

Watertown City Council

January 13, 2026

Agenda Item:	Statement of Concern Regarding Mismanagement of Public Funds
Request for Action:	Approve Resolution 2026-02 Expressing Concern for Mismanagement of Public Funds by the State Government of Minnesota
Employee/Dept.:	Dan Tolsma, Administration

Background:

Several reports of fraud in state programs have been publicized recently, with the U.S. Attorney's Office estimating the total amount of fraud to potentially be as high as \$9 billion.

Discussion:

Multiple Councilmembers have expressed interest in passing a resolution to express concern and demand accountability regarding the ongoing reports of fraud at the state level. If passed, the resolution would be shared with Watertown's state representatives and other Minnesota state government officials.

Motion Type:

Simple majority vote of members present.

Requested Action/Motion:

"I move to approve Resolution 2026-02 expressing concern regarding the stewardship and oversight of state taxpayer funds and calling for transparency and accountability."

Attachments:

Resolution 2026-02

**RESOLUTION NO. 2026-02
CITY OF WATERTOWN, MINNESOTA**

**A RESOLUTION EXPRESSING CONCERN REGARDING THE STEWARDSHIP
AND OVERSIGHT OF STATE TAXPAYER FUNDS AND CALLING FOR
TRANSPARENCY AND ACCOUNTABILITY**

WHEREAS, the City of Watertown has a fiduciary responsibility to its residents to advocate for the responsible, lawful, and transparent use of taxpayer dollars; and

WHEREAS, public confidence in government depends on effective oversight, accountability, and proper stewardship of public funds at all levels of government; and

WHEREAS, recent reports, investigations, and public disclosures regarding the administration and oversight of certain state-administered programs have raised serious concerns among residents and local officials regarding the use, monitoring, and safeguarding of taxpayer funds; and

WHEREAS, the U.S. Attorney for the District of Minnesota has estimated that more than \$9 billion in taxpayer funds have been lost to fraud, waste, abuse, or mismanagement, representing a staggering breach of public trust; and

WHEREAS, these concerns have contributed to growing public mistrust in the State of Minnesota's ability to ensure that taxpayer dollars are used as intended and protected from fraud, waste, or abuse; and

WHEREAS, local governments, including the City of Watertown, rely on the integrity of state systems to responsibly manage public resources and maintain public confidence; and

WHEREAS, it is appropriate and within the authority of the City Council to formally express its concerns and advocate for greater accountability and transparency on behalf of its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATERTOWN, MINNESOTA, THAT:

1. The City Council of Watertown formally expresses its concern and loss of confidence regarding the oversight and administration of certain state-managed taxpayer funds.
2. The City Council expresses its deep disappointment in the failure of state systems to protect taxpayer dollars and prevent large-scale fraud, waste, and abuse.
3. The City Council calls upon the State of Minnesota to take meaningful and timely action to strengthen financial controls, oversight mechanisms, and transparency related to the administration of public funds.

4. The City Council respectfully requests independent review, legislative oversight, and appropriate investigations, where warranted, to restore public trust and ensure accountability.
5. The City Council urges state leaders to prioritize reforms that protect taxpayers, ensure proper stewardship of public resources, and prevent future misuse of funds.
6. The City Council encourages other Minnesota cities, townships, and counties to adopt similar resolutions to collectively affirm that local governments demand accountability, transparency, and responsible stewardship of public funds.
7. This resolution shall be transmitted to the Office of the Governor, members of the Minnesota Legislature representing the City of Watertown, the Office of the Legislative Auditor, and other appropriate state officials.

Adopted by the City Council of the City of Watertown, Minnesota, this 13th day of January, 2026.

Michael Walters, Mayor

Deborah Everson, Councilmember

Jim Kasheimer, Councilmember

Fred McGuire, Councilmember

Kay Thul, Councilmember

ATTEST:

Michael Sommerfeld, Administrative Services Director