

- MINUTES -
CHASKA CITY COUNCIL
JULY 20, 2026

1. Call to Order

The meeting was called to order by Mayor Pro Tem Grau at 7:00 p.m.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken. Present: Mayor Pro Tem Grau and Councilmembers Sheveland, Benesh, and Hatfield.

Also Present: Matt Podhradsky, City Administrator; Noel Graczyk, Administrative Services Director; Elise Durbin, Assistant City Administrator; Nate Kabat, Community Development Director; Ashley Cauley, City Planner; Julie Grove, Economic Development Coordinator; Krista Mark, Communications Coordinator; and Christophe Morschen, City Attorney.

Absent: Mayor Hubbard

4. Adopt the Agenda

Motion by Councilmember Hatfield, second by Councilmember Benesh to adopt the agenda as presented.

Motion carried.

5. Visitor Presentation

No one wished to address the Council.

6. Approve Previous Meeting Minutes

6.A. Approve the June 29, 2026 City Council Meeting Minutes

Motion by Councilmember Sheveland, second by Councilmember Hatfield to approve the minutes of the June 29, 2026, City Council meeting.

Motion carried.

7. Consent Agenda

Councilmember Hatfield asked about the City's third and final Cannabis Retail location, whether the owner will grow cannabis on the inside or outside of the building. City Administrator Podhradsky stated they would grow it inside the building.

Motion by Councilmember Benesh, second by Councilmember Sheveland, to approve the Consent Agenda Items A through G:

A. Approve Cannabis Retail Local Registration for Blom Inc.

Motion to approve a Cannabis Retail Local Registration for Blom Inc., located at 4024 Peavey Rd., Chaska.

B. Approve Low-Potency Hemp Retail Registrations – Holiday Stationstores #67 and #340

Motion to approve low-potency hemp edible retail registrations for Holiday Stationstores #67 and #340 to sell low-potency hemp edible related products.

C. Approve On-Sale Liquor License at a Community Event – The Copperfield Chaska
Motion to approve On-Sale Intoxicating License at a Community Event, Lic# OSCF26.03, for The Copperfield Chaska, 3210 Chaska Blvd., Chaska, MN for Chaska Fire & Ice Festival effective July 10th and 11th, 2026.

D. Adopt Resolution No. 2026-66 Approving the Conditional Use Permit (CUP) for outdoor storage at 3700 Chaska Boulevard (PC # 2026-14).

Motion to adopt Resolution No. 2026-66 approving the Conditional Use Permit (CUP) for open storage exceeding a 2:1 building-to-land ratio and totaling 75,000 square feet at 3700 Chaska Boulevard (PC #2026-14).

E. Approve Minnesota Municipal Utilities Association (MMUA) Delegates
Motion to approve the updated delegates.

F. Adopt Resolution No. 2026-67, accepting the Feasibility Report for SE Collector in SW Area- Savanna Way.

Motion to adopt Resolution No. 2026-67, approving the Feasibility Study, Authorizing Plans and Specifications, and Scheduling the Public Improvement Hearing to be held on August 31st for the SE Collector in SW Chaska.

G. Adopt Resolution No. 2026-68, accepting Bids & Awarding Contract – 2026 Industrial Park (Columbia

Motion to adopt Resolution No. 2026-68 Authorizing the City Administrator and City Engineer to execute a construction contract with Bituminous Roadways Inc. for the 2026 Industrial Park Watermain Project in the total bid amount of \$591,225.00.

Motion carried.

8. Action Items

8.A. Annual 2025 Financial Reports

City Administrator Podhradsky introduced Administrative Assistant Noel Graczyk to present this item.

Mr. Graczyk presented an overview of the audit report to the Council, and noted that the Manager of CLA, Ezra Koetz, will be presenting the audit report.

Mr. Koetz noted that the audit results did come back "clean" and financial statements were found to be fairly stated in all material respects. Under Internal Controls, there were no deficiencies in 2025; there was one restatement identified as unavailable revenue was recorded in 2024 in the Public Improvement Projects Fund, and the impact was a decrease in fund balance of \$54,000. Due to decreased activity in the fund during 2025, a lower materiality threshold resulted in the amount being considered material and requiring restatement. There were no deficiencies in legal compliance for 2025.

Mr. Koetz noted that a single audit is required when a City has over \$1 million of federal expenditures, which Chaska had in 2025. It is related to the Emergency Operations Center and getting the last documentation for the single audit, but he expects City Staff to have it completed by the September 30 deadline.

Mr. Koetz explained that, per accepted auditing standards, they performed a risk assessment, looked at accounting policies, and did not find any significant new accounting policies in 2025; no accounting estimates were made in 2025, and there were no difficulties performing the audit or disagreements with management. He noted that City Staff was great to work with and were well prepared to help complete the audit.

Mr. Koetz reviewed the financial results, noting a \$34 million decrease in the Governmental Fund balance due to spending bond proceeds on the Public Facilities project. The General Fund balance increased by \$789,000 as reserves were replenished, with positive revenue trends driven by recreation programs, permits, and strong tax collections. He also noted higher expenditures in Parks and Recreation for maintenance and in Public Safety due to increased payroll costs from hiring and turnover.

Mr. Koetz explained that the Enterprise Funds increased by \$9 million, with changes across all the Enterprise funds that were positive. The Electric Fund increased operating revenue by \$3.75 million with an increase in usage and rates. This fund did really well and was able to transfer out \$8 million to help other operations, and a large portion went to the General Fund.

Mr. Koetz noted that the Water Fund operating revenue increased by \$484,000 with increases in residential consumption. The Sewer Fund had an increase in revenue of just under \$500,000 due to increased sewer rates, and operating costs stayed consistent. The Storm Fund had revenue increases of \$125,000 with additional residential and commercial consumption, but operating expenses increased by \$400,000 with depreciation on assets that contributed to the deficit in this fund. The Turbine Generator Fund has the same revenue as last year, and due to amortization of this lease asset, overall operating expenses stayed consistent as well. The Community Center Fund had growth in revenue, and operating expenses increased by \$342,000. It is still operating at a loss, even without depreciation.

City Administrator Podhradsky noted that there is a plan each year to take some money from the General Fund to help support the Community Center Fund, because it is not self-supporting.

Councilmember Sheveland asked if some of the Parks and Recreation budget used to be funded by the Community Center Fund. City Administrator Podhradsky confirmed that was correct, and some of those salaries were pulled from the Community Center Fund and put in the General Fund.

Mr. Koetz noted that the Curling Center Fund increased by \$63,000 due to additional memberships. Operating costs also increased by \$40,000 with some additional salaries and repair expenses. Overall, operating at a loss in 2025, similar to the Community Center. A change in this fund would require transfers from other funds to support the activity. The Golf Course Funds, starting with the Loop at Chaska Fund, also had a deficit even without depreciation, with revenue increases of \$74,000 and operating expense increases of \$199,000. The Town Course Golf Fund operating revenue had a \$146,000 increase, and operating expenses decreased by about \$274,000, resulting in a positive operating income in 2025.

Mr. Koetz reported that the City's net position increased by \$27 million in 2025, including \$18.4 million in governmental activities and \$9 million in business activities, for a total net position of \$299 million. He also reviewed upcoming GASB standards that will improve financial statement presentation, clarify operating revenue classifications, and update subsequent event disclosure requirements.

Mr. Graczyk added more updates to the Council regarding the audit report.

Councilmember Sheveland stated it was a pleasure to have someone who knows what they are doing go through this report with Council.

Mayor Pro Tem Grau noted that the report is a good model of growth.

Motion by Councilmember Hatfield, second by Councilmember Benesh to accept the 2025 Annual Comprehensive Financial Report (ACFR) for the City of Chaska and associated audit reports as well as the 2025 Annual Financial Report (AFR) for the Chaska Fire Department Relief Association and associated audit reports. Motion carried.

8.B. Adopt Resolution No. 2026-65, approving the Concept Plan for Vista Ridge/ Johnson Reiland Homes/ PC #2026-12

City Administrator Podhradsky introduced City Planner Ashley Cauley to present this item to the Council. Ms. Cauley presented the item to the Council.

Mayor Pro Tem Grau asked who named the streets. Ms. Cauley stated the street names were proposed by the developer. Mayor Pro Tem Grau asked if he could suggest Soaring Hawk Parkway, not Eagle. Ms. Cauley stated that Soaring Eagle was a request by the property owner, but would put that note in.

Councilmember Sheveland asked if the Schram lot where it sits today will be rebuilt into a house. City Administrator Podhradsky stated that right now it received conditional approval to be a contractor storage building, and that parcel is needed for access but will be developed at some point.

Mayor Pro Tem Grau added that the only reason it was used is that it was abandoned. City Administrator Podhradsky noted that it was used as the firearm training lot because of the steep slope.

Mayor Pro Tem Grau asked about property easements and if property owners use them as their own property; if that is a violation that would be enforceable by the City. Ms. Cauley confirmed that is correct.

City Administrator Podhradsky stated the most uncomfortable conversations are when neighbors get upset at other neighbors for using the conservation easement as their own property. Councilmember Sheveland asked if the City could keep ownership of those and the lot lines could be smaller. Mayor Pro Tem Grau stated the easements are owned by the City, but the problem is in residents' backyards.

Community Development Director Nate Kabat noted that easements and property lines are all enforceable, but if a resident has a desire to encroach, it is hard to enforce. Mayor Pro Tem Grau stated that he brought it up for the percentage of people that do not know that they are doing something wrong.

City Administrator Podhradsky noted that the most effective way is to put up signs that actually indicate where the easement is. Councilmember Sheveland noted that in the Chevalle neighborhood, there is a lot of green space there and the City has been very clear that it is City-owned. City Administrator Podhradsky stated the City still has enforcement issues in that area with encroachment occurring.

Councilmember Sheveland asked how water drainage will occur because that area is so steep. Mr. Kabat stated he could not answer exactly how drainage will be captured and treated, but it will be a requirement the development needs to meet through the process.

Councilmember Sheveland stated she was asking because Pulte was going to put some money towards that drainage at the new park. City Administrator Podhradsky stated all the water with this development will go towards the southeast.

Mayor Pro Tem Grau asked if the concept is a one road in, and one road out subdivision. Ms. Cauley confirmed that was correct and there is a turnaround to allow fire trucks to turn around until a future connection is made.

Councilmember Sheveland asked if Johnson Reiland also built Carlson Bluffs. Ms. Cauley confirmed that they did.

Mayor Pro Tem Grau asked how steep the grade of Big Woods Boulevard is. Ms. Cauley stated it meets City standards, so it is less than eight percent.

Mr. Kabat stated that he has had conversations with the property owners that surround this property, and road access, sewer, and water access all require cooperation with neighboring properties. This particular property will not get that service without that cooperation. It is very important for the developer to keep that in mind throughout the process.

Councilmember Sheveland noted that it is exciting, but there are a lot of contingencies on this development.

Councilmember Hatfield stated it is a beautiful area and will be great to have homes there once everything is worked through. Mayor Pro Tem Grau added that with development comes some changes, which is good.

Motion by Councilmember Sheveland second by Councilmember Hatfield, to adopt Resolution No. 2026-65 approving the Concept Plan of Vista Ridge Reiland Homes P.C. No. 2026-12. Motion carried.

8.C. Authorize Letter of Intent for TIF Assistance for the Proposed Big Woods Business Park Project

City Administrator Podhradsky introduced Economic Development Coordinator Julie Grove to present this item to the Council. Ms. Grove presented the item to the Council.

Councilmember Sheveland asked if the land is all owned by the same developer. City Administrator Podhradsky stated that is correct.

Councilmember Hatfield stated she appreciated City Staff for outlining this project and the need to service the development with public utilities.

Motion by Councilmember Sheveland, second by Councilmember Hatfield, to authorize the City Administrator to execute the Letter of Intent for TIF assistance to the proposed Big Woods Business Park Project. Motion carried.

9. Bills

9.A. Accounts Payable Claims Roster 07-20-2026

Motion by Mayor Pro Tem Grau, second by Councilmember Benesh to approve the bills as presented. Roll call was taken. Voting aye: Councilmembers Hatfield, Benesh, Sheveland, and Mayor Pro Tem Grau. Voting nay: None
Motion carried.

10. Other Business

Councilmember Sheveland:

- Recapped the July 4 Fireworks, which were on Wednesday before July 4.

Councilmember Benesh:

- Shared about the upcoming Parade for River City Days.

Councilmember Hatfield:

- Recapped her attendance at Fire and Ice.
- Recapped her attendance at the latest Farmer's Markets.
- Shared upcoming events: River City Days parade on Thursday (July 23) at 6:30 p.m., Blood Drive (July 24) from 10:00 a.m. to 4:00 p.m. at the Curling Center, Coffee with the First Responder is in the Public Safety building classroom from 9:00 a.m. to 10:00 a.m., the Chaska Cubs game will be hosted by Chaska Police and Parks and Recreation (July 23) at 6:00 p.m. at the Athletic Park.

Community Development Director Nate Kabat:

- Shared that the City's Downtown Master Plan will be on display at the River City Days event at the City's booth to gather feedback from the community.

Assistant Administrator Elise Durbin:

- Shared that in addition to the Downtown Master Plan, the City's booth at River City Days will also have information on the new MSB facility, the new library, and City Hall Plaza.

City Attorney Christophe Morschen:

- Introduced Hakeem Jackson, their firm's newest Associate Attorney.

City Administrator Podhradsky:

- Shared that the only way to go to the new amphitheater in Shakopee is by using Southwest Transit.

Mayor Pro Tem Grau:

- Recapped his attendance at Fire and Ice.
- Thanked all the volunteers that are helping out with River City Days, as it is not a City-run event.
- Gave a shout-out to the Chaska 11AAA Baseball team, as tomorrow is their last game and is the League Championship, and recapped his time as Assistant Coach.
- Shared that the next meeting is scheduled for August 3.

10.A. City Administrator's Report

10.A.i. Bi-Weekly Report 07-20-2026

11. Adjourn

Motion by Councilmember Hatfield, second by Councilmember Benesh to adjourn the meeting at 9:17 p.m.

Motion carried.