt Resolution No. 2024-262 Authorizing Staff to Solicit Pricing for 2025 Capital Projects and Equipment Acquisitions

<b>Item Type (X only one):</b>	Consent	<input type="checkbox"/>	Regular Session	<input checked="" type="checkbox"/>	Discussion Session	<input type="checkbox"/>
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**RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED** *(Include motion in proper format.)*

Adopt Resolution No. 2025-020 Approving the purchase of Playground Equipment for Windmill Creek Park, CIP Project #290

**EXPLANATION OF AGENDA ITEM** *(Include a description of background, benefits, and recommendations.)*

Replacement of playground equipment at Windmill Creek Park has been programmed in the 2025 Capital Improvement Program as Project #290. During the CIP development process, a 20 year plan was lined out to prepare for future playground upgrades.

Windmill Creek is the oldest city playground and originally installed in 2003.

Outreach was conducted in 2022-2023 to allow for the neighborhood to provide feedback on the future playground equipment. The final product was reviewed with the Park Commission in May 2023.

Placing this order early in the year will allow for installation in late spring and make it available to the neighborhood as soon as possible in 2025.

A Resolution to approve the installation contract will be brought forward at an upcoming meeting.

Staff recommends adoption of the Resolution to allow staff to place the order for the new equipment.

**Attachments:**

- [1. Resolution No. 2025-020 Approving Purchase of Playground Equipment Windmill Creek Park](#)
- [2. Contract for Playground Equipment at Windmill Creek from Landscape Structures](#)

<b>FINANCIAL IMPLICATIONS:</b> Funding Sources & Uses: PIR Cash	<b>ADVISORY BOARD RECOMMENDATIONS:</b> Park Commission, May 18, 2023 - Approval of Park Design Options								
Budget Information: <input checked="" type="checkbox"/> Budgeted <input type="checkbox"/> Non Budgeted <input type="checkbox"/> Amendment Required	<table border="1"> <tr> <td>Planning Commission</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Parks and Recreation Board</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Safari Island Advisory Board</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Other</td> <td><input type="checkbox"/></td> </tr> </table>	Planning Commission	<input type="checkbox"/>	Parks and Recreation Board	<input type="checkbox"/>	Safari Island Advisory Board	<input type="checkbox"/>	Other	<input type="checkbox"/>
Planning Commission	<input type="checkbox"/>								
Parks and Recreation Board	<input type="checkbox"/>								
Safari Island Advisory Board	<input type="checkbox"/>								
Other	<input type="checkbox"/>								

**CITY OF WACONIA  
RESOLUTION NO. 2025-020**

**RESOLUTION APPROVING PURCHASE OF PLAYGROUND EQUIPMENT FOR  
WINDMILL CREEK PARK, CIP PROJECT #290**

**WHEREAS**, one of the City’s Priorities is to “manage, maintain, and improve our current and future physical assets”; and

**WHEREAS**, programmed replacement of playground equipment for Windmill Creek Park was included in the 2025 Capital Improvement Plan with a budget of \$205,000; and

**WHEREAS**, placing an order for the equipment as early in the year as possible will allow us to order an early installation and be able to use it as soon as the weather warms; and

**WHEREAS**, the city staff have solicited quotes through the Minnesota State Cooperative Purchasing Contracting system Contract #218091 to guarantee the best government pricing; and

**WHEREAS**, Staff recommend approval of the acquisition of the equipment per the attached quote.

**NOW, THEREFORE, BE IT RESOLVED** That the City Council of the City of Waconia hereby authorizes approval of staff to order Playground Equipment from Flagship Recreation; CIP Project 290 in the amount of \$115,313.24.

Adopted by the City Council of the City of Waconia this 6th day of January, 2025.

\_\_\_\_\_  
Tim Litfin, Mayor

Attest: \_\_\_\_\_  
Jackie Schulze, Assistant City Administrator



**Terms & Conditions**

**Contract:** Seller's Copy of signed quote represents the contract between Seller and Buyer. This form supersedes all previous communications and negotiations and constitutes the entire agreement between the parties. Any changes to this contract are not binding unless jointly agreed in writing via Change Order.

**Project Scope** (This Section For Quotes Including Installation)

**Inclusions:**

- One Mobilization
- Accepting & Unloading of Order Prior to Installation
- Unpacking of Play Equipment
- Assembly of Play Equipment
- Placing, Digging or Surface Mounting Equipment (as specified)
- Concrete for Play Equipment Footings
- Standard Insurance Offer (Detail Provided Upon Request)
- Standard Warranty Offer (Detail Provided Upon Request)
- Standard Wage Rates

**Exclusions (Unless Specifically Quoted):**

- Storage or Security of Equipment
- Private Utility Locates (irrigation, low voltage, lighting, etc.)
- Additional Labor Due to Site Access. Require 8' Wide Clearance from Staging Area to Play Space.
- Additional Labor and/or Related Costs Due to Subsurface Conditions (Rock, Hardpan, Heavy Clay, Ground Water, etc.)
- Additional Labor and/or Related Costs Due to Working in Unstable Soils (Sand, Pea Rock, Mud, Poor Site Drainage, etc.)
- Offsite Removal of Spoils From Footing Holes or Other Excavation. Can be stockpiled for owner removal or left in play space
- Disposal of Packing Material. Can be Stockpiled for Owner Removal or Deposited in Owners Onsite Dumpster
- Removal of Existing Play Equipment, Border or Safety Surfacing Material
- Site Work of Any Kind. Exclusions include, site grading (owner to provide max slope of 1%), site restoration, drainage, etc.
- Border for Play Space
- Bonding of Any Type
- Permits of Any Kind

**Acceptance of Quotation:**

<b>Accepted By (Print)</b>	Shane Fineran
<b>Signature:</b>	<b>Date:</b>
<b>Purchase Amount: \$115,313.24</b>	

