

**Regular City Council Minutes
Tuesday, July 14, 2026**

CALL TO ORDER AND ROLL CALL

Comprising a quorum of the City Council, the meeting was called to order at 5:00 pm with the following council members present: Mayor George Deiss, Council Members Duke Harrison, Mark Lunde, Wade Miller, and Mac Nelson.

Staff present: City Administrator Kim Schroeder, WDA Director Dean Uselman, Public Works Director Dan Kovar, Utilities Director Dave Evans, Liquor Store Manager Tim Booth, Wellness Director Lisa Anderson, Fire Chief Cody Yglesias, and City Engineer Phil Smith.

CONSENT CALENDAR

Motion approving the consent calendar items.

- A. Claims Register Summary
- B. Monthly Financial Reports
- C. City Council Meeting Minutes:
 - a. June 9, 2026, Regular Meeting
- D. Action 26-52: Request to Close Municipal Parking Lot by VFW
- E. Action 26-53: Pig & Wing Challenge, Request to close Aldrich Ave

Moved by:	Nelson	Seconded by:	Lunde
Roll call vote:	Deiss, Harrison, Lunde, Miller, Nelson		

NAME THE BABY BUFFALO CONTEST

Nicole Stracek from Pioneer Journal provided a list of names submitted by contestants. City Council members narrowed the list to two names, Liberty and Independence. Mayor Deiss wrote them on two pieces of paper with Nicole selecting one at random. The winning name is "Liberty!" Stracek will contact the winner.

OLD BUSINESS

Ordinance 263: Second reading motion to amend City Code 123 Franchises, Spectrum Mid-America, LLC, Indirect Subsidiary of Charter Communications, Inc.

No further comments or changes.

Moved by:	Miller	Seconded by:	Harrison
Roll Call Vote:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-21: Leona Cichy, Roots & Wings Forest School project update.

Leona Cichy from Roots & Wings provided an update on the potential school project at Black's Grove Park. Since April, the Roots & Wings committee has met twice, along with a public forum hosted. A proposed 7.5-acre site on the northeast corner of Blacks Grove Park and a preliminary building and site concept were presented. The site includes a nature play area, sensory and storybook trail, community space, public restrooms, and outdoor recreation

amenities. Public concerns shared and discussed at the public forum included park stewardship, preservation, maintenance, accessibility, security, impacts to the school district, and long-term funding for building maintenance. Committee members emphasized the project remains in the exploratory stage, with additional review, lease discussions, public engagement, business planning, and fundraising still to come.

Council discussed the intention to engage nearby property owners, review deed restrictions, clarify public communication, and consider a future City hosted public forum when additional information is available. No action was taken.

The Roots & Wings school will need to raise a minimum of \$2,000,000.

NEW BUSINESS

Resolution 2026-27: Motion approving adjusting fund transfers.

The transfers move cash to the appropriate dedicated funds, improving accounting clarity in bookkeeping, identifying dedicated funds, tracking separately and not mingled with reserves.

Moved by:	Lunde	Seconded by:	Nelson
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Roll Call Vote:	Deiss, Harrison, Lunde, Miller, Nelson
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Resolution 2026-26: Motion approving a GO Equipment Certificate, Series 2026A bond in the amount of \$360,000 to purchase a 2026 Rosenbauer Tanker Freightliner Chassis, 10-year loan, 4.5% interest, through Wadena State Bank.

The new tanker will replace the 1990 Seagrave tanker. It has been repaired twice with Chief Yglesias stating it's no longer repairable. Replacing the existing tank would cost approx. \$80,000 and leave the truck out of service for 6 to 9 months. The preferred option is purchasing a new tanker. Staff recommends purchasing the stock tanker through Sourcewell from Heiman/Rosenbauer for approximately \$364,800, not including interest or fees. Delivery is expected within 60 days after completion of final modifications. The new truck will also serve as a certified backup pumper.

Following state statute, the purchase is eligible to be financed locally through Wadena State Bank. This avoids the additional underwriter expenses of a traditional bond issue.

Bi-annual debt payments will be paid by the City and allocated using the approved fire township and city allocation agreement. City staff noted that the City will absorb a larger share of the cost in the early years until the township funding sources are fully available and when the bond payments on the 2019 pumper retire in 2029. The budgeted debt service funds will be redirected to help with the new loan payments following the township allocation agreement.

Moved by:	Lunde	Seconded by:	Nelson
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Roll Call Vote:	Deiss, Harrison, Lunde, Miller, Nelson
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Action 26-54: Motion approving the 2025 City financial audit.

Miranda Wentland from Abdo provided a summary and overview of the 2025 financial audit. An unmodified, clean, audit opinion was issued, the highest level of assurance available and no disagreements from management.

The audit included a review of the City's financial statements, internal controls, and compliance with Minnesota legal requirements.

The auditors reported internal control findings, these are found in many smaller employer practices and not able to be corrected without hiring more staff. Legal compliance findings were also reported. Administrator Schroeder states that the issues have been corrected and accurate processes will continue to be committed.

Auditors reviewed the City's financial performance, noting the General Fund remains financially healthy with an unrestricted fund balance of approximately \$3.1 million; 68% of the 2026 General Fund budget, exceeding the City's 50% reserve policy. General Fund revenues exceeded budgeted amounts while expenditures were slightly over budget, resulting in a smaller-than-anticipated decrease in fund balance after transfers.

The presentation also summarized activity in the City's special revenue, capital project, debt service, and enterprise funds.

Enterprise funds; electric, water, sewer, golf course, and liquor store all showed stable or improved profits and financial positions with positive cash balances. The Wellness Center fund continues to experience operating losses and a deficit cash balance. Auditors recommend monitoring the fund and consider additional subsidies towards the deficient balance.

Total cash and investments increased to approximately \$19.2 million at year-end, an increase of approx. \$3.7 million from 2024.

Moved by:	Lunde	Seconded by:	Miller
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-55: Motion approving the 2026 street overlay project with Ferguson Asphalt Paving Inc. with a combined cost of all alternates at \$96,050.50.

The city received six quotes with Public Works Director recommending Ferguson Asphalt Paving Inc. as the lowest bidder for all alternates. Planned projects include Nixon SW, Birch NW, Deerwood NW, and north Sunnybrook Park bike trail starting at the Lion's Shelter to the head of the trail.

The street improvement cost is approx. \$76,366.50 funded with the street overlay budget. The Sunnybrook park overlay is approx. \$19,684 and funded from the parks capital budget.

Council discussed widening the Sunnybrook Park roadway from approximately nine feet to eleven or twelve feet during reconstruction to better accommodate vehicle traffic and pedestrians. Public Works Director Dan Kovar indicated widening the trail could be incorporated with minimal additional cost and remains within budget.

Moved by:	Harrison	Seconded by:	Nelson
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-56: Motion approving to accept pre-qualified contractors to replace galvanized water services through the city's Lead Line Replacement grant project requirement.

Contractors must comply with federal Buy America Build America (BABA) and state and federal prevailing wage requirements to qualify for reimbursement. After soliciting 22 plumber and 17 excavation contractors only two qualified contractors submitted required documentation. One Wadena local and one from West Fargo, ND. Another contractor expressed interest, however, has yet to complete the qualification process. The grant covers all project costs.

Moved by:	Harrison	Seconded by:	Miller
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-57: Motion approving Bolton and Menk to provide construction services for the Lead Service Line Replacement project at the actual cost of each invoice plus 10% for authorized subconsultant services.

Bolton & Menk will provide construction administration and compliance oversight by monitoring contractor compliance with federal Buy America Build America requirements and state and federal prevailing wage regulations, review required documentation and perform the necessary auditing to ensure grant eligibility. The costs are reimbursable through the project grant.

Moved by:	Nelson	Seconded by:	Miller
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-58: Motion to table the social media comment action to the August 11, 2026, council meeting.

Council discussed whether to continue allowing social media comments. Negative commentary on social media posts is occurring with concern that comments are not in the best interest of the city and at times from people who do not live in the city. Council members also shared concerns that the negative comments do not accurately reflect the city or its leadership. Other members expressed negative commentary is a byproduct of modern-day technology and the way information is disseminated; that there will always be people who want to make their opinion known and express their first amendment right. It was also discussed and considered what message the city is sending to the public by removing the ability to leave comments. Council asked staff to research with the League of MN Cities for clarification and recommendations and report back.

Moved by:	Nelson	Seconded by:	Miller
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-59: Motion approving an updated employee travel policy.

The updated policy addresses out-of-state travel by elected officials. Also updating meal reimbursement limits, increasing lunch from \$15 to \$18 and dinner from \$26 to \$29. The breakfast limit remains at \$12. The travel reimbursements remain subject to maximum daily limits and require itemized receipts.

Moved by:	Harrison	Seconded by:	Nelson
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-60: Motion approving a proper use of artificial intelligence (AI) policy.

The policy establishes guidelines for the appropriate and secure use of AI tools by City employees. Currently, some employees are using personal AI accounts for limited public information tasks. This will transition to a City-managed platform, such as Claude, improving security and oversight. The proposed policy prohibits the use of confidential or sensitive information in AI systems and will be supported by employee training on appropriate use.

Moved by:	Lunde	Seconded by:	Miller
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action 26-61: Motion approving to close and reassign the City's main checking account with Wadena State Bank.

Recent fraudulent ACH transactions involving the City's account have occurred. Three unauthorized transactions were identified and reported promptly within the last month. Although internal controls such as positive pay and daily city staff transaction monitoring are in place, Wadena State Bank has provided a 30 day notice to close and reassign the city main checking account based on its account agreement.

Minnesota Statute 412 governs the duties and responsibilities given to city staff pertaining to opening and closing city accounts and is best practice to obtain council approval.

Staff explained that this change would require updating vendor ACH payments and other outgoing payment information but should not affect incoming utility payments or Wadena Development Authority loan payments and the likes thereof.

Further discussions shared concerns about the impact of changing accounts but agreed that protecting City funds and preventing future fraudulent activity is priority.

Discussions continued regarding account security concerns, notification requirements, and the need for a future resolution establishing a process for responding to similar account security issues in a timely manner. Administrator Schroeder will work with Attorney Grant Skoog to create and present a resolution designating and delegating two council members, the city administrator and finance director, to give the ability to respond sooner should this situation happen again.

Moved by:	Harrison	Seconded by:	Nelson
Vote in Favor:	Deiss, Harrison, Lunde, Miller, Nelson		

MEETING OPEN TO THE PUBLIC: 6:33pm No one present

DEPARTMENT REPORTS

Public Works Department – Dan Kovar

- The dust control company ran out of chemical with remaining areas scheduled to be completed July 15th.
- Bids will be sought for the pickleball court project and brought to the Council in August providing everything goes well.

Utilities Department – Superintendent David Evans

- The comprehensive utility plan workshop attended by members of the utilities department and city admin staff went well. The final report will be provided to the council once complete.

Wadena Development Authority and Planning & Zoning – Dean Uselman

- After a medical leave he is approved to work 2 hours per day.

Police Department – Naomi Plautz – Not present

Fire Department – Cody Yglesias Fire Chief

- Thanked the council for approving the truck purchase.
- Noted three firefighters were recently successfully onboarded.

Wadena Liquor Store – Tim Booth Nothing to add

Maslowski Wellness and Research Center – Lisa Anderson Nothing to add

Whitetail Run Golf Course – Kevin Ross - Not present

City Administrator – Kim Schroeder

- Would like to address the Maslowski Center cash deficiency and future subsidies during upcoming budget discussions.

COUNCIL REPORTS

Duke Harrison: Nothing to add.

Mark Lunde: Nothing to add.

Mac Nelson:

- Asked if weeds in front of Main Street should be taken care of by the property owner and to notify them.
- Noted progress regarding the digital sign project, meetings with the Gateway Project group have occurred and headway is being made. Nothing more to report.

Wade Miller: Nothing to add.

Mayor George Deiss:

- Noted that he received a request from Jefferson Lines for a city letter of support directed to MnDOT for financial support to operate, market and provide intercity services to the Wadena community. Hearing no opposition he will provide the letter.

Action Motion: Motion to close the meeting at 7:00 pm pursuant to MN Statute 13D.05, Subd. 3(d) for the purpose of attorney-client privilege.

Moved by:	Nelson	Seconded by:	Miller
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Vote in favor: | Deiss, Harrison, Lunde, Miller, Nelson

Action Motion: Motion to reopen the meeting at 7:08 pm.

Moved by:	Lunde	Seconded by:	Harrison
Vote in favor:	Deiss, Harrison, Lunde, Miller, Nelson		

Action Motion: Motion to adjourn at 7:08 pm.

Moved by:	Harrison	Seconded by:	Nelson
Vote in favor:	Deiss, Harrison, Lunde, Nelson		
Opposed:	Miller		

George Deiss, Mayor

Attest: _____
Kim Schroeder, City Administrator