

City of Vernon Center – Special Council Meeting Minutes

Date: March 30th, 2026

Attendance

Council Present: Dana Ziegler, Emily Edwards, Adam Finney, Lisa Peterson

Staff Present: Clerk Kara Hansen, Public Works Supervisor Mark Willette

Others Present: Engineer Chris Knutson

Call to Order

Mayor Ziegler opened the regular council meeting at 6:30 PM.

Approve Agenda

- Motion: Councilor Finney made a motion to approve the agenda; seconded by Councilor Edwards. All approved. Motion carried.

Rubin Construction Bonding

Engineer Chris Knutson stated that Merchant Bonding Company contacted him after being identified as the bonding provider for the project, despite having no record of issuing the bonds. Engineer Knutson sent copies of the bonds to Merchant Bonding, who confirmed they were not issued by their company and referred the matter to their fraud department. Engineer Knutson stated the bonds were submitted with the contract and reviewed by the city attorney at the time of contract execution. He contacted the city attorney and USDA Rural Development to inform them of the issue and request guidance. Ed Gilmore of USDA-RD indicated the situation was uncommon and would be elevated for further review. Engineer Knutson reported that Dave Rubin said he believed bonding had been obtained, but did not personally sign the bonds and was unable to provide an explanation as to why the bonds were not authorized. Engineer Knutson also reported a similar bonding issue on another project in southwest Minnesota. It was noted that no payments have been released to Rubin Construction. A previously approved payment had been withheld due to unresolved insurance requirements. Limited work has been completed under the contract. Engineer Knutson further reported that Schaefer Contracting had been contacted by Rubin Construction regarding the possibility of assuming the project and obtaining bonding; however, the feasibility of this option is unclear and would require legal review. After discussion, the Council expressed concern regarding the lack of verified bonding and potential exposure to the City. By consensus, the Council directed Rubin Construction cease all work immediately, that no payments be made, and that Rubin Construction provide a detailed written explanation addressing the bonding issue. Proper bonding and insurance documentation must be provided for review no later than the April 14, 2026 City Council meeting. Mayor Ziegler directed Clerk Hansen to prepare a meeting with the city attorney with both him and another councilmember present with Engineer Knutson.

- Motion: Mayor Ziegler made a motion to holds funds payable to Rubin and to direct the city attorney to send a letter to Rubin Construction; 2nd by Councilor Edwards. All approved. Motion carried.

Resolution 2026-07 D-Bar Licensing

Clerk Hansen presented the annual liquor license renewal for DBAR 169 Incorporated. She explained that renewal materials were received later than usual due to delayed documentation from third-party vendors, including insurance and workers' compensation providers. Clerk Hansen stated that despite the delay, the renewal was completed in time to meet the statutory deadline. She noted that she intends to adjust future timelines to avoid similar delays.

- Motion: Councilor Finney made a motion to approve Resolution 2026-07 D-Bar License renewal; seconded by Councilor Peterson. All approved. Motion carried.

409 First St E Burn Permit

Clerk Hansen presented a request for City approval to conduct a controlled burn of CRP land located at 409 1st Street East. She noted that this request has historically been approved by the City in prior years. Clerk Hansen explained that City approval is required by motion and that the property owner is responsible for obtaining the necessary burn permit through Blue Earth County and coordinating with the appropriate authorities.

- Motion: Councilor Peterson made a motion to grant permission to burn the CRP at 409 First St E; seconded by Councilor Edwards. All approved. Motion carried.

Next Meeting

Tuesday April 14th, 2026 at 6:00 PM

Adjourn

- Motion: Councilor Peterson motioned to adjourn; seconded by Councilor Edwards. All approved. Motion carried. Meeting adjourned at 7:01 PM.

Kara Hansen, Clerk-Treasurer

Dana Ziegler, Mayor

Date approved