



CITY COUNCIL MINUTES February 2, 2026, ~ 7:00 PM

Council Present: Stephen A. Condon, Andrea Monson, Heather Hussong Reasoner, Jeff Paplow, and Brent Pavelko.

Council Absent: None

Others Present: Holly Rademacher – City Clerk, Roger Pohlman – Police Chief, Matt Aden-Public Works Foreman, Leah & Keegan Timmerman, Carol Schulz-online, Justin Lessman- online, Kevin Schmid- online, Shelley Pohlman-online, Mike Chepa, DT- online and caller- online.

CALL THE MEETING TO ORDER – The meeting was called to order at 7:00 pm by Mayor Stephen A. Condon.

PLEDGE OF ALLEGIANCE

AGENDA CHANGES/APPROVE AGENDA- A motion to approve the agenda as presented, made by **Hussong-Reasoner/Paplow**. All in favor. Motion carried.

APPROVAL OF MINUTES- A motion to approve minutes from January 20, 2026, as presented, made by **Monson/Pavelko**. All in favor. Motion carried.

APPROVAL OF FINANCIAL REPORT – A motion to approve the financial report as presented with a total \$632,639.59 made by **Hussong Reasoner/Monson**. All in favor. Motion carried.

DEPARTMENT REPORTS – Department Reports were presented, Rademacher would like the council to be aware that Rossow at the WWTP stated electric pump will be here this summer to pull both lift pumps at the golf course lift station, the estimated cost will \$8,000 - \$10,000, Chief Pohlman would like to see a procedure in place for securing of the multipurpose. He stated in the last 6 months 32 incidents of open door were noted for multipurpose. This has been an issue previously. Rademacher will give a warning to the key holders (card players, book club, sail group and LSS workers) and if the issue does not get resolved to take different avenues to secure the building. One suggestion was to re-key the building, Chief stated that he had reached out to a keyer, and they had stated with the way the building is keyed it would be a complicated re-key. Another suggestion is to get a keypad; the issue is that code is going to be shared. No questions and/or concerns were noted.

SCHEDULED/UNSCHEDULED GUESTS (limit 5 minutes each) –

Mike Chepa- Chepa addressed the council on a few items in the financial report. He questioned why there is multiple line items from Maynards for bottled water and cases of pop. Rademacher explained the water is for the public works workers and the pop is for resale at the liquor store. There is a line item for legal fees and Chepa would like to know what the details are for he believes the tax payers should not have to pay for when the mayor reached out about the MN Mayor letter. Mayor Condon explained he did reach out to the city attorney along with two friends who are attorneys. The details for the invoice listed in the report is for personnel policy recommendations and past employee termination. The last question Chepa had was for Z Flag vendor. Chepa feels \$800 is expensive for a flag at the fire hall. He suggested sending the flag to get repaired or find another vendor. The council thanked Chepa and will be looking into the flag vendors.

AGENDA ITEMS

- 1. Emergency Apparatus Maintenance Invoice-** Fire Chief Baumann informed the technician the grass rig pump is leaking pretty good again. He was told part of the manifold was leaking. If a technician is in the area, can you come look at what it would take to repair, it? Also are you able to quote a new pump and system with installation. Take photos of pump/engine configuration along with plumbing. Make sure to get model and serial numbers, piping sizes, etc. for replacement estimate to be completed on-site or if needs to be a shop job. Leaking discharge manifold outlet. Turned on the truck power and ran the pump. The pump is leaking from the mechanical seal and one of the discharge manifold outlets. Took pictures of the pump and pump motor markings and sent them to the parts dept to order parts. Came back with the new parts. Removed the mechanical seal coolant line, engine mount bolts, starter power cable and foam manifold unit. Pulled the engine back away from the volute and intake manifold and spun it around. Removed the impeller from the shaft and pulled the mechanical seal off of it. Removed the stationary mechanical seal from the pump back plate and cleaned the shaft and plate. Installed the new stationary seal and then the shaft seal. Put the impeller back on and spun the engine back towards the intake manifold. Installed a new volute a-ring and pushed the pump back together. Tightened the volute bolts and put everything else back together. Ran the pump and checked for leaks. No more leaks from the mechanical seal. Removed the #2 grass line valve and then

removed the flange from the manifold. Removed the close nipple from the manifold and cleaned the threads. Installed the new nipple and put the flange back in place. Installed the valve back on the flange and tightened the bolts. Ran the pump to check for leaks. No more leaks. An invoice was submitted from Emergency apparatus Maintenance for repairs in the amount of \$2,026.35. A motion to approve invoice in the amount of \$2,026.35 to Emergency Apparatus Maintenance for repairs of grass rig made by **Monson/Paplow** all in favor, motion carried.

2. **CDS Engagement Letter**-CDS will provide audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and for the year then ended and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. CDS is pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. CDS will audit the City's compliance over major federal award programs for the period ended December 31, 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. Fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered as work progresses and are payable upon presentation. We estimate that our fee for the audit will be \$40,350. In addition, there will be a fee of \$5,000 for the Single Audit. The fee for any additional accounting services will be billed separately and billed at our standard hourly rates. CDS will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use City's personnel to assist in the preparation of schedules and analysis of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, CDS will be available during the year to consult with you on financial management and accounting matters of a routine nature. A motion to approve acknowledgment of, and agreement with, the arrangements for CDS audit of the basic financial statements including respective responsibilities made by **Hussong-Reasoner/Monson** all in favor, motion carried.
3. **UCAP Invoice for Loan Administration**- Kruger provided an invoice from United Community action for small city loan administration in the amount of \$3,000. Of the ten loans listed four if the loans are paid off. A motion to approve paying UCAP invoice in the amount of \$3,000 for loan administration made by **Hussong-Reasoner/Pavelko** all in favor, motion carried.
4. **Banyon Invoice**- Invoice from Banyon Data Systems in the amount of \$2,230 for six modules which include billing, point of sale, credit card transaction, fund accounting, direct deposit, and receipt module. Rademacher informed the council that the auditors will need access to reports for 2026 audit, after the conversion and new program is live there will be times that the employees will need to pull reports for various things. Hussong-Reasoner asked if the program would be prorated as it is stated and Rademacher will be contacting Banyon for discontinue of service at the end of April so it will be read-only. A motion to approve Banyon invoice in the amount of \$2,230 made by **Hussong-Reasoner/Paplow** all in favor, motion carried
5. **Denison Drywall invoice from August**- Rademacher received an email from Denison Drywall stating there is a past due invoice totaling \$2,465.50 from august that was not submitted on their end. Rademacher said the final invoice for services was approved in December for all work completed. This invoice is from the 3rd billing process for architectural design services, construction administration and engineering construction administration. A motion to approve invoice from Denison Drywall in the amount of \$2,465.50 for the August invoice made by **Hussong-Reasoner/Monson** all in favor, motion carried.
6. **Recommendation from Liquor Committee** – The liquor committee met Monday afternoon to review the data and discuss the request from Frerichs to be open February 16th. The committee discussed possible solutions including opening at 2 pm, being open all day, and/or only part-time employees working on

holidays. The committee explained that with the data collected it shows an overall loss on MLK day of \$268.89, data collected for hourly (last month's Mondays) was determined that the sales are higher after 2 pm. Hussong-Reasoner would like to see consistency within Holiday schedule and the personnel committee recommended the liquor store being closed on Holidays due to the trends and data previously collected. Pavelko stated there are many factors to consider (times and trends, consistency and pervious data). On a business perspective it is a difficult decision because it is to service the people. Frerichs stated the vendors work on the holidays and delivers will be made. Rademacher stated there is a keypad on the back door to track vendors coming in and out. Security measures are in place if the decision is not to be open. Paplow doesn't know if closing every holiday is the answer for sales after 2 pm are profitable. He recommends the liquor store being open all holidays to continue to collect data and review at the end of the year. Hussong-Reasoner stated if the numbers for MLK would have been profitable, her recommendation would be different, she would recommend opening at 3 pm till 9 pm with a part-time employee working. Monson agrees with Hussong-Reasoner recommendation. Pavelko would like an explanation on PTO and the structure for Holidays. Rademacher explained that if full time employee works a Holiday they will get paid over time wage, if a part time employee works Holiday they would get double wage, along with the full time employee they would get the Holiday hours to use at a later time (this is a benefit especially for exempt and full time employees who don't have the choice to take the day off). Pavelko asked, "isn't the city compensating the employee with overtime wage? Why would the employee get those Holiday hours to use at a later date for then the city is paying 2.5 time for that worked Holiday. Paplow stated at Toro they pay Holiday hours at straight pay and hours worked at time half. Chief Pohlman stated that PTO is in place and to help mitigate the change with the loss of payout, allowing use of Holiday hours at a later date is a benefit to the employee. He stated that with himself being exempt it is a benefit because he is not hourly and would not benefit from the overtime pay. He also stated that PTO gives benefit not only to the employees but also to the city for budget purposes. With the structure of PTO it will encourage employees to use time, the employees max out at 350 total hours, they will stop accruing. A motion to allow the liquor store to be open 2 pm to 9 pm on Presidents Day (February 16th, 2026) with a part-time employee working and open 10 am to 9 pm on Juneteenth (June 19th, 2026) with a part-time employee made by **Hussong-Reasoner/Monson** all in favor, motion carried.

OLD BUSINESS INFORMATIONAL ITEMS

1. Other Board and Committee Reports

- a. EDA Update –**
 - i.** Next meeting on February 6th at 12:00 pm
- b. LPU Update**
 - i.** Next meeting on February 17th at 4:00 pm
- c. Park Update –**
 - i.** Next meeting on February 2nd at 4:30 pm
- d. Planning & Zoning Update -**
 - i.** Next meeting on February 23rd 4:30 pm

ANNOUNCEMENTS

- 1. City Hall will be CLOSED Monday February 16th to observe Presidents Day**
- 2. Next Council Meeting, TUESDAY February 17, 2026, at 7:00 p.m. in City Hall**

ADJOURNMENT – Motion to adjourn made by **Pavelko/Hussong-Reasoner** to adjourn at 7:56 pm. All in favor. Motion carried.

Respectfully submitted: Holly Rademacher

Attest:
