City of Northfield

City Hall
801 Washington Street
Northfield, MN 55057
northfieldmn.gov

Meeting Agenda

Tuesday, July 21, 2026

6:00 PM

Council Chambers

City Council

6:00 PM - CITY COUNCIL MEETING AGENDA

CALL TO ORDER

Mayor: Zweifel
Councilmembers: Beumer, Dahlen, Holmes, Ness, Peterson White, Sokup

OPEN PUBLIC COMMENT

Open Public Comment is intended to receive public comment on matters of City business and/or topics under the jurisdiction of the City Council. Individuals who would like to have a question addressed may write their question on the back of the comment card and an appropriate person will follow up with them at another time. If the topic relates to an item later in the agenda individuals may speak at this time if that is their preference. However, they will be unable to comment again later on the same agenda item.

Individuals who pre-registered may take one opportunity to address the Council for up to two (2) minutes. After all individuals on the sign-up list have spoken, other individuals may speak if time permits. Open Public Comment will conclude by 6:20 p.m.

APPROVAL OF AGENDA

PRESENTATIONS

1. 26-391 Age Friendly Northfield (AFN) Mid-Year Presentation.

Attachments: 1 - 2026 AFN Mid-Year Presentation
2 - 2025-2027 FiftyNorth and AFN Service Contract - AMENDED FINAL (12-25)
3 - Age Friendly Northfield website

CONSENT AGENDA

The proposed consent agenda is included on the agenda and shown on the screens in the Council Chambers. The purpose of a consent agenda is to allow for routine motions, resolutions, ordinances, and items previously discussed with consensus made, to be passed with one motion. These items are still important and necessary considerations and full background memo and materials have been prepared and are publicly available on the website and in the Council Chambers. City Council Members have had the opportunity to ask questions for clarification of consent agenda items in advance of the meeting and have had the opportunity to request an item be moved to the regular agenda for further discussion.

2. 26-392 Consider Approval of July 7, 2026 City Council Meeting Minutes.

Attachments: 1 - 07-07-2026 City Council Meeting Minutes

3. 26-393 Consider Approval of July 14, 2026 City Council Special Meeting Minutes.

Attachments: 1 - 07-14-2026 Special Meeting Minutes

4. 26-394 Consider Approval of July 14, 2026 City Council Work Session Minutes.

Attachments: 1 - 07-14-2026 Council Work Session Minutes

5. 26-395 Consider Approving Disbursements totaling $2,679,978.64

Attachments: 1 - Disbursements
2 - Disbursements
3 - Disbursements

6. Res. 2026-072 Consider Resolution Proclaiming July 30th through August 2nd, 2026 as "Vintage Band Festival Week" in Northfield, Minnesota.

Attachments: 1 - Vintage Band Festival Week Resolution
2 - Vintage Band Festival 2026 webpage

7. 26-396 Consider Approval of a Temporary Liquor License for The Meetinghouse LLC dba Chapel Brewing for September 17, 2026 for the Friends of Downtown Northfield Third Thursday Event.

PUBLIC HEARINGS AND RELATED ACTION

The public will have an opportunity to address the City Council on any public hearings. Individuals who pre-registered may take one opportunity to address the Council for up to two (2) minutes. After all individuals on the sign-up list have spoken, other individuals may speak. Persons must give their name and address and if representing a business must give the name of the business or corporation. If an attorney or consultant is representing a client, the client must be identified for the record.

The intent of the public hearing is to receive information from the public. Individuals who would like to have a question addressed may write their question on the back of the comment card and an appropriate person will follow up with them at another time.

8. 26-397 Public Hearing for Ordinance 1096 Vacating Drainage and Utility Easements within 504 & 508 Ivanhoe Avenue.

Attachments: 1 - Ordinance 1096
1 - Public Hearing Presentation - Vacation of Easement
3 - Easement Vacation Exhibit
4 - Public Hearing Notice Mailing

9. Ord. 1096 Consider First Reading of Ordinance 1096 Vacating Drainage and Utility Easements within 504 & 508 Ivanhoe Ave.

Attachments: 1 - Ord. No. 1096
2 - Exhibit B Survey Depiction

10. Res. 2026-073 Consideration of a Minor Subdivision combining 504 & 508 Ivanhoe Ave.

Attachments: 1 - Resolution
2 - Exhibit B - Roberts Woods Plat
3 - Location Map

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

11. 26-398 Reports From the Mayor and Council Members.

REGULAR AGENDA

The public will have an opportunity to address the City Council on the following regular agenda items. Individuals who pre-registered may take one opportunity to address the Council for up to two (2) minutes. After all individuals on the sign-up list have spoken, other individuals may speak. Persons must give their name and address and if representing a business must give the name of the business or corporation. If an attorney or consultant is representing a client, the client must be identified for the record.

The intent of the public comment is to receive information from the public. Individuals who would like to have a question addressed may write their question on the back of the comment card and an appropriate person will follow up with them at another time.

12. Res. 2026-074 Consider Resolution Providing for the Issuance and Sale of $3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B.

Attachments: 1 - Northfield SRP 2026B AWARD RESOLUTION
2 - POS.Northfield.2026B
3 - S&P report Northfield, MN Jul 14, 2026

13. 26-399 Discuss Proposed Traffic and Pedestrian Safety Improvements on Fillmore St., Hayes Dr., & Carter Dr.

Attachments: 1 - 260721 Fillmore Hayes Carter Traffic Safety Review
2 - Fillmore Hayes Hayes Traffic Safety Memo

14. 26-400 Discuss City Wide Local Speed Limit Study

Attachments: 1 - Northfield Speed Study_Council Presentation_07212026

15. Res. 2026-075 Consideration of a Resolution Approving a Final Plat for Harvest Hills Second Addition.

Attachments: 1 - Resolution
2 - 2026_07_17 CC PPT Harvest Hills Second Final-DA-TIF v1
3 - 23-259 Harvest Hills 2 2026-06-24

16. Res. 2026-076 Consideration of the Development Agreement Resolution for Harvest Hills Second Addition.

Attachments: 1 - Resolution
2 - Harvest Hill Development Agreement

17. Res. 2026-077 Consideration of a Resolution Approving Tax Increment Financing (TIF) Assistance Agreement for Harvest Hills Second Addition.

Attachments: 1 - Resolution
2 - TIF Assistance Agreement
3 - Business Subsidy Policy
4 - Tax Increment Policy
5 - Sustainable Building Policy
6 - TIF Plan from May 19, 2026 City Council

ADMINISTRATORS UPDATE

18. 26-401 City Administrator's Update.

Attachments: 1 - Upcoming Council Agenda Items (07-17-26)

ADJOURN

Note: The City Council may take a five minute break during the meeting. All regular City Council meetings end at 9:00 pm unless a simple (4/7) majority of the City Council vote to extend the time.

SPECIAL NEEDS: If you require special services to attend or participate in a public meeting, please call the City's Administration Office at (507) 645-3001 or e-mail Lynette Peterson, City Clerk, at lynette.peterson@northfieldmn.gov. TDD users can call (507) 645-3030. Please call at least 24 hours before the meeting, if possible.

File #: 26-391, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council

From: Ben Martig, City Administrator

Age Friendly Northfield (AFN) Mid-Year Presentation.

Action Requested:
No action is requested.

Summary Report:
The City Council will receive a presentation from Age Friendly Northfield (AFN) regarding their work over the last year.

The Age Friendly presentation (attachment 2), the current 2025-2027 service contract with Age Friendly (attachment 2), and link to the Age Friendly website (attachment 3) are attached.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

Age-friendly NORTHFIELD

2026 Mid-Year Report
to
the City of Northfield





30%

of Northfielders are 50+.



THE AFN MISSION

WE ARE… a community that values a high quality of life for all of its residents.

WE HEARD… what community qualities are important to the citizens aged 50 and older and what more is needed.

WE ENVISION … a community that promotes independence and a high quality of life for citizens as they age.

WE WILL … work with the community to implement the changes that will assure livability of Northfield for today's and tomorrow's older adults.







In an Age-Friendly Community, ALL Northfield Residents:

Are engaged, independent, and connected.

Have safe, accessible housing.

Have reliable Transportation.

Work with leadership to provide responsive services and supports.

THIRD THURSDAYS

I ♥ Downtown Northfield, MN







Free

Socialization

Physical Activity

Collaboration

THE FOUR PILLARS of Age-friendly NORTHFIELD

The Age-Friendly Northfield Ecosystem of Collaborators and Supporters





Walking at NHS

- Free to everyone.
- Available M-F from 6-7 AM or 3:30- 5:00pm.
- A safe, welcoming space to walk indoors.



Pickleball

Age-Friendly Northfield hosts FREE Pickleball on Sunday afternoons at Northfield High School. People of all ages and abilities are encouraged to participate. Paddles and balls are available.



Rock Steady Boxing

Since beginning the program in February 2025, we have had strong and consistent participation. Our group has connected socially and emotionally and is growing stronger every session.



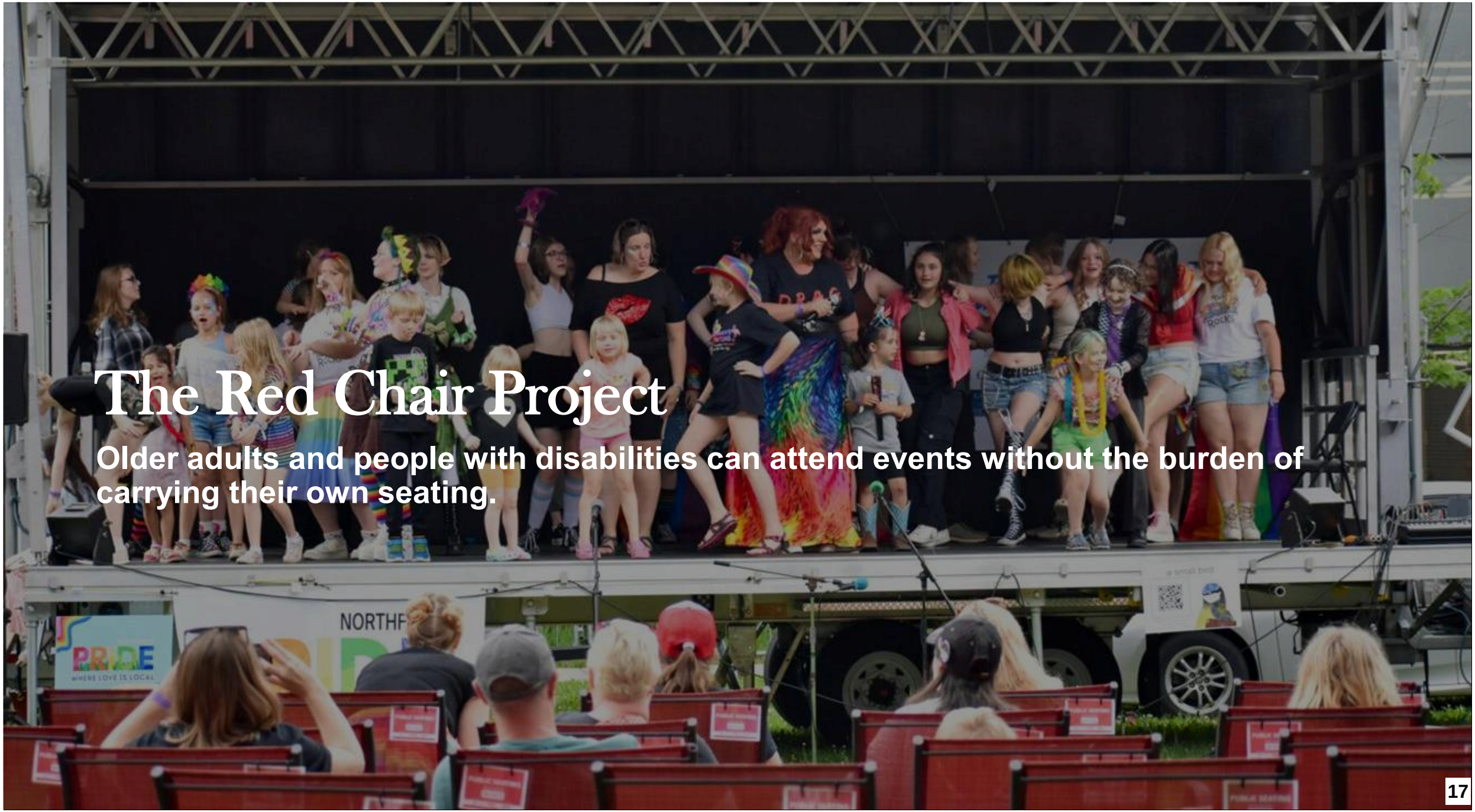
Nordic Walking

- Heart-healthy exercise
- Free instruction
- Poles available for use
- Laughs and fun for all









The Red Chair Project

Older adults and people with disabilities can attend events without the burden of carrying their own seating.





Third Thursday Street Dance

Age-Friendly Northfield is sponsoring the music line up for Northfield's newest tradition!







Now...

- Tabling at local events
- Monthly appearances on KYMN
- Advocating for meals for seniors
- Transportation education and increasing availability

On the Horizon...

- Share Your Story – Minnesota Story Collective partnership with KYMN Radio
- Revisioning parks for senior use
- SO MUCH MORE!

Board of Directors

City of Northfield

Family Services Northfield

FiftyNorth

Northfield Community Volunteers

Rice County

Southeast MN Area Agency on Aging

Three Rivers CAC



CONSULTANT SERVICE CONTRACT

This Contract (the "Contract") is made this 2nd day of December, 2025, by and between the CITY OF NORTHFIELD, a Minnesota municipal corporation, 801 Washington Street, Northfield, MN 55057 ("CITY"); and Northfield Senior Citizens, Inc., doing business as FiftyNorth, a Minnesota nonprofit corporation, 1651 Jefferson Parkway, Northfield, MN 55057 ("CONSULTANT"), in partnership with the Age Friendly Northfield (AFN) Steering Committee, an organization of community volunteers ("AFFILIATE CONSULTANT"); (collectively the "Parties").

WHEREAS, the CITY requires professional services to assist the CITY in completing its initiatives in the CITY's AARP Age Friendly Community designation and related Age Friendly Northfield initiatives (the "Project"); and

WHEREAS, CONSULTANT agrees to furnish the various professional services required by the CITY in partnership with AFFILIATE CONSULTANT. For purposes of this Contract, AFFILIATE CONSULTANT is a subcontractor/sub-consultant to CONSULTANT and is acting as an agent of CONSULTANT in providing any services hereunder to CITY.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

SECTION I – CONSULTANT'S SERVICES AND RESPONSIBILITIES

A. **Scope of Services.** CONSULTANT agrees to perform various Project services as detailed in Exhibit 1, Scope of Services, attached hereto and incorporated herein by reference.

B. **Changes to Scope of Services/Additional Services.** Upon mutual agreement of the parties hereto pursuant to Section VI, Paragraph K of this Contract, a change to the scope of services detailed in Exhibit 1, attached hereto, may be authorized. In the event that such a change to the scope of services detailed in Exhibit 1, attached hereto, requires additional services by CONSULTANT, CONSULTANT shall be entitled to additional compensation consistent with Section III of this Contract. CONSULTANT shall give written notice to the CITY of any additional services prior to furnishing such additional services. The CITY may request an estimate of additional cost from CONSULTANT, and upon receipt of the request, CONSULTANT shall furnish such cost estimate in writing, prior to the CITY's authorization of the changed scope of services.

C. **Changed Conditions**. If CONSULTANT determines that any services it has been directed or requested to perform by CITY are beyond the scope of services detailed in Exhibit 1, attached hereto, or that, due to changed conditions or changes in the method or manner of administration of the Project, CONSULTANT's effort required to perform its services under this Contract exceeds the estimate which formed the basis for CONSULTANT's compensation, CONSULTANT shall promptly notify CITY of that fact. Upon mutual agreement of the PARTIES hereto pursuant to Section VI, Paragraph K of this Contract, additional compensation for such services, and/or an extension of time

for completion thereof, may be authorized. In the absence of such a mutual agreement, amounts of compensation and time for completion shall be equitably adjusted, provided that CONSULTANT first provides notice to CITY as required by this Paragraph and CITY has not terminated this Contract pursuant to Section IV, Paragraph B.

D. **Standard of Care.** Services provided by CONSULTANT or its subcontractors and/or sub-consultants under this Contract will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of CONSULTANT's profession or trade. CONSULTANT shall be liable to the fullest extent permitted under applicable law, without limitation, for any injuries, loss, or damages proximately caused by CONSULTANT's breach of this standard of care. CONSULTANT shall put forth reasonable efforts to complete its duties in a timely manner. CONSULTANT shall not be responsible for delays caused by factors beyond its control or that could not be reasonably foreseen at the time of execution of this Contract. CONSULTANT shall be responsible for costs, delays or damages arising from unreasonable delays in the performance of its duties.

E. **Insurance.** CONSULTANT shall not commence work under this Contract until CONSULTANT has obtained all insurance required herein and such insurance has been approved by CITY, nor shall CONSULTANT allow any subcontractor to commence work on a subcontract until such subcontractor has obtained like insurance covering as to worker's compensation, liability, and automobile insurance. All this insurance coverage shall be maintained throughout the life of this Contract.

1. CONSULTANT agrees to procure and maintain, at CONSULTANT's expense, statutory worker's compensation coverage.

2. CONSULTANT agrees to procure and maintain, at CONSULTANT's expense, Commercial General Liability ("CGL") and business automobile liability insurance coverages insuring CONSULTANT against claims for bodily injury or death, or for damage to property, including loss of use, which may arise out of operations by CONSULTANT or by any subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable (including automobile use). The required automobile liability coverage must include coverage for "any auto" which extends coverage to owned autos, non-owned autos, and hired autos. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this Paragraph, or required by law. CITY shall have additional insured status and be listed by name on an endorsement attached to such policy(ies) for the services provided under this Contract and shall provide that CONSULTANT's coverage shall be primary and noncontributory in the event of a loss.

3. CONSULTANT agrees to procure and maintain, at CONSULTANT's expense, the following insurance policies, including the minimum coverages and limits of liability specified below, or as specified in the applicable insurance certificate(s), or as required by law, whichever is greater:

Worker's Compensation	Statutory Limits
Employer's Liability	$500,000 bodily injury by accident $500,000 bodily injury by disease aggregate $500,000 bodily injury by disease per employee
Commercial General Liability	$2,000,000 property damage and bodily injury per occurrence $4,000,000 annual aggregate $2,000,000 annual aggregate Products – Completed Operations
Automobile Liability	$1,000,000 per occurrence combined single limit for Bodily Injury and Property Damage (shall include coverage for all owned, hired and non-owned vehicles
Umbrella or Excess Liability	$1,000,000

4. True, accurate and current certificates of insurance, showing evidence of the required insurance coverages, are hereby provided to the CITY by CONSULTANT and are attached hereto as Exhibit 2.

5. Any insurance limits in excess of the minimum limits specified herein above shall be available to CITY.

6. CONSULTANT's insurance policies and certificate(s) shall not be cancelled without at least thirty (30) days' advance written notice to CITY, or Ten (10) days' prior written notice to CITY for nonpayment of premium.

7. CONSULTANT's policies shall be primary insurance and noncontributory to any other valid and collectible insurance available to CITY with respect to any claim arising out of CONSULTANT's performance under this Contract.

8. CONSULTANT is responsible for payment of Contract related insurance premiums and deductibles. If CONSULTANT is self-insured, a Certificate of Self-Insurance must be attached.

9. CONSULTANT shall ensure that all subcontractors comply with the insurance provisions contained in this Contract and such insurance is maintained as specified.

10. CONSULTANT's policies shall include legal defense fees in addition to its

liability policy limits, with the exception of the professional liability insurance and technology errors and omissions insurance, if applicable.

11. All policies listed above, except professional liability insurance (or other coverage not reasonably available on an occurrence basis), shall be written on a per "occurrence" basis ("claims made" and "modified occurrence" forms are not acceptable) and shall apply on a "per project" basis.

12. CONSULTANT shall obtain insurance policies from insurance companies having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota, or as approved by CITY.

13. Effect of Failure to Provide Insurance. If CONSULTANT fails to provide the specified insurance, then CONSULTANT will defend, indemnify and hold harmless CITY and CITY's officials, agents and employees from any loss, claim, liability and expense (including reasonable attorney's fees and expenses of litigation) to the extent necessary to afford the same protection as would have been provided by the specified insurance. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to CITY (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of CONSULTANT, its subcontractors, agents, employees or delegates. CONSULTANT agrees that this indemnity shall be construed and applied in favor of indemnification. CONSULTANT also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

    If a claim arises within the scope of the stated indemnity, CITY may require CONSULTANT to:

    a. Furnish and pay for a surety bond, satisfactory to CITY, guaranteeing performance of the indemnity obligation; or

    b. Furnish a written acceptance of tender of defense and indemnity from CONSULTANT's insurance company.

    CONSULTANT will take the action required by CITY within Fifteen (15) days of receiving notice from CITY.

14. Notwithstanding the foregoing, CITY reserves the right to immediately terminate this Contract if CONSULTANT is not in compliance with the insurance requirements contained herein and retains all rights to pursue any legal remedies

against CONSULTANT.

SECTION II – THE CITY'S RESPONSIBILITIES

A. CITY shall promptly compensate CONSULTANT as services are performed to the satisfaction of the CITY's City Administrator, or their designee, in accordance with Section III of this Contract.

B. CITY shall provide access to any and all previously acquired information relevant to the scope of services detailed in Exhibit 1, attached hereto, in its custody to CONSULTANT for its use, at CONSULTANT's request.

C. CITY will, to the fullest extent possible, grant access to and make all provisions for entry upon both public and private property as necessary for CONSULTANT's performance of the services detailed in Exhibit 1, attached hereto.

D. CITY's City Administrator, or his or her designee or designees or City Council representative, shall serve as the liaison person to act as the CITY's representative with respect to services to be rendered under this Contract. Said representative shall have the authority to transmit instructions, receive instructions, receive information, interpret and define the CITY's policies with respect to the Project and CONSULTANT's services. Such person shall be the primary contact person between the CITY and CONSULTANT with respect to the services from CONSULTANT under this Contract. The CITY reserves the right to substitute the authorized contact person at any time and shall notify CONSULTANT thereof.

SECTION III – CONSIDERATION

A. **Fees.** The CITY will compensate CONSULTANT as detailed in Exhibit 3, Compensation, which is attached hereto and incorporated herein by reference, for CONSULTANT's performance of services under this Contract.

B. If the CITY fails to make any payment due CONSULTANT for services performed to the satisfaction of the CITY's City Administrator, or his or her designee, as detailed in Exhibit 3, CONSULTANT, without waiving any claim or right against the CITY and without incurring liability whatsoever to the CITY, suspend services due under this Contract until CONSULTANT has been paid in full all amounts due for services, expenses and charges.

SECTION IV – TERM AND TERMINATION

A. **Term.** This Contract shall commence on January 1, 2025 and be in effect until December 31, 2027, unless sooner terminated as provided herein.

B. **Termination.** This Contract may be terminated by either party for any reason or for convenience by either party upon thirty (30) days written notice. In the event of

termination, CITY shall be obligated to CONSULTANT for payment of amounts due and owing including payment for services performed or furnished to the date and time of termination, computed in accordance with Section III of this Contract.

C. **Default.** If CONSULTANT fails to satisfy any of the provisions of this Contract, or so fails to perform and/or administer the services detailed in Exhibit 1, attached hereto, pursuant to the requirements of Section I of this Contract, in such a manner as to endanger the performance of the Contract or the services provided hereunder, this shall constitute default. Unless CONSULTANT's default is excused by CITY, CITY may, upon written notice, immediately cancel this Contract or exercise any other rights or remedies available to CITY under this Contract or law. In the event of CONSULTANT's default, CONSULTANT shall be liable to CITY for any and all costs, disbursements, attorney and consultant fees reasonably incurred by CITY in enforcing this Contract.

D. **Suspension of Work.** If any work performed by CONSULTANT is abandoned or suspended in whole or in part by the CITY, CONSULTANT shall be paid for any services performed to the satisfaction of the CITY's City Administrator, or his or her designee, prior to CONSULTANT's receipt of written notice from the CITY of such abandonment or suspension, but in no event shall the total of CITY's payments to CONSULTANT under this Contract be required to exceed a percentage of the total contract price (calculated by either the Contract price or the maximum price set forth in Exhibit 3, attached hereto) equivalent to the percentage of the scope of services completed by CONSULTANT to the satisfaction of the CITY's City Administrator, or his or her designee, as determined by the CITY.

SECTION V – INDEMNIFICATION

A. CONSULTANT shall indemnify, protect, save, and hold harmless CITY, and its respective officers, directors, employees and members and agents, from and against any claims, liability, damages, costs, judgments, or expenses, including reasonable attorney's fees, to the extent attributable to or caused by the negligent or otherwise wrongful acts or omissions, including breach of a specific contractual duty, of CONSULTANT or CONSULTANT's independent contractors, subcontractors, agents, employees, vendors or delegates with respect to this Contract or the Project. CONSULTANT is liable for all acts or omissions of AFFILIATE CONSULTANT in the performance of any services under this Contract by AFFILIATE CONSULTANT. CONSULTANT shall defend CITY against the foregoing, or litigation in connection with the foregoing, at CONSULTANT's expense, with counsel reasonably acceptable to CITY, except that for professional liability claims, CONSULTANT shall have no upfront duty to defend CITY, but shall reimburse defense costs to CITY to the same extent of CONSUTANT'S indemnity obligation herein. CITY, at its expense, shall have the right to participate in the defense of any claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CITY. All indemnification obligations shall survive termination, expiration or cancellation of this Contract. CONSULTANT agrees, that in order to protect itself and CITY under the indemnity provisions set forth above, it

will at all times during the term of this Contract keep in force policies of insurances required in the Paragraph entitled, "Insurance." Nothing in this Contract shall be construed to waive any immunities or limitations to which CITY is entitled under Minn. Stat. Chapter 466 or otherwise.

B. CITY shall indemnify protect, save, and hold harmless CONSULTANT, and its respective officers, directors, employees and members and agents, from and against any claims, liability, damages, costs, judgments, or expenses, including reasonable attorney's fees, to the extent attributable to or caused by the negligent or otherwise wrongful acts or omissions of CITY or its agents, employees, contractors or subcontractors with respect to CITY's performance of its obligations under this Contract. CITY shall defend CONSULTANT against the foregoing, or litigation in connection with the foregoing, at CITY's expense. CONSULTANT, at its expense, shall have the right to participate in the defense of any Claims or litigation. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CONSULTANT. All indemnification obligations shall survive termination, expiration or cancellation of this Contract.

C. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against CITY or CONSULTANT. CONSULTANT's services under this Contract are being performed solely for CITY's benefit, and no other entity shall have any claim against CONSULTANT because of this Contract or the performance or nonperformance of services provided hereunder.

SECTION VI – GENERAL TERMS

A. **Voluntary and Knowing Action.** The PARTIES, by executing this Contract, state that they have carefully read this Contract and understand fully the contents thereof; that in executing this Contract they voluntarily accept all terms described in this Contract without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

B. **Authorized Signatories.** The PARTIES each represent and warrant to the other that (1) the persons signing this Contract are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Contract against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

C. **Notices**. All notices and other communications required or permitted under this Contract shall be in writing, and hand delivered or sent by registered or certified mail, return-receipt requested, postage prepaid, or by overnight delivery service and shall be effective upon receipt at the following addresses or as either PARTY shall have notified the other PARTY. The PARTIES' representatives for notification for all purposes are:

THE CITY:

City Administrator
City of Northfield
801 Washington Street
Northfield, MN 55057
Phone:
Email:

CONSULTANT:

Carla Johnson, Interim Executive Director
Northfield Senior Citizens, Inc.
1651 Jefferson Parkway
Northfield, MN 55057
Phone:
Email:

AFFILIATE CONSULTANT:
Galen Malacha, Its Chairperson
Age Friendly Northfield (AFN) Steering Committee
1651 Jefferson Parkway
Northfield, MN 55057
Phone:
Email:

D. **Dispute Resolution**. CITY and CONSULTANT agree to negotiate all disputes between them in good faith for a period of Thirty (30) days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their rights under law.

E. **Electronic/Digital Data**. Because of the potential instability of electronic/digital data and susceptibility to unauthorized changes, copies of documents that may be relied upon by CITY are limited to the printed copies (also known as hard copies) that are signed or sealed by CONSULTANT. Except for electronic/digital data which is specifically identified as a Project deliverable by this Contract or except as otherwise explicitly provided in this Contract, all electronic/digital data developed by CONSULTANT as part of the Project is acknowledged to be an internal working document for CONSULTANT's purposes solely and any such information provided to CITY shall be on an "as is" basis strictly for the convenience of CITY without any warranties of any kind. In the event of any conflict between a hard copy document and the electronic/digital data, the hard copy document governs. The electronic/digital data shall be prepared in the current software in use by CONSULTANT and is not warranted to be compatible with other systems or software.

F. **Independent Contractor Status.** CONSULTANT, at all times and for all purposes hereunder, shall be an independent contractor and is not an employee of the CITY for any purpose. No statement contained in this Contract shall be construed so as to find CONSULTANT to be an employee of the CITY, and CONSULTANT shall not be entitled to any of the rights, privileges, or benefits of employees of the CITY, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims. CONSULTANT acknowledges that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due CONSULTANT, and that it is CONSULTANT's sole obligation to comply with the applicable provisions of all Federal and State tax laws. CONSULTANT shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein. CONSULTANT is responsible for hiring sufficient workers to perform the services/duties required by this Contract, withholding their taxes and paying all other employment tax obligations on their behalf.

G. **Acceptance of Deliverables.** Each deliverable shall be subject to a verification of acceptability by CITY to ensure such deliverable satisfies stated requirements. The acceptability of any deliverable will be based on CITY's satisfaction or non-satisfaction with the deliverable based on requirements of this Contract. If any deliverable is not acceptable, CITY will notify CONSULTANT specifying reasons in reasonable detail, and CONSULTANT will, at no additional cost, conform the deliverable to stated requirements of this Contract.

H. **Subcontracting.** CONSULTANT shall not enter into any subcontract for performance of any services contemplated under this Contract without the prior written approval of the CITY. CONSULTANT shall be responsible for the performance of all subcontractors and/or sub-consultants. As required by Minn. Stat. § 471.425, CONSULTANT must pay all subcontractors, less any retainage, within Ten (10) calendar days of CONSULTANT's receipt of payment from CITY for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one half percent per month or any part of a month to the subcontractor(s) on any undisputed amount not paid on time to the subcontractor(s).

I. **Assignment.** This Contract may not be assigned by either Party without the written consent of the other Party.

J. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Contract shall only be valid when they have been reduced to writing, and signed by authorized representative of the CITY and CONSULTANT.

K. **Records—Availability and Retention.** Pursuant to Minn. Stat. § 16C.05, subd. 5, CONSULTANT agrees that the CITY, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt,

and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of CONSULTANT and involve transactions relating to this Contract. CONSULTANT agrees to maintain these records for a period of six years from the date of termination of this Contract.

L. **Force Majeure**. The PARTIES shall each be excused from performance under this Contract while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to fire, storm, flood, earthquake, explosion, war, total or partial failure of transportation or delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either party is rendered unable wholly or in part by force majeure to carry out its obligations under this Contract then the party affected by force majeure shall give written notice with explanation to the other party immediately.

M. **Compliance with Laws.** CONSULTANT shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Contract or to the facilities, programs and staff for which CONSULTANT is responsible.

N. **Covenant Against Contingent Fee.** CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for CONSULTANT to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from award or making of this Contract.

O. **Covenant Against Vendor Interest.** CONSULTANT warrants that it is not employed by any vendor of equipment or service provider that could result in a commission, percentage, brokerage, or contingent fee as a result of CONSULTANT's association with the CITY.

P. **Non-Discrimination.** The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Contract as if fully set forth herein.

Q. **Interest by City Officials.** No elected official, officer, or employee of the CITY shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Contract or the proceeds thereof.

R. **Work Product.** All materials such as reports, exhibits, models, graphics, computer files, maps, charts, and supporting documentation produced under work authorized by this Contract ("Materials") shall become the property of CITY upon completion of the work. CITY may use the information for the Project for which they were prepared. Such use by CITY shall not relieve any liability on the part of CONSULTANT. Notwithstanding any of the foregoing to the contrary; (a) CONSULTANT may reuse standard details of its Materials in the normal course of its business; and (b) CITY understands that the Materials

have been prepared for a specific project, and are not intended to be reused for other purposes. If CITY reuses the Materials for any other purpose, CITY waives any claims against CONSULTANT arising from such reuse and agrees to defend and indemnify CONSULTANT from any claims arising from such reuse.

S. **Governing Law**. This Contract shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Contract without regard to its choice of law or conflict of laws principles.

T. **Data Practices.** The PARTIES acknowledge that this Contract is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.* CONSULTANT agrees to abide by the applicable provisions of the Act, HIPAA requirements and all other applicable state or federal rules, regulations or orders pertaining to privacy or confidentiality. CONSULTANT understands that all of the data created, collected, received, stored, used, maintained or disseminated by CONSULTANT in performing those functions that the CITY would perform is subject to the requirements of the Act, and CONSULTANT must comply with those requirements as if it were a government entity. This does not create a duty on the part of CONSULTANT to provide the public with access to public data if the public data is available from the CITY, except as required by the terms of this Contract

U. **No Waiver.** Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Contract or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Contract. Any express waiver of a term of this Contract shall not be binding and effective unless made in writing and properly executed by the waiving Party.

V. **Data Disclosure**. Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, CONSULTANT consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to CITY, to federal and state agencies and state personnel involved in the payment of CITY obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring CONSULTANT to file state tax returns, pay delinquent state tax liabilities, if any, or pay other CITY liabilities.

W. **Patented Devices, Materials and Processes**. If this Contract requires, or the CONSULTANT desires, the use of any design, device, material or process covered by letters, patent or copyright, trademark or trade name, CONSULTANT shall provide for such use by suitable legal agreement with the patentee or owner and a copy of said agreement shall be filed with CITY. If no such agreement is made or filed as noted, CONSULTANT shall indemnify and hold harmless CITY from any and all claims for infringement by reason of the use of any such patented designed, device, material or process, or any trademark or trade name or copyright in connection with the services

agreed to be performed under the Contract, and shall indemnify and defend CITY for any costs, liability, expenses and attorney's fees that result from any such infringement.

X. **Mechanic's Liens.** CONSULTANT hereby covenants and agrees that CONSULTANT will not permit or allow any mechanic's or materialman's liens to be placed on the City's interest in any Property that is the subject of the Project during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on CITY's interest, CONSULTANT shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; provided, however, that CONSULTANT may contest any such lien provided CONSULTANT first posts a surety bond, in favor of and insuring CITY, in an amount equal to 125% of the amount of any such lien.

Y. **Severability.** The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Contract to the extent of its invalidity or unenforceability, and this Contract shall be construed and enforced as if the Contract did not contain that particular provision to the extent of its invalidity or unenforceability.

Z. **Entire Contract.** These terms and conditions constitute the entire Contract between the PARTIES regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Contract.

AA. **Headings and Captions.** Headings and captions contained in this Contract are for convenience only and are not intended to alter any of the provisions of this Contract and shall not be used for the interpretation of the validity of the Contract or any provision hereof.

BB. **Survivability**. All covenants, indemnities, guarantees, releases, representations and warranties by any Party or PARTIES, and any undischarged obligations of the CITY and CONSULTANT arising prior to the expiration of this Contract (whether by completion or earlier termination), shall survive such expiration.

CC. **Recitals.** The recitals hereto are made part hereof be reference.

DD. **Execution**. This Contract may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any Party to the counterpart shall be deemed a signature to the Contract, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing Party.

Remainder of page intentionally left blank.

SECTION VII –SIGNATURES

IN WITNESS WHEREOF, the PARTIES have hereunto executed this document the day and year first above written.

CONSULTANT:

NORTHFIELD SENIOR CITIZENS, INC.
d/b/a FiftyNorth

By: _____ Date: 11-26-2025
Carla Johnson, Its Interim Executive Director

AFFILIATE CONSULTANT:

AGE FRIENDLY NORTHFIELD (AFN) STEERING COMMITTEE

By: _____ Date: 12-4-25
Galen Malacha, Its Chairperson

CITY OF NORTHFIELD:

By: _____ Date: 12/2/25
Erica Zweifel, Its Mayor

By: _____ Date: 12/2/25
Lynette Peterson, Its City Clerk

EXHIBIT 1

SCOPE OF SERVICES

Subject to the terms of this Contract, CONSULTANT and AFFILIATE CONSULTANT shall perform the following services as its contractual obligation to the CITY:

1. CONSULTANT to Serve as "Fiscal Agent" for AFFILIATE CONSULTANT that consists of the following:

    a. Services.
        i. Monthly balance sheet in advance of meetings for AFFILIATE CONSULTANT review; and
        ii. Monthly income statement in advance of meetings for AFFILIATE CONSULTANT review; and
        iii. Monthly disbursements listing in advance of meetings for AFFILIATE CONSULTANT for review and approval; and
        iv. Manage the bookkeeping including receipts and disbursements; and
        v. Manage the receipt of grants, disbursements and provide documentation other financial management responsibilities of grants; and
        vi. Provide charitable giving documentation through CONSULTANT related to donations for AFFILIATE CONSULTANT efforts; and
        vii. Provide a member from CONSULTANT's Board of Directors or Staff to attend meetings of the AFFILIATE CONSULTANT.

    b. Fees.
        i. CONSULTANT will provide "Services' as listed in paragraph 1.a. above in this Exhibit 1 at no charge or fee as an "in-kind" contribution in its support and contribution toward AFFILIATE CONSULTANT efforts related to Northfield Age Friendly initiatives; and
        ii. CONSULTANT may provide other volunteer donated services as they determine appropriate to assist in efforts to Northfield Age Friendly Initiatives. Such services may include website and website updates or other related assistance that they may have particular expertise.
        iii. CONSULTANT shall receive prior authorization for other services that would be proposed to be a fee for service and invoice for those for separate AFFILIATE CONSULTANT formal approval.

c. Authorized Expenses.
    i. Authorized expenses shall include items to complete the Services in Section 2a. in this Exhibit 1. Such expenses shall include, but are not limited to, the following:
        1. General Operating Expenses such as printing, copying, and marketing costs for steering committee and domain team meetings and projects; and
        2. Conference attendance costs for AFFILIATE CONSULTANT and Domain Teams to increase knowledge and stay up to date with issues facing older adults and to learn of creative solutions to address the issues (e.g. Minnesota Gerontological Society); and
        3. Assistance with document preparations such as creating required reports due to AARP, City, and other potential funders. Additionally, updating and maintaining a central file of agendas, minutes, Steering Committee new member packets, required reports, financial documents, etc.; and
        4. Annual cost to own Word Press license on which AFN website is contained; and
        5. Staff time with CONSULTANT or other independent contractors to complete updates and maintenance of the AFN website and resource list; and
        6. General communications to the community regarding accomplishments of AFFILIATE CONSULTANT, educational information and referral services.
    ii. CONSULTANT shall establish any processes or procedures for AFN Steering Committee to approve the expenditures, reimbursements to individuals for expenses incurred, grants management and other that may apply to this contract.

2. AFFILIATE CONSULTANT will complete the following Project services for CITY under this Contract:

    a. Community Information.
        i. Switch from free blog website format to a standard WordPress website for more functionality.
        ii. Maintain updates on the Community Resource Guide – both digital and printed copies.
        iii. Community outreach through annual mailchimp subscription, fees for community outreach events, and marketing pieces for events.

    b. Health and Wellness
        i. Work with Family Services of Rochester Neighbor to Neighbor Program to develop and maintain Chore and Caregiver support Services for the community.
        ii. Provide activities such as Sunday pickleball and winter walking.

iii. Support community collaboration activities.
iv. Community education such as Age-Friendly Northfield Alzheimer's forum.

c. Housing
    i. Providing workshop support and marketing.
    ii. Overseeing housing fair for older adults.

d. Transportation
    i. Bring Lyft/Uber as a transportation option to the Northfield Area.

e. Volunteer Opportunities
    i. Coordinate with organizations who have volunteer opportunities and share that information with the public.

3. AFFILIATE CONSULTANT will acknowledge the support of the CITY under this Contract:
    a. Acknowledge partnership with and support by the City.
        i. Use the appropriate approved City of Northfield credit line and logo(s) in printed materials, news releases, videos, social media posts, newsletters and web sites. If written credit is not applicable, provide oral credit during each event, performance, or media interviews.
        ii. Written acknowledgement must be accompanied by approved City logo and must be noted as follows: Our operation is made possible in part by assistance from the City of Northfield.
    b. Participate in City productions and materials as requested.
        i. Cooperate with City to create video and written materials. Cooperation includes timely communication, eager participation in the creation of video and written materials and sharing of all City-created materials through the CONSULTANTS communication channels.
    c. Notice all CONSULTANT events on City Community Events Calendar.
        i. For all public events, create and submit on City-managed Community Events Calendar. These can be events, classes, exhibits, or whatever may be appropriate for the organization.

EXHIBIT 2

CERTIFICATES OF REQUIRED INSURANCE COVERAGES

[*Certificates of Insurance attached hereto*]

EXHIBIT 3

COMPENSATION

Subject to the limitations and conditions set forth in this Exhibit, CITY will pay CONSULTANT a fee not to exceed $- $32,850 for 2025, $5,000 for 2026, and $35,700 for 2027 ("Contract price") for CONSULTANT's services, including expenses, under this Contract for the Term hereof. Any compensation to AFFILIATE CONSULTANT for Project services shall be paid by CONSULTANT, and CITY shall not make any direct payment to AFFILIATE CONSULTANT for any services rendered by AFFILIATE CONSULTANT under this Contract. No other payments by CITY other than as specified herein shall be made under this Contract.

CITY will make periodic payment of the Contract Price to CONSULTANT, in the following manner and according to the following schedule of payments:

1. $ $16,425 in 2025, $5,000 in 2026, and $17,850 in 2027, following the signing of this Contract by all Parties payable after January 1 and before March 15, of the subsequent year;

2. $ $16,425 in 2025, $0.00 in 2026, and $17,850 in 2027, payable by September 15, of the subsequent year. The CONSULTANT must provide an annual report to the CITY Council;

CITY's responsibility to make the payments described above after the first payment shall be contingent upon CONSULTANT first demonstrating, to the CITY's satisfaction when reporting to the CITY Council, progress in:

1. Accomplishing its responsibilities listed in Exhibit 1.

File #: 26-392, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk

Consider Approval of July 7, 2026 City Council Meeting Minutes.

Action Requested:
The City Council is asked to consider approval of the July 7, 2026 City Council Meeting Minutes.

Summary Report:
N/A

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

City of Northfield

Meeting Minutes - Draft
City Council

City Hall
801 Washington Street
Northfield, MN 55057
northfieldmn.gov

Tuesday, July 7, 2026 | **6:00 PM** | **Council Chambers**

After Housing & Redevelopment Authority Meeting

6:00 PM - CITY COUNCIL MEETING AGENDA

CALL TO ORDER

Mayor Zweifel called the meeting to order at 6:28 p.m.

Present: 7 - Council Member Brad Ness, Council Member Kathleen Holmes, Council Member Davin Sokup, Council Member Jessica Peterson White, Council Member Chad Beumer, Council Member Peter Dahlen, and Mayor Erica Zweifel

Also present: City Administrator Ben Martig, Police Chief Jeff Schroepfer, Sustainability Coordinator Sara Pabich, Public Works Director/City Engineer David Bennett and City Clerk Lynette Peterson.

OPEN PUBLIC COMMENT

Bill Seeberg, President of the Northfield Pickleball Association, addressed the Council giving background about the organization and thanking the City for the new fencing at the pickleball courts.

David DeLong addressed the Council regarding public comment being available for only certain agenda items and procedures for 1st and 2nd reading of ordinances.

Rich Graves addressed the Council regarding several items.

APPROVAL OF AGENDA

Mayor Zweifel noted Supplemental Agenda Background Memos No. 1 and 2. Zweifel noted switching agenda items 21 and 22 so the organics recycling discussion is the last item.

A motion was made by Council Member Sokup, seconded by Council Member Ness, to approve the agenda as amended. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

PRESENTATIONS

1. 26-346 Northfield History Center Annual Presentation.

Northfield History Center Executive Director Sean Allen gave an update on the work of the Northfield History Center over the past year. Allen answered questions from the Council.

2. 26-347 Police Department Mentorship Program Presentation

Police Chief Jeff Schroepfer presented information regarding the Northfield Police Mentorship Program. Officers Kenna Eschenbach and Micaela Vaale presented on the expectations and program goals. Eschenbach, Vaale and Schroepfer answered questions from the Council.

CONSENT AGENDA

A motion was made by Council Member Ness, seconded by Council Member Sokup, to approve the Consent Agenda. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

3. 26-348 Consider Approval of June 16, 2026 City Council Meeting Minutes.

4. 26-349 Consider Approving Disbursements totaling $3,400,296.39

5. Res. 2026-064 Consider Resolution Appointing Election Judges for the 2026 Primary and General Elections.

6. 26-350 Consider Approval of a Temporary Liquor License for Tanzenwald Brewing Company, LLC dba Tanzenwald Brewing Company for August 20, 2026 for the Friends of Downtown Northfield Third Thursday Event.

7. 26-351 Consider Approval of Temporary Liquor Licenses for the Defeat of Jesse James Days Committee.

8. Res. 2026-065 Approve Application for Off-Site Gambling Permit for the Defeat of Jesse James Days Committee, Inc.at Northfield Ballroom, 450 Montessori Court, on September 9, 2026.

9. Res. 2026-066 Approve the Northfield Fire Relief Association request for fire relief pension benefits

10. 26-352 Consider Approval of Service Agreement with EverStrive Solutions for City Administrator Performance Evaluation Facilitation.

11. 26-353 Consider Approval of Contract for Civil Legal Services - Extreme Risk Protection Orders (ERPOs)

12. 26-354 Consider Approval of Contract Extension for Prosecuting City Attorney Services.

13. Res. 2026-067 Consider Resolution Accepting Public Improvements and Approving Final Payment for the Jefferson Parkway West Mill and Overlay and Mill Towns State Trail Improvements Project (STRT2024-A78).

14. Res. 2026-068 Consider Resolution Accepting Bids and Awarding Contract for Northwest Area Water Tower Site.

15. 26-361 Consideration of Approval of Professional Services Contract with Bolton and Menk, Inc. for the Wastewater Treatment Plant Pretreatment, Primary and Generator Project.

16. 26-355 Consider Motion Authorizing Submittal of Application for the Building Resilient Infrastructure and Communities (BRIC) Grant and Flood Mitigation Assistance (FMA) Grant for Downtown Flood Improvements.

17. Res. 2026-069 Consideration of a Conditional Use Permit for Off-Street Parking at 212 Division St. S.

PUBLIC HEARINGS AND RELATED ACTION

18. 26-356 Public Hearing Related to Charter Commission Proposed Ordinance Amending Section 4.1 of the Northfield City Charter.

Mayor Zweifel declared the public hearing open at 7:04 p.m. City Administrator Ben Martig gave background on the pubic hearing procedure. Martig presented background information on the Ordinance Amending Section 4.1 of the Northfield City Charter including the timeline and process for the amendment.

David DeLong addressed the Council regarding the amendment.

A motion was made by Council Member Beumer, seconded by Council Member Holmes, to close the Public Hearing at 7:15 p.m. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

19. Ord. 1095 Consider Ordinance 1095 Amending Section 4.1 of the Northfield City Charter (First Reading).

A motion was made by Council Member Ness, seconded by Council Member Peterson White, to approve the first reading of Ordinance No. 1095 Amending Chapter Four of the Northfield City Charter. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

20. 26-357 Reports From the Mayor and Council Members.

Council Member Ness - 911 Joint Powers Board Meeting; NAFRS Board Meeting; Northfield History Center 50th birthday celebration.
Council Member Peterson White - EDA Meeting.
Council Member Sokup - No report.
Council Member Beumer - No report
Council Member Holmes - No report.
Mayor Zweifel - EQC Meeting; Greenvale Nature Area Community Meeting; Oddfellows Park Open House, KYMN 4th of July Ice Cream Social.

RECESS

Council recessed at 7:23 p.m. Council meeting resumed at 7:28 p.m.

REGULAR AGENDA

22. 26-359 Consider Approval of Final Concept for Phase II of the Northfield Skate Park Project and Authorize Preparation of Plans and Specifications.

Public Works Director/City Engineer David Bennett introduced the item giving background on the project. Bennett presented design features of the park. Designer Mark Leski, Wizard Skateparks, LLC, pointed out aspects of the park giving definitions of the park including beginner, intermediate and advanced parts of the park. Tyler Westman, Northside Boards, LLC, and Leski provided information on trends of skateboarding in Northfield and the population that uses the park. Police Chief Jeff Schroepfer added comments regarding rules of the park and City Code. Bennett answered additional questions from the Council.

Aziel Mendoza-Garcia addressed the Council in favor of Phase II of the skate park.

Council commented on the park including hours, lighting, trash and shade.

A motion was made by Council Member Beumer, seconded by Council Member Holmes, to approve the final concept of Phase II of the Northfield Skate Park Project and authorize preparation of plans and specifications. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

21. 26-358 Discussion on Organic Recycling

Sustainability Coordinator Sara Pabich introduced the item giving background on organic recycling. Pabich presented 3 pathways forward with the options being the following: 1) staying status quo; 2) a phased expansion aligning with Dakota County adding expanded drop of sites for composting; and 3) universal composting where all residents pay for the service no matter what. Pabich presented rough costs to residents for the universal program.

Pabich, City Administrator Ben Martig and Public Works Director/City Engineer David Bennett answered questions from the Council and added additional clarifying information.

EXTEND THE MEETING

A motion was made by Council Member Holmes, seconded by Council Member

Sokup, to extend the meeting until business is complete. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

21. 26-358 Discussion on Organic Recycling

Council continued the discussion on organics recycling giving staff direction on pathways to further research.

ADMINISTRATORS UPDATE

23. 26-360 City Administrator's Update.

No report.

ADJOURN

A motion was made by Council Member Ness, seconded by Council Member Beumer, to adjourn the meeting at 9:03 p.m. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

File #: 26-393, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk

Consider Approval of July 14, 2026 City Council Special Meeting Minutes.

Action Requested:
The City Council is asked to consider approval of the July 14, 2026 City Council Special Meeting Minutes.

Summary Report:
N/A

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

City of Northfield

Meeting Minutes - Draft
City Council

City Hall
801 Washington Street
Northfield, MN 55057
northfieldmn.gov

Tuesday, July 14, 2026 | **6:00 PM** | **Council Chambers**

Special Meeting; Prior to the Work Session

6:00 PM - CITY COUNCIL SPECIAL MEETING AGENDA

CALL TO ORDER

Mayor Zweifel called the meeting to order at 6:00 p.m.

Present: 7 - Council Member Brad Ness, Council Member Kathleen Holmes, Council Member Davin Sokup, Council Member Jessica Peterson White, Council Member Chad Beumer, Council Member Peter Dahlen, and Mayor Erica Zweifel

Council Member Peterson White appeared remote via interactive technology.

Also present: City Administrator Ben Martig, City Clerk Lynette Peterson, Finance Director Brenda Angelstad, Budget Analyst Jordan Hansen, Public Works Director/City Engineer David Bennett, Assistant City Administrator Risi Karim, IT Manager Kurt Wolf, Library Director Natalie Draper and Police Chief Jeff Schroepfer.

OPEN PUBLIC COMMENT

David DeLong addressed the Council regarding the procedure for public hearings.

APPROVAL OF AGENDA

A motion was made by Council Member Holmes, seconded by Council Member Sokup, to approve the agenda. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

No reports.

REGULAR AGENDA

1. Ord. 1095 Consider Ordinance 1095 Amending Section 4.1 of the Northfield City Charter (Second Reading).

City Administrator Ben Martig addressed David DeLong clarifying the intent of his response to his public comment questions.

Martig gave background on the second reading of the Charter amendment summarizing

the amendment.

David DeLong addressed the Council regarding the charter amendment.

A motion was made by Council Member Sokup, seconded by Council Member Dahlen, to approve the second reading of Ordinance No. 1095 Amending Chapter Four of the Northfield City Charter. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

2. 26-376 Consider Summary Publication of Ordinance No. 1095 Amending Section 4.1 of the Northfield City Charter.

City Administrator Ben Martig provided background information regarding the purpose of summary publications.

A motion was made by Council Member Ness, seconded by Council Member Beumer, to approve summary publication of Ordinance No. 1095 Amending Northfield City Code, Section 4.1 of the City Charter. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

ADMINISTRATORS UPDATE

No report.

ADJOURN

A motion was made by Council Member Ness, seconded by Council Member Beumer, to adjourn the meeting at 6:12 p.m. The motion carried by the following vote:

Yes: 7 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, C. Beumer, C. Dahlen, and Mayor Zweifel

File #: 26-394, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk

Consider Approval of July 14, 2026 City Council Work Session Minutes.

Action Requested:
The City Council is asked to consider approval of the July 14, 2026 City Council Work Session Minutes.

Summary Report:
N/A

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

City of Northfield

Meeting Minutes - Draft
City Council

City Hall
801 Washington Street
Northfield, MN 55057
northfieldmn.gov

Tuesday, July 14, 2026 | **6:00 PM** | **Council Chambers**

Work Session; After the Special Meeting

6:00 PM - CITY COUNCIL WORK SESSION AGENDA

CALL TO ORDER

Mayor Zweifel called the meeting to order at 6:16 p.m.

Present: 6 - Council Member Brad Ness, Council Member Kathleen Holmes, Council Member Davin Sokup, Council Member Chad Beumer, Council Member Peter Dahlen, and Mayor Erica Zweifel

Absent: 1 - Council Member Jessica Peterson White

Also present: City Administrator Ben Martig, City Clerk Lynette Peterson, Library Director Natalie Draper, Budget Analyst Jordan Hansen, Finance Director Brenda Angelstad, Public Works Director/City Engineer David Bennett, Police Chief Jeff Schroepfer, Assistant City Administrator Risi Karim, Community Development Director Scott Wopata and IT Manager Kurt Wolf.

REGULAR AGENDA

1. 26-381 Review of Broadband Franchising Option Related to Modernization of Cable Franchising and City Alternative Revenue Strategic Priority.

City Administrator Ben Martig presented background information on broadband franchising as a potential alternative revenue source. Michael Bradley of Bradley Werner, LLC, provided an overview of broadband franchising and discussed its potential benefits for both the City and its residents.

Bradley and Martig responded to Council questions. IT Manager Kurt Wolf provided additional information regarding the broadband services currently available in Northfield.

Council members discussed the proposal and provided comments and feedback on the broadband franchising option.

2. 26-382 Review the proposed 2027 Northfield Area Fire & Rescue Service Budget and Capital Equipment Plan and Related City of Northfield Fire Department 2027 Contribution.

City Administrator Ben Martig introduced Tom Nelson, Fire Chief, to present the proposed 2027 Northfield Area Fire and Rescue Services (NAFRS) budget. Nelson

presented historical data regarding the budget highlighting revenue sources for NAFRS including permitting and inspections. Martig added additional information regarding the NAFRS budget.

3. 26-383 Review Fee Schedule Changes effective January 1, 2027.

City Clerk Lynette Peterson presented the proposed updates to the 2027 fee schedule. Public Works Director/City Engineer David Bennett and Community Development Director Scott Wopata responded to Council questions regarding the proposed fee increases. The 2027 fee schedule will be presented to the City Council for review and approval at the September 22, 2026 meeting.

RECESS

Council recessed at 7:17 p.m. Council meeting resumed at 7:21 p.m.

4. 26-384 2027-2028 Budget Worksession.

City Administrator Ben Martig introduced the budget discussion and provided an overview of the 2027 budget development process, including the budget calendar and opportunities for public engagement throughout the process. Council discussed the proposed public meeting schedule and methods for receiving public feedback.

City Administrator Martig reviewed previous Council budget direction, including proposed 2027 utility rates; universal modified composting and other composting alternatives; maintaining Meadows Park as currently operated; converting Hauberg Woods from agricultural use to native plantings in 2027; consideration of adding Lincoln Parkway to the Capital Improvement Program (CIP) or deferring another project; extending the Riverwall Flood Project into 2027; scheduling East Riverwalk stair repairs for 2028; exploring an alternative location for the compost site in 2027; and completing construction documents for the northwest sewer collector line.

City Administrator Martig also reviewed potential alternative revenue sources, including broadband franchise fees, park dedication fees, police administrative citations, and a local sales tax.

City Administrator Martig presented the proposed 2027 property tax levy, including a preliminary levy increase of 6.8 percent. He reviewed the primary drivers of the proposed levy, noting that the General Fund, Debt Service, Northfield Community Resource Center (NCRC), and Communications levies account for approximately 85 percent of the increase. He also discussed the budget assumptions, including non-discretionary costs, discretionary expenditures, and anticipated naturally occurring savings in 2027.

Public Works Director/City Engineer David Bennett and Police Chief Jeff Schroepfer presented information on proposed staffing requests for future budget consideration, including a Public Works Mechanic, two Streets and Parks Operators, a Police Lieutenant, and one full-time administrative position proposed for 2028.

City Administrator Martig provided an update on the Ice Arena project and reviewed the estimated tax impacts associated with the proposed budget and levy.

Council discussed the proposed budget and provided feedback on budget priorities, capital projects, staffing requests, alternative revenue options, and the proposed property tax levy.

EXTEND THE MEETING

A motion was made by Council Member Holmes, seconded by Council Member Beumer, to extend the meeting until business is complete. The motion carried by the following vote:

Yes: 6 - C. Ness, C. Holmes, C. Sokup, C. Beumer, C. Dahlen, and Mayor Zweifel

4. 26-384 2027-2028 Budget Worksession.

Council continued discussion on the proposed budget and provided feedback on budget priorities.

ADJOURN

A motion was made by Council Member Ness, seconded by Council Member Beumer, to adjourn the meeting at 9:10 p.m. The motion carried by the following vote:

Yes: 6 - C. Ness, C. Holmes, C. Sokup, C. Beumer, C. Dahlen, and Mayor Zweifel

File #: 26-395, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Mary Grant, Accounting Supervisor

Consider Approving Disbursements totaling $2,679,978.64

Action Requested:
The Northfield City Council approves disbursements totaling $2,679,978.64.

Summary Report:

Disbursement Description	Date	Amount
6/26/26 Payroll	06/26/2026	356,513.09
6/26/26 PR Ck's EFT's	06/26/2026	522,616.54
7/03/26 A/P Ck's EFT's	07/03/2026	1,011,690.57
7/10/26 Payroll	07/10/2026	397,202.24
7/10/26 PR Ck's EFT's	07/10/2026	391,956.20
Total		$2,679,978.64

Alternative Options:
N/A

Financial Impacts:
They are within the limitations of the approved budget and resources available.

Tentative Timelines:
N/A

CHECK DISBURSEMENT REPORT FOR CITY OF NORTHFIELD

CHECK DATE 06/22/2026 - 06/26/2026

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
06/26/2026	MAIN	141389	AFLAC	Remittance	22134	0000	626.08
				Remittance	22134	0000	278.22
	Check MAIN 141389 Total for Fund 101 General Fund						904.30
06/26/2026	MAIN	141390	COMMUNITY RESOURCE BANK	Remittance	22170	0000	480.38
06/26/2026	MAIN	141391	FIDELITY SECURITY LIFE	Remittance	22137	0000	475.60
06/26/2026	MAIN	141392	GDO LAW - PAYROLL DRAFT	Remittance	22170	0000	480.38
06/26/2026	MAIN	141393	INT'L UNION OF OPERATING ENG LOCAL	Remittance	22162	0000	1,302.50
				Remittance	22162	0000	588.00
	Check MAIN 141393 Total for Fund 101 General Fund						1,890.50
06/26/2026	MAIN	141394	LAW ENFORCEMENT LABOR SERVICES	Remittance	22160	0000	1,533.00
06/26/2026	MAIN	141395	LEGALSHIELD	Remittance	22172	0000	170.55
				Remittance	22172	0000	89.50
	Check MAIN 141395 Total for Fund 101 General Fund						260.05
06/26/2026	MAIN	141396	MADISON NATIONAL LIFE	Remittance	22132	0000	1,034.41
06/26/2026	MAIN	141397	MN CHILD SUPPORT PAYMENT CNTR	Remittance	22170	0000	196.12
06/26/2026	MAIN	141398	NCPERS GROUP LIFE INS	Remittance	22133	0000	288.00
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	Escrow: ECUP26-0002 - 1 COLLEGE ST. N	22205	0000	56.25
				Escrow EANX25-0004-2420 Bridgewater Ln	22205	0000	731.25
				Escrow ECUP26-0001-680 Professional Dr	22205	0000	168.75
				From Escrow: ESPR26-0009 - 212 Division	22205	0000	112.50
	Check MAIN 4200(A) Total for Fund 101 General Fund						1,068.75
06/26/2026	MAIN	4217(E)	BLUE CROSS BLUE SHIELD MINNESOTA	Remittance	22130	0000	1,166.77
				Remittance	22130	0000	45,030.22
				Remittance	22130	0000	98,003.85
	Check MAIN 4217(E) Total for Fund 101 General Fund						144,200.84
06/26/2026	MAIN	4218(E)	GUARDIAN DENTAL	Remittance	22136	0000	3,288.66
				Remittance	22136	0000	2,557.46
	Check MAIN 4218(E) Total for Fund 101 General Fund						5,846.12
06/26/2026	MAIN	4219(E)	ICMA RETIREMENT TRUST - #303324	Remittance	22143	0000	1,236.31
				Remittance	22149	0000	738.46
	Check MAIN 4219(E) Total for Fund 101 General Fund						1,974.77
06/26/2026	MAIN	4220(E)	IRS - PAYROLL DRAFT	Remittance	22110	0000	50,336.74
				Remittance	22113	0000	23,270.33
				Remittance	22113	0000	23,270.33
				Remittance	22114	0000	7,354.48
				Remittance	22114	0000	7,354.48
	Check MAIN 4220(E) Total for Fund 101 General Fund						111,586.36
06/26/2026	MAIN	4221(E)	MINNESOTA LIFE INSURANCE COMPANY	Remittance	22130	0000	864.00
				Remittance	22130	0000	1,063.23
	Check MAIN 4221(E) Total for Fund 101 General Fund						1,927.23

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
06/26/2026	MAIN	4222(E)	MINNESOTA STATE RETIREMENT SYSTEM	Remittance	22144	0000	4,355.78
				Remittance	22147	0000	1,824.25
				Remittance	22142	0000	15,537.39
	Check MAIN 4222(E) Total for Fund 101 General Fund						21,717.42
06/26/2026	MAIN	4223(E)	MN DEPT OF REVENUE	Remittance	22170	0000	150.00
06/26/2026	MAIN	4224(E)	MN DEPT OF REVENUE - PAYROLL DRAFT	Remittance	22112	0000	22,977.35
06/26/2026	MAIN	4225(E)	PERA - DRAFT FROM PAYROLL	Remittance	22140	0000	21,861.81
				Remittance	22140	0000	25,225.23
				Remittance	22140	0000	14,473.54
				Remittance	22140	0000	21,710.31
				Remittance	22140	0000	66.04
				Remittance	22140	0000	66.04
	Check MAIN 4225(E) Total for Fund 101 General Fund						83,402.97
06/26/2026	MAIN	4226(E)	VANTAGEPOINT TRANSFER AGENTS-#7061	Remittance	22148	0000	403.47
Total For Dept: 0000							402,798.02
Dept: 4100 Mayor & City Council							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	BUILDING INSPECTION LEGAL	43304	4100	430.00
Total For Dept: 4100							430.00
Dept: 4110 Administration							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	GENERAL LEGAL SERVICES CIVIL	43304	4110	2,196.25
				COUNCIL LEGAL	43304	4110	1,720.00
				FINANCE LEGAL	43304	4110	107.50
	Check MAIN 4200(A) Total for Fund 101 General Fund						4,023.75
Total For Dept: 4110							4,023.75
Dept: 4130 Finance							
06/22/2026	MAIN	4193(A)	ABDO, LLP	CERTIFIED AUDIT SERVICES 2025	43301	4130	12,363.80
Total For Dept: 4130							12,363.80
Dept: 4150 Human Resources							
06/22/2026	MAIN	4195(A)	CORBETT CHIROPRACTIC & HEALTH ENHA	MAY SERVICES	43308	4150	650.00
Total For Dept: 4150							650.00
Dept: 4190 City Hall Operations							
06/22/2026	MAIN	4201(A)#	GOLD COUNTRY ENGRAVERS	NAME PLATE	42218	4190	25.00
Total For Dept: 4190							25.00
Dept: 4200 Police Administration							
06/22/2026	MAIN	4212(A)	SARAH SIMONTON	MEALS-CRIME SCENE INVESTIGATION	43331	4200	76.00
				MILEAGE-CRIME SCENE INVESTIGATION	43331	4200	108.75
	Check MAIN 4212(A) Total for Fund 101 General Fund						184.75
Total For Dept: 4200							184.75

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4240 Building Inspection							
06/22/2026	MAIN	4198(A)	Duban, Lisa C.	1/20-4/9/26 WC REIMB FROM LMC	41103	4240	241.21
Total For Dept: 4240							241.21
Dept: 4310 Streets							
06/22/2026	MAIN	4196(A)*#	CULLIGAN OF NORTHFIELD	DRINKING WATER FOR SHOP	42218	4310	54.60
06/22/2026	MAIN	4201(A)#	GOLD COUNTRY ENGRAVERS	UPDATED NAME PLATES	42218	4310	360.00
06/22/2026	MAIN	4207(A)	MISSISSIPPI WELDERS SUPPLY CO INC.	FUEL FOR FORKLIFT	42212	4310	128.16
Total For Dept: 4310							542.76
Dept: 4330 Facilities							
06/22/2026	MAIN	4214(A)	SERVICE MASTER BY AYOTTE	CONTRACTED CUSTODIAL SERVICES-CH-LIB-PD-	43306	4330	5,152.27
Total For Dept: 4330							5,152.27
Dept: 4520 General Parks							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	AGREEMENT REVIEW	43300	4520	161.25
Total For Dept: 4520							161.25
Dept: 4550 Library							
06/22/2026	MAIN	4197(A)	DEMCO INC.	LOCKING/NON LOCKING BOOKTRUCK CASTERS	42218	4550	410.88
06/22/2026	MAIN	4203(A)	I&S GROUP	MDE GRANT- CONCEPT DESIGN CHILDREN'S ARE	45520	4550	7,600.00
				MDE GRANT- CONCEPT DESIGN CHILDREN'S ARE	45520	4550	7,375.00
				MDE GRANT- CONCEPT DESIGN CHILDREN'S ARE	45520	4550	7,875.00
				MDE GRANT- INTERIOR MASTER PLANNING	45520	4550	5,000.00
	Check MAIN 4203(A) Total for Fund 101 General Fund						27,850.00
06/22/2026	MAIN	4204(A)	INNOVATIVE OFFICE SOLUTIONS, LLC	SUPPLIES-PAPER	42218	4550	79.99
06/22/2026	MAIN	4205(A)	KANOPY	LIBRARY MATERIALS ONLINE DATABASE	44431	4550	504.00
06/22/2026	MAIN	4206(A)	MIDWEST TAPE LLC	LIBRARY MATERIALS	44431	4550	314.94
06/22/2026	MAIN	4213(A)	SELCO	ILS PACKAGE	43307	4550	2,468.63
				ILS PACKAGE	43307	4550	2,468.63
	Check MAIN 4213(A) Total for Fund 101 General Fund						4,937.26
Total For Dept: 4550							34,097.07
Total For Fund: 101							460,669.88
Fund: 211 NCRC							
Dept: 4580 NCRC							
06/22/2026	MAIN	4196(A)*#	CULLIGAN OF NORTHFIELD	NCRC SALT	42220	4580	127.35
Total For Dept: 4580							127.35
Total For Fund: 211							127.35
Fund: 246 Arts and Culture							
Dept: 4900 Other Financing Uses							
06/22/2026	MAIN	4208(A)	NORTHFIELD ARTS GUILD	PERCENT FOR THE ARTS FUND	43309	4900	562.70

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 246 Arts and Culture							
Dept: 4900 Other Financing Uses							
Total For Dept: 4900							562.70
Total For Fund: 246							562.70
Fund: 290 EDA							
Dept: 5100 EDA General Operating							
06/22/2026	MAIN	4209(A)	NORTHFIELD DOWNTOWN DEVELOPMENT CO	RETHOS 2026 MEMBERSHIP	44463	5100	2,500.00
Total For Dept: 5100							2,500.00
Total For Fund: 290							2,500.00
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	HRA LEGAL	43304	5200	53.75
Total For Dept: 5200							53.75
Total For Fund: 295							53.75
Fund: 426 2025 CAPITAL PROJECTS							
Dept: 4800 Other Services							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	STRT2022-A70 STREET	45520	4800	161.25
Total For Dept: 4800							161.25
Total For Fund: 426							161.25
Fund: 458 MILL TOWN TRAIL WOODLEY TO WATERFORD BRI							
Dept: 4800 Other Services							
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	PARK 2023	45520	4800	281.25
Total For Dept: 4800							281.25
Total For Fund: 458							281.25
Fund: 601 Water Fund							
Dept: 6000 Water							
06/22/2026	MAIN	4194(A)*#	BOLTON & MENK, INC.	DRINKING WATER SYSTEM STUDY PROF SVC APR	45520	6000	11,791.50
				WELLHEAD PROTECTIO PLANS PRF SVC APRIL 4	43300	6000	12,754.00
				WATER COMPREHENSIVE PLAN J38-PROF SVC AP	43300	6000	340.00
	Check MAIN 4194(A) Total for Fund 601 Water Fund						24,885.50
06/22/2026	MAIN	4199(A)	FERGUSON WATERWORKS #2518	2 INCH METER	42223	6000	1,353.00
				2 INCH METER	42223	6000	1,353.00
				REGISTERS	42223	6000	2,933.00
				REGISTERS	42223	6000	4,688.36
				1 INCH METER PARTS	42223	6000	502.70
				1 INCH AND 3/4 METERS	42223	6000	11,332.20
	Check MAIN 4199(A) Total for Fund 601 Water Fund						22,162.26
06/22/2026	MAIN	4200(A)*#	FLAHERTY & HOOD, P.A.	WATR2023 WATER TREATMENT PLANT PROJECT	45520	6000	53.75
06/22/2026	MAIN	4202(A)	GOPHER STATE ONE CALL	MAY 2026 LOCATES - 357 BILLABLE TICKET	43320	6000	481.95
Total For Dept: 6000							47,583.46

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 601 Water Fund							
Total For Fund: 601							47,583.46
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
06/22/2026	MAIN	4194(A)*#	BOLTON & MENK, INC.	SANITARY COMPREHENSIVE PLAN PROF SVC 4/1	43300	6100	1,023.50
06/22/2026	MAIN	4210(A)	PETERSON EQUIPMENT INC	24' OF 2X2 X3/16" ANGLE- CUT TO SIZE	42222	6100	106.92
06/22/2026	MAIN	4215(A)	USA BLUE BOOK	SALT BRIDGE SOLUTION	42216	6100	148.82
				SALT BRIDGES	42216	6100	1,038.56
				DO CAPS	42216	6100	809.56
	Check MAIN 4215(A) Total for Fund 602 Sewer Fund						1,996.94
06/22/2026	MAIN	4216(A)	ZIEGLER, INC.	GENERATOR & AES PM AGREEMENT	42222	6100	7,171.20
Total For Dept: 6100							10,298.56
Total For Fund: 602							10,298.56
Fund: 609 Liquor Store							
Dept: 6410 Liquor Store - Operations							
06/22/2026	MAIN	4196(A)*#	CULLIGAN OF NORTHFIELD	DRINKING WATER	42218	6410	79.34
06/22/2026	MAIN	4211(A)	RR LARSON & ASSOCIATES	RADIO ADS LIQ MAY 2026	43342	6410	299.00
Total For Dept: 6410							378.34
Total For Fund: 609							378.34
Report Total:							522,616.54

'*'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE FUND

'#'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE DEPARTMENT

CHECK DISBURSEMENT REPORT FOR CITY OF NORTHFIELD

CHECK DATE 06/29/2026 - 07/03/2026

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
07/02/2026	MAIN	141399	J. WESLEY CHAPMAN JR.	EMSLC25-0002 - PMSL25-0001	22205	0000	392.50
				EVAC25-0002 - VACA25-0001	22205	0000	950.75
	Check MAIN 141399 Total for Fund 101 General Fund						1,343.25
07/01/2026	MAIN	141403	ANA E ORTIZ PANO	Check Request For Escrow: 304 2ND ST W	22205	0000	1,777.37
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	PREPAID PURCHASE-REIMBURSE WITH CHECK	11530	0000	40.56
07/01/2026	MAIN	141469	MN, Black Bear Wellness	Check Request For Escrow: 680 PROFESSION	22205	0000	1,716.12
07/01/2026	MAIN	141476#	NORTHFIELD CONVENTION AND VISITORS	LESS 5% ADMIN FEE	31410	0000	(34.62)
				LESS 5% ADMIN FEE	31410	0000	(24.62)
				LESS 5% ADMIN FEE	31410	0000	(207.31)
	Check MAIN 141476 Total for Fund 101 General Fund						(266.55)
07/01/2026	MAIN	141495	SLBY HOLDINGS LLC	Check Request For Escrow: 2000 JEFFERSON	22205	0000	2,000.00
Total For Dept: 0000							6,610.75
Dept: 4110 Administration							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4110	116.81
Total For Dept: 4110							116.81
Dept: 4120 City Clerk							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4120	76.80
Total For Dept: 4120							76.80
Dept: 4125 Elections							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	ELECTION SUPPLIES-MAGNETIC HOOKS	42218	4125	8.49
				ELECTION SUPPLIES-FOLDING WAGONS, TAPE,	42218	4125	384.42
	Check MAIN 141402 Total for Fund 101 General Fund						392.91
Total For Dept: 4125							392.91
Dept: 4130 Finance							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Other Professional Services	43300	4130	38.40
Total For Dept: 4130							38.40
Dept: 4150 Human Resources							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Other Professional Services	43300	4150	115.20
Total For Dept: 4150							115.20
Dept: 4160 Community Development							
07/01/2026	MAIN	141450*#	HOUSEAL LAVIGNE ASSOCIATES LLC	MAY 2026 SERVICES ZONING CODE CONSULTING	43300	4160	2,688.82
07/01/2026	MAIN	141513	WSB & ASSOCIATES, INC.	PLANNING ASSISTANCE - MAY 2026 SERVICES	43300	4160	2,804.50
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4160	230.40
Total For Dept: 4160							5,723.72
Dept: 4190 City Hall Operations							
07/01/2026	MAIN	141428*#	CINTAS CORPORATION	FIRST AID	43302	4190	122.18

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4190 City Hall Operations							
07/01/2026	MAIN	141490	QUADIENT LEASING USA, INC	POSTAGE METER LEASE JULY-OCT 2026	42222	4190	528.00
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JUNE RENT/OVGS MAY FINANCE 89469	43352	4190	104.15
				JULY RENT/OVGS MAY ADMIN 87078	43352	4190	232.13
				JULY RENT/OVGS MAY JUNE HR/COMM 22548	43352	4190	174.63
				JULY RENT/OVGS MAY FINANCE 89469	43352	4190	146.44
				JULY RENT/OVGS MAY COMM DEV 87348	43352	4190	168.09
				JULY RENT/OVGS MAY ENGINEERING 86049	43352	4190	341.76
				JULY RENT/OVGS MAY CITY HALL COPY RM 606	43352	4190	483.84
		Check MAIN 141505 Total for Fund 101 General Fund					1,651.04
Total For Dept: 4190							2,301.22
Dept: 4200 Police Administration							
07/01/2026	MAIN	141423	CASTLE ROCK KENNELS INC	BOARDING SERVICES 9/2025 - 5/2026	43309	4200	1,677.00
07/01/2026	MAIN	141427*#	CINTAS	PD FLOOR MATS	42220	4200	75.99
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	LODGING DARE SCHOOL ESCHENBACH	43331	4200	538.95
				BCA TRNG VAALE	43332	4200	75.00
				SOTA CONF JANDRO CARLSON	43331	4200	1,003.20
				BASS PRO KLOBE SWAT	41115	4200	27.54
				MAGPUL KLOBE SWAT	41115	4200	48.28
				BCA TRNG HAAS	43332	4200	75.00
		Check MAIN 141429 Total for Fund 101 General Fund					1,767.97
07/01/2026	MAIN	141435	DEPUTY REGISTRAR	2026 PACIFICA TAB RENEW 6634	42218	4200	16.25
07/01/2026	MAIN	141436	DEPUTY REGISTRAR	2026 EXPLORER TAB RENEW 6898	42218	4200	16.25
07/01/2026	MAIN	141437	DEPUTY REGISTRAR	2015 TAURUS TAB RENEW 5592 - 2026	42218	4200	16.25
07/01/2026	MAIN	141438*#	DOUG'S AUTO SERVICE	LOF ROTATE TIRES SQ 2501_061826	42222	4200	108.62
07/01/2026	MAIN	141443	GUARDIAN FLEET SAFETY	ON SITE SERVICE	42222	4200	300.00
07/01/2026	MAIN	141454	ITL PATCH COMPANY, INC	BADGE SAMPLES	41115	4200	421.86
07/01/2026	MAIN	141460	LE-AST SERVICES COUNSELING	MAY RETAINER FEE	43300	4200	180.00
07/01/2026	MAIN	141462	LEXIPOL LLC	CORDICO WELLNESS 2026	43309	4200	2,974.57
07/01/2026	MAIN	141464*#	MENARD'S -DUNDAS	DISH SOAP, 20 FT ROPE LEASH, DISHWASHER	42218	4200	44.31
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JULY RENT/OVGS MAY POLICE 84218	44412	4200	200.15
				JULY RENT/OVGS MAY POLICE 86055	44412	4200	147.40
		Check MAIN 141505 Total for Fund 101 General Fund					347.55
07/01/2026	MAIN	141508	VERIZON WIRELESS	PD CELL PHONES MAY 2026	43320	4200	1,865.89
07/01/2026	MAIN	141510*#	WATER SYSTEMS COMPANY	PD WATER QTY 4	42218	4200	35.00
				MONTHLY COOLER RENTAL MAY 2026	42218	4200	17.90
				PD WATER QTY 9	42218	4200	78.75
		Check MAIN 141510 Total for Fund 101 General Fund					131.65
07/01/2026	MAIN	141516#	XCEL ENERGY	CIVIL DEF SIRENS	43381	4200	48.31

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4200 Police Administration							
Total For Dept: 4200							9,992.47
Dept: 4240 Building Inspection							
07/01/2026	MAIN	141502	THE LAWN GUY, LLC	2301 Harbor Dr lawn abatement - mowing s	43300	4240	1,667.50
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4240	239.77
Total For Dept: 4240							1,907.27
Dept: 4300 Engineering							
07/01/2026	MAIN	141425	CES IMAGING	PLOTTER MONTHLY AGREEMENT MAY-JUNE 16,17	42222	4300	298.12
07/01/2026	MAIN	141468	MN SECRETARY OF STATE - NOTARY	NOTARY APPLICATION - AMY T	44463	4300	120.00
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4300	330.44
Total For Dept: 4300							748.56
Dept: 4310 Streets							
07/01/2026	MAIN	141400*#	ADVANCE AUTO PARTS	ROLLER BATTERY WO#5342 #0461	42222	4310	112.55
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	SHEET PROTECTORS, BINDERS, GARDENING GLO	42218	4310	89.63
				D-6 PLOW TRUCK REPAIR WO#5347 #5638	42222	4310	119.46
Check MAIN 141402 Total for Fund 101 General Fund							209.09
07/01/2026	MAIN	141409#	BAUER BUILT TIRE & SERVICE	TIRES FOR P-17 WO#5348 #8757	42222	4310	709.28
07/01/2026	MAIN	141424*#	CENTRAL FARM SERVICE	MAY 2026 STREETS AND PARKS FUEL	42212	4310	5,364.74
07/01/2026	MAIN	141427*#	CINTAS	RYAN KIEFER UNIFORM	42218	4310	3.41
				OFFICE RUGS	42220	4310	10.24
Check MAIN 141427 Total for Fund 101 General Fund							13.65
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	SUGAR LODGE RESORT LODGING A. HAYES CONF	43331	4310	118.66
07/01/2026	MAIN	141432	COMPLETE CHIROPRATIC PC	DOT HEALTH CARD FOR RYAN KIEFER	42218	4310	100.00
07/01/2026	MAIN	141442	GRAPHIC MAILBOX	VINYL TRUCK NUMBERS-NEW TRUCK WO#5336 #3	42222	4310	53.69
				MAIL RETURN-WEATHER TECH WRONG FLOOR MAT	42218	4310	8.59
Check MAIN 141442 Total for Fund 101 General Fund							62.28
07/01/2026	MAIN	141464*#	MENARD'S -DUNDAS	TRASH BAGS, PLASTIC FORKS, PAPER PLATES	42218	4310	144.88
07/01/2026	MAIN	141472	NORTH AMERICAN SAFETY INC	HIGH VIS CLOTHING	42218	4310	1,412.70
07/01/2026	MAIN	141475#	NORTHFIELD ACE HARDWARE	SIGN REPAIR HARDWARE	42229	4310	15.49
07/01/2026	MAIN	141477	NOVAK'S GARAGE, LLC	BOLLARDS FOR RIVERWALK	43315	4310	1,978.00
07/01/2026	MAIN	141478	NUSS TRUCK & EQUIPMENT	D-7 SENSOR REPLACEMENT WO#5344 #8940	42222	4310	197.72
				CREDIT FOR RETURNED PART- WRONG SENSOR	42222	4310	(140.65)
Check MAIN 141478 Total for Fund 101 General Fund							57.07
07/01/2026	MAIN	141491	RDO EQUIPMENT CO	JD LOADER REPAIR WO#5339 #6770	42222	4310	173.07
07/01/2026	MAIN	141500	TEREX USA, LLC	REQUIRED ANNUAL INSPECTION OF BOOM TRUCK	42222	4310	2,894.83
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JUNE RENT/OVGS MAY STREETS & PARKS 81439	42218	4310	110.67

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4310 Streets							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4310	542.46
Total For Dept: 4310							14,019.42
Dept: 4320 Street Lighting							
07/01/2026	MAIN	141444*#	GUTH ELECTRIC, INC	DQ CROSSWALK FLASHING LIGHT	42228	4320	76.00
				GROUND SHOWMOBILE	42228	4320	436.00
Check MAIN 141444 Total for Fund 101 General Fund							512.00
07/01/2026	MAIN	141514	XCEL ENERGY	STREET LIGHTS ON HILLCREST DRIVE 6/25 -	43381	4320	2,999.80
07/01/2026	MAIN	141515	XCEL ENERGY	5/15/2026 - 6/14/2026 STREET LIGHTS	43381	4320	20,591.95
Total For Dept: 4320							24,103.75
Dept: 4330 Facilities							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4330	76.80
Total For Dept: 4330							76.80
Dept: 4510 Ice Arena							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	TITRATING REAGENT LIQUID AND POWDER	42218	4510	77.64
07/01/2026	MAIN	141427*#	CINTAS	ICE ARENA MATS	42211	4510	18.00
07/01/2026	MAIN	141428*#	CINTAS CORPORATION	FIRST AID - ICE ARENA	42218	4510	93.25
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	LARSONS - LOGO'D CLOTHING -PRYTZ, A.	42218	4510	222.00
07/01/2026	MAIN	141471	NFLD RENT & SAVE	LIFT RENTAL FOR ICE ARENA BANNER REMOVAL	42220	4510	162.00
07/01/2026	MAIN	141497	STZR HOLDINGS LLC	HYDRAULIC FILTER AND SHAFT OUTPUT SEAL	42222	4510	269.83
07/01/2026	MAIN	141503	THE RINK LLC	FIRST HALF 2026 PROPERTY TAXES	43300	4510	20,364.48
Total For Dept: 4510							21,207.20
Dept: 4520 General Parks							
07/01/2026	MAIN	141401	ADVANTAGE SIGN & GRAPHICS, INC	MEMORIAL PLAQUE FOR TREE IN PARMEADOW PA	43313	4520	613.99
07/01/2026	MAIN	141409#	BAUER BUILT TIRE & SERVICE	RESTOCK LAWN MOWERS TIRES	42222	4520	418.80
07/01/2026	MAIN	141440	GMPT	2026 Membership Dues	44463	4520	530.00
07/01/2026	MAIN	141464*#	MENARD'S -DUNDAS	SAFETY HASP - PARKS STORAGE SHED REPAIR	42220	4520	7.29
				PINE SOL, THE WORX REPLACEMENT SPOOL	42218	4520	76.92
Check MAIN 141464 Total for Fund 101 General Fund							84.21
07/01/2026	MAIN	141465*#	MIDWEST MACHINERY CO.	LEAF BLOWER REPLACEMENT	42222	4520	349.99
				BUSHINGS FOR SWINGS	43313	4520	28.16
Check MAIN 141465 Total for Fund 101 General Fund							378.15
07/01/2026	MAIN	141470	MTI DISTRIBUTING CO	MOWER FILTERS	42222	4520	752.83
				SERVICE OF 5910 MOWER WO#5334 #6070	42222	4520	522.97
				SERVICE OF 5900 LAWNMOWER WO#5341 #1439	42222	4520	711.39
				CREDIT FOR RETURNING OLD 580D BLADES	42222	4520	(75.28)
Check MAIN 141470 Total for Fund 101 General Fund							1,911.91

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4520 General Parks							
07/01/2026	MAIN	141474	NORTHERN SAFETY TECHNOLOGY, INC.	MOWER REPAIR WO#5334 #6070	42222	4520	372.92
07/01/2026	MAIN	141475#	NORTHFIELD ACE HARDWARE	O RING FOR MISTER AT SPRING CREEK	43313	4520	1.98
				TOILET REPAIR AT SECHLER PAVILION	42220	4520	7.99
				CAUTION TAPE FOR PARK MAINTENANCE	42218	4520	14.99
		Check MAIN 141475 Total for Fund 101 General Fund					24.96
Total For Dept: 4520							4,334.94
Dept: 4530 Athletic Facilities							
07/01/2026	MAIN	141411	BEACON ATHLETICS LLC	SAFETY NETTING FOR BASEBALL FIELDS	42214	4530	1,560.85
07/01/2026	MAIN	141421	BRYAN ROCK PRODUCTS, INC	INFIELD MATERIAL FOR BALL FIELDS	42214	4530	507.50
07/01/2026	MAIN	141485	PIONEER MFG CO	CHALK FOR BASELINES	42214	4530	724.87
07/01/2026	MAIN	141516#	XCEL ENERGY	SECHLER PARK	43381	4530	288.34
Total For Dept: 4530							3,081.56
Dept: 4540 Outdoor Pool							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	TEST KIT AND CHLORINE TEST STRIPS	42216	4540	622.69
				DRY ERASE WHITEBOARD	42218	4540	22.90
				LIFEGUARD SWIMSUITS	42218	4540	1,088.42
		Check MAIN 141402 Total for Fund 101 General Fund					1,734.01
07/01/2026	MAIN	141445*#	HAWKINS INC.	AZONE 15; CYANURIC ACID	42216	4540	1,247.85
				CITY POOL CHEMICALS	42216	4540	2,200.15
				CREDIT MEMO POOL CHEMCIALS	42216	4540	(45.00)
		Check MAIN 141445 Total for Fund 101 General Fund					3,403.00
07/01/2026	MAIN	141459	KLINE DISTRIBUTING, LLC	POOL CONCESSIONS JUNE 2026	42280	4540	727.51
				POOL CONCESSIONS JUNE 2026	42280	4540	1,038.74
		Check MAIN 141459 Total for Fund 101 General Fund					1,766.25
Total For Dept: 4540							6,903.26
Dept: 4545 Recreation Administration							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4545	76.80
Total For Dept: 4545							76.80
Dept: 4550 Library							
07/01/2026	MAIN	141413	BLACKSTONE PUBLISHING	LIBRARY MATERIALS	44431	4550	39.75
				LIBRARY MATERIALS	44431	4550	79.50
		Check MAIN 141413 Total for Fund 101 General Fund					119.25
07/01/2026	MAIN	141427*#	CINTAS	RUG RENTAL	42220	4550	10.58
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	ARSL CONFERENCE REGISTRATION	43333	4550	300.00
07/01/2026	MAIN	141444*#	GUTH ELECTRIC, INC	REPLACED LED STRIP LIGHT AT LIBRARY	42220	4550	174.24
07/01/2026	MAIN	141453*#	INGRAM LIBRARY SERVICES	LIBRARY MATERIALS	44431	4550	249.86
				BOOK COVERS	42218	4550	15.40
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	271.37

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4550 Library							
				BOOK COVERS	42218	4550	13.20
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	247.43
				BOOK COVERS	42218	4550	16.50
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	446.61
				BOOK COVERS	42218	4550	22.00
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	507.92
				BOOK COVERS	42218	4550	24.20
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	197.39
				BOOK COVERS	42218	4550	11.00
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	176.07
				BOOK COVERS	42218	4550	7.70
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	409.18
				BOOK COVERS	42218	4550	20.90
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	194.24
				BOOK COVERS	42218	4550	7.70
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	256.56
				BOOK COVERS	42218	4550	12.10
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS RETURN	44431	4550	(9.71)
	Check MAIN 141453 Total for Fund 101 General Fund						3,127.62
07/01/2026	MAIN	141463	LIBRARY PASS INC.	LIBRARY MATERIALS COMICS PLUS	44431	4550	1,412.78
07/01/2026	MAIN	141481	OVERDRIVE	LIBRARY MATERIALS EBOOK & EAUDIO	44431	4550	680.32
				LIBRARY MATERIALS	44431	4550	24.99
				LIBRARY MATERIALS EBOOK & EAUDIO	44431	4550	285.99
				LIBRARY MATERIALS EBOOKS	44431	4550	179.99
	Check MAIN 141481 Total for Fund 101 General Fund						1,171.29
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JULY RENT/OVGS MAY LIBRARY NCRC OASIS 56	43352	4550	139.37
				JULY RENT/OVGS MAY LIBRARY 84483	43352	4550	230.54
				JULY RENT/OVGS MAY LIBRARY 61251	43352	4550	326.74
	Check MAIN 141505 Total for Fund 101 General Fund						696.65
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	4550	387.25
				Telephone & Communication	43320	4550	40.01
	Check MAIN 141518 Total for Fund 101 General Fund						427.26
Total For Dept: 4550							7,439.67
Dept: 4900 Other Financing Uses							
07/01/2026	MAIN	141476#	NORTHFIELD CONVENTION AND VISITORS	LODGING TAX-APR'26	44454	4900	692.37
				LODGING TAX-MAR'26	44454	4900	492.47
				LODGING TAX-ARREARS	44454	4900	4,146.23

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4900 Other Financing Uses							
	Check MAIN 141476 Total for Fund 101 General Fund						5,331.07
Total For Dept: 4900							5,331.07
Total For Fund: 101							114,598.58
Fund: 211 NCRC							
Dept: 4580 NCRC							
07/01/2026	MAIN	141447*#	HILLYARD / HUTCHINSON	ROLL TOWELS	42211	4580	316.80
07/01/2026	MAIN	141455	JANET D. BREYER	NCRC JANITORIAL-APRIL 2026	43306	4580	5,460.00
07/01/2026	MAIN	141458*#	KEITH PUMPER PLUMBING & HEATING	NEW SINK AT NCRC	42220	4580	242.00
Total For Dept: 4580							6,018.80
Total For Fund: 211							6,018.80
Fund: 215 Motor Vehicle Fund							
Dept: 5600 Motor Vehicle							
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JUNE RENT/OVGS APRIL MAY DMV 82213	43352	5600	160.80
Total For Dept: 5600							160.80
Total For Fund: 215							160.80
Fund: 240 Library Gift Fund							
Dept: 4900 Other Financing Uses							
07/01/2026	MAIN	141415	BLUUM OF MINNESOTA, LLC	GIFTS- SERTOMA HEARING LOOP	43309	4900	6,685.72
				GIFTS- SERTOMA HEARING LOOP DESIGN	43309	4900	5,718.00
	Check MAIN 141415 Total for Fund 240 Library Gift Fund						12,403.72
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	FFNPL JUV-WORKS PROG.,TREES PUPPET SHOW	43309	4900	732.43
				GIFTS PLA SCHOLARHIP-UBERS,MEALS,COAT CH	43309	4900	277.89
				FFNPL JUV- TELL BOOKS	43309	4900	20.31
	Check MAIN 141429 Total for Fund 240 Library Gift Fund						1,030.63
07/01/2026	MAIN	141453*#	INGRAM LIBRARY SERVICES	FFNPL COLLECTIONS YOUTH	43309	4900	8.99
				FFNPL COLLECTIONS YOUTH	43309	4900	7.49
				FFNPL COLLECTIONS YOUTH	43309	4900	7.49
	Check MAIN 141453 Total for Fund 240 Library Gift Fund						23.97
Total For Dept: 4900							13,458.32
Total For Fund: 240							13,458.32
Fund: 242 Scriver Memorial Fund							
Dept: 4900 Other Financing Uses							
07/01/2026	MAIN	141453*#	INGRAM LIBRARY SERVICES	GIFTS- SCRIVER	44431	4900	19.60
				GIFTS- SCRIVER	44431	4900	33.57
				GIFTS-SCRIVER	44431	4900	19.60
				GIFTS- SCRIVER	44431	4900	16.80
				GIFTS- SCRIVER	44431	4900	16.80
				GIFTS- SCRIVER	44431	4900	28.00
	Check MAIN 141453 Total for Fund 242 Scriver Memorial Fund						134.37

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 242 Scriver Memorial Fund							
Dept: 4900 Other Financing Uses							
Total For Dept: 4900							134.37
Total For Fund: 242							134.37
Fund: 255 Utility Franchise Fee							
Dept: 4900 Other Financing Uses							
07/01/2026	MAIN	141430	CITY OF NORTHFIELD-UTILITY	APPLY FRANCHISE REFUND TO UTILITY BILL	43309	4900	66.00
Total For Dept: 4900							66.00
Total For Fund: 255							66.00
Fund: 257 Carbon Reduction Fund							
Dept: 4590 Carbon Reduction							
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Other Professional Services	43300	4590	38.40
Total For Dept: 4590							38.40
Total For Fund: 257							38.40
Fund: 290 EDA							
Dept: 5100 EDA General Operating							
07/01/2026	MAIN	141450*#	HOUSEAL LAVIGNE ASSOCIATES LLC	MAY 2026 SERVICES ZONING CODE CONSULTING	43300	5100	2,688.81
Total For Dept: 5100							2,688.81
Total For Fund: 290							2,688.81
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
07/01/2026	MAIN	141450*#	HOUSEAL LAVIGNE ASSOCIATES LLC	MAY 2026 SERVICES ZONING CODE CONSULTING	43300	5200	2,688.81
Total For Dept: 5200							2,688.81
Total For Fund: 295							2,688.81
Fund: 317 2016 GO Bonds							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2016C GO BOND AGENT FEE	43300	4700	118.75
Total For Dept: 4700							118.75
Total For Fund: 317							118.75
Fund: 318 2017A GO IMP BONDS							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2017A GO BOND AGENT FEE	43300	4700	475.00
Total For Dept: 4700							475.00
Total For Fund: 318							475.00
Fund: 319 2018B GO Bonds							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2018B GO BOND AGENT FEE	43300	4700	475.00
Total For Dept: 4700							475.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 319 2018B GO Bonds							
Total For Fund: 319							475.00
Fund: 320 2019A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2019A GO BOND AGENT FEE	43300	4700	237.50
Total For Dept: 4700							237.50
Total For Fund: 320							237.50
Fund: 321 2020A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2020A GO BOND AGENT FEE	43300	4700	475.00
Total For Dept: 4700							475.00
Total For Fund: 321							475.00
Fund: 322 2021A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2021A GO BOND AGENT FEE	43300	4700	427.50
Total For Dept: 4700							427.50
Total For Fund: 322							427.50
Fund: 323 2022A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2022A GO BOND AGENT FEE	43300	4700	427.50
Total For Dept: 4700							427.50
Total For Fund: 323							427.50
Fund: 324 2023B BOND FUND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2023B GO BOND AGENT FEE	43300	4700	427.50
Total For Dept: 4700							427.50
Total For Fund: 324							427.50
Fund: 325 2024A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2024A GO BOND AGENT FEE	43300	4700	150.00
Total For Dept: 4700							150.00
Total For Fund: 325							150.00
Fund: 326 2025A GO BOND							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2025A GO BOND AGENT FEES	43300	4700	427.50
Total For Dept: 4700							427.50
Total For Fund: 326							427.50
Fund: 354 2012 COPS Debt Service							

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 354 2012 COPS Debt Service							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2019A GO BOND AGENT FEE	43300	4700	237.50
Total For Dept: 4700							237.50
Total For Fund: 354							237.50
Fund: 358 Cash-2021A EQUIP CERTIFICATE							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2021A GO BOND AGENT FEE	43300	4700	47.50
Total For Dept: 4700							47.50
Total For Fund: 358							47.50
Fund: 359 2022A EQUIP CERT							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2022A GO BOND AGENT FEE	43300	4700	47.50
Total For Dept: 4700							47.50
Total For Fund: 359							47.50
Fund: 360 2023B EQUIP CERT							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2023B GO BOND AGENT FEE	43300	4700	47.50
Total For Dept: 4700							47.50
Total For Fund: 360							47.50
Fund: 361 2024A EQUIP CERT							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2024A GO BOND AGENT FEE	43300	4700	150.00
Total For Dept: 4700							150.00
Total For Fund: 361							150.00
Fund: 362 2025A EQUIPMENT CERTIFICATE							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2025A GO BOND AGENT FEES	43300	4700	47.50
Total For Dept: 4700							47.50
Total For Fund: 362							47.50
Fund: 363 2025B EDA LEASE REVENUE BOND-ARENA							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141517	ZIONS BANK	2025B AGENT FEE	43300	4700	2,000.00
Total For Dept: 4700							2,000.00
Total For Fund: 363							2,000.00
Fund: 423 2022 Capital Projects							
Dept: 4800 Other Services							
07/01/2026	MAIN	141439	FITZGERALD EXCAVATING & TRUCKING I	HONEYLOCUST ECRT CONNECTION PROF SVC 6/4	45520	4800	47,072.08

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 423 2022 Capital Projects							
Dept: 4800 Other Services							
Total For Dept: 4800							47,072.08
Total For Fund: 423							47,072.08
Fund: 427 2026 CAPITAL PROJECTS							
Dept: 4800 Other Services							
07/01/2026	MAIN	141506	UNION PACIFIC RAILROAD	SPRING ST/FREMOUW RR CROSSING IMP	45520	4800	9,405.28
Total For Dept: 4800							9,405.28
Total For Fund: 427							9,405.28
Fund: 455 Veh/Equip Replacement							
Dept: 4800 Other Services							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	'26 2500 GMC WO#5336 #3780-DISTRIBUTION	45550	4800	42.49
Total For Dept: 4800							42.49
Total For Fund: 455							42.49
Fund: 458 MILL TOWN TRAIL WOODLEY TO WATERFORD BRI							
Dept: 4800 Other Services							
07/01/2026	MAIN	141451	ICON, LLC	PAY#9 MILL TOWNS STATE TRAIL PROJ CONST	45520	4800	510,970.45
Total For Dept: 4800							510,970.45
Total For Fund: 458							510,970.45
Fund: 459 ICE ARENA CONSTRUCTION							
Dept: 4800 Other Services							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	Battery backups, power cords, rack screw	45520	4800	2,875.30
				Fiber, Cat6A patch cables - M40 ice aren	45520	4800	160.77
				Cat6A patch cables - M40 ice arena	45520	4800	201.96
				Step ladders - M40 ice arena	45520	4800	99.90
	Check MAIN 141402 Total for Fund 459 ICE ARENA CONSTRUCTION						3,337.93
07/01/2026	MAIN	141405	ARCHITECTURAL TESTING INC.	ICE ARENA WINDOW TESTING M40	45520	4800	2,650.00
07/01/2026	MAIN	141447*#	HILLYARD / HUTCHINSON	TRIDENT PRO WET AND TRIDENT B16 SLA-NEW	45520	4800	20,916.98
				PAD 16 IN BUFF RED 5CS -NEW ICE ARENA	45520	4800	21.14
				KIT LINATEX SQUEEGE & PREASSEMBLY SOLUT	45520	4800	102.92
				2 CASES OF 13 IN BUFF RED 5CS PADS	45520	4800	30.86
				SQUEEGEE	45520	4800	50.97
	Check MAIN 141447 Total for Fund 459 ICE ARENA CONSTRUCTION						21,122.87
07/01/2026	MAIN	141456	JLG ARCHITECTS	ICE ARENA PROF SVC THRU 5/31 M40	45520	4800	982.53
07/01/2026	MAIN	141501	TERRACON CONSULTANTS INC	ICE ARENA -M40	45520	4800	6,430.00
Total For Dept: 4800							34,523.33
Total For Fund: 459							34,523.33
Fund: 601 Water Fund							
Dept: 0000 Revenue							
07/01/2026	MAIN	141467	MN DEPT OF HEALTH	2ND QTR DRINKING WATER CONNECTIONS	22025	0000	20,615.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 601 Water Fund							
Dept: 0000 Revenue							
Total For Dept: 0000							20,615.00
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2026A GO BOND AGENT FEE	43300	4700	475.00
Total For Dept: 4700							475.00
Dept: 6000 Water							
07/01/2026	MAIN	141404	APG MEDIA of SOUTHERN MINNESOTA	WATER TOWER SITE AD FOR BID	45520	6000	848.90
07/01/2026	MAIN	141407	AT & T MOBILITY	UTILITIES RTK WIFI SVC - MAY	43320	6000	34.80
07/01/2026	MAIN	141424*#	CENTRAL FARM SERVICE	MAY 2026 FUEL WATER DEPT.	42212	6000	998.22
07/01/2026	MAIN	141428*#	CINTAS CORPORATION	FIRST AID CHECK AND RESTOCK OF MEDICAL S	42218	6000	151.51
07/01/2026	MAIN	141433	CORE & MAIN, LP	NITRATE REAGENT PACKETS	42216	6000	170.24
07/01/2026	MAIN	141444*#	GUTH ELECTRIC, INC	WATER REFILL STATION DOOR CONTROLS	42220	6000	578.35
07/01/2026	MAIN	141445*#	HAWKINS INC.	CHLORINE TANK CHARGE	42216	6000	100.00
				WELL HOUSE CHEMICALS	42216	6000	8,419.43
	Check MAIN 141445 Total for Fund 601 Water Fund						8,519.43
07/01/2026	MAIN	141464*#	MENARD'S -DUNDAS	FITTINGS	42218	6000	42.86
				OUTDOOR BLEACH, AMMONIA	42218	6000	9.37
	Check MAIN 141464 Total for Fund 601 Water Fund						52.23
07/01/2026	MAIN	141465*#	MIDWEST MACHINERY CO.	POLE SAW PARTS	42222	6000	106.98
07/01/2026	MAIN	141466	MILESTONE MATERIALS	ARCHERY RELOCATION 2023 WATER J34	45520	6000	390.43
07/01/2026	MAIN	141480*#	ON TARGET A & M, INC.	UTILITY BILLS - 2619	42218	6000	171.58
07/01/2026	MAIN	141494	SHORT ELLIOT HENDRICKSON, INC	NW WATER TOWER MAY 2026 WATR2025-J37	45520	6000	10,707.71
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JULY RENT/OVGS MAY JUNE WATER 22030	42222	6000	92.17
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	6000	445.64
Total For Dept: 6000							23,268.19
Total For Fund: 601							44,358.19
Fund: 602 Sewer Fund							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2016C GO BOND AGENT FEE	43300	4700	118.75
				2023A GO BOND AGENT FEE	43300	4700	380.00
	Check MAIN 141416 Total for Fund 602 Sewer Fund						498.75
Total For Dept: 4700							498.75
Dept: 6100 Wastewater							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	STACKABLE TOOL BOX STORAGE SYSTEM	42218	6100	338.10
				LUBRICANT SPRAY, MP SOLVENT SPRAY, LENS	42218	6100	488.87
	Check MAIN 141402 Total for Fund 602 Sewer Fund						826.97
07/01/2026	MAIN	141422	CALIBRATIONS AND CONTROLS INC.	METER CALIBRATIONS	42222	6100	500.00
				METER CALIBRATIONS	42222	6100	1,250.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
	Check MAIN 141422 Total for Fund 602 Sewer Fund						1,750.00
07/01/2026	MAIN	141429*#	CITY OF NORTHFIELD	LARSONS - LOGO'D CLOTHING - MURPHY, A.	41115	6100	330.00
				GRAPHIC MAILBOX-SHIPPING TO GRAINGER	43321	6100	10.24
				LARSONS-LOGO'D CLOTHING-KEHREN, N	41115	6100	351.50
	Check MAIN 141429 Total for Fund 602 Sewer Fund						691.74
07/01/2026	MAIN	141434	CUSTOM ALARM	BIOSOLIDS BUILDING SMOKE DETECTORS	42220	6100	1,768.99
07/01/2026	MAIN	141441	GRAINGER	MOTOR AND OIL	42222	6100	1,074.27
07/01/2026	MAIN	141445*#	HAWKINS INC.	BIOSOLIDS ACID	42232	6100	5,489.45
07/01/2026	MAIN	141458*#	KEITH PUMPER PLUMBING & HEATING	REPLACE FLOOR DRAIN & TRAP AT WW	42220	6100	1,403.20
07/01/2026	MAIN	141464*#	MENARD'S -DUNDAS	SUPPLIES	42218	6100	17.40
07/01/2026	MAIN	141480*#	ON TARGET A & M, INC.	UTILITY BILLS - 2619	42218	6100	171.58
07/01/2026	MAIN	141486	POLYDYNE INC	BIOSOLIDS POLY	42232	6100	7,820.00
07/01/2026	MAIN	141489	PVS TECHNOLOGIES, INC	FERRIC ACID	42216	6100	10,002.00
07/01/2026	MAIN	141492	SCAN AIR FILTER INC.	HVAC FILTERS	42220	6100	115.21
07/01/2026	MAIN	141493	SCHWING BIOSET, INC.	LIME SILO AUGER	42232	6100	24,288.71
07/01/2026	MAIN	141498	SUMMIT FIRE PROTECTION	2026 Fire Extinguisher Inspections	42220	6100	5,216.45
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JUNE RENT/OVGS MAY WWTP 22440	43311	6100	76.48
07/01/2026	MAIN	141509	VESSCO, INC	VALVES	42222	6100	360.00
07/01/2026	MAIN	141510*#	WATER SYSTEMS COMPANY	DRINKING WATER QTY: 1	42218	6100	4.00
				DRINKING WATER QTY:3	42218	6100	26.25
				DRINKING WATER QTY:3	42218	6100	26.25
	Check MAIN 141510 Total for Fund 602 Sewer Fund						56.50
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	6100	301.21
Total For Dept: 6100							61,430.16
Total For Fund: 602							61,928.91
Fund: 603 Garbage Fund							
Dept: 6200 Garbage							
07/01/2026	MAIN	141480*#	ON TARGET A & M, INC.	UTILITY BILLS - 2619	42218	6200	57.19
Total For Dept: 6200							57.19
Total For Fund: 603							57.19
Fund: 604 Storm Water Drainage							
Dept: 4700 Debt Service							
07/01/2026	MAIN	141416*	BOND TRUST SERVICES CORPORATION	2024A GO BOND AGENT FEE	43300	4700	175.00
				2023A GO BOND AGENT FEE	43300	4700	95.00
	Check MAIN 141416 Total for Fund 604 Storm Water Drainage						270.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 604 Storm Water Drainage							
Dept: 4700 Debt Service							
Total For Dept: 4700							270.00
Dept: 6300 Storm Water Drainage							
07/01/2026	MAIN	141400*#	ADVANCE AUTO PARTS	COOLANT WO#5340 6861	42222	6300	19.99
07/01/2026	MAIN	141408	BARR ENGINEERING	AMES MILL DAM PROF SVC 5/16-6/12	43300	6300	3,213.00
07/01/2026	MAIN	141438*#	DOUG'S AUTO SERVICE	MOUNT/BALANCE TIRES FORD ESCAPE WO#5340	42222	6300	170.00
07/01/2026	MAIN	141479	O'LEARY RESTORATION INC	PAY #1 LIMESTONE RIVERWALL REPAIR STRM20	43300	6300	41,525.00
07/01/2026	MAIN	141480*#	ON TARGET A & M, INC.	UTILITY BILLS - 2619	42218	6300	57.19
07/01/2026	MAIN	141487	PRAIRIE RESTORATIONS, INC.	SERVICE INTEGRATED PLANT MANAGEMENT/WAY	43300	6300	1,050.00
				SEEDING/PLANT MANAGEMENT	43300	6300	3,475.00
	Check MAIN 141487 Total for Fund 604 Storm Water Drainage						4,525.00
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communication	43320	6300	98.43
Total For Dept: 6300							49,608.61
Total For Fund: 604							49,878.61
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	Misc Non-Taxable Purchases	42251	6400	14.86
07/01/2026	MAIN	141406	ARTISAN BEER COMPANY	THC	42251	6400	53.40
				Beer Purchases	42251	6400	1,814.70
				Misc Taxable Purchases	42251	6400	24.60
				Beer Purchases	42251	6400	997.40
				Misc Taxable Purchases	42251	6400	33.85
				Beer Purchases	42251	6400	727.65
				THC	42251	6400	70.60
	Check MAIN 141406 Total for Fund 609 Liquor Store						3,722.20
07/01/2026	MAIN	141412	BELLBOY CORPORATION	Freight Costs	42259	6400	6.29
				Misc Taxable Purchases	42251	6400	58.50
				Liquor Purchases	42251	6400	1,439.85
				Freight Costs	42259	6400	28.00
				Wine Purchases	42251	6400	232.00
				Misc Non-Taxable Purchases	42251	6400	169.95
				Freight Costs	42259	6400	6.48
				Misc Taxable Purchases	42251	6400	98.40
				Liquor Purchases	42251	6400	1,581.65
				Freight Costs	42259	6400	18.00
				Freight Costs	42259	6400	10.00
				THC	42251	6400	502.00
	Check MAIN 141412 Total for Fund 609 Liquor Store						4,151.12
07/01/2026	MAIN	141414	BLUEOCO LLC	Misc Taxable Purchases	42251	6400	200.90
07/01/2026	MAIN	141417	BOURGET IMPORTS	Wine Purchases	42251	6400	694.69
				Freight Costs	42259	6400	21.00
				Wine Purchases	42251	6400	1,120.00
				Freight Costs	42259	6400	32.50

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
	Check MAIN 141417 Total for Fund 609 Liquor Store						1,868.19
07/01/2026	MAIN	141418	BRAU BROTHERS BREWING	Beer Purchases	42251	6400	74.00
07/01/2026	MAIN	141419	BREAKTHRU BEV MN BEER, INC	Beer Purchases	42251	6400	8,962.85
				Misc Taxable Purchases	42251	6400	467.85
				Liquor Purchases	42251	6400	68.19
				Liquor Purchases	42251	6400	159.60
				Beer Purchases	42251	6400	12,149.95
				Beer Purchases	42251	6400	11,743.10
				Wine Purchases	42251	6400	56.00
				Misc Taxable Purchases	42251	6400	595.50
				Liquor Purchases	42251	6400	136.38
				Liquor Purchases	42251	6400	159.60
				Beer Credit	42251	6400	(293.65)
				Beer Credit	42251	6400	(30.77)
				Beer Credit	42251	6400	(30.00)
				Beer Credit	42251	6400	(2.35)
				Beer Credit	42251	6400	(333.00)
	Check MAIN 141419 Total for Fund 609 Liquor Store						33,809.25
07/01/2026	MAIN	141420	BREAKTHRU BEV MN WINE & SPIRITS	Liquor Purchases	42251	6400	1,471.11
				Wine Purchases	42251	6400	328.00
				Freight Costs	42259	6400	28.61
				Misc Taxable Purchases	42251	6400	75.11
				Liquor Purchases	42251	6400	1,539.70
				Wine Purchases	42251	6400	404.00
				Freight Costs	42259	6400	30.53
				Misc Non-Taxable Purchases	42251	6400	24.00
				Wine Purchases	42251	6400	168.00
				Freight Costs	42259	6400	1.65
	Check MAIN 141420 Total for Fund 609 Liquor Store						4,070.71
07/01/2026	MAIN	141426	CHAPEL BREWING	Beer Purchases	42251	6400	75.00
				Beer Purchases	42251	6400	65.00
	Check MAIN 141426 Total for Fund 609 Liquor Store						140.00
07/01/2026	MAIN	141431	COLLEGE CITY BEVERAGE, INC.	Liquor Purchases	42251	6400	1,128.60
				Freight Costs	42259	6400	7.00
				Beer Purchases	42251	6400	4,600.60
				Wine Purchases	42251	6400	167.00
				Liquor Purchases	42251	6400	406.00
				Liquor Purchases	42251	6400	768.40
				Freight Costs	42259	6400	7.00
				Beer Purchases	42251	6400	4,900.95
				Misc Taxable Purchases	42251	6400	271.80
				Liquor Purchases	42251	6400	434.00
				Beer Credit	42251	6400	(274.20)
	Check MAIN 141431 Total for Fund 609 Liquor Store						12,417.15
07/01/2026	MAIN	141446	HERMEL WHOLESALE	Freight Costs	42259	6400	9.95
				Misc Taxable Purchases	42251	6400	303.84

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
				Cigarettes Purchases	42251	6400	717.01
	Check MAIN 141446 Total for Fund 609 Liquor Store						1,030.80
07/01/2026	MAIN	141448	HOHENSTEIN'S INC	Beer Purchases	42251	6400	1,119.55
				Liquor Purchases	42251	6400	234.40
				Beer Purchases	42251	6400	2,162.40
				Liquor Purchases	42251	6400	260.40
	Check MAIN 141448 Total for Fund 609 Liquor Store						3,776.75
07/01/2026	MAIN	141449	HOME CITY ICE COMPANY	Ice Purchases	42251	6400	316.49
				Freight Costs	42259	6400	6.50
				Ice Purchases	42251	6400	145.50
				Freight Costs	42259	6400	7.50
	Check MAIN 141449 Total for Fund 609 Liquor Store						475.99
07/01/2026	MAIN	141452	IMMINENT BREWING LLC	Beer Purchases	42251	6400	529.20
07/01/2026	MAIN	141457	JOHNSON BROTHERS WHOLESALE	Freight Costs	42259	6400	27.95
				Liquor Purchases	42251	6400	2,262.71
				Freight Costs	42259	6400	21.95
				Wine Purchases	42251	6400	728.00
				Misc Taxable Purchases	42251	6400	78.50
				Freight Costs	42259	6400	29.25
				Wine Purchases	42251	6400	1,274.28
				Freight Costs	42259	6400	5.85
				Liquor Purchases	42251	6400	318.78
				Freight Costs	42259	6400	14.63
				Liquor Purchases	42251	6400	499.50
				Freight Costs	42259	6400	17.55
				Wine Purchases	42251	6400	280.00
				Freight Costs	42259	6400	42.90
				Liquor Purchases	42251	6400	2,573.80
				Freight Costs	42259	6400	21.45
				Wine Purchases	42251	6400	509.20
				Misc Taxable Purchases	42251	6400	77.00
				Freight Costs	42259	6400	9.75
				Liquor Purchases	42251	6400	368.69
				Freight Costs	42259	6400	15.60
				Wine Purchases	42251	6400	528.08
	Check MAIN 141457 Total for Fund 609 Liquor Store						9,705.42
07/01/2026	MAIN	141473	NORTH SHORE WINERY, LLC	Wine Purchases	42251	6400	156.00
07/01/2026	MAIN	141482	OXFORD STREET MERCHANTS	Wine Purchases	42251	6400	776.61
				Freight Costs	42259	6400	6.18
	Check MAIN 141482 Total for Fund 609 Liquor Store						782.79
07/01/2026	MAIN	141483	PAUSTIS & SONS WINE COMPANY	Wine Purchases	42251	6400	1,324.00
				Freight Costs	42259	6400	18.00
				Liquor Purchases	42251	6400	80.00
				Wine Purchases	42251	6400	1,545.00
				Freight Costs	42259	6400	24.00
				Wine CREDIT	42251	6400	(104.00)

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
				Freight Costs	42259	6400	(1.50)
	Check MAIN 141483 Total for Fund 609 Liquor Store						2,885.50
07/01/2026	MAIN	141484	PHILLIPS WINE AND SPIRITS,INC.	Wine Purchases	42251	6400	749.55
				Freight Costs	42259	6400	25.35
				Liquor Purchases	42251	6400	625.88
				Freight Costs	42259	6400	3.90
				Liquor Purchases	42251	6400	102.90
				Wine Purchases	42251	6400	796.60
				Freight Costs	42259	6400	39.00
				Misc Taxable Purchases	42251	6400	115.80
				Liquor Purchases	42251	6400	1,656.53
				Freight Costs	42259	6400	23.40
				Liquor Purchases	42251	6400	2,045.65
				Freight Costs	42259	6400	21.45
				Liquor Purchases	42251	6400	102.90
				Wine Purchases	42251	6400	656.56
				Misc Taxable Purchases	42251	6400	52.10
				Wine Purchases	42251	6400	504.00
				Freight Costs	42259	6400	25.35
				Liquor Purchases	42251	6400	3,404.22
				Freight Costs	42259	6400	74.10
	Check MAIN 141484 Total for Fund 609 Liquor Store						11,025.24
07/01/2026	MAIN	141488	PRYES BREWING COMPANY	Beer Purchases	42251	6400	173.50
07/01/2026	MAIN	141496	SOUTHERN WINE & SPIRITS OF MN, LLC	Liquor Purchases	42251	6400	2,367.98
				Freight Costs	42259	6400	21.58
				Wine Purchases	42251	6400	1,492.87
				Freight Costs	42259	6400	22.63
				Liquor Purchases	42251	6400	3,861.72
				Freight Costs	42259	6400	34.86
				Wine Purchases	42251	6400	1,846.70
				Freight Costs	42259	6400	28.58
	Check MAIN 141496 Total for Fund 609 Liquor Store						9,676.92
07/01/2026	MAIN	141499	TANZENWALD BREWING COMPANY LLC	Beer Purchases	42251	6400	78.00
07/01/2026	MAIN	141511	WINE COMPANY	Wine Purchases	42251	6400	2,716.00
				Freight Costs	42259	6400	84.00
				Wine Purchases	42251	6400	181.33
				Freight Costs	42259	6400	4.00
				Wine Purchases	42251	6400	108.00
				Freight Costs	42259	6400	2.00
	Check MAIN 141511 Total for Fund 609 Liquor Store						3,095.33
07/01/2026	MAIN	141512	WINEBOW	Wine Purchases	42251	6400	577.50
				Freight Costs	42259	6400	13.50
	Check MAIN 141512 Total for Fund 609 Liquor Store						591.00
Total For Dept: 6400							104,450.82
Dept: 6410 Liquor Store - Operations							

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6410 Liquor Store - Operations							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	THERMAL PAPER ROLLS	42218	6410	23.40
				GIFT WRAPPING SUPPLIES	42218	6410	13.97
	Check MAIN 141402 Total for Fund 609 Liquor Store						37.37
07/01/2026	MAIN	141427*#	CINTAS	ENTRY RUGS	42220	6410	40.27
07/01/2026	MAIN	141504	THRYV	YELLOW PAGES LIQ JUNE 26	43342	6410	25.10
07/01/2026	MAIN	141505*#	TOSHIBA FINANCIAL SERVICES	JUNE RENT/OVGS MAY LIQUOR 89576	42222	6410	85.38
07/01/2026	MAIN	141507	VAN PAPER COMPANY	Paper Bags	42218	6410	368.63
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Other Professional Services	43300	6410	38.40
Total For Dept: 6410							595.15
Total For Fund: 609							105,045.97
Fund: 701 Information Tech							
Dept: 4140 Information Technology							
07/01/2026	MAIN	141402*#	AMAZON CAPITAL SERVICES	Wireless headset, webcam - Administratio	42218	4140	593.70
07/01/2026	MAIN	141410	BAYCOM INC	NetCloud - Library bookmobile	42218	4140	224.00
07/02/2026	MAIN	141518*#	VERIZON WIRELESS	Telephone & Communications	43320	4140	534.75
Total For Dept: 4140							1,352.45
Total For Fund: 701							1,352.45
Fund: 705 Insurance Fund							
Dept: 7000 Insurance							
07/01/2026	MAIN	141461	LEAGUE OF MN CITIES INS TRUST	INSURANCE CLAIM - POTHOLE CLAIM	43369	7000	494.90
				INSURANCE CLAIM - PARKLET UMBRELLA	43369	7000	489.08
	Check MAIN 141461 Total for Fund 705 Insurance Fund						983.98
Total For Dept: 7000							983.98
Total For Fund: 705							983.98
Report Total:							1,011,690.57

'*'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE FUND

'#'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE DEPARTMENT

CHECK DISBURSEMENT REPORT FOR CITY OF NORTHFIELD

CHECK DATE 07/06/2026 - 07/10/2026

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
07/10/2026	MAIN	141519	COMMUNITY RESOURCE BANK	Remittance	22170	0000	480.38
07/10/2026	MAIN	141520	MN CHILD SUPPORT PAYMENT CNTR	Remittance	22170	0000	196.12
07/10/2026	MAIN	4246(E)	ICMA RETIREMENT TRUST - #303324	Remittance	22143	0000	1,236.31
				Remittance	22149	0000	738.46
	Check MAIN 4246(E) Total for Fund 101 General Fund						1,974.77
07/10/2026	MAIN	4247(E)	IRS - PAYROLL DRAFT	Remittance	22110	0000	44,397.46
				Remittance	22113	0000	23,009.69
				Remittance	22113	0000	23,009.69
				Remittance	22114	0000	7,061.44
				Remittance	22114	0000	7,061.44
	Check MAIN 4247(E) Total for Fund 101 General Fund						104,539.72
07/10/2026	MAIN	4249(E)	MN DEPT OF REVENUE	Remittance	22170	0000	150.00
07/10/2026	MAIN	4250(E)	MN DEPT OF REVENUE - PAYROLL DRAFT	Remittance	22112	0000	21,389.73
07/10/2026	MAIN	4252(E)	VANTAGEPOINT TRANSFER AGENTS-#7061	Remittance	22148	0000	403.47
07/10/2026	MAIN	4253(E)	PERA - DRAFT FROM PAYROLL	Remittance	22140	0000	21,407.37
				Remittance	22140	0000	24,884.55
				Remittance	22140	0000	14,244.28
				Remittance	22140	0000	21,366.36
				Remittance	22140	0000	66.04
				Remittance	22140	0000	66.04
	Check MAIN 4253(E) Total for Fund 101 General Fund						82,034.64
07/10/2026	MAIN	4254(E)	MINNESOTA STATE RETIREMENT SYSTEM	Remittance	22144	0000	4,643.78
				Remittance	22147	0000	1,824.25
				Remittance	22142	0000	213.05
				Remittance	22142	0000	383.96
				Remittance	22142	0000	240.57
				Remittance	22142	0000	144.72
				Remittance	22142	0000	3,204.05
				Remittance	22142	0000	1,242.20
				Remittance	22142	0000	1,486.48
				Remittance	22142	0000	505.44
				Remittance	22142	0000	218.12
				Remittance	22142	0000	205.07
				Remittance	22142	0000	1,066.96
				Remittance	22142	0000	341.78
				Remittance	22142	0000	465.42
				Remittance	22142	0000	168.84
	Check MAIN 4254(E) Total for Fund 101 General Fund						16,354.69
Total For Dept: 0000							227,523.52
Dept: 4130 Finance							
07/06/2026	MAIN	4227(A)	ABDO, LLP	2025 OSA FINANCIAL REPORT	43301	4130	1,200.00
07/06/2026	MAIN	4236(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	PENS & POST-IT NOTES	42218	4130	95.61

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4130 Finance							
Total For Dept: 4130							1,295.61
Dept: 4200 Police Administration							
07/06/2026	MAIN	4242(A)	STERICYCLE, INC	PD SHRED JUNE 2026	43300	4200	157.14
Total For Dept: 4200							157.14
Dept: 4300 Engineering							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	GIS SUPPORT PROF SVC 4/25-5/22	43300	4300	160.00
				TH3 INTERSECTIONS REVIEW PROF SVC 1/31-5	43300	4300	10,234.00
	Check MAIN 4229(A) Total for Fund 101 General Fund						10,394.00
07/06/2026	MAIN	4236(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	FOLDERS	42218	4300	23.61
				DISINFECTANT WIPES	42218	4300	13.66
	Check MAIN 4236(A) Total for Fund 101 General Fund						37.27
Total For Dept: 4300							10,431.27
Dept: 4310 Streets							
07/06/2026	MAIN	4233(A)	CULLIGAN OF NORTHFIELD	SALT FOR DOWNTOWN STEPS	43315	4310	510.30
07/06/2026	MAIN	4237(A)	JON STEINBAUER	FUEL	42212	4310	39.20
07/06/2026	MAIN	4245(A)	ZIEGLER, INC.	MOVE CONTROLS ON NEW LOADER PER OPERATOR	42222	4310	2,972.24
Total For Dept: 4310							3,521.74
Dept: 4540 Outdoor Pool							
07/06/2026	MAIN	4243(A)	THREE RIVERS COMMUNITY ACTION, INC	POOL RUN 2026	43302	4540	500.00
Total For Dept: 4540							500.00
Dept: 4550 Library							
07/06/2026	MAIN	4234(A)*#	DEMCO INC.	CASTERS & CART	42218	4550	562.79
				SHIPPING	43321	4550	224.66
	Check MAIN 4234(A) Total for Fund 101 General Fund						787.45
07/06/2026	MAIN	4239(A)	MIDWEST TAPE LLC	LIBRARY MATERIALS	44431	4550	266.92
				LIBRARY MATERIALS	44431	4550	18.74
	Check MAIN 4239(A) Total for Fund 101 General Fund						285.66
Total For Dept: 4550							1,073.11
Total For Fund: 101							244,502.39
Fund: 246 Arts and Culture							
Dept: 4900 Other Financing Uses							
07/06/2026	MAIN	4241(A)	NORTHFIELD ARTS GUILD	PROJECTION ARTIST STIPENDS & SERVICE CON	43309	4900	14,500.00
Total For Dept: 4900							14,500.00
Total For Fund: 246							14,500.00
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
07/06/2026	MAIN	4238(A)	MELISSA HANSON	FOLDERS/TREATS FOR MTG	42218	5200	45.42
				MILEAGE	43331	5200	643.80

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
	Check MAIN 4238(A) Total for Fund 295 HRA						689.22
Total For Dept: 5200							689.22
Total For Fund: 295							689.22
Fund: 426 2025 CAPITAL PROJECTS							
Dept: 4800 Other Services							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	WALL STREET RD IMPROVEMENTS PROF SVC 4/2	45520	4800	1,665.50
Total For Dept: 4800							1,665.50
Total For Fund: 426							1,665.50
Fund: 427 2026 CAPITAL PROJECTS							
Dept: 4800 Other Services							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	2026 SPRING ST FREMOUW AVE RR X PROF SVC	45520	4800	12,599.50
				2026 M&O MTT IMPROVEMENTS PROF SVC 4/25-	45520	4800	5,079.50
				2026 SPRING CRK RD RECON & MTT IMPROVEME	45520	4800	9,263.50
	Check MAIN 4229(A) Total for Fund 427 2026 CAPITAL PROJECTS						26,942.50
Total For Dept: 4800							26,942.50
Total For Fund: 427							26,942.50
Fund: 451 Park Fund							
Dept: 4520 General Parks							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	RIVERSIDE PARK PROJECT PROF SVC 4/25-5/2	45520	4520	2,068.00
				RIVERSIDE PARK PROJECT PROF SVC 2/28-3/2	45520	4520	752.00
				CENTRAL PROF SVC 5/9-6/5	45520	4520	2,001.00
				DRESDEN PROF SVC 5/9-6/5	45520	4520	2,002.00
	Check MAIN 4229(A) Total for Fund 451 Park Fund						6,823.00
Total For Dept: 4520							6,823.00
Total For Fund: 451							6,823.00
Fund: 458 MILL TOWN TRAIL WOODLEY TO WATERFORD BRI							
Dept: 4800 Other Services							
07/06/2026	MAIN	4235(A)	I&S GROUP	MTST FINAL DESIGN THRU 5/31	45520	4800	31,202.76
Total For Dept: 4800							31,202.76
Total For Fund: 458							31,202.76
Fund: 459 ICE ARENA CONSTRUCTION							
Dept: 4800 Other Services							
07/06/2026	MAIN	4228(A)	BELNICK RETAIL LLC INCOMING ACCOUN	FURNITURE FOR ICE ARENA - M40	45520	4800	6,275.18
Total For Dept: 4800							6,275.18
Total For Fund: 459							6,275.18
Fund: 475 Capital Reserve Fund							
Dept: 0000 Revenue							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	CEDAR MEADOWS 1ST ADDN PROF SVC 4/25-5/2	22205	0000	2,100.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 475 Capital Reserve Fund							
Dept: 0000 Revenue							
Total For Dept: 0000							2,100.00
Dept: 4800 Other Services							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	MILL TOWN TRAIL PROF SVC 4/25-5/22	45520	4800	3,600.00
				MILL TOWN TRAILS SECHLER PK PROF SVC 3/2	45520	4800	16,422.00
	Check MAIN 4229(A) Total for Fund 475 Capital Reserve Fund						20,022.00
Total For Dept: 4800							20,022.00
Total For Fund: 475							22,122.00
Fund: 601 Water Fund							
Dept: 6000 Water							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	WATER COMP PLAN PROF SVC 5/9-6/5 WATR202	43300	6000	1,332.50
				WELLHEAD PROTECTION PLANS PROF SVC 5/9-6	43300	6000	5,377.00
	Check MAIN 4229(A) Total for Fund 601 Water Fund						6,709.50
Total For Dept: 6000							6,709.50
Total For Fund: 601							6,709.50
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	NW Area Sanitary Sewer PROF SVC 4/25- 5/	43300	6100	10,067.50
				SANITARY COMP PLAN PROF SVC 2/28-3/27	43300	6100	391.50
				COMPREHENSIVE SEWER PLAN PROF SVC 5/9-6/	43300	6100	5,603.00
	Check MAIN 4229(A) Total for Fund 602 Sewer Fund						16,062.00
07/06/2026	MAIN	4240(A)	NORTH SHORE ANALYTICAL, INC	EFFFLUENT- FILTER & TSS	42216	6100	420.00
07/06/2026	MAIN	4244(A)	USA BLUE BOOK	ORP SOLUTION AND SALT BRIDGES	42216	6100	631.74
Total For Dept: 6100							17,113.74
Total For Fund: 602							17,113.74
Fund: 604 Storm Water Drainage							
Dept: 6300 Storm Water Drainage							
07/06/2026	MAIN	4229(A)*#	BOLTON & MENK, INC.	LINCOLN LANE FLOODING PROF SVC 4/25-5/22	43300	6300	1,295.00
				NEIGHBORHOOD FLOODING PROF SVC 4/25-5/22	45520	6300	6,461.50
	Check MAIN 4229(A) Total for Fund 604 Storm Water Drainage						7,756.50
Total For Dept: 6300							7,756.50
Total For Fund: 604							7,756.50
Fund: 609 Liquor Store							
Dept: 6410 Liquor Store - Operations							
07/06/2026	MAIN	4230(A)	BRIAN WHITT	Promo Items for Liquor/Chamber Event	43342	6410	39.81
07/06/2026	MAIN	4231(A)	BY ALL MEANS	ENTERTAINMENT GUIDE LIQ JULY 26	43342	6410	200.00
07/06/2026	MAIN	4232(A)	CARLETON COLLEGE PRINTING SERVICES	WINE SALE PRICE TAGS	42218	6410	13.92
Total For Dept: 6410							253.73
Total For Fund: 609							253.73

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 705 Insurance Fund							
Dept: 7000 Insurance							
07/06/2026	MAIN	4234(A)*#	DEMCO INC.	NCRC LIBRARY BOOK BOX DAMAGE REPAIR-INS	43369	7000	5,400.18
Total For Dept: 7000							5,400.18
Total For Fund: 705							5,400.18
Report Total:							391,956.20

'*'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE FUND

'#'-INDICATES CHECK DISTRIBUTED TO MORE THAN ONE DEPARTMENT

File #: Res. 2026-072, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council

From: Ben Martig, City Administrator

Consider Resolution Proclaiming July 30th through August 2nd, 2026 as "Vintage Band Festival Week" in Northfield, Minnesota.

Action Requested:
The City Council approves Resolution Proclaiming July 30th through August 2nd, 2026 as "Vintage Band Festival Week" in Northfield, Minnesota.

Summary Report:
The Vintage Band Festival was founded in Northfield in July 2006 to celebrate the history and tradition of brass and wind music and to showcase Northfield as an ideal location for an outdoor music performance event. Over the past two decades, the festival has evolved into an internationally recognized event that attracts musicians and visitors from across the United States and around the world.

Through its free public performances, programming, and partnerships with local organizations and businesses, the Vintage Band Festival contributes significantly to the culture, community and economic vitality of Northfield.

In recognition of the 20th anniversary of the festival, staff recommends approval of the attached resolution proclaiming Vintage Band Festival Week in the City. This year's event is extended due to the milestone year and will run from July 30-August 2, 2026.

City Plans & Policies Relevance:
N/A

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
July 30-August 2, 2026 Vintage Band Festival

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-XXX

PROCLAIMING JULY 30TH THROUGH AUGUST 2ND "VINTAGE BAND FESTIVAL WEEK" IN THE CITY OF NORTHFIELD.

WHEREAS, the Vintage Band Festival was founded in Northfield in 2006 to showcase both brass and wind music and the City of Northfield; and

WHEREAS, the festival has grown into an internationally recognized celebration of brass and wind music that attracts musicians and visitors from across the United States and the world; and

WHEREAS, through its performances, programming and partnerships with area organizations and businesses, the Vintage Band Festival contributes to the cultural and economic vitality of the City; and

WHEREAS, the Vintage Band Festival will celebrate its 20th anniversary in 2026 by hosting an extended festival occurring from July 30 through August 2, 2026;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:
The Northfield City Council proclaims Vintage Band Festival Week in the City of Northfield.

PASSED by the City Council of the City of Northfield on this 21st day of July, 2026.

ATTEST

_____ _____
City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

___ NESS ___ PETERSON WHITE ___ SOKUP

File #: 26-396, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk
Jeff Schroepfer, Chief of Police

Consider Approval of a Temporary Liquor License for The Meetinghouse LLC dba Chapel Brewing for September 17, 2026 for the Friends of Downtown Northfield Third Thursday Event.

Action Requested:
The Northfield City Council hereby approves a temporary on-sale intoxicating liquor license for The Meetinghouse LLC dba Chapel Brewing for September 17, 2026 for the Friends of Downtown Northfield Third Thursday event subject to the following:

a. Applicant is responsible to ensure compliance with all local and state regulations.
b. Non-compliance with conditions will result in the license being revoked.
c. License shall be issued upon:
    1. Completion and submission of all required documents.
    2. Receipt of approval from Alcohol & Gambling Enforcement Division.
    3. Approval of event layout and enclosures by the Chief of Police or designee.

Summary Report:
The City Council is being asked to consider approval of the above motion for a temporary liquor license for The Meetinghouse LLC dba Chapel Brewing for September 17, 2026 at the Friends of Downtown Northfield Third Thursday event. Temporary on-sale liquor licenses are approved by the City and issued by the Minnesota Department of Public Safety Alcohol and Gambling Enforcement Division.

Staff discussed the event with representatives of Chapel Brewing. The event will be held in Bridge Square and the surrounding streets as part of the Friends of Downtown Northfield Third Thursday event. Chapel Brewing applied for a temporary liquor license in 2025 for one event and also had a license in June 2026 for the Third Thursday event. The licensed area will be monitored by event staff with barricades at entrances of the area alcohol will be served.

In addition to clubs, charitable, religious, or other nonprofit organizations, the City may issue to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year or a microdistillery, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer or microdistillery. Temporary licenses are limited to a total of 12 days per year, to any one organization or any one location within a 12-month period. This is the second temporary license for Chapel Brewing for 2026.

Alternative Options:

N/A

Financial Impacts:
The City receives $50 for each temporary liquor license.

Tentative Timelines:
Licenses must be sent to the Minnesota Alcohol & Gambling Enforcement Division for review and approval a minimum of 30 days prior to the event.

File #: 26-397, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council
City Administrator

From: Mathias Hughey, Interim City Planner
David Bennett, Public Works Director/City Engineer

Public Hearing for Ordinance 1096 Vacating Drainage and Utility Easements within 504 & 508 Ivanhoe Avenue.

Action Requested:
The Northfield City Council holds a public hearing for Ordinance 1096 vacating drainage and utility easements within 504 & 508 Ivanhoe.

Summary Report:
The owners of 504 & 508 Ivanhoe Ave., Parcel ID - 2236152002 and Parcel ID - 2236152003, are proposing to combine the two existing vacant lots and construct a new single-family home on the resulting lot. There is a 5-foot-wide drainage and utility easement that runs along the side property line of each lot. If the lots are combined, the city would have no need for the easement(s) that would bisect the buildable area of the lot.

The public hearing notice was published in the Northfield News on Wednesday, July 8, 2026. Public hearing notices were mailed to property owners within 350’ of 504 & 508 Ivanhoe Ave. on July 10, 2026. A copy of the public hearing mailing and location map are attached.

Public Hearing Procedure (from adopted City Council Rules of Business):
A Public Hearing is used by the City Council to solicit the public's comments on various projects or City operation procedures.

A. The Mayor will open the hearing by identifying the subject.
B. Staff Presentation- staff will give a presentation on the subject.
C. Applicant's Presentation- if needed.
D. Public Input- The public will have the opportunity to speak for or against the issue. The public may ask questions, make comments, voice support, agree or disagree with the issue.
    1. The Mayor will recognize a speaker at the podium and comments/conversation will be between the Mayor and speaker; and between the Mayor and Council Members.
    2. At the podium the speaker must give their name, address, and if representing a business, must give the name of the business or corporation. If an Attorney or consultant is representing a client, the client must be identified for the record.
    3. Speakers will be allowed to speak a maximum of two (2) minutes per item (not including interpreter’s time, if applicable).

4. Speakers who have material to be handed out to the City Council will pass the material to the City Administrator. The City Administrator will then pass the information to the appropriate people. A minimum of twelve (12) copies are needed.
5. Persons cannot gift their 2 minute speaking time to other members of the public.

E. Questions or Clarifications from City Council - After the public input of the public hearing is completed, the City Council may request questions or clarifications prior to closing the public hearing. This section will be used when there are questions related to the topic on which the public hearing is being held. Questions should be succinct and avoid being rhetorical or leading in nature. Subsequent actions of the City Council provide for opportunities for further questions or clarifications from the City Council.

F. Any material to be entered into the record shall be noted. Any written communication presented to the City Council during a City Council meeting shall be read into the record or summarized for the record or simply delivered to the City Council, as the City Council may determine. They shall then be recorded in the minutes by title and filed with the minutes in the office of the City Clerk.

G. Motion to Close Hearing- The Mayor will state if there is an extension of time for public input into the hearing. If not, the City Council Members will make a motion, second, and vote of the City Council on closing the public hearing.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
July 8, 2026 - Public Hearing Notice published in the Northfield News
July 10, 2026 - Public Hearing Notice mailed to property owners within 350’
July 21, 2026 - Public Hearing, First Reading (Vacation), and Minor Subdivision
August 3, 2026 - Second Reading (Vacation)
August 12, 2026 - Summary Publication published
September 11, 2026 - Vacation Ordinance goes into effect

ORDINANCE NO. 1096

AN ORDINANCE OF THE CITY OF NORTHFIELD, MINNESOTA VACATING DRAINAGE AND UTILITY EASEMENT

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN:

SECTION 1. Following published notice and an opportunity for affected property owners and the public to be heard, as required by law, the following drainage and utility easements is hereby vacated and abolished:

See Exhibit A legal description and Exhibit B survey depiction of vacated easement area, which are attached hereto and incorporated herein by reference.

SECTION 2. This Ordinance shall be effective 30 days following publication, but shall be rendered null and void without further action if a minor subdivision / lot consolidation combining Lots 2&3, Block 1, Roberts Woods is not approved by the City Council and recorded within 1 year of the date this Ordinance takes effect. Recording of the minor subdivision / lot consolidation if approved by the City Council shall follow a Notice of Completion for this Ordinance being recorded with Rice County.

Passed by the City Council of the City of Northfield, Minnesota, this 21st day of July 2026.

ATTEST:

_____ _____

City Clerk Mayor

First Reading:	July 21, 2026
Second Reading:	August 3, 2026
Published:	August 12, 2026
Effective Date:	September 11, 2026

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES

____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

LEGAL DESCRIPTION OF VACATED EASEMENT AREA

THE EAST 5.00 FEET OF LOT 3 AND THE WEST 5.00 FEET OF LOT 2 EXCEPT THE NORTH 10.00 FEET OF SAID LOTS 2 AND 3 AND EXCEPT THE SOUTH 10.00 FEET OF SAID LOTS 2 AND 3, ALL IN LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

EXHIBIT B

DEPICTION OF VACATED EASEMENT AREA

THE CITY OF
NORTHFIELD
MINNESOTA
ESTD 1855

Ordinance 1096 Vacating Drainage & Utility Easements 504 & 508 Ivanhoe

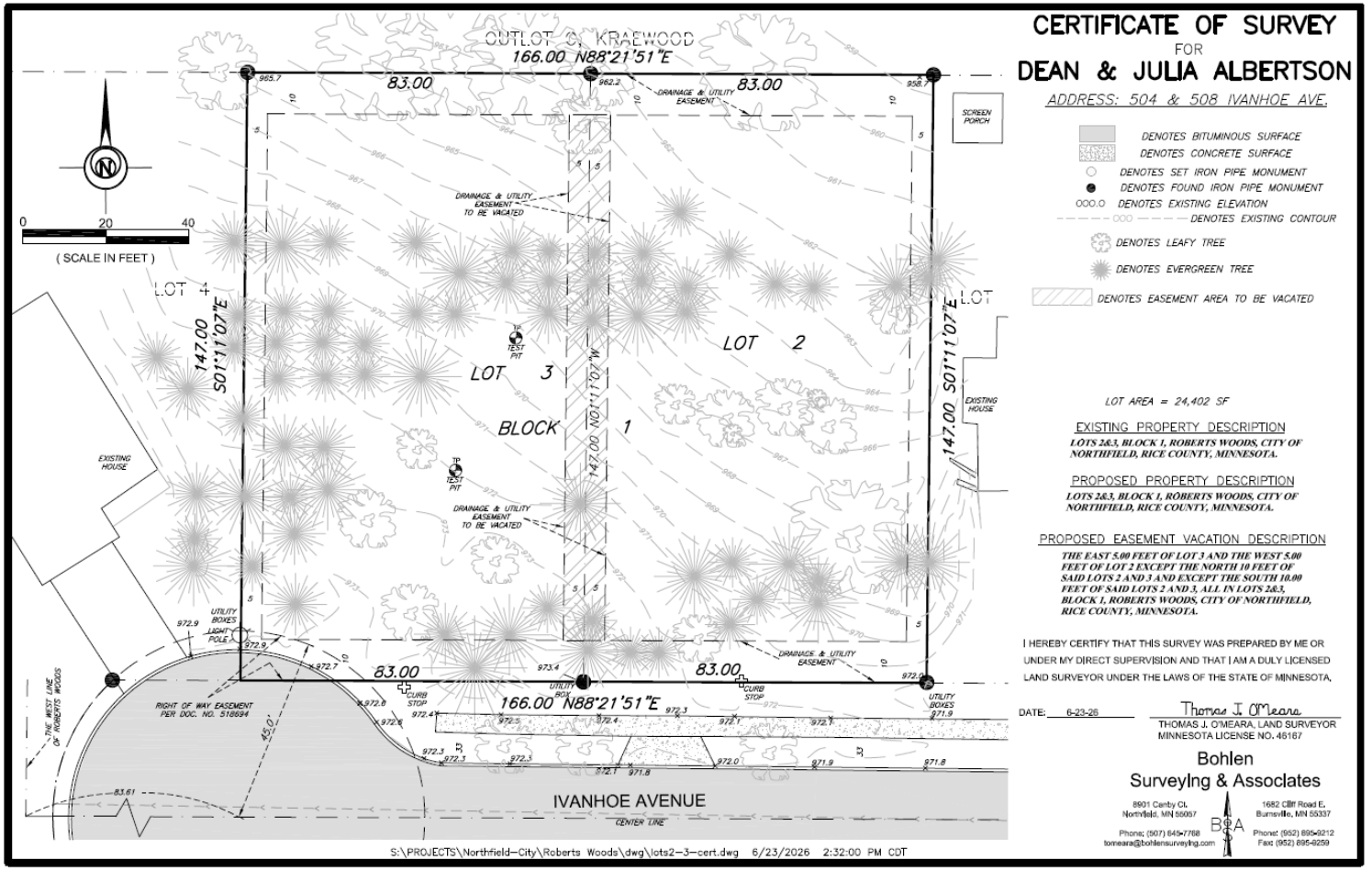
City Council Meeting
Public Hearing
July 21, 2026

Public Hearing Procedure

- Mayor verbalizes "Call Hearing to Order Related to Ordinance 1096 Vacating Drainage & Utility Easements 504 & 508 Ivanhoe"
- Staff Presentation
- Public Input (2 minutes)
  - No separate public comment on that agenda item immediately following as the public hearing is the legal public input period
- Council Questions
  - Council deliberation of topic occurs at action item immediately following not at hearing
- Motion from Council to "Close Public Hearing"

Site Location
504 & 508 Ivanhoe





CERTIFICATE OF SURVEY

FOR

DEAN & JULIA ALBERTSON

ADDRESS: 504 & 508 IVANHOE AVE.

DENOTES BITUMINOUS SURFACE
DENOTES CONCRETE SURFACE
DENOTES SET IRON PIPE MONUMENT
DENOTES FOUND IRON PIPE MONUMENT
000.0 DENOTES EXISTING ELEVATION
DENOTES EXISTING CONTOUR
DENOTES LEAFY TREE
DENOTES EVERGREEN TREE
DENOTES EASEMENT AREA TO BE VACATED

LOT AREA = 24,402 SF

EXISTING PROPERTY DESCRIPTION

LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

PROPOSED PROPERTY DESCRIPTION

LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

PROPOSED EASEMENT VACATION DESCRIPTION

THE EAST 5.00 FEET OF LOT 3 AND THE WEST 5.00 FEET OF LOT 2 EXCEPT THE NORTH 10 FEET OF SAID LOTS 2 AND 3 AND EXCEPT THE SOUTH 10.00 FEET OF SAID LOTS 2 AND 3, ALL IN LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE: 6-23-26

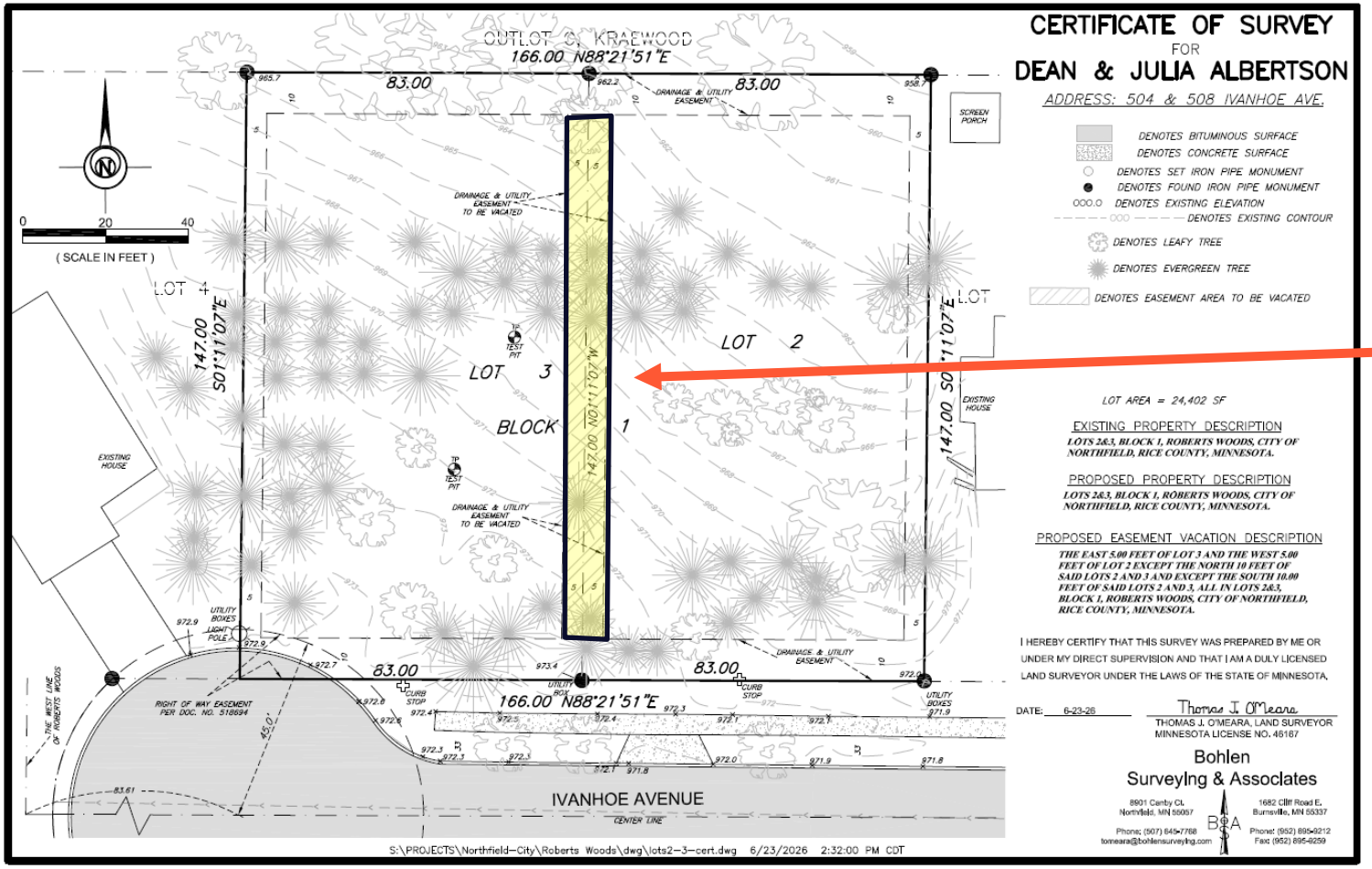
Thomas J. O'Meara

THOMAS J. O'MEARA, LAND SURVEYOR
MINNESOTA LICENSE NO. 46167

Bohlen Surveying & Associates

8901 Canby Ct.
Northfield, MN 55057
Phone: (507) 645-7768
tomeara@bohlensurveying.com

1682 Cliff Road E.
Burnsville, MN 55337
Phone: (952) 895-9212
Fax: (952) 895-9259



CERTIFICATE OF SURVEY

FOR

DEAN & JULIA ALBERTSON

ADDRESS: 504 & 508 IVANHOE AVE.

DENOTES BITUMINOUS SURFACE
DENOTES CONCRETE SURFACE
DENOTES SET IRON PIPE MONUMENT
DENOTES FOUND IRON PIPE MONUMENT
000.0 DENOTES EXISTING ELEVATION
DENOTES EXISTING CONTOUR
DENOTES LEAFY TREE
DENOTES EVERGREEN TREE
DENOTES EASEMENT AREA TO BE VACATED

LOT AREA = 24,402 SF

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I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA,

DATE: 6-23-26

Thomas J. O'Meara

THOMAS J. O'MEARA, LAND SURVEYOR
MINNESOTA LICENSE NO. 46167

Bohlen Surveying & Associates

8901 Canby Ct.
Northfield, MN 55057
Phone: (507) 645-7768
tomeara@bohlensurveying.com

1682 Cliff Road E.
Burnsville, MN 55337
Phone: (952) 895-9212
Fax: (952) 895-9259

Vacation Easement

Public Hearing Procedure

- ✓ Mayor verbalizes "Ordinance 1096 Vacating Drainage & Utility Easements 504 & 508 Ivanhoe"
- ✓ Staff Presentation
- Public Input (2 minutes)
  - No separate public comment on that agenda item immediately following as the public hearing is the legal public input period
- Council Questions
  - Council deliberation of topic occurs at action item immediately following not at hearing
- Motion from Council to "Close Public Hearing"

Tentative Schedule

- First Reading (tonight)
- Second Reading (August 3)
- Summary Publication (August 3)

Public Comment

Council Questions

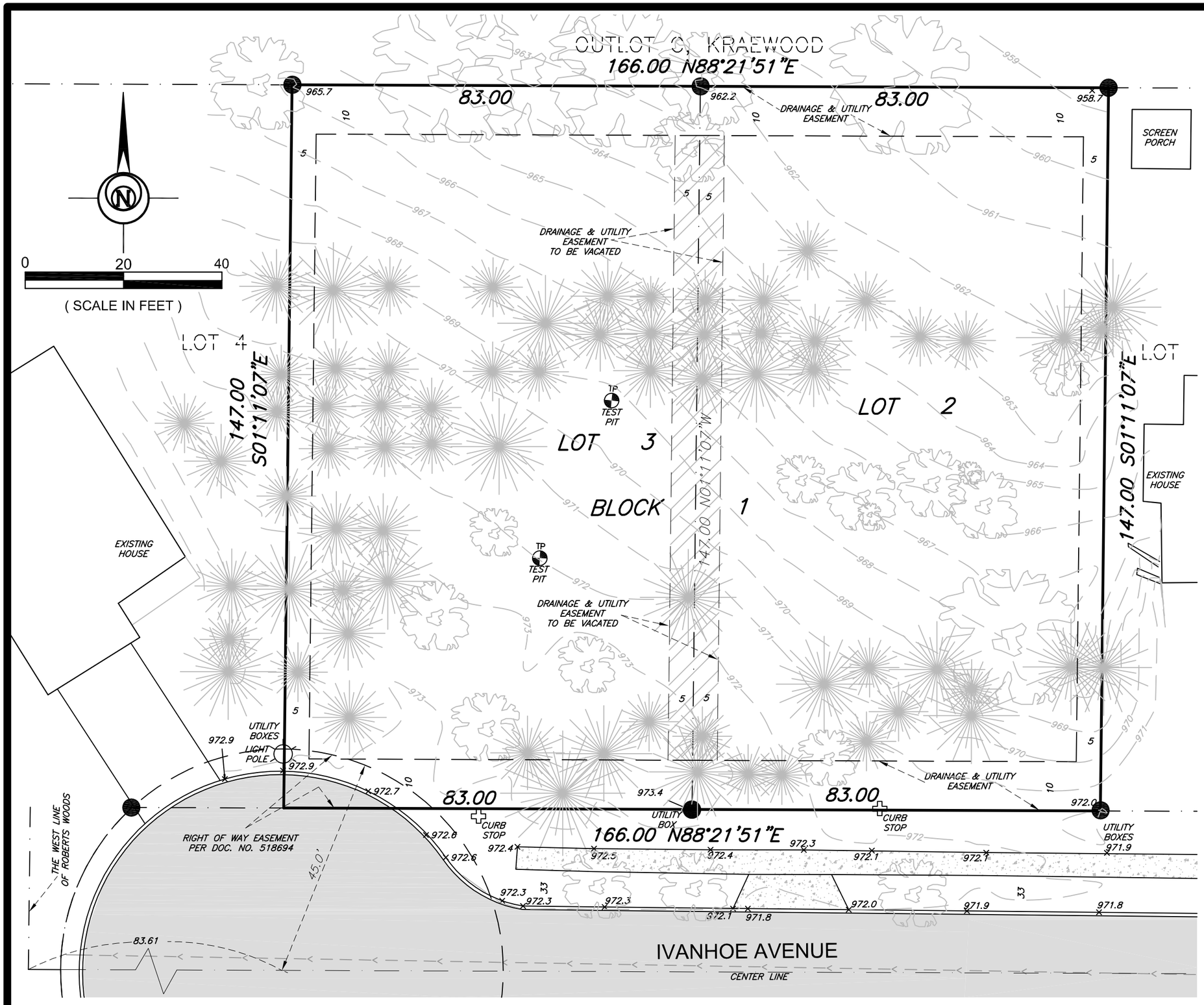
"Motion to Adjourn" after question period ends

CERTIFICATE OF SURVEY

FOR

DEAN & JULIA ALBERTSON

ADDRESS: 504 & 508 IVANHOE AVE.



DENOTES BITUMINOUS SURFACE

DENOTES CONCRETE SURFACE

DENOTES SET IRON PIPE MONUMENT

DENOTES FOUND IRON PIPE MONUMENT

000.0 DENOTES EXISTING ELEVATION

DENOTES EXISTING CONTOUR

DENOTES LEAFY TREE

DENOTES EVERGREEN TREE

DENOTES EASEMENT AREA TO BE VACATED

LOT AREA = 24,402 SF

EXISTING PROPERTY DESCRIPTION

LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

PROPOSED PROPERTY DESCRIPTION

LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

PROPOSED EASEMENT VACATION DESCRIPTION

THE EAST 5.00 FEET OF LOT 3 AND THE WEST 5.00 FEET OF LOT 2 EXCEPT THE NORTH 10 FEET OF SAID LOTS 2 AND 3 AND EXCEPT THE SOUTH 10.00 FEET OF SAID LOTS 2 AND 3, ALL IN LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE: 6-23-26

Thomas J. O'Meara

THOMAS J. O'MEARA, LAND SURVEYOR
MINNESOTA LICENSE NO. 46167

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THE CITY OF
NORTHFIELD
ESTD MINNESOTA 1855

City Council Public Hearing Notice

TO:	Property Owners Within 350 feet
APPLICANT:	Dean & Julia Albertson
PURPOSE:	To receive public input to consider an application for the vacation of drainage and utility easements.
LOCATION OF PROPERTY:	504 & 508 Ivanhoe Ave., Northfield, MN 55057
MEETING DATE & TIME:	Tuesday, July 21, 2026 Beginning on or after 6:00 p.m.
PLACE OF HEARING:	Northfield City Hall – Council Chambers 801 Washington St., Northfield, MN 55057
HOW TO PARTICIPATE/ ASK QUESTIONS:	Public comment relating to the application is welcome. Methods for public input include: • Providing comment in person during the public hearing • eComment – Residents can comment on agenda items until 12:00 p.m. on the day of the meeting by using the eComment (electronic comment) system. Once the City Council agenda is published, the eComment link will be active. Residents can review agenda item details, indicate their position on an item and leave feedback by clicking on the

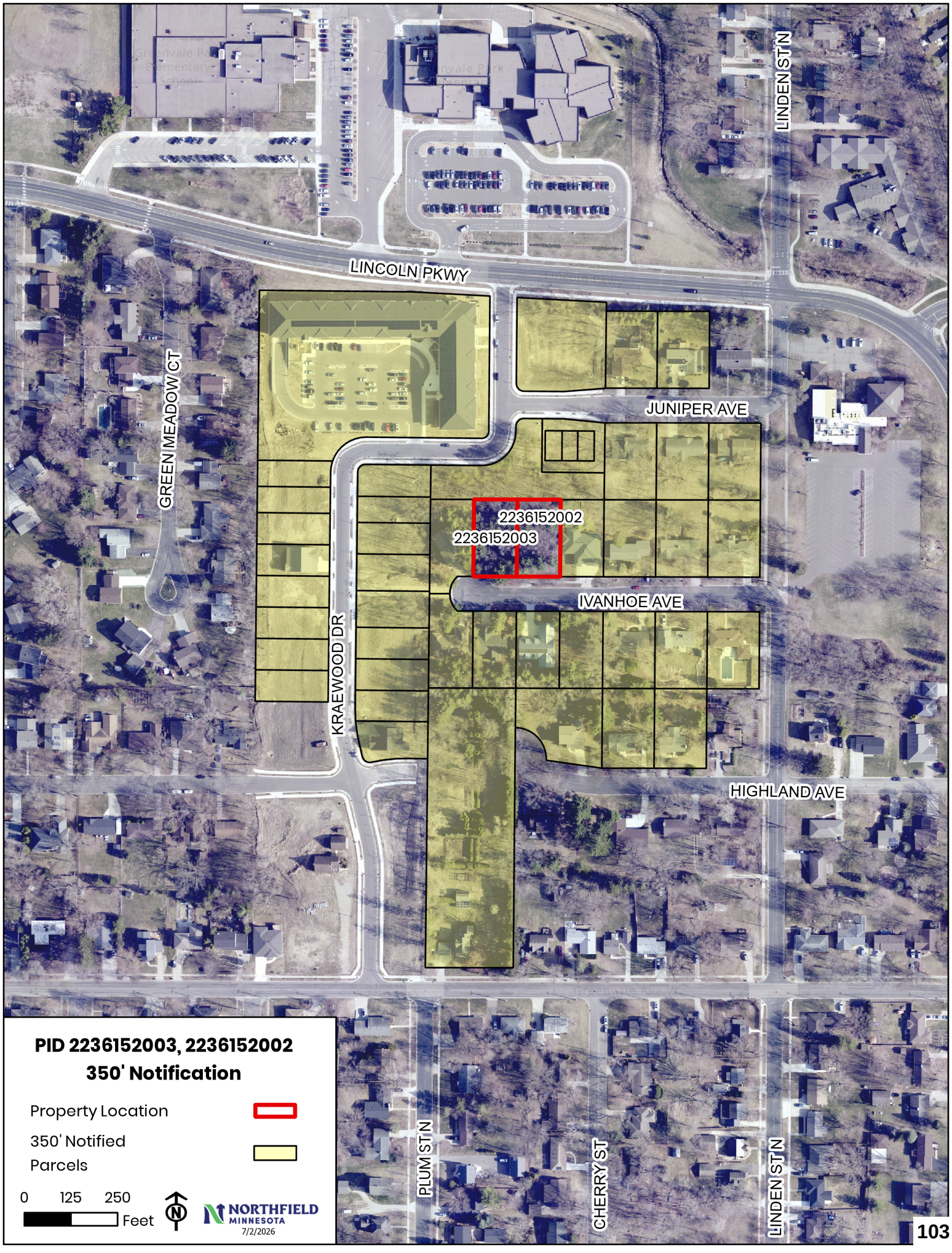
eComment tab on the City Council meetings page: https://northfield.legistar.com/Calendar.aspx

- Sending an email or calling City Clerk Lynette Peterson no later than 12:00 p.m. the day of the meeting:
  - E-mail: lynette.peterson@northfieldmn.gov noting public hearing comment in the subject line and type your comment in the body of the email or attach a document if necessary.
  - Phone: 507-645-3001
- Send a letter containing your input to:
  - City Clerk Lynette Peterson, City of Northfield, 801 Washington St., Northfield, MN 55057
  - Letters must be received prior to the meeting.

HOW TO WATCH THE MEETING:

The City Council meeting will be livestreamed on the City's meetings page (recordings are typically available on this page the next day): https://northfield.legistar.com/Calendar.aspx.

NOTE: If your property is occupied wholly or in part by renters, it is up to you to decide whether to pass this notice on to them.


LINCOLN PKWY
LINDEN ST N
GREEN MEADOW CT
JUNIPER AVE
2236152002
2236152003
IVANHOE AVE
KRAEWOOD DR
HIGHLAND AVE
PLUM ST N
CHERRY ST
LINDEN ST N
PID 2236152003, 2236152002
350' Notification
Property Location
350' Notified Parcels
0 125 250
Feet
NORTHFIELD MINNESOTA
7/2/2026

File #: Ord. 1096, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: Mathias Hughey, Interim City Planner
David Bennett, Public Works Director/City Engineer

Consider First Reading of Ordinance 1096 Vacating Drainage and Utility Easements within 504 & 508 Ivanhoe Ave.

Action Requested:
The Northfield City Council approves a motion to approve the first reading of Ordinance 1096 vacating drainage and utility easements within 504 & 508 Ivanhoe Ave.
Requires a supermajority (5/7) vote.

Summary Report:
Dean and Julia Albertson (the Applicants) have applied to combine two parcels, Parcel IDs - 2236152002, Address - 504 Ivanhoe Ave., and Parcel ID - 2236152003, Address - 508 Ivanhoe Ave., located in the City of Northfield. Both residential parcels are vacant and contain 5-foot-wide drainage and utility easements along the side property lines. If the lot combination is approved, the City will not need the portion of those easements that bisect the new parcel, and those easements will prevent development of the lot as the applicant intends.

The lot combination process is a Minor Subdivision and follows the Type 5 review procedure - decision by City Council with no review by the Planning Commission. That decision is addressed in a separate staff report.

This is the first reading of the vacation process to coincide with a public hearing to vacate the drainage and utility easement. The second reading is proposed to follow at the August 3rd City Council meeting.

According to Northfield Municipal Code Section 15.6:

> The council may by ordinance approved by at least five (5) members vacate any street, alley or other public grounds or part thereof within the city. Such vacation may be made only after published notice and an opportunity for affected property owners and public to be heard, and upon such further terms and by such procedures as the council by ordinance may prescribe. A notice of completion of such proceedings shall be filed with the proper county offices in accordance with law.

Staff recommends approval to vacate the drainage and utility easements if City Council approves the Minor Subdivision.

City Plans & Policies Relevance:
A detailed analysis is provided with the Minor Subdivision item.

Alternative Options:
City Council may deny the vacation.

Financial Impacts:
NA

Tentative Timelines:
July 8, 2026 - Public Hearing Notice published in the Northfield News
July 10, 2026 - Public Hearing Notice mailed to property owners within 350’
July 21, 2026 - Public Hearing, First Reading (Vacation), and Minor Subdivision
August 3, 2026 - Second Reading (Vacation)
August 12, 2026 - Summary Publication published
September 11, 2026 - Vacation Ordinance goes into effect

ORDINANCE NO. 1096

AN ORDINANCE OF THE CITY OF NORTHFIELD, MINNESOTA VACATING DRAINAGE AND UTILITY EASEMENT

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN:

SECTION 1. Following published notice and an opportunity for affected property owners and the public to be heard, as required by law, the following drainage and utility easements is hereby vacated and abolished:

See Exhibit A legal description and Exhibit B survey depiction of vacated easement area, which are attached hereto and incorporated herein by reference.

SECTION 2. This Ordinance shall be effective 30 days following publication, but shall be rendered null and void without further action if a minor subdivision / lot consolidation combining Lots 2&3, Block 1, Roberts Woods is not approved by the City Council and recorded within 1 year of the date this Ordinance takes effect. Recording of the minor subdivision / lot consolidation if approved by the City Council shall follow a Notice of Completion for this Ordinance being recorded with Rice County.

Passed by the City Council of the City of Northfield, Minnesota, this 21st day of July 2026.

ATTEST:

_____ _____

City Clerk Mayor

First Reading:	July 21, 2026
Second Reading:	August 3, 2026
Published:	August 12, 2026
Effective Date:	September 11, 2026

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES

____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

LEGAL DESCRIPTION OF VACATED EASEMENT AREA

THE EAST 5.00 FEET OF LOT 3 AND THE WEST 5.00 FEET OF LOT 2 EXCEPT THE NORTH 10.00 FEET OF SAID LOTS 2 AND 3 AND EXCEPT THE SOUTH 10.00 FEET OF SAID LOTS 2 AND 3, ALL IN LOTS 2&3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

EXHIBIT B

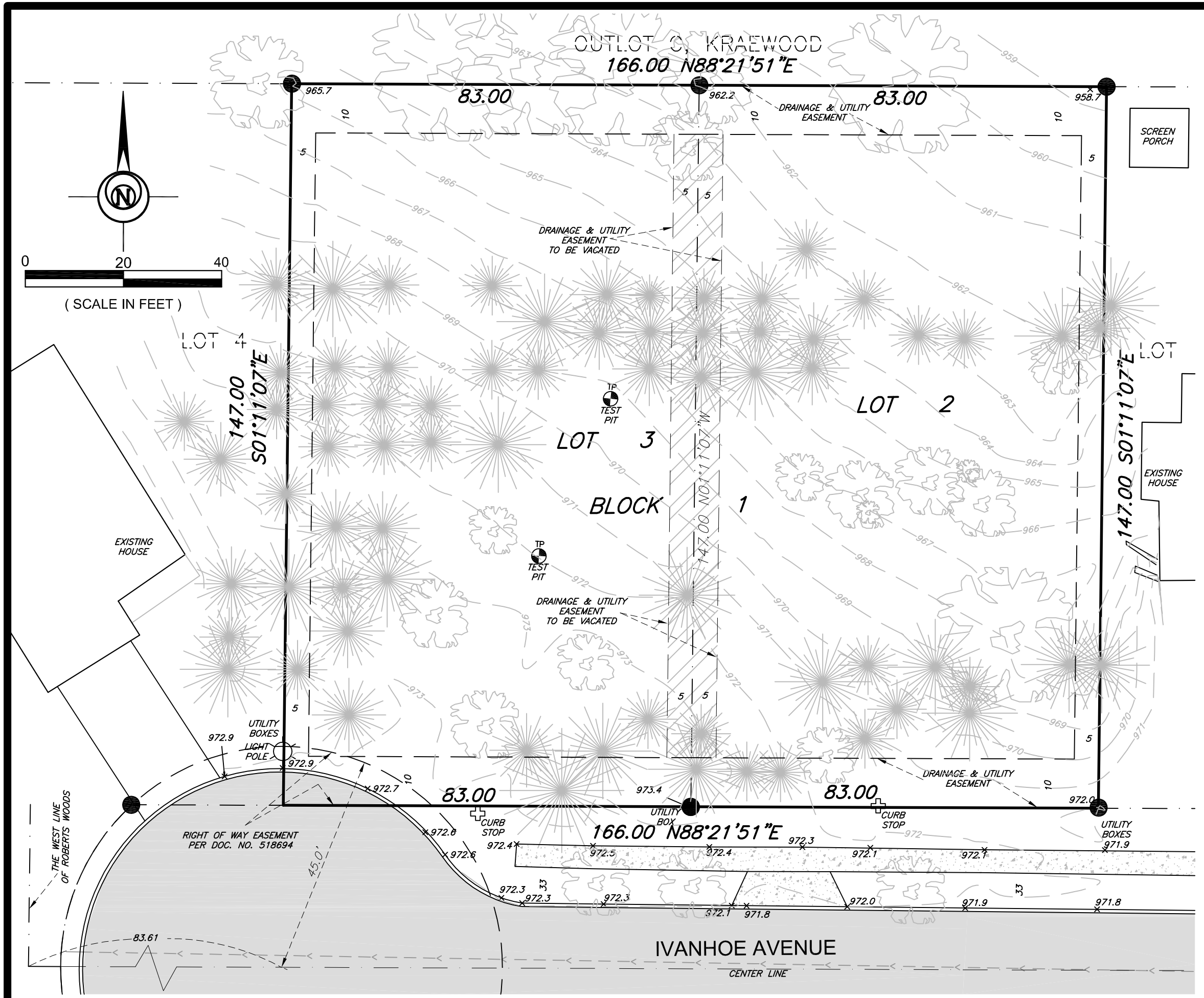
DEPICTION OF VACATED EASEMENT AREA

CERTIFICATE OF SURVEY

FOR

DEAN & JULIA ALBERTSON

ADDRESS: 504 & 508 IVANHOE AVE.



DENOTES BITUMINOUS SURFACE

DENOTES CONCRETE SURFACE

DENOTES SET IRON PIPE MONUMENT

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I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE: 6-23-26

Thomas J. O'Meara

THOMAS J. O'MEARA, LAND SURVEYOR
MINNESOTA LICENSE NO. 46167

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File #: Res. 2026-073, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: Mathias Hughey, AICP, Interim City Planner
Amelia Thibault, Contract Planner

Consideration of a Minor Subdivision combining 504 & 508 Ivanhoe Ave.

Action Requested:
The Northfield City Council is asked to approve the attached Resolution for a minor subdivision combining 504 & 508 Ivanhoe Ave.

Summary Report:
The applicants, Dean and Julia Albertson, have applied to combine Lot 2, Block 1, and Lot 3 Block 1, Roberts Woods. The resulting single parcel will remain zoned N2-B Neighborhood General Neighborhood l. The subdivision will combine two buildable parcels to create a single buildable parcel on Ivanhoe Ave.

According to Article 8 of the Northfield Land Development Code (LDC), a minor subdivision follows a Type 5 review procedure. Type 5 review procedure decisions are made by the City Council with staff recommendation and do not require a public hearing at the Planning Commission. The criteria and findings are attached to the resolution.

Generally, the lot combination is consistent with the required criteria of a minor subdivision. However, following required findings could provide grounds for approval or denial.

(1) The subdivision or consolidation must be in general compliance with the comprehensive plan;

The comprehensive plan calls for intensification within existing city limits and identifies this area as Mixed Use Residential Neighborhood on the Future Land Use Map. Residential uses are appropriate, including single-family residences. However, the reduction in density does not advance City goals related to improving tax productivity, equity, or additional housing.

(2) The subdivision or consolidation must meet the purpose and intent of this LDC;

The consolidation has minimal impact related to the purposes of the LDC, but likely runs contrary to 1.1.9 " Promote an ethic of sustainability in all activities to ensure that proposed development and redevelopment will, at a minimum, conserve energy and natural resources." The loss of a buildable lot in an established and well-connected neighborhood for the construction of a single-family home is contrary to an ethic of sustainability, and efficient use of resources. The pro

(4) The resulting parcels shall generally conform with the shape, character, and area of existing or anticipated land subdivisions in the surrounding areas;

The resulting parcel is 166 feet wide, and over half an acre in total area, larger than other single-family parcels in the area. While there are other double-lots and large lots in town, they are rare. Two large-lot subdivisions

where lots of this size are common are focused on Mayflower Dr. and Woodland Trl. The LDC does not establish maximum lot widths or sizes for the N1-B zoning district, nor does it clarify or define "generally conform."

Staff Recommendation
Staff recommends approval of the minor subdivision, which will create Lot 1, Block 1, ALBERTSONS ADDITION.

Staff will integrate the minor subdivision explanation into the Public Hearing item immediately prior related to the easement vacation.

Public comment will be allowed under this item as the minor subdivision is legally different than the vacation of easement.

City Plans & Policies Relevance:
While the proposal runs contrary to some components of City plans and policies as identified above, it generally conforms with most of the guiding documents, and there is no clear basis for denial. As part of the update to the Land Development Code, consideration should be given to how policies, and clearly defined standards, can be used to advance the goals and purpose of the Comp Plan and LDC.

Alternative Options:
NA

Financial Impacts:
NA

Tentative Timelines:
July 8, 2026 - Public Hearing Notice published in the Northfield News
July 10, 2026 - Public Hearing Notice mailed to property owners within 350'
July 21, 2026 - Public Hearing, First Reading (Vacation), and Minor Subdivision
August 3, 2026 - Second Reading (Vacation)
August 12, 2026 - Summary Publication published
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CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-____

APPROVAL OF A MINOR SUBDIVISION / LOT CONSOLIDATION COMBINING LOTS 2&3, BLOCK 1, ROBERTS WOODS

WHEREAS, Dean and Julia Albertson (the "Applicant" or "Owner"), have submitted an application for a Minor Subdivision of the land, legally described in Exhibit A, as shown in Exhibit B (the "Minor Subdivision" or "Lot Consolidation"); and

WHEREAS, to accomplish the Minor Subdivision / Lot Consolidation, the Owner shall make application and seek and receive approval of a vacation ordinance vacating certain public right-of-way (the "vacation ordinance"); and

WHEREAS, the vacation ordinance, pursuant to Northfield City Charter, Sections 4.11 and 15.6, will not be effective until 30 days after final passage and publication, and following recording of a Notice of Completion with Rice County; and

WHEREAS, the vacation ordinance must become effective pursuant to the above-referenced Charter provisions before the Minor Subdivision / Lot Consolidation can be recorded, and therefore the Minor Subdivision / Lot Consolidation is subject to and contingent upon final passage and publication of the vacation ordinance and recording the corresponding Notice of Completion; and

WHEREAS, the City Council of the City of Northfield shall consider requests for Minor Subdivision / Lot Consolidation pursuant to Northfield City Code, Chapter 34, Section 8.5.11, through a review procedure as established in Section 8.4.8, Type 5 Review Procedure (Decision by City Council with No Review by Planning Commission), following review by the Development Review Committee; and

WHEREAS, pursuant to Northfield City Code, Chapter 34, Section 8.5.11 (C), the following criteria shall be considered in the review of minor subdivisions and lot consolidations:

(1) The subdivision or consolidation must be in general compliance with the comprehensive plan;

(2) The subdivision or consolidation must meet the purpose and intent of this LDC;

(3) Unless prior or concurrent approval of a variance is granted, any such minor subdivision or consolidation shall result in lots that meet the dimensional requirements for the zoning district in which the property is located, or shall not further increase the nonconformity of any lot dimension or structure;

(4) The resulting parcels shall generally conform with the shape, character, and area of existing or anticipated land subdivisions in the surrounding areas; and

(5) The subdivider shall comply with the park dedication (See Section 5.2.6, Parks, Trails, and Open Space Dedication), tree preservation (See Section 3.5.6, Tree and Woodland Preservation), and wetland buffer regulations, as required for a major subdivision; and

WHEREAS, the Development Review Committee reviewed the Minor Subdivision / Lot Consolidation on July 17, 2026, and recommended approval to the City Council; and

WHEREAS, the City Council of the City of Northfield has reviewed the proposed Minor Subdivision / Lot Consolidation for compliance with the City of Northfield Comprehensive Plan, the Land Development Code of the City of Northfield (Northfield City Code, Chapter 34), and applicable statutes of the State of Minnesota.

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

The Minor Subdivision / Lot Consolidation of the real property legally described in Exhibit A and depicted in Exhibit B is hereby approved with the following conditions:

1. The Minor Subdivision / Lot Consolidation shall comply with the provisions of all state statutes and standard procedures for platting in Rice County.

2. The Minor Subdivision / Lot Consolidation shall be recorded within 1 year of after the above-mentioned vacation ordinance takes effect and following a Notice of Completion for the same being recorded with Rice County, or the City's approval herein shall be deemed null and void.

3. The Minor Subdivision / Lot Consolidation shall create LOT 1, BLOCK 1, ALBERTSONS ADDITION.

4. The Applicant shall pay all applicable fees for recording the Minor Subdivision / Lot Consolidation and otherwise related thereto.

PASSED by the City Council of the City of Northfield on this 21st day of July 2026.

ATTEST:

_____ _____

City Clerk Mayor

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES

____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

Legal Description of Subject Property to be Platted

LOTS 2 and 3, BLOCK 1, ROBERTS WOODS, CITY OF NORTHFIELD, RICE COUNTY, MINNESOTA.

EXHIBIT B

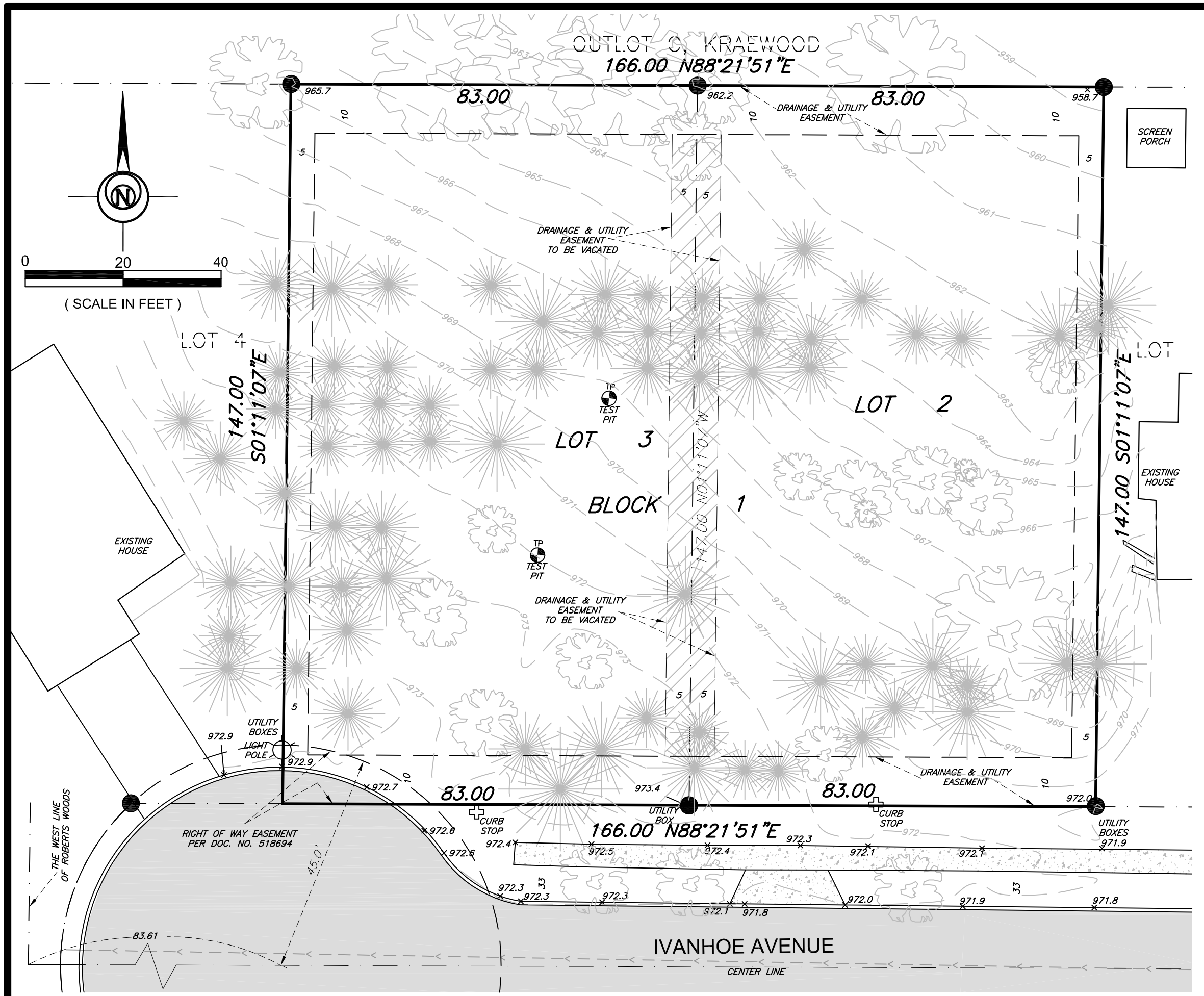
Minor Subdivision / Lot Consolidation Plat

CERTIFICATE OF SURVEY

FOR

DEAN & JULIA ALBERTSON

ADDRESS: 504 & 508 IVANHOE AVE.



DENOTES BITUMINOUS SURFACE

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DATE: 6-23-26

Thomas J. O'Meara

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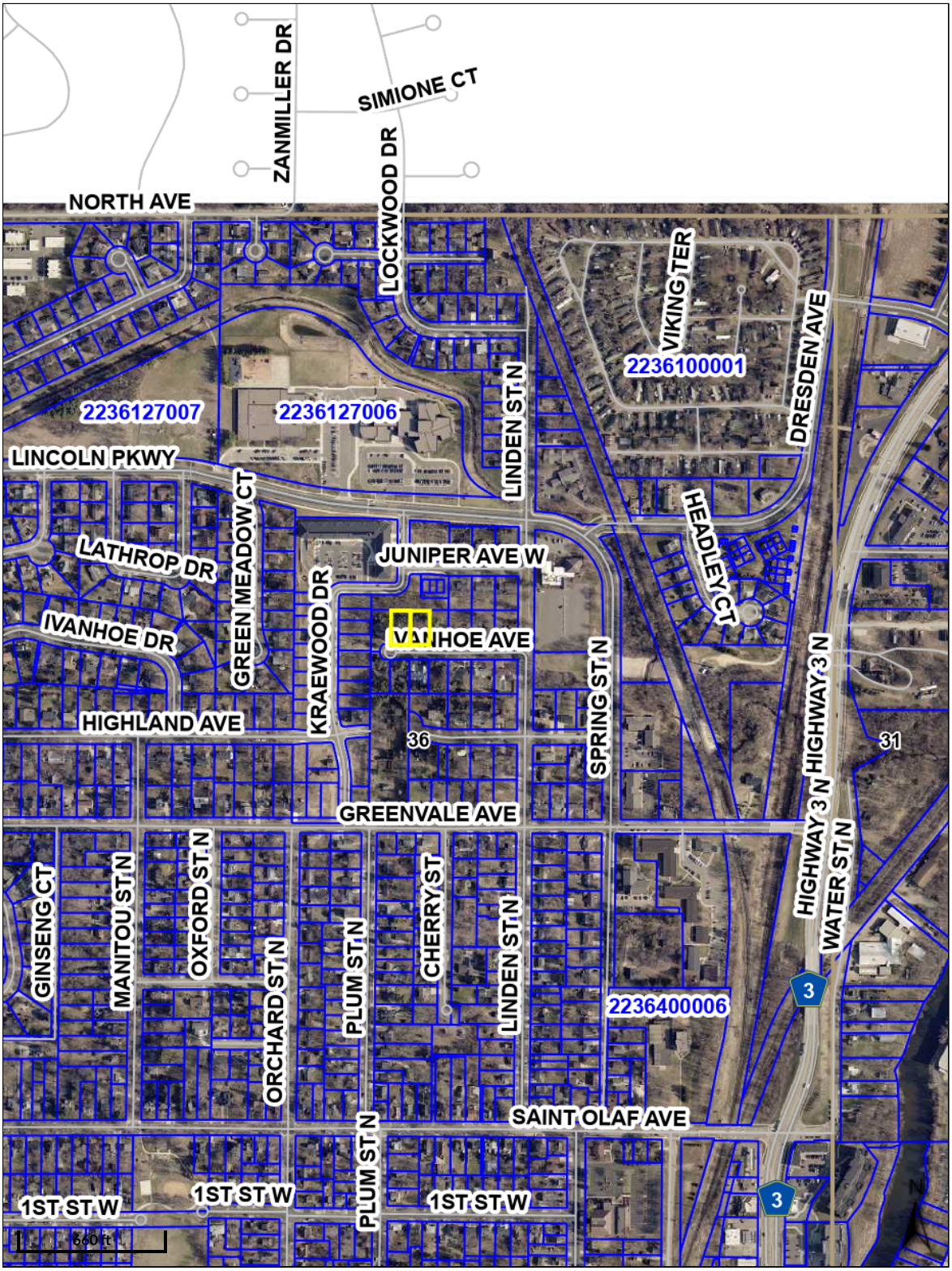
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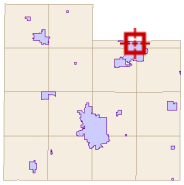
Beacon™ Rice County, MN

504 & 508 Ivanhoe Ave

Area Map for Proposed Subdivision



Overview



Legend

- Townships
- Sections
- Parcels
- Roads
- Road Numbers

File #: 26-398, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council

From: Ben Martig, City Administrator

Reports From the Mayor and Council Members.

Summary Report:
During this portion of the meeting, the Mayor and Council will provide updates on work being done on the boards, commissions, and committees they are a part of, as well as other City events they have participated in.

Below are the 2026 board, commission and committee appointments of the City Council.

Mayor Zweifel
- City/Hospital Governance Committee
- Housing and Redevelopment Authority (HRA)
- Mayor's Youth Council

Councilor Beumer
- Beyond the Yellow Ribbon
- Economic Development Authority (EDA)
- Housing and Redevelopment Authority (HRA)

Councilor Dahlen
- Council Employment Committee
- Housing and Redevelopment Authority (HRA)
- Mill Towns Trail Joint Powers Board

Councilor Holmes
- Council Employment Committee
- City/Hospital Governance Committee
- Housing and Redevelopment Authority (HRA)
- Planning Commission & Zoning Board of Appeals (PC/ZBA)

Councilor Ness
- Age Friendly Steering Committee
- Convention and Visitors Bureau Board

- Council Employment Committee
- Housing and Redevelopment Authority (HRA)
- Northfield Area Fire & Rescue Services (NAFRS)
- Rice/Steele 911 Center Board

Councilor Peterson White

- City/Hospital Governance Committee
- Friends of Downtown Northfield
- Economic Development Authority (EDA)
- Hiawathaland Transit Advisory Committee
- Hospital Board
- Housing and Redevelopment Authority (HRA)
- Northfield Transportation Advisory Committee

Councilor Sokup

- Environmental Quality Commission (EQC)
- Housing and Redevelopment Authority (HRA)
- Mill Towns Trail Joint Powers Board

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

File #: Res. 2026-074, **Version:** 1

City Council Meeting Date: July 22, 2025

To: Mayor and City Council

From: Ben Martig, City Administrator
Brenda Angelstad, Finance Director

Consider Resolution Providing for the Issuance and Sale of $3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B.

Action Requested:
The Northfield City Council consider approving the attached Resolution providing for the Issuance and Sale of $3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B.

Summary Report:
The proposed bond sale will provide financing for the City's 2026 Street Reconstruction Program, including the Mill & Overlay Project, Spring Street improvements, and the Fremouw Avenue Crossing project. Bond proceeds supplement other project funding sources, including franchise fee revenues, utility funds, and Mill Towns State Trail funding. These improvements are consistent with the City's adopted five-year Street Reconstruction Plan and were previously authorized following the public hearing held on January 6, 2026.

The action before the Council authorizes the competitive sale process for approximately $3.35 million in General Obligation Street Reconstruction Bonds. The Council authorized the bond sale at their meeting of June 19, 2026. The City's financial advisor, Ehlers, prepared the official offering documents (see attached Preliminary Official Statement), completed the credit rating process, and are currently marketing the bonds to qualified municipal investors through a competitive bidding process. Final bids will be received and presented to the City Council on Tuesday, July 21, 2026, at which time Council will consider awarding the bonds to the bidder offering the lowest true interest cost. The final interest rate, debt service schedule, and financing costs will not be known until competitive bids are received.

Independent Bond Rating - Why it is Important
Credit rating agencies provide one of the few truly independent external assessments of a local government's financial condition. Their evaluations consider financial management, reserves, debt, economic strength, governance, and long-term planning, making the City's bond rating an important benchmark of overall fiscal health in addition to influencing borrowing costs.

As part of this public bond issuance, the City obtained an independent credit rating from S&P Global Ratings to provide investors with an objective assessment of Northfield's financial condition and creditworthiness. This third party assessment provides credibility to the bond marketplace of a bond issuer’s ability and willingness to repay a debt.

Independent credit ratings are a standard practice for publicly offered municipal bonds because they expand the pool of potential investors and generally result in lower borrowing costs, reducing the long-term interest expense paid by taxpayers. A high credit rating indicates low risk, which translates to lower interest rates. S&P re-confirmed on July 11th Northfield's assigned AA long-term bond rating with a Stable Outlook, placing the City among governments with a very strong capacity to meet their financial obligations. S&P evaluates local government credit on a scale with AAA as its highest rating, then AA+, AA, AA-, then A+, A, A-, BBB, BB, B , CCC and so forth. Northfield's AA rating paces it as the third highest rating provided by S&P. This places the City among the top 28th to 50th percentile among all U.S. local government cities, townships, counties and villages that S&P evaluates.

The report (attached for reference) highlights Northfield's conservative financial management, healthy reserve levels, consistent operating surpluses, stable local economy, and long-range financial planning as key strengths. The primary area identified for continued monitoring is the City's increasing debt burden associated with its planned critical infrastructure and facility investment; however, S&P concluded that this is substantially offset by the City's growing tax base, strong reserves, and prudent financial management.

Credit ratings serve as one of the few independent external evaluations of a local government's financial health and are an important factor in determining the interest rates paid by taxpayers on long-term infrastructure financing

The bonds are scheduled to open for bids on the morning of the Council meeting on July 21, 2026. Ehlers will tabulate the bids and finalize the resolution for distribution at the Council meeting along with a summary presentation.

Alternative Options:
None recommended.

Financial Impacts:
The proposed bond issue is structured as a 15-year General Obligation bond and remains well within the City's statutory debt capacity. Minnesota law limits the City's net general obligation debt currently at approximately $72.3 million based on taxable market value. Following this issuance, the City will continue to maintain more than $21 million of remaining statutory debt capacity for future capital improvements. In addition, a significant portion of the City's overall debt is supported by utility revenues or other exempt obligations and therefore does not count against the statutory debt limit.

It is important to note that the statutory debt limit is a legal borrowing cap established by state law-not a measure of a city's financial health or debt affordability. Rather, it establishes the maximum amount of non-exempt general obligation debt a city may issue, while broader measures of financial condition are reflected through factors such as long-term financial planning, financial policies & related compliance, financial management and reporting, reserve levels, operating performance, debt management, and independent credit ratings.

The proposed financing is currently estimated to result in a True Interest Cost (TIC) of approximately 3.74%, based on recent municipal bond market conditions and the City's recently assigned AA credit rating. Current estimates project average annual debt service payments of approximately $297,206, with an estimated average annual levy requirement of approximately $312,066, recognizing that actual financing terms will be established through the competitive sale.

Tentative Timelines:

- ✓ June 19th - Council Authorization of Bond Sale
- ✓ July 14th - S&P reconfirmed AA bond rating
- o July 21st - Council Award of Bond Sale
- o August 13th, 2026 - Closing Date of Bond Sale -proceeds are received

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2026-_____

RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES 2026B, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,350,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

A. WHEREAS, the Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's $3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds")

B. WHEREAS, the City Finance Director presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are as set forth in **EXHIBIT A** attached.

BE IT RESOLVED By the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota (the "City") in regular meeting assembled as follows:

Section 1. Sale of Bonds.

1.01 Authority. It is hereby determined that:

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended, including without limitation, Section 475.58, Subdivision 3b (the "Act"), the City is authorized to finance all or a portion of the cost of a street reconstruction projects by the issuance of general obligation bonds of the City payable from ad valorem taxes.

(b) The City held a public hearing on January 6, 2026 regarding the City's five year 2026-2030 street reconstruction plan (the "Reconstruction Plan") that describes, and authorizes issuance of bonds to pay the cost of, certain street reconstruction and overlay projects in the City, including without limitation the 2026 Mill and Overlay, Spring Street and Fremouw Avenue project (the "Street Reconstruction Improvements"), and regarding issuance of bonds in the maximum principal amount of $4,750,000, and approved the Reconstruction Plan and issuance of obligations by vote of at least 2/3 of the members of the City Council, all pursuant to the Act.

(c) The City Council has determined that, within 30 days after the hearing, no petition for a referendum on issuance of bonds to pay costs of the Reconstruction Improvements was received by the City in accordance with the Act.

(d) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Street Reconstruction Bonds, Series

2026B (the "Bonds"), in the aggregate principal amount of $3,350,000, to provide financing for the Reconstruction Improvements.

(e) The City is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds, if the City has retained an independent municipal advisor in connection with such sale. The City has retained Ehlers and Associates, Inc. as its independent municipal advisor in connection with the sale of the Bonds. The actions of the City staff and the City's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of _____, _____, _____ (the "Purchaser") to purchase the Bonds of the City described in the official statement thereof is found and determined to be the most favorable offer received and is hereby accepted, and such proposal is to purchase the Bonds at a price of $_____ (par amount of $3,350,000.00, plus a [net] premium of $_____ less underwriter's discount of $_____), for Bonds bearing interest as follows:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
2028	%	2036	%
2029		2037	
2030		2038	
2031		2039	
2032		2040	
2033		2041	
2034		2042	
2035			

1.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the Construction Fund hereinafter created, as determined by the City Finance Director after consultation with the City's municipal advisor. The City Finance Director is directed to retain the good faith deposit of the Purchaser pending completion of the sale of the Bonds. The Mayor and City Clerk are authorized to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

1.04. Terms and Principal Amount of Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act in the total principal amount of $3,350,000, originally dated the date of delivery, in fully registered form, in denominations of $5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

Year	Amount	Year	Amount
2028	$130,000	2036	$230,000
2029	185,000	2037	240,000
2030	190,000	2038	245,000
2031	195,000	2039	255,000
2032	205,000	2040	265,000
2033	210,000	2041	275,000
2034	215,000	2042	285,000
2035	225,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

1.05. Optional Redemption. The City may elect on February 1, 2036, and on any day thereafter, to prepay Bonds maturing on or after February 1, 2037. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners thereof of record as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered, in the bond register as the absolute owner of such Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection

therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to the Registrar that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid), at least 30 days prior to the redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Minneapolis, Minnesota, as the initial Registrar. The Mayor and the City Clerk are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Clerk, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the

Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Bonds. The Bonds will be printed or typewritten in substantially the form set forth in **Exhibit B** attached hereto.

3.02. Approving Legal Opinion. The City Finance Director is authorized and directed to obtain a copy of the proposed approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, which will be complete except as to dating thereof and will cause the opinion to be printed on or accompany each Bond.

Section 4. Accounts; Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the General Obligation Street Reconstruction Bonds, Series 2026B Debt Service Fund (the "Debt Service Fund"). The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. Amounts in the Debt Service Fund are irrevocably pledged to the Bonds. To the Debt Service Fund hereby created, there is hereby pledged and irrevocably appropriated and there will be credited: (i) the proceeds of the ad valorem property taxes herein or hereafter levied (the "Taxes") for the Reconstruction Improvements described in Section 1.01, (ii) capitalized interest financed from Bond proceeds, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; (iii) any amount over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; (iv) all investment earnings on amounts in the Debt Service Fund; and (v) any and all other moneys which are properly available and are appropriated by the City Council to the Debt Service Fund. The Debt Service Fund will be maintained in the manner herein specified until all of the Bonds and the interest thereon will have been fully paid. The Finance Director will report to the City Council any current or anticipated deficiency in the Debt Service Fund in the amount necessary to pay the principal of and interest on the Bonds when due. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund or other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of Taxes when collected.

4.02. Construction Fund. The City hereby creates the General Obligation Street Reconstruction Bonds, Series 2026B Construction Fund (the "Construction Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The proceeds of the Bonds, less the appropriations made in Section 4.01, together with any other funds appropriated

for the Reconstruction Improvements and Taxes collected during the construction of the Reconstruction Improvements, will be deposited in the Construction Fund to be used solely to defray expenses of the Reconstruction Improvements and the payment of principal of and interest on the Bonds prior to the completion and payment of all costs of the Reconstruction Improvements. Any balance remaining in the Construction Fund after the Reconstruction Improvements are completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Construction Fund is to be closed and any balance remaining therein and subsequent collections of Taxes for the Reconstruction Improvements are to be deposited in the Debt Service Fund.

4.03. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is hereby levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as set forth in **Exhibit C**.

4.04. Certification to Counties Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collection of the foregoing Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrepealable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the City Clerk may certify to the County Auditor-Treasurers of Dakota and Rice Counties (the "County Auditors") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and each of the County Auditors will thereupon reduce the levy collectible during such year by the amount so certified.

4.05. Counties Auditors' Certificates as to Registration and Tax Levy. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor-Treasurers of Dakota and Rice Counties and to obtain the certificates required by Section 475.63 of the Act, that the Bonds have been entered in their register and the tax levy required by law has been made.

4.06. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, City Clerk and Finance Director, or any of them, are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof, a complete and accurate representation of the facts and representations made therein as it relates to the City.

5.03. Other Certificates. The Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds

5.04. Payment of Costs of Issuance. The City authorizes the Purchaser to deposit the amount of Bond proceeds allocable to the payment of issuance expenses being paid on the closing date in accordance with the closing memorandum prepared by City's municipal adviser, Ehlers and Associates, Inc. for further distribution by Ehlers and Associates, Inc.

5.04. Electronic Signatures. The electronic signature of the Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States (unless the City qualifies for any exception to the rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or the Reconstruction Improvements financed by the Bonds, or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. No Designation of Qualified Tax Exempt Obligations. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers

with respect to such Bond, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

8.02. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 9. Defeasance. When all Bonds and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED by the City Council of the City of Northfield, Minnesota this 21st day of July, 2026.

ATTEST:

_____ _____

City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES
___ NESS ___ PETERSON WHITE ___ SOKUP

EXHIBIT A
PROPOSALS

EXHIBIT B

FORM OF BOND

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD

GENERAL OBLIGATION STREET RECONSTRUCTION PLAN BOND, SERIES 2026B

Rate	Maturity Date	Date of Original Issue	CUSIP
	February 1, 20__	August 13, 2026	

Registered Owner: Cede & Co.

The City of Northfield, Minnesota, a duly organized and existing municipal corporation in Dakota and Rice Counties, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual Interest Rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing August 1, 2027, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Minneapolis, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2036, and on any date thereafter to prepay Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of $3,350,000 all of like original issue date and tenor, except as to number, denomination, maturity date, redemption

privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on July 21, 2026 (the "Resolution"), for the purpose of providing monies for various street reconstruction projects described in the City's Five-Year Street Reconstruction & Overlay Plan, dated January 6, 2026 and pursuant to and in full conformity with its home rule charter and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, specifically Section 475.58, Subdivision 3b, and the principal hereof and interest hereon are payable primarily from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in ad valorem taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of $5,000 or any integral multiple thereof of single maturities.

The City has not designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institution.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by its home rule charter, the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner, that prior to the issuance of this bond the City Council of the City has provided funds for the payment of principal and interest on the bonds of this issue as the same become due, but the full faith and credit of the City is pledged for their payment and additional taxes will be levied, if required for such purpose, without limitation as to the rate of amount; and that this bond, together with all other indebtedness of the City outstanding on the date of its issuance, does not exceed any constitutional, statutory or charter limitation on indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: August 13, 2026

CITY OF NORTHFIELD, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES CORPORATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts or Transfers to Minors Act, State of _____

Additional abbreviations may also be used though not in the above list.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____ _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

_____

_____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

_____

_____

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration	Registered Owner	Signature of Registrar
August 13, 2026	Cede & Co. Federal ID #13-2555119	_____

EXHIBIT C

TAX LEVY

STATE OF MINNESOTA

COUNTY OF DAKOTA

CERTIFICATE OF COUNTY AUDITOR/TREASURER AS TO REGISTRATION

I, the undersigned Auditor/Treasurer of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on July 21, 2026, for the $$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B, of said municipality, dated August 13, 2026 has been filed in my office and said bonds have been registered on the register of obligations in my office.

WITNESS My hand and official seal this _____ day of _____, 2026.

_____
Auditor/Treasurer
Dakota County, Minnesota

(SEAL)

_____
Deputy County Auditor

STATE OF MINNESOTA

COUNTY OF RICE

CERTIFICATE OF COUNTY AUDITOR/TREASURER AS TO REGISTRATION

I, the undersigned Auditor/Treasurer of Rice County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on July 21, 2026, for the $3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B, of said municipality, dated August 13, 2026 has been filed in my office and said bonds have been registered on the register of obligations in my office.

WITNESS My hand and official seal this _____ day of _____, 2026.

_____
Auditor/Treasurer
Rice County, Minnesota

(SEAL)

_____
Deputy County Auditor

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

In the opinion of Kutak Rock LLP, Bond Counsel to the Issuer, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bond)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. For a more detailed description of such opinions of Bond Counsel, see "Tax Matters" herein and "Appendix B – Form of Legal Opinion."

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue **Rating Application Made: S&P Global Ratings**

CITY OF NORTHFIELD, MINNESOTA
(Rice and Dakota Counties)

$3,350,000* GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES 2026B

PROPOSAL OPENING: July 21, 2026, 10:00 A.M., C.T. **CONSIDERATION**: July 21, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $3,350,000* General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds") are being issued pursuant to Minnesota Statutes, Section 475.58, subd. 3b, and Minnesota Statutes, Chapter 475, as amended, by the City of Northfield, Minnesota (the "City"), to finance various street reconstruction projects as described in the City's Five-Year Street Reconstruction and Overlay Plan, dated January 6, 2026. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota.

DATE OF BONDS: August 13, 2026

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$130,000	2033	$210,000	2038	$245,000
2029	185,000	2034	215,000	2039	255,000
2030	190,000	2035	225,000	2040	265,000
2031	195,000	2036	230,000	2041	275,000
2032	205,000	2037	240,000	2042	285,000

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2037 and thereafter are subject to call for prior optional redemption on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: $3,309,800.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $67,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kutak Rock LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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PROPOSAL FORM

CITY OF NORTHFIELD
CITY COUNCIL

		Term Expires
Erica Zweifel	Mayor	January 2029
Chad Beumer	Council Member	January 2029
Peter Dahlen	Council Member	January 2029
Kathleen Holmes	Council Member	January 2027
Brad Ness	Council Member	January 2029
Jessica Peterson White	Council Member	January 2027
Davin Sokup	Council Member	January 2027

ADMINISTRATION

Ben Martig, City Administrator
Brenda Angelstad, Finance Director

PROFESSIONAL SERVICES

Flaherty & Hood, P.A., City Attorney, St. Paul, Minnesota

Kutak Rock LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, Minnesota
(*Other office located in Waukesha, Wisconsin*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Northfield, Minnesota (the "City") and the issuance of its $3,350,000* General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on July 21, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 13, 2026. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2037 shall be subject to optional redemption prior to maturity on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Section 475.58, subd. 3b, Minnesota Statutes, and Chapter 475, as amended, by the City, to finance various street reconstruction projects as described in the City's Five-Year Street Reconstruction and Overlay Plan, dated January 6, 2026.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$3,350,000	
Total Sources		**$3,350,000**
Uses		
Total Underwriter's Discount (1.200%)	$40,200	
Costs of Issuance	68,000	
Deposit to Construction Fund	3,237,746	
Rounding Amount	4,054	
Total Uses		**$3,350,000**

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount. The City anticipates that the debt service on the Bonds will be paid from ad valorem property taxes. In accordance with Minnesota Statutes, the City will levy each year an amount not less than 105% of the debt service requirements on the Bonds.

Should the ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount to make up any deficiency.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA"/Stable outlook by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City did not timely file notice of financial obligations that occurred September 2022, February 2023, and October 2025. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX MATTERS" in this Official Statement and the Form of Legal Opinion found in APPENDIX B) and has not performed any investigation as to its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986 (the "Code"), that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Interest on the Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

[Original Issue Discount. The Bonds that have an original yield above their respective interest rates, if any, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.]

[Original Issue Premium. The Bonds that have an original yield below their respective interest rates, if any, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.]

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2025 have been audited by Abdo, Mankato, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2023/24	2024/25	2025/26
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $2,150,000 - 0.50% [2] Over $2,150,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $3,500,000 - 0.50% [2] Over $3,500,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City[4] - 1.25% Affordable Rental: First $174,000 - 0.75% Over $174,000 - 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental: – 0.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25% Affordable Rental – 0.25%
Industrial/Commercial/Utility[5]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

[1] A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

[2] Applies to land and buildings. Exempt from referendum market value tax.

[3] Exempt from referendum market value tax.

[4] Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

[5] The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2025/26 Economic Market Value $2,586,398,436[1]

2025/26 Assessor's Estimated Market Value

	Rice County	Dakota County	Total
Real Estate	$2,177,324,700	$222,302,400	$2,399,627,100
Personal Property	9,232,100	675,400	9,907,500
Total Valuation	$2,186,556,800	$222,977,800	$2,409,534,600

2025/26 Net Tax Capacity

	Rice County	Dakota County	Total
Real Estate	$23,977,756	$2,283,294	$26,261,050
Personal Property	183,413	13,508	196,921
Net Tax Capacity	$24,161,169	$2,296,802	$26,457,971
Less: Captured Tax Increment Tax Capacity[2]	(953,790)	0	(953,790)
Taxable Net Tax Capacity	$23,207,379	$2,296,802	$25,504,181

[1] According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the portion of the City located in Rice County was about 95.20% of the actual selling prices of property sold in the City and the portion of the City located in Dakota County was 93.06%. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of $2,586,398,436.

[2] The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

2025/26 NET TAX CAPACITY BY CLASSIFICATION

	2025/26 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$15,940,032	60.25%
Agricultural	45,366	0.17%
Commercial/industrial	5,768,888	21.80%
Public utility	69,558	0.26%
Railroad operating property	195,326	0.74%
Non-homestead residential	4,231,387	15.99%
Commercial & residential seasonal/rec.	10,493	0.04%
Personal property	196,921	0.74%
Total	$26,457,971	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity[1]	Taxable Net Tax Capacity[2]	Percent Increase/Decrease in Estimated Market Value
2021/22	$1,759,012,900	$1,695,466,519	$19,386,683	$18,783,215	6.09%
2022/23	2,002,958,800	1,950,107,573	22,174,456	21,397,166	13.87%
2023/24	2,183,386,600	2,136,172,953	24,318,598	23,427,842	9.01%
2024/25	2,328,302,300	2,250,832,645	25,550,912	24,655,300	6.64%
2025/26	2,409,534,600	2,332,181,028	26,457,971	25,504,181	3.49%

[1] Net Tax Capacity includes tax increment values.

[2] Taxable Net Tax Capacity does not include tax increment values.

LARGEST TAXPAYERS

Taxpayer	Type of Property	2025/26 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Mom Brands Company	Commercial	$636,844	2.41%
Northfield Hegenes Apartments LLC	Apartments	367,680	1.39%
McLane Minnesota Inc.	Commercial	320,288	1.21%
Cardinal CG Company	Commercial	273,424	1.03%
St. Olaf College	Commercial	271,143	1.02%
Xcel Energy	Utility	267,768	1.01%
Strobel & Werner Re Holdings Co.	Commercial	249,392	0.94%
Timberfield Properties of Northfield LLC	Apartments	201,284	0.76%
5th Street Lofts LLC	Apartments	151,425	0.57%
Union Pacific Railroad Co.	Railroad	146,778	0.55%
Total		$2,886,026	10.91%

City's Total 2025/26 Net Tax Capacity $26,457,971

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpayers have been furnished by Rice and Dakota Counties.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes	$4,210,000
Total G.O. debt secured by tax abatement revenues	4,225,000
Total G.O. debt secured by taxes (includes the Bonds)*	29,295,000
Total G.O. debt secured by utility revenues	29,510,000
Total General Obligation Debt*	$67,240,000

*Preliminary, subject to change.

[1] Outstanding debt is as of the dated date of the Bonds.

Revenue Debt (see schedule following)

Total revenue debt secured by hospital revenues	$15,363,123

Northfield Economic Development Authority ("EDA") Lease Purchase Obligations (see schedule following)

Total lease purchase obligations paid by annual appropriations (EDA)[1]	$21,700,000

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City's adopted Capital Improvement Plan calls for the consideration of approximately $2,000,000 in General Obligation Bonds for various street reconstruction and facility improvements in 2027, as well as approximately $3,900,000 General Obligation Water Revenue Bonds issued for a meter replacement program and secured by net revenues of the water utility system.

Northfield Municipal Hospital anticipates issuing approximately $3,600,000 of new debt for the purchase of a clinic in 2026. The debt will be retired from net revenues of the hospital.

[1] Non-general obligation debt has not been included in the debt ratios.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" means the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of certain obligations enumerated under Minnesota Statutes, Section 475.51, subd. 4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any revenue producing public convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2025/26 Assessor's Estimated Market Value	$2,409,534,600
Multiply by 3%	0.03
Statutory Debt Limit	$72,286,038
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Bonds)*	(29,295,000)
Less: Long-Term Debt Outstanding Being Paid Solely from Annual Appropriations (EDA)	(21,700,000)
Unused Debt Limit*	$21,291,038

*Preliminary, subject to change.

City of Northfield, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 08/13/2026)

	Improvement Bonds 1) Series 2016C		Improvement Bonds Series 2017A		Improvement Bonds 2) Series 2018B		Improvement Bonds 3) Series 2019A		Improvement Bonds 4) Series 2020A	
Dated	09/15/2016		09/07/2017		10/11/2018		10/10/2019		07/30/2020	
Amount	$795,000		$945,000		$1,470,000		$1,885,000		$2,990,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	85,000	701	95,000	3,206	155,000	12,075	195,000	16,125	305,000	24,905
2028			95,000	1,069	160,000	7,350	200,000	10,700	315,000	15,605
2029					165,000	2,475	205,000	6,150	320,000	9,280
2030							205,000	2,050	320,000	5,840
2031									320,000	2,000
2032										
2033										
	85,000	701	190,000	4,275	480,000	21,900	805,000	35,025	1,580,000	57,630

1) This represents the $795,000 Improvement portion of the $2,610,000 General Obligation Improvement and Utility Revenue Bonds, Series 2016C.

2) This represents the $1,470,000 Improvement portion of the $1,710,000 General Obligation Improvement and Abatement Bonds, Series 2018B.

3) This represents the $1,885,000 Improvement portion of the $6,335,000 General Obligation Bonds, Series 2019A.

4) This represents the $2,990,000 Improvement portion of the $5,025,000 General Obligation Street Reconstruction, Improvement and Utility Bonds, Series 2020A.

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City of Northfield, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 08/13/2026)

	Improvement Bonds 5) Series 2021A							
Dated	09/09/2021							
Amount	$1,545,000							
Maturity	02/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	155,000	14,250	990,000	71,263	1,061,263	3,220,000	23.52%	**2027**
2028	155,000	11,150	925,000	45,874	970,874	2,295,000	45.49%	**2028**
2029	155,000	8,050	845,000	25,955	870,955	1,450,000	65.56%	**2029**
2030	155,000	5,725	680,000	13,615	693,615	770,000	81.71%	**2030**
2031	150,000	4,200	470,000	6,200	476,200	300,000	92.87%	**2031**
2032	150,000	2,625	150,000	2,625	152,625	150,000	96.44%	**2032**
2033	150,000	900	150,000	900	150,900	0	100.00%	**2033**
	1,070,000	46,900	4,210,000	166,431	4,376,431			

5) This represents the $1,545,000 Improvement portion of the $4,255,000 General Obligation Street Reconstruction, Improvement and Equipment Bonds, Series 2021A.

City of Northfield, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 08/13/2026)

	Tax Abatement Bonds 1) Series 2018B		Tax Abatement Bonds 2) Series 2019A		Tax Abatement Bonds 3) Series 2023B		Tax Abatement Bonds 4) Series 2024A							
Dated	10/11/2018		10/10/2019		10/26/2023		09/12/2024							
Amount	$240,000		$435,000		$3,355,000		$905,000							
Maturity	02/01		02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	25,000	2,025	45,000	3,800	175,000	149,375	45,000	42,875	290,000	198,075	488,075	3,935,000	6.86%	**2027**
2028	25,000	1,275	45,000	2,563	185,000	140,375	45,000	40,625	300,000	184,838	484,838	3,635,000	13.96%	**2028**
2029	30,000	450	50,000	1,500	190,000	131,000	50,000	38,250	320,000	171,200	491,200	3,315,000	21.54%	**2029**
2030			50,000	500	200,000	121,250	50,000	35,750	300,000	157,500	457,500	3,015,000	28.64%	**2030**
2031					210,000	111,000	55,000	33,125	265,000	144,125	409,125	2,750,000	34.91%	**2031**
2032					220,000	100,250	60,000	30,250	280,000	130,500	410,500	2,470,000	41.54%	**2032**
2033					235,000	88,875	60,000	27,250	295,000	116,125	411,125	2,175,000	48.52%	**2033**
2034					245,000	76,875	65,000	24,125	310,000	101,000	411,000	1,865,000	55.86%	**2034**
2035					255,000	64,375	65,000	20,875	320,000	85,250	405,250	1,545,000	63.43%	**2035**
2036					270,000	51,250	70,000	17,500	340,000	68,750	408,750	1,205,000	71.48%	**2036**
2037					285,000	37,375	75,000	13,875	360,000	51,250	411,250	845,000	80.00%	**2037**
2038					295,000	22,875	75,000	10,125	370,000	33,000	403,000	475,000	88.76%	**2038**
2039					310,000	7,750	80,000	6,250	390,000	14,000	404,000	85,000	97.99%	**2039**
2040							85,000	2,125	85,000	2,125	87,125	0	100.00%	**2040**
	80,000	3,750	190,000	8,363	3,075,000	1,102,625	880,000	343,000	4,225,000	1,457,738	5,682,738			

1) This represents the $240,000 Tax Abatement portion of the $1,710,000 General Obligation Improvement and Abatement Bonds, Series 2018B.

2) This represents the $435,000 Tax Abatement portion of the $6,335,000 General Obligation Bonds, Series 2019A.

3) This represents the $3,355,000 Tax Abatement portion of the $7,350,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B.

4) This represents the $905,000.00 Tax Abatement portion of the $9,365,000 General Obligation Street, Abatement, Utility and Equipment Bonds, Series 2024A.

City of Northfield, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 08/13/2026)

	Capital Improvement Plan Bonds Series 2018A		Refunding Certificates of Participation 1) Series 2019A		Street Reconstruction Bonds 2) Series 2020A		Street Reconstruction & Equipment Bonds 3) Series 2021A		Street Reconstruction & Equipment Bonds Series 2022A	
Dated	06/07/2018		10/10/2019		07/30/2020		09/09/2021		08/04/2022	
Amount	$4,195,000		$4,015,000		$1,370,000		$2,710,000		$4,020,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2027	190,000	92,483	335,000	52,310	140,000	11,613	290,000	22,500	340,000	92,700
2028	195,000	86,708	345,000	42,973	145,000	7,338	295,000	16,650	350,000	82,350
2029	205,000	80,708	355,000	35,110	150,000	4,413	300,000	10,700	360,000	71,700
2030	210,000	74,483	360,000	27,960	150,000	2,800	245,000	6,475	370,000	60,750
2031	215,000	68,108	365,000	20,528	155,000	969	250,000	4,000	380,000	49,500
2032	220,000	61,445	370,000	12,718			250,000	1,375	395,000	37,875
2033	230,000	54,414	380,000	4,370					345,000	26,775
2034	235,000	46,943							355,000	16,275
2035	245,000	39,023							365,000	5,475
2036	250,000	30,855								
2037	260,000	22,440								
2038	270,000	13,695								
2039	280,000	4,620								
2040										
2041										
2042										
2043										
2044										
2045										
	3,005,000	675,921	2,510,000	195,968	740,000	27,131	1,630,000	61,700	3,260,000	443,400

1) This represents the $4,015,000 Certificates of Participation Refunding portion of the $6,335,000 General Obligation Bonds, Series 2019A.

2) This represents the $1,370,000 Street Reconstruction portion of the $5,025,000 General Obligation Street Reconstruction, Improvement and Utility Bonds, Series 2020A.

3) This represents the $2,710,000 Street Reconstruction and Equipment portions of the $4,255,000 General Obligation Street Reconstruction, Improvement and Equipment Bonds, Series 2021A.

--Continued on next page

City of Northfield, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 08/13/2026)

	Street Reconstruction & Equipment Bonds 4) Series 2023B		Street Reconstruction & Equipment Bonds 5) Series 2024A		Street Reconstruction & Equipment Bonds Series 2025A		Street Reconstruction Bonds Series 2026B							
Dated	10/26/2023		09/12/2024		08/14/2025		08/13/2026							
Amount	$3,995,000		$7,110,000		$4,115,000		$3,350,000*							
Maturity	02/01		02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	225,000	180,625	285,000	323,575	120,000	198,469	0	111,329	1,925,000	1,085,602	3,010,602	27,370,000	6.57%	**2027**
2028	235,000	169,125	300,000	308,950	215,000	190,094	130,000	113,283	2,210,000	1,017,469	3,227,469	25,160,000	14.12%	**2028**
2029	245,000	157,125	315,000	293,575	230,000	178,969	185,000	108,715	2,345,000	941,014	3,286,014	22,815,000	22.12%	**2029**
2030	255,000	144,625	330,000	277,450	240,000	167,219	190,000	103,230	2,350,000	864,991	3,214,991	20,465,000	30.14%	**2030**
2031	270,000	131,500	350,000	260,450	250,000	154,969	195,000	97,454	2,430,000	787,476	3,217,476	18,035,000	38.44%	**2031**
2032	285,000	117,625	370,000	242,450	265,000	142,094	205,000	91,303	2,360,000	706,884	3,066,884	15,675,000	46.49%	**2032**
2033	295,000	103,125	385,000	223,575	275,000	128,594	210,000	84,765	2,120,000	625,618	2,745,618	13,555,000	53.73%	**2033**
2034	315,000	87,875	405,000	203,825	295,000	114,344	215,000	77,911	1,820,000	547,173	2,367,173	11,735,000	59.94%	**2034**
2035	290,000	72,750	425,000	183,075	305,000	99,344	225,000	70,649	1,855,000	470,315	2,325,315	9,880,000	66.27%	**2035**
2036	305,000	57,875	305,000	164,825	320,000	83,719	230,000	62,913	1,410,000	400,186	1,810,186	8,470,000	71.09%	**2036**
2037	320,000	42,250	320,000	149,200	290,000	68,469	240,000	54,685	1,430,000	337,044	1,767,044	7,040,000	75.97%	**2037**
2038	335,000	25,875	335,000	132,825	305,000	53,594	245,000	45,954	1,490,000	271,943	1,761,943	5,550,000	81.05%	**2038**
2039	350,000	8,750	350,000	115,700	320,000	37,969	255,000	36,765	1,555,000	203,804	1,758,804	3,995,000	86.36%	**2039**
2040			370,000	97,700	335,000	22,641	265,000	26,946	970,000	147,287	1,117,287	3,025,000	89.67%	**2040**
2041			385,000	78,825	350,000	7,656	275,000	16,551	1,010,000	103,033	1,113,033	2,015,000	93.12%	**2041**
2042			405,000	61,100			285,000	5,629	690,000	66,729	756,729	1,325,000	95.48%	**2042**
2043			425,000	44,500					425,000	44,500	469,500	900,000	96.93%	**2043**
2044			440,000	27,200					440,000	27,200	467,200	460,000	98.43%	**2044**
2045			460,000	9,200					460,000	9,200	469,200	0	100.00%	**2045**
	3,725,000	1,299,125	6,960,000	3,198,000	4,115,000	1,648,141	3,350,000	1,108,080	29,295,000	8,657,466	37,952,466			

* Preliminary, subject to change.

4) This represents the $3,995,000 Street Reconstruction & Equipment portions of the $7,350,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B.

5) This represents the $7,110,000 Street Reconstruction & Equipment portions of the $9,365,000 General Obligation Street, Abatement, Utility and Equipment Bonds, Series 2024A.

City of Northfield, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 08/13/2026)

	Utility Revenue Bonds 1) Series 2016C		Utility Revenue Bonds 2) Series 2020A		Utility Revenue Bonds Series 2023A		Utility Revenue Bonds 3) Series 2024A		Water Revenue Bonds Series 2026A							
Dated	09/15/2016		07/30/2020		10/11/2023		09/12/2024		03/05/2026							
Amount	$1,185,000		$665,000		$17,240,000		$1,350,000		$11,385,000							
Maturity	02/01		02/01		02/01		02/01		02/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	120,000	990	70,000	5,650	590,000	739,056	115,000	60,375	395,000	501,575	1,290,000	1,307,646	2,597,646	28,220,000	4.37%	**2027**
2028			70,000	3,550	620,000	708,806	120,000	54,500	365,000	482,575	1,175,000	1,249,431	2,424,431	27,045,000	8.35%	**2028**
2029			70,000	2,150	655,000	676,931	125,000	48,375	385,000	463,825	1,235,000	1,191,281	2,426,281	25,810,000	12.54%	**2029**
2030			75,000	1,369	685,000	643,431	135,000	41,875	405,000	444,075	1,300,000	1,130,750	2,430,750	24,510,000	16.94%	**2030**
2031			75,000	469	715,000	608,431	140,000	35,000	425,000	423,325	1,355,000	1,067,225	2,422,225	23,155,000	21.54%	**2031**
2032					750,000	571,806	145,000	27,875	445,000	401,575	1,340,000	1,001,256	2,341,256	21,815,000	26.08%	**2032**
2033					790,000	533,306	155,000	20,375	470,000	378,700	1,415,000	932,381	2,347,381	20,400,000	30.87%	**2033**
2034					830,000	492,806	160,000	12,500	490,000	354,700	1,480,000	860,006	2,340,006	18,920,000	35.89%	**2034**
2035					870,000	450,306	170,000	4,250	515,000	329,575	1,555,000	784,131	2,339,131	17,365,000	41.16%	**2035**
2036					915,000	405,681			540,000	303,200	1,455,000	708,881	2,163,881	15,910,000	46.09%	**2036**
2037					960,000	358,806			570,000	275,450	1,530,000	634,256	2,164,256	14,380,000	51.27%	**2037**
2038					1,010,000	314,606			600,000	246,200	1,610,000	560,806	2,170,806	12,770,000	56.73%	**2038**
2039					1,045,000	272,853			625,000	218,700	1,670,000	491,553	2,161,553	11,100,000	62.39%	**2039**
2040					1,090,000	228,819			650,000	193,200	1,740,000	422,019	2,162,019	9,360,000	68.28%	**2040**
2041					1,140,000	182,113			680,000	166,600	1,820,000	348,713	2,168,713	7,540,000	74.45%	**2041**
2042					1,190,000	132,600			705,000	138,900	1,895,000	271,500	2,166,500	5,645,000	80.87%	**2042**
2043					1,240,000	80,963			735,000	110,100	1,975,000	191,063	2,166,063	3,670,000	87.56%	**2043**
2044					1,285,000	27,306			765,000	80,100	2,050,000	107,406	2,157,406	1,620,000	94.51%	**2044**
2045									795,000	48,900	795,000	48,900	843,900	825,000	97.20%	**2045**
2046									825,000	16,500	825,000	16,500	841,500	0	100.00%	**2046**
	120,000	990	360,000	13,188	16,380,000	7,428,628	1,265,000	305,125	11,385,000	5,577,775	29,510,000	13,325,706	42,835,706			

1) This represents the $1,185,000 Utility Revenue portion of the $2,610,000 General Obligation Improvement and Utility Revenue Bonds, Series 2016C.

2) This represents the $665,000 Utility Revenue portion of the $5,025,000 General Obligation Street Reconstruction, Improvement and Utility Bonds, Series 2020A.

3) This represents the $1,350,000 Utility Revenue portion of the $9,365,000 General Obligation Street, Abatement, Utility and Equipment Bonds, Series 2024A.

City of Northfield, Minnesota
Schedule of Bonded Indebtedness
Revenue Debt Secured by Hospital Revenues
(As of 08/13/2026)

	Hospital Revenue Bonds Series 2016B		Hospital Revenue Refunding Bonds Series 2024B		Hospital Revenue Refunding Bonds Series 2025C							
Dated	08/05/2016		12/20/2024		10/16/2025							
Amount	$2,625,000		$11,190,000		$3,805,000							
Maturity	Monthly		03/01 & 06/01 & 09/01 & 12/01		03/01 & 06/01 & 09/01 & 12/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	62,065	8,235	190,000	159,766	64,758	49,218	316,823	217,219	534,041	15,046,300	2.06%	**2026**
2027	189,400	21,500	390,000	465,995	133,344	143,625	712,744	631,120	1,343,864	14,333,556	6.70%	**2027**
2028	194,306	16,594	405,000	449,476	138,579	138,608	737,885	604,678	1,342,563	13,595,672	11.50%	**2028**
2029	199,339	11,561	9,680,000	429,617	144,507	132,598	10,023,846	573,776	10,597,622	3,571,826	76.75%	**2029**
2030	204,502	6,398			150,387	126,738	354,889	133,136	488,025	3,216,937	79.06%	**2030**
2031	138,714	1,331			156,426	120,639	295,140	121,970	417,110	2,921,797	80.98%	**2031**
					2,921,797	86,723	2,921,797	86,723	3,008,520	0	100.00%	**2032**
	988,325	65,620	10,665,000	1,504,853	3,709,798	798,148	15,363,123	2,368,622	17,731,744			

Northfield Economic Development Authority, Minnesota
Schedule of Bonded Indebtedness
Non-General Obligation Debt Secured by Annual Appropriation
(As of 08/13/2026)

	Lease Revenue Bonds 1) Series 2025B							
Dated	09/04/2025							
Amount	$21,700,000							
Maturity	02/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2027	255,000	1,062,381	255,000	1,062,381	1,317,381	21,445,000	1.18%	**2027**
2028	705,000	1,038,381	705,000	1,038,381	1,743,381	20,740,000	4.42%	**2028**
2029	740,000	1,002,256	740,000	1,002,256	1,742,256	20,000,000	7.83%	**2029**
2030	775,000	964,381	775,000	964,381	1,739,381	19,225,000	11.41%	**2030**
2031	815,000	924,631	815,000	924,631	1,739,631	18,410,000	15.16%	**2031**
2032	855,000	882,881	855,000	882,881	1,737,881	17,555,000	19.10%	**2032**
2033	900,000	839,006	900,000	839,006	1,739,006	16,655,000	23.25%	**2033**
2034	945,000	792,881	945,000	792,881	1,737,881	15,710,000	27.60%	**2034**
2035	990,000	744,506	990,000	744,506	1,734,506	14,720,000	32.17%	**2035**
2036	1,040,000	693,756	1,040,000	693,756	1,733,756	13,680,000	36.96%	**2036**
2037	1,090,000	640,506	1,090,000	640,506	1,730,506	12,590,000	41.98%	**2037**
2038	1,145,000	584,631	1,145,000	584,631	1,729,631	11,445,000	47.26%	**2038**
2039	1,205,000	525,881	1,205,000	525,881	1,730,881	10,240,000	52.81%	**2039**
2040	1,265,000	464,131	1,265,000	464,131	1,729,131	8,975,000	58.64%	**2040**
2041	1,330,000	399,256	1,330,000	399,256	1,729,256	7,645,000	64.77%	**2041**
2042	1,395,000	334,619	1,395,000	334,619	1,729,619	6,250,000	71.20%	**2042**
2043	1,455,000	269,584	1,455,000	269,584	1,724,584	4,795,000	77.90%	**2043**
2044	1,525,000	199,719	1,525,000	199,719	1,724,719	3,270,000	84.93%	**2044**
2045	1,595,000	123,625	1,595,000	123,625	1,718,625	1,675,000	92.28%	**2045**
2046	1,675,000	41,875	1,675,000	41,875	1,716,875	0	100.00%	**2046**
	21,700,000	12,528,891	21,700,000	12,528,891	34,228,891			

1) The issue is subject to the debt limit.

OVERLAPPING DEBT[1]

Taxing District	2025/26 Taxable Net Tax Capacity	% In City	Total G.O. Debt[2]	City's Proportionate Share
Dakota County	$795,197,255	0.2888%	$35,640,000	$102,928
Rice County	110,995,109	20.9085%	53,900,000	11,269,682
I.S.D. No. 659 (Northfield Public Schools)	48,762,154	52.3032%	72,985,000[3]	38,173,491
City's Share of Total Overlapping Debt				$49,546,100

[1] Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

[2] Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

[3] Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by State aids for the purposes of the Bonds.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value $2,586,398,436	Debt/ Per Capita 21,648[1]
Direct G.O. Debt Secured By:			
Special Assessments & Taxes	$4,210,000		
Tax Abatement Revenues	4,225,000		
Taxes*	29,295,000		
Utility Revenues	29,510,000		
Total General Obligation Debt*	$67,240,000		
Less: G.O. Debt Paid Entirely from Revenues[2]	(29,510,000)		
Tax Supported General Obligation Debt*	$37,730,000	1.46%	$1,742.89
City's Share of Total Overlapping Debt	$49,546,100	1.92%	$2,288.71
Total*	$87,276,100	3.37%	$4,031.60

*Preliminary, subject to change.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy[3]	Total Collected Following Year	Collected to Date	% Collected
2021/22	$11,225,845	$11,191,470	$11,225,438	99.99%
2022/23	13,383,219	13,296,824	13,377,151	99.95%
2023/24	14,552,282	14,487,576	14,533,611	99.87%
2024/25	16,878,582	16,768,785	16,802,580	99.55%
2025/26	18,684,889	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.[4] Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

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[1] Estimated 2024 population.

[2] Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

[3] This reflects the Final Levy Certification of the City after all adjustments have been made.

[4] Second half tax payments on agricultural property are due on November 15 of each year.

TAX CAPACITY RATES[1]

	2021/22	2022/23	2023/24	2024/25	2025/26
Dakota County	19.546%	16.981%	16.424%	17.962%	19.194%
Rice County	40.597%	37.814%	36.095%	38.285%	39.174%
City of Northfield	59.867%	62.643%	62.224%	68.674%	73.334%
I.S.D. No. 659 (Northfield Public Schools)	27.017%	23.822%	20.375%	32.744%	31.367%
Dakota County CDA	1.391%	1.176%	1.309%	1.360%	1.331%
Northfield EDA	1.600%	1.490%	1.550%	1.606%	1.552%
Northfield HRA	1.633%	1.521%	1.582%	1.638%	1.584%
Rice County HRA	0.256%	0.248%	0.229%	0.222%	0.209%
Referendum Market Value Rates:					
I.S.D. No. 659 (Northfield Public Schools)	0.36254%	0.34282%	0.34693%	0.32492%	0.30535%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Rice and Dakota Counties.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1875. The City operates under a home rule charter form of government consisting of a seven-member City Council of which the Mayor is a voting member. The City Administrator, City Clerk and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 111 full-time, 25 part-time, and 7 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

[1] After reduction for State aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
LELS - Patrol	December 31, 2027
LELS - Sergeants	December 31, 2027
IUOE Local 70 - General	December 31, 2027
IUOE Local 70 - Utility	December 31, 2027

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of $1,747,468 as of December 31, 2025. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent Audit.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, as amended, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of June 22, 2026)

Fund	Total Cash and Investments
General	$8,233,519
Special Revenue	3,364,295
Debt Service	5,930,321
Capital Projects	11,881,656
Enterprise Funds	29,232,311
Internal Service	1,812,327
Component Units	1,532,762
Trust Funds	375,499
Total Funds on Hand	$62,362,690

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2023 Audited	2024 Audited	2025 Audited
Water			
Total Operating Revenues	$2,621,302	$2,883,280	$4,068,236
Less: Operating Expenses	(2,313,064)	(2,383,570)	(2,194,001)
Operating Income	$308,238	$499,710	$1,874,235
Plus: Depreciation	503,145	496,982	538,389
Revenues Available for Debt Service	$811,383	$996,692	$2,412,624
Wastewater			
Total Operating Revenues	$5,106,902	$5,093,835	$5,501,550
Less: Operating Expenses	(3,774,014)	(3,745,833)	(3,957,083)
Operating Income	$1,332,888	$1,348,002	$1,544,467
Plus: Depreciation	1,137,943	1,085,638	1,137,071
Revenues Available for Debt Service	$2,470,831	$2,433,640	$2,681,538
Storm Water			
Total Operating Revenues	$1,313,923	$1,473,867	$1,737,250
Less: Operating Expenses	(890,634)	(687,369)	(862,023)
Operating Income	$423,289	$786,498	$875,227
Plus: Depreciation	359,315	341,817	428,664
Revenues Available for Debt Service	$782,604	$1,128,315	$1,303,891
Liquor Store[1]			
Total Operating Revenues	$804,783	$811,936	$794,178
Less: Operating Expenses	(734,686)	(659,859)	(684,640)
Operating Income	$70,097	$152,077	$109,538
Plus: Depreciation	8,214	4,020	4,020
Revenues Available for Debt Service	$78,311	$156,097	$113,558

[1] Starting in 2024, the Liquor Store fund was classified as a nonmajor fund.

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues					
Property taxes	$7,552,181	$8,606,565	$10,378,255	$10,684,710	$11,812,389
Special assessments	3,718	0	0	0	0
Licenses and permits	797,166	850,749	921,559	711,146	713,658
Intergovernmental	5,306,210	5,496,701	5,278,886	5,058,970	5,325,291
Charges for services	1,370,550	1,483,704	1,405,190	1,971,744	1,683,169
Fine and forfeits	71,543	99,912	105,160	114,144	112,155
Interest on investments (loss)	(112,618)	(192,424)	540,657	334,511	307,449
Miscellaneous	363,086	456,584	16,284	152,568	144,592
Total Revenues	$15,351,836	$16,801,791	$18,645,991	$19,027,793	$20,098,703
Expenditures					
General government	$3,075,649	$3,637,276	$3,483,012	$3,886,560	$3,813,578
Public safety	5,138,674	5,940,834	6,645,997	7,190,494	7,729,577
Public works	2,758,210	3,321,806	3,617,206	3,678,661	3,822,623
Culture and recreation	2,758,812	3,028,777	3,058,534	3,613,046	4,008,324
Housing and economic development	0	2,850	0	0	0
Miscellaneous	142,558	214,130	201,665	186,007	188,493
Debt service	205,460	205,458	205,460	0	0
Capital outlay	540,478	461,484	148,355	208,874	85,607
Total Expenditures	$14,619,841	$16,812,615	$17,360,229	$18,763,642	$19,648,202
Excess of revenues over (under) expenditures	$731,995	($10,824)	$1,285,762	$264,151	$450,501
Other Financing Sources (Uses)					
Sale of capital assets	$7,338	$0	$0	$1,821	$0
Transfers in	75,000	50,000	210,000	210,000	277,000
Transfers (out)	(44,027)	(25,900)	(514,782)	(11,713)	0
Total Other Financing Sources (Uses)	$38,311	$24,100	($304,782)	$200,108	$277,000
Net changes in Fund Balances	$770,306	$13,276	$980,980	$464,259	$727,501
General Fund Balance January 1	$9,034,175	$9,804,481	$9,817,757	$10,798,737	$11,262,996
General Fund Balance December 31	$9,804,481	$9,817,757	$10,798,737	$11,262,996	$11,990,497
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$122,799	$236,076	$144,289	$155,456	$162,284
Restricted	37,129	32,315	879,417	22,038	22,288
Committed	785,044	335,694	0	0	0
Unassigned	8,859,509	9,213,672	9,775,031	11,085,502	11,805,925
Total	$9,804,481	$9,817,757	$10,798,737	$11,262,996	$11,990,497

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31 2026 Adopted Budget[1]
Revenues	
Property taxes	$12,322,628
Licenses and permits	645,200
Intergovernmental	4,941,164
Charges for services	1,783,640
Fine and forfeits	58,500
Interest on investments (loss)	261,500
Miscellaneous	557,000
Total Revenues	$20,569,632
Expenditures	
General government	$4,207,446
Public safety	7,999,246
Public works	3,962,441
Culture and recreation	4,099,102
Miscellaneous	551,398
Capital outlay	0
Total Expenditures	$20,819,633
Excess of revenues over (under) expenditures	($250,001)
General Fund Balance January 1	$10,906,491
Prior Period Adjustment	0
General Fund Balance December 31	$10,656,490

[1] The 2026 budget was adopted on December 2, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 20,790 and a 2024 population estimate of 21,648, and comprising an area of 7.6 square miles, is located approximately 45 miles south of St. Paul, Minnesota.

LARGER EMPLOYERS[1]

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 659 (Northfield Public Schools)	Elementary and secondary education	1,100
Carleton College	Private liberal arts college	934
St. Olaf College	Private liberal arts college	860
Northfield Hospital and Clinics	Hospital and nursing home	850
Post Consumer Brands	Breakfast cereal manufacturer	750
McLane Minnesota, Inc.	Food service distribution	550
Taylor Truck Line, Inc.	Trucking/motor freight	360
Three Links Care Center	Nursing and convalescent home	250
Lutheran Home - The Cannon Valley	Retirement community	250
The City	Municipal government and services	143

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS (as of June 22, 2026)

	2022	2023	2024	2025	2026
New Single Family Homes					
No. of building permits	51	16	9	13	6
Valuation	$18,620,092	$6,483,765	$3,772,010	$5,616,322	$2,843,020
New Multiple Family Buildings					
No. of building permits	1	9	1	8	5
Valuation	$17,459,822	$2,690,025	$350,000	$2,772,010	$1,780,000
New Commercial/Industrial					
No. of building permits	7	13	10	9	6
Valuation	$7,180,142	$15,955,525	$17,830,176	$27,003,185	$910,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	2,972	1,388	1,037	470	489
Valuation	$116,501,208	$68,807,036	$67,567,197	$36,757,103	$21,483,025

Source: The City.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census population	20,007
2020 U.S. Census population	20,790
Percent of Change 2010 - 2020	3.91%
2024 State Demographer Population Estimate	21,648

Income and Age Statistics

	The City	Rice County	State of Minnesota	United States
2024 per capita income	$36,703	$38,682	$48,237	$44,673
2024 median household income	$84,895	$83,181	$89,062	$80,734
2024 median family income	$112,098	$104,630	$113,993	$99,999
2024 median gross rent	$1,103	$1,083	$1,280	$1,413
2024 median value owner occupied units	$329,400	$320,200	$329,300	$332,700
2024 median age	28.2 yrs.	37.1 yrs.	38.8 yrs.	38.9 yrs.

	State of Minnesota	United States
City % of 2024 per capita income	76.09%	82.16%
City % of 2024 median family income	98.34%	112.10%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	6,723	6,901	2.65%

Source: 2010 and 2020 Census of Population and Housing, and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov), and Minnesota State Demographer (https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Rice County	Rice County	State of Minnesota
2022	33,543	2.6%	2.5%
2023	34,056	2.8%	2.8%
2024	34,750	3.1%	3.1%
2025	34,973	3.9%	3.9%
2026, May	34,919	3.9%	4.0%

Source: Minnesota Department of Employment and Economic Development.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

THE CITY OF
NORTHFIELD
MINNESOTA

YEAR ENDED
DECEMBER 31, 2025

CITY OF NORTHFIELD
NORTHFIELD, MN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY: BRENDA ANGELSTAD, FINANCE DIRECTOR
MEMBER GFOA OF U.S. AND CANADA

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City of Northfield, Minnesota
Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

May 26, 2026

To the Honorable Mayor, Members of the City Council, and Citizens of Northfield:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Northfield for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City of Northfield. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Northfield continues to build and refine a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Northfield's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Northfield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of Northfield's financial statements have been audited by Abdo, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Northfield for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Northfield's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Northfield's MD&A can be found immediately following the report of the independent auditors.

All City funds, departments, commissions, and other organizations for which the City of Northfield is financially accountable are presented within the Annual Comprehensive Financial Report. The Northfield Fire Relief Association does not meet the established criteria for inclusion in the reporting entity and accordingly is excluded from this report.

To the Honorable Mayor and City Council
City of Northfield, Minnesota

Profile of the Government

The City of Northfield was formed in 1855 and was incorporated in March 1875. The City of Northfield as it exists today consists of 7.6 square miles. As of the 2020 Census, Northfield has a population of 20,790. Northfield is a 45-mile drive from Minneapolis and Saint Paul.

Northfield is a Home Rule Charter City with the City Council appointing a City Administrator. The City Administrator has operating responsibilities for all City functions.

The City of Northfield provides various services to the residents in the community. The current services are:

- General Government
    a. Mayor & City Council
    b. Administration
    c. Elections
    d. Finance
    e. City Attorney
    f. Human Resources and Risk Management
    g. Information Technology
    h. Community Development, including Housing and Economic Development
    i. Planning
    j. General Government Building
- Public Safety
    a. Police
    b. Fire
    c. Building Inspections
- Public Works
    a. Engineering
    b. Streets
    c. Street Lighting
    d. Water
    e. Wastewater
    f. Garbage
    g. Storm Water Drainage
- Culture and Recreation
    a. Ice Arena
    b. Outdoor Pool at Memorial Park
    c. Park Maintenance
    d. Library
- Liquor Store
- Community Resource Center
- Municipal Hospital

The council is required to adopt a final budget prior to the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The City Administrator, Finance Director and other department directors prepare the annual budget each summer. A preliminary budget is presented to the City Council in August, prior to consideration of the preliminary property tax levy. Under Minnesota Statutes, a preliminary property tax levy must be adopted no later than September 30th of each year for the ensuing years' collection. This action establishes a maximum levy. Subsequent Council action may lower the preliminary levy but may not increase the levy. In addition, the City Council reviews the budgets for the enterprise funds and all other funds on an annual basis as part of the budgetary process.

In November, citizens receive a notice of proposed property taxes based upon the preliminary levies established by all taxing jurisdictions. Citizens are invited to a public hearing known as the Truth in Taxation hearings for each taxing unit. The City's hearing includes a presentation that addresses the budget, proposed property tax levy, other city operations, and the priorities of the City Council for the upcoming year. There is an opportunity for public comment, on these topics, at the public hearing before the final property tax levy is adopted.

Economic Condition and Outlook

The estimated population as reported by the Minnesota Demographer for 2020 was 20,790, which represents a 3.9 percent increase from 2010. The 2010 Census established the City's population at 20,007. The population has remained steady over the last decade with slight increases in the last few years. This is reflective of the upturn of the economy and the increase in residential construction since the low in 2011. The unemployment rate peaked in 2020, early in the COVID pandemic, but as of March 2026 it is now 4.3%, well below pre-pandemic levels and just below the State of Minnesota rate of 4.5%.

	Revenue from Licenses & Permits:	Increase (Decrease)
2025	$ 713,657	$ 2,511
2024	711,146	(210,412)
2023	921,559	70,810
2022	850,749	53,583
2021	797,166	163,627
2020	633,539	61,152
2019	572,387	(55,509)
2018	627,896	(231,352)
2017	859,248	179,774
2016	679,474	250,717

Revenue from permit activity was essentially flat, a 0.35% increase from the prior year; it was 11% over budget and in line with expectations. In 2025, the city issued permits for 21 single family dwellings valued at $8.3 million vs 10 single family permits valued at $4 million in 2024.

2026 should remain similar to 2025, with an emphasis on alterations rather than new construction, at least in the commercial sector. Residential new construction should remain the same or slightly higher. High interest rates, labor and material costs have slowed construction. The market has also caught up with projects delayed during COVID from both the labor shortage and material availability. Other factors which may affect revenue for 2026 are the proposed high school renovation and fees collected from the City of Dundas, as the City of Northfield is providing Building and Inspection services for that jurisdiction.

Northfield's fastest growing population is people between the ages of 25 and 34, however the aging of the largest birth cohort in history, the baby boom, will continue to contribute to shifts in demand for commercial and service sector business,

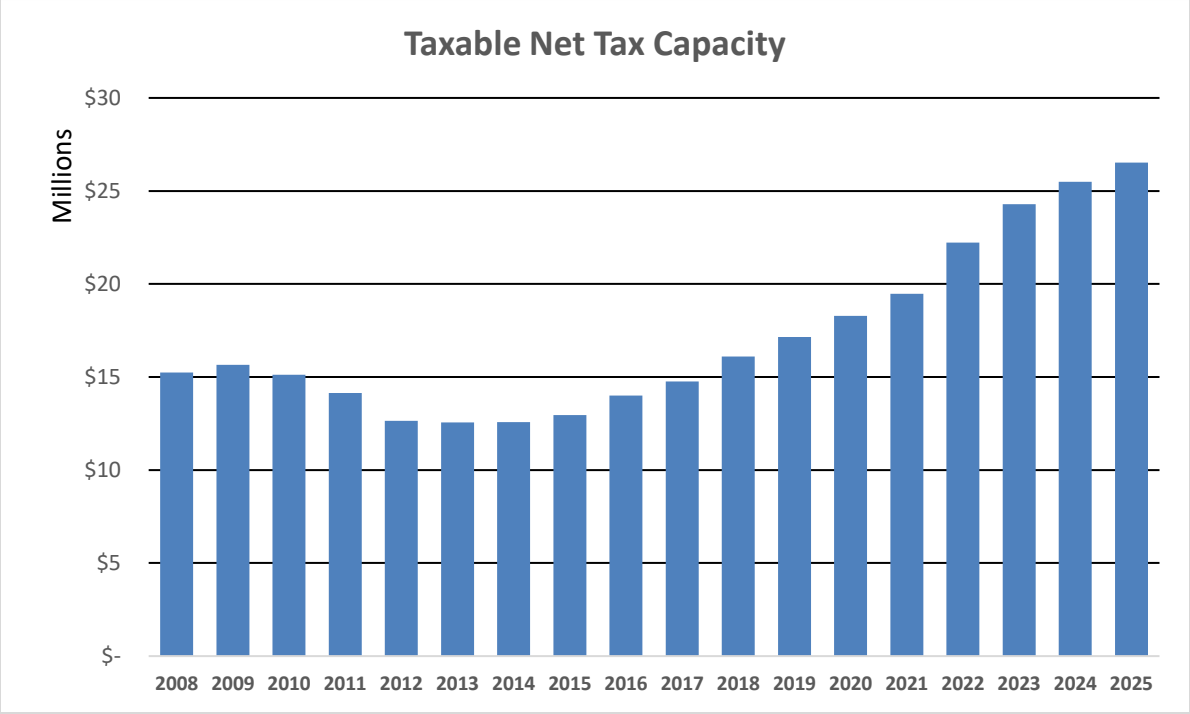
housing and care facilities. All of Minnesota's baby boomers will be 65 or older by year end 2028. According to state agency forecasts, the 65+ population will now exceed the number of children under 18 in the state between 2031 and 2035.

According to recent forecast data from the MN State Economist at Minnesota Management and Budget (MMB), the state has already experienced reduced starts in new home construction due to high interest rates, and the outlook does not improve before 2028 given national policy uncertainties affected by tariffs and changes in immigration and energy policy. MMB economic forecasts show a softening in the temporary employment market, demonstrable shifts downward in hours worked per week per worker, and a very tight labor market with far more job openings than unemployed workers. Given the state's trend toward higher labor market participation than the national average and uncertainty in immigration policies, forecasts through 2029 show a significant stall in employment growth and a higher likelihood that businesses will not invest in fixed improvements until uncertainty in the market is reduced.

Other concerns regarding the economic outlook include:

- Higher inflation will likely negatively impact nominal consumer spending predictions which could have an implication for sales tax revenues.
- Longer-term interest rates will likely come down more slowly as a new set of inflation expectations are calculated.
- Consumers and lenders are both reporting expectations of higher-than-anticipated inflation.
- Minnesota is highly dependent upon migration for its labor force, including immigrants. This includes highly skilled workers in medical and technical fields as well as seasonal and farm laborers.

The City's tax base in tax capacity values is shown below:



The residential sector is moderately increasing; commercial and industrial values are gaining. We anticipate the base capacity to be stable with a modest increase over the next year.

Major Employers - Northfield is known for the quality educational institutions that have been landmarks in the community for over 100 years. Northfield's heritage dates back to 1855 when the City was established on the banks of the Cannon River. Soon a dam was constructed to power the Ames Flour Mill, which turned wheat from nearby fields into flour. Today, the Ames Flour Mill is the location of Post Consumer Brands, formerly Malt-O-Meal, a food manufacturer producing a significant part of the nation's breakfast cereals. The educational institutions and the mill remain major employers in Northfield.

Major employers in Northfield are as follows:

Employer	Products/Services	Employees
Post Consumer Products	Grain & Oilseed Milling	878
Carleton College	Education	860
St Olaf College	Education	860
ISD 659	Education	576
McLane Minnesota Inc.	Grocery Distribution	550
Lutheran Home - The Cannon Valley	Retirement Community	500
Northfield Hospital	General Medical & Surgical Hospital	481
Multek Flexible Circuits	Technology & Manufacturing	450
Taylor Truck Line, Inc.	Transportation	360
Three Links Care Center	Skilled Nursing Care Facility	250

Table 16 in the Statistical Section also details the principal employers for the current year along with a comparison from nine years ago.

Financing General Fund operations - The City's General Fund operations continue to be supported by two major categories of revenue. They are general property taxes at 55 percent, and intergovernmental revenues at 26 percent. Intergovernmental revenue includes state aids, such as local government aid, highway maintenance aid, fire relief aid and police aid; county grants include highway aid and support of library operations. Local Government Aid (LGA) is the single largest revenue source within the category of intergovernmental revenues. 2020, 2021 and 2022 also included revenue from COVID-related funding from the CARES Act and American Rescue Plan (ARPA). 2023 included one-time State Police Aid.

The history and ratio to total budget of property taxes and intergovernmental revenues are shown below. The City of Northfield is heavily dependent upon state aid to support General Fund operations. Monitoring state legislative activity and the state's own fiscal condition has been a continual focus.

	General Fund			
	Property Tax Revenue	Percent of Total	Intergovernmental Revenue	Percent of Total
2025	$ 11,567,178	56.94%	$ 5,325,291	26.22%
2024	10,475,474	54.68%	5,072,800	26.48%
2023	10,171,986	53.95%	5,278,887	28.00%
2022	8,425,519	50.15%	5,496,701	32.71%
2021	7,404,234	48.23%	5,306,210	34.56%
2020	7,214,743	46.75%	5,692,340	36.89%
2019	6,583,221	49.84%	3,852,999	29.17%
2018	6,133,235	48.68%	3,829,758	30.40%
2017	5,624,778	47.81%	3,659,007	31.10%
2016	5,454,266	47.10%	3,674,908	31.73%

Long-term Financial Planning

In 2025, a utility rate study was conducted by Baker Tilly, formerly Springsted Incorporated. That study laid out a plan for our Water, Sewer, Stormwater and Garbage rates for the next 5-10 years based on operating expense and anticipated capital projects. This study will be updated in the future if CIP/CEP assumptions change. Based on this study, the Council authorized Water, Waste Water, Storm Water and Garbage rates to increase by 9.0 percent, 3.0 percent, 5.0 percent and 6.5%, respectively, in 2026. A drinking water treatment facility study was completed in 2021. In January of 2025, the Council voted not to accept bids on a new water treatment plant. However, the City continues to explore State and Federal Funding grant opportunities to offset capital costs to construct the facility and to reduce the impact on water rates in 2026 and beyond.

PFM Asset Management manages the majority of the City's investment portfolio. A smaller portion is kept in the 4M fund for cash flow and is managed in-house.

Major Initiatives

In 2025, the City adopted the 2025–2028 City of Northfield Strategic Plan, a renewed roadmap designed to guide the community toward a stronger, more inclusive, and more resilient future. Grounded in shared values and shaped by community input, the plan reflects the collective hopes, needs, and priorities of Northfield residents. The Strategic Plan also identifies key initiatives that will be undertaken to achieve targeted outcomes across four priority areas.

- Improve Financial Strength

A financially responsible organization focused on long-term fiscal sustainability through responsible budgeting, economic growth, and diversified revenue sources to maintain quality City services while minimizing additional burdens on residents and businesses.

  - Develop and implement Northwest Area shovel-ready and recruitment plan
  - Strategies to develop high potential commercial/industrial properties
  - Create a revenue diversification program (new and updates)
  - Implement a coordinated 2-year budget and aligned financial management plan
  - 5-year financial management alignment with service level strategy

- Increase Housing Availability

Addressing housing affordability and expanding housing options for all stages of life and income levels to keep Northfield welcoming and livable for everyone.

  - Develop and implement single-family home expansion strategy and recruitment plan
  - Implement new and existing housing stabilization program
  - Create a strategy to reduce homeownership disparity
  - Create development subsidy standards and policy
  - Create a plan for publicly owned high priority redevelopment sites

- Achieve Infrastructure Sustainability

Investing in resilient infrastructure, safer streets, flood mitigation, and long-term improvements that support community needs today and into the future.

  - Implement neighborhood flood improvements
  - Implement downtown flood improvements
  - Implement citywide pedestrian crossing improvement plan

- Create pedestrian and biking crossing improvement plan for Highway 3
- Create a safe street for all plan
- Create a dam removal strategy

- Enhance Service Delivery

Improving the efficiency, accessibility, and responsiveness of City services while strengthening community engagement and the overall resident experience.

- Earned our 16th consecutive GFOA Award for Excellence in Financial Reporting and maintained the City's "AA" Bond rating with S&P Global Ratings.
- Identify long-term service delivery needs.
- Defined service levels in core services.
- Review and update communications plan.
- Develop a survey framework.

The City has a website located at www.northfieldmn.gov for use by citizens and other interested parties. Information is continuously provided here in a convenient manner. Updates are made continually and include progress reports on the City's major initiatives.

Acknowledgements

The preparation of this report could not have been completed without the efficient services of the Finance Department staff and the consultation of the City's auditing firm. Particularly, Mary Grant, Accounting Coordinator in the Finance Department and others in the City have our sincere appreciation for their contribution to the preparation of this report.

We also want to express our appreciation to the Mayor, members of the City Council, and City Administrator for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Brenda Angelstad
Finance Director

City of Northfield, Minnesota
Principal City Officials
For the Year Ended December 31, 2025

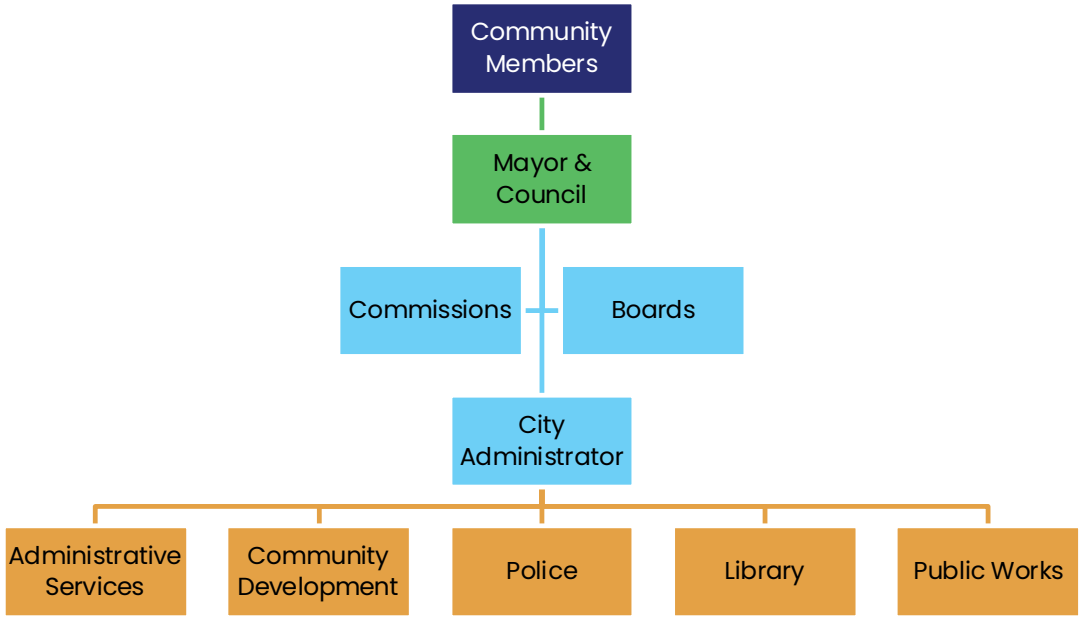
Elected

Name	Title	Term Expires
Erica Zweifel	Mayor	12/31/28
Kathleen Holmes	Council Member First Ward	12/31/26
Chad Beumer	Council Member Second Ward	12/31/28
Peter Dahlen	Council Member Third Ward	12/31/28
Jessica Peterson White	Council Member Fourth Ward	12/31/26
Brad Ness	Council Member At Large	12/31/28
Davin Sokup	Council Member At Large	12/31/26

Appointed

Ben Martig	City Administrator
Brenda Angelstad	Finance Director
Lynette Peterson	City Clerk
Sara Hoffman	Deputy City Clerk/Executive Administrative Assistant
Chris Hood	City Attorney
Flaherty & Hood, P.A.	Assistant City Attorney
Jeff Schroepfer	Police Chief
David Bennett	Public Works Director / City Engineer
Scott Wopata	Community Development/Planning Director
Natalie Draper	Library / IT Director
Michelle Mahowald	Human Resources / Communications Director

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Northfield
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024



Executive Director/CEO

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FINANCIAL SECTION

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Northfield, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Northfield, Minnesota, (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Municipal Hospital, which is a discretely presented component unit of the City and represents 30 percent, 23 percent and 72 percent, respectively, of the City's assets, net position and revenues. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the City, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Northfield and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Restatement

As discussed in Note 9 to the financial statements, the City restated beginning net position for governmental activities and beginning fund balance for the 2019 and 2024 capital project funds to correct errors in the previously issued financial statements. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Northfield's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 25 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Employer's Contributions, the related note disclosures and the Schedule of Changes in the City's OPEB Liability and Related Ratios, the respective budgetary comparison schedule and related note disclosures starting on page 104 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining, individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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Mankato, Minnesota
May 26, 2026

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Management's Discussion and Analysis

As management of the City of Northfield (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 8 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Required Components of the
City's Annual Financial Report

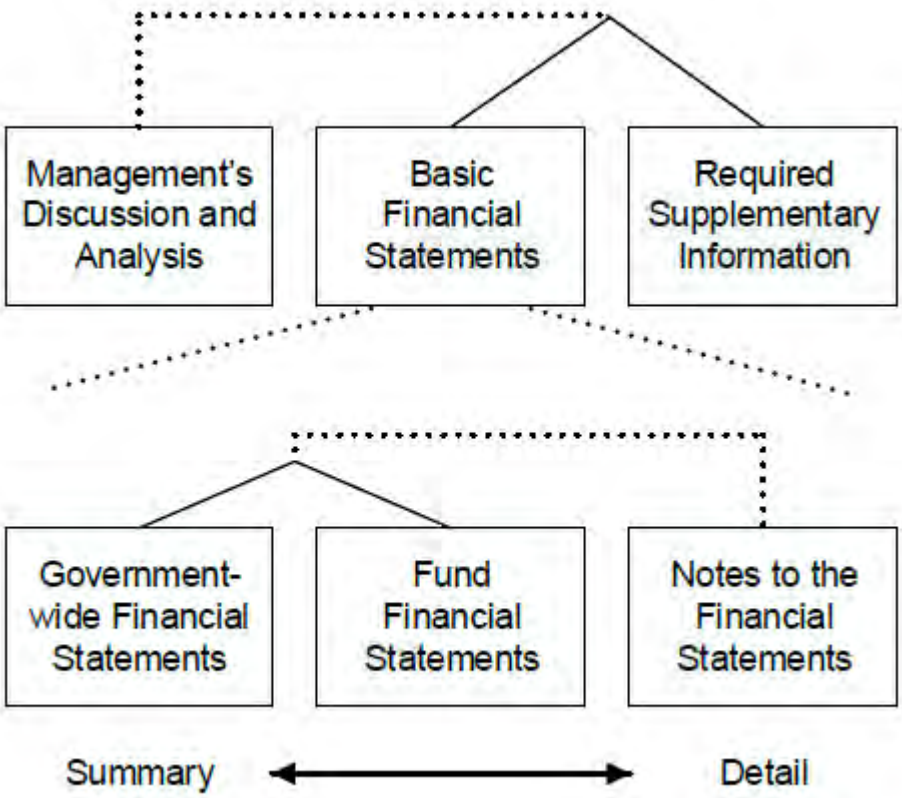


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, housing and economic development, transit and miscellaneous activities. The business-type activities of the City include water, wastewater, garbage, storm water and municipal liquor store.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Housing Redevelopment Authority and Municipal Hospital for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 39 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds, several of which are Debt Service funds that are considered one fund for financial reporting. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Debt Service fund, 2025 Capital Project fund, and Ice Arena Construction fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found starting on page 44 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government–wide financial statements. The City uses enterprise funds to account for its water, wastewater, garbage, storm water, and liquor store operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its information technology and insurance operations. Because both of these services predominantly benefit governmental rather than *business-type functions*, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of its operations that are considered to be major funds of the City. Both internal service fund balances have been incorporated into the functions of the governmental activities that benefited from these services. Individual fund data for the internal services funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found starting on page 50 of this report.

Notes the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 55 of this report.

Required Supplementary Information. The required supplementary information can be found starting on page 104 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found starting on page 116 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown below.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Northfield's Summary of Net Position

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024
Assets								
Current and other assets	$ 56,786,346	$ 33,793,672	$ 22,992,674	$ 24,019,538	$ 26,636,365	$ (2,616,827)	$ 80,805,884	$ 60,430,037
Capital assets	100,444,322	86,259,283	14,185,039	59,724,560	49,412,914	10,311,646	160,168,882	135,672,197
Total Assets	157,230,668	120,052,955	37,177,713	83,744,098	76,049,279	7,694,819	240,974,766	196,102,234
Deferred outflows of resources	4,196,433	5,262,507	(1,066,074)	238,063	205,310	32,753	4,434,496	5,467,817
Liabilities								
Long-term liabilities outstanding	69,684,313	46,152,371	23,531,942	20,980,279	21,690,164	(709,885)	90,664,592	67,842,535
Other liabilities	6,807,364	3,950,225	2,857,139	2,699,573	1,935,555	764,018	9,506,937	5,885,780
Total Liabilities	76,491,677	50,102,596	26,389,081	23,679,852	23,625,719	54,133	100,171,529	73,728,315
Deferred inflows of resources	6,025,701	9,593,755	(3,568,054)	890,571	553,299	337,272	6,916,272	10,147,054
Net Position								
Net investment in capital assets	52,517,292	48,120,220	4,397,072	38,692,175	31,902,536	6,789,639	91,209,467	80,022,756
Restricted	12,070,591	9,043,580	3,027,011	-	-	-	12,070,591	9,043,580
Unrestricted	14,321,840	8,455,311	5,866,529	20,719,563	20,173,035	546,528	35,041,403	28,628,346
Total Net Position	$ 78,909,723	$ 65,619,111	$ 13,290,612	$ 59,411,738	$ 52,075,571	$ 7,336,167	$ 138,321,461	$ 117,694,682
Net Position as a Percent of Total								
Net investment in capital assets	66.6 %	73.3 %		65.1 %	61.3 %			
Restricted	15.3	13.8		0.0	0.0			
Unrestricted	18.1	12.9		34.9	38.7			
Total	100.0 %	100.0 %		100.0 %	100.0 %			

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities. Governmental activities increased the City's net position as shown below. Key elements of these changes are as follows:

City of Northfield's Changes in Net Position

	Governmental Activities			Business-type Activities			Total	
	2025	Restated 2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	Restated 2024
Revenues								
Program Revenues								
Charges for services	$ 3,541,486	$ 3,763,671	$ (222,185)	$ 15,140,198	$ 13,328,808	$ 1,811,390	$ 18,681,684	$ 17,092,479
Operating grants and contributions	2,343,738	1,407,437	936,301	-	-	-	2,343,738	1,407,437
Capital grants and contributions	7,429,772	2,867,355	4,562,417	-	-	-	7,429,772	2,867,355
General Revenues								
Property taxes/ tax increments	20,218,454	17,255,237	2,963,217	-	-	-	20,218,454	17,255,237
Grants and contributions not restricted to specific programs	4,208,796	3,984,260	224,536	-	-	-	4,208,796	3,984,260
Unrestricted investment earnings	1,191,205	968,018	223,187	966,383	1,216,486	(250,103)	2,157,588	2,184,504
Other	140,489	1,130,406	(989,917)	-	14,474	(14,474)	140,489	1,144,880
Total Revenues	39,073,940	31,376,384	7,697,556	16,106,581	14,559,768	1,546,813	55,180,521	45,936,152
Expenses								
General government	4,423,803	4,951,881	(528,078)	-	-	-	4,423,803	4,951,881
Public safety	7,362,726	7,752,181	(389,455)	-	-	-	7,362,726	7,752,181
Public works	6,825,000	6,659,029	165,971	-	-	-	6,825,000	6,659,029
Culture and recreation	5,450,039	5,173,993	276,046	-	-	-	5,450,039	5,173,993
Housing and economic development	1,107,745	732,379	375,366	-	-	-	1,107,745	732,379
Transit	30,864	108,463	(77,599)	-	-	-	30,864	108,463
Miscellaneous	366,663	215,642	151,021	-	-	-	366,663	215,642
Interest on long-term debt	1,916,181	1,116,224	799,957	-	-	-	1,916,181	1,116,224
Water	-	-	-	2,192,341	2,455,327	(262,986)	2,192,341	2,455,327
Wastewater	-	-	-	4,581,157	4,548,062	33,095	4,581,157	4,548,062
Garbage	-	-	-	1,049,120	1,065,066	(15,946)	1,049,120	1,065,066
Storm water	-	-	-	1,022,476	814,983	207,493	1,022,476	814,983
Liquor store	-	-	-	2,657,974	2,734,247	(76,273)	2,657,974	2,734,247
Total Expenses	27,483,021	26,709,792	773,229	11,503,068	11,617,685	(114,617)	38,986,089	38,327,477
Increase in Net Position Before Transfers	11,590,919	4,666,592	6,924,327	4,603,513	2,942,083	1,661,430	16,194,432	7,608,675
Transfers	(2,732,654)	3,742,067	(6,474,721)	2,732,654	(3,742,067)	6,474,721	-	-
Change in Net Position	8,858,265	8,408,659	449,606	7,336,167	(799,984)	8,136,151	16,194,432	7,608,675
Net Position, January 1, as Previously Presented	65,619,111	57,210,452	8,408,659	52,075,571	52,875,555	(799,984)	117,694,682	110,086,007
Change to the Financial Reporting Entity (Note 9)								
Change from discrete to blended component unit	2,152,032	-	2,152,032	-	-	-	2,152,032	-
Correction of Error (Note 9)	2,280,315	-	2,280,315	-	-	-	2,280,315	-
Net Position, January 1, as Restated	70,051,458	57,210,452	12,841,006	52,075,571	52,875,555	(799,984)	122,127,029	110,086,007
Net Position - December 31	$ 78,909,723	$ 65,619,111	$ 13,290,612	$ 59,411,738	$ 52,075,571	$ 7,336,167	$ 138,321,461	$ 117,694,682

Key elements of this increase are as follows:

- Increases in property taxes/tax increments
- Increases in capital grants/contributions

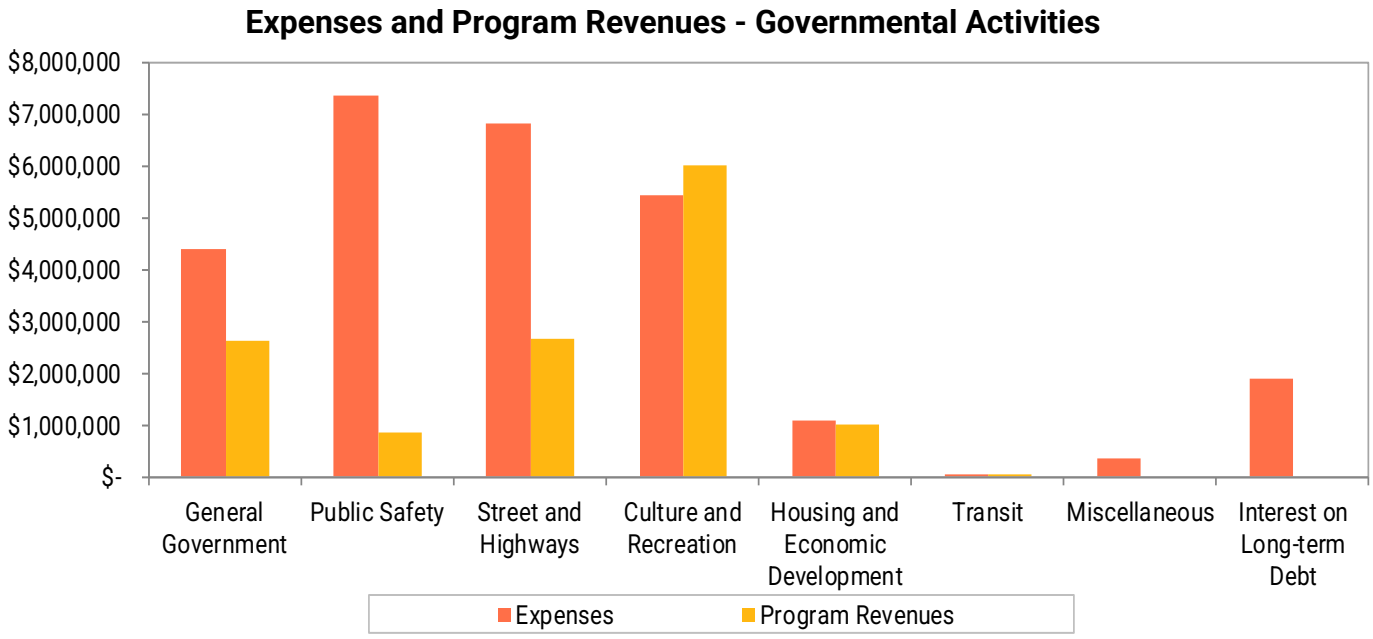
Property Taxes and Tax Increments

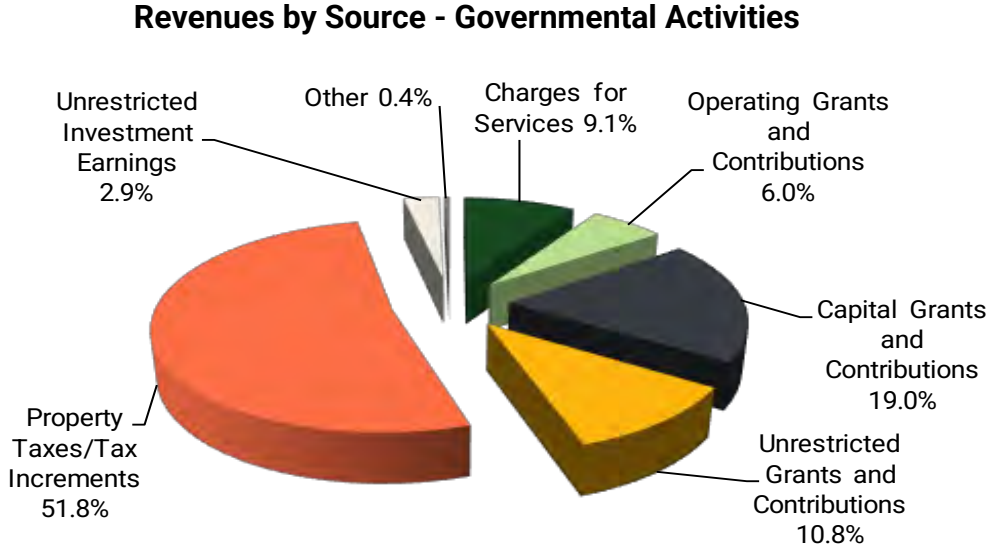
On December 3rd, 2024, the City Council approved a 15.8% increase in their 2025 levy. This increase was required to be within their 2025-2028 strategic plan to improve financial strength, increase housing availability, achieve infrastructure sustainability, and enhance service delivery.

Capital Grants and Contributions

During the fiscal year, the City received significant donations related to the ice arena project. These donations totaled $2,091,652. The City also received a one-time state-awarded grant related to the Mill Town Trail Project in the amount of $2,157,813.

The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

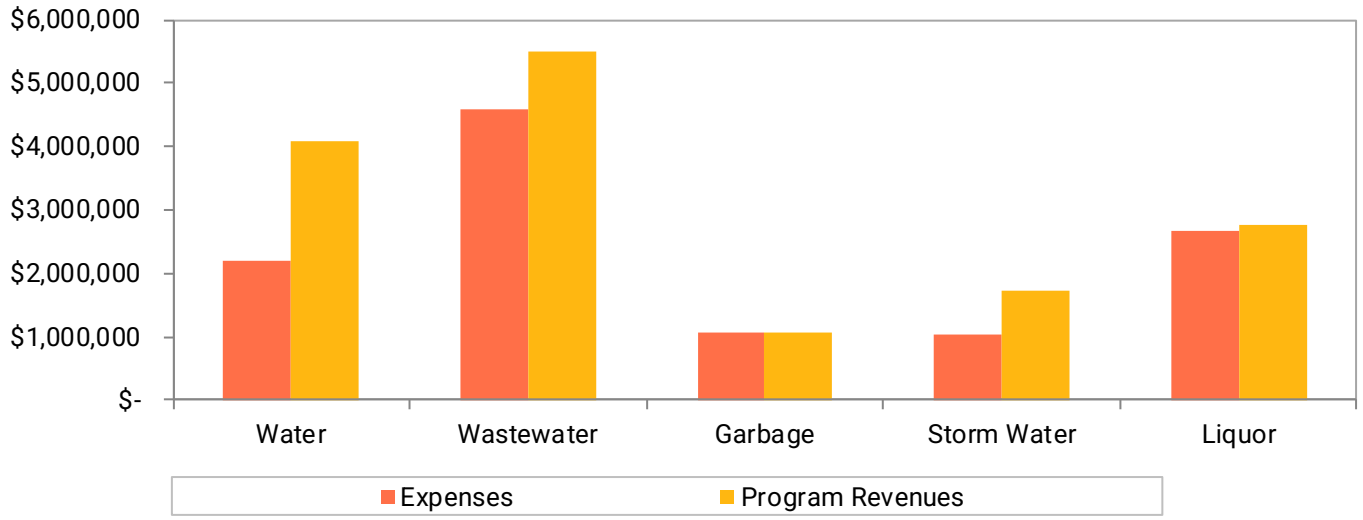




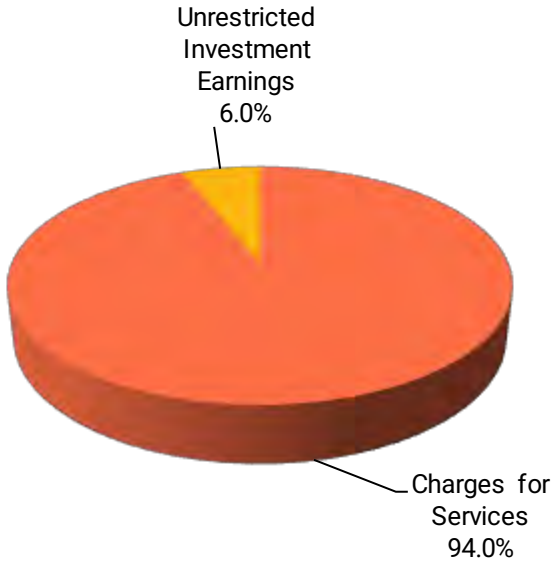
Business-type Activities. Business-type activities increased the City's net position as shown above. Key elements of this increase are as follows:

- Increased charges for services due to increase utility rates ranging from 1.0 - 28.0 percent in 2025 to fund future infrastructure improvements.
- Decreased transfers out relating to funding improvement projects in the current fiscal year.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2025:

	General Fund	Debt Service Fund	2025 Capital Project Fund	Ice Arena Construction	Other Governmental Funds	Total	Restated Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	$ 162,284	$ -	$ -	$ -	$ 4,511	$ 166,795	$ 374,738	$ (207,943)
Restricted	22,288	7,285,186	-	14,004,036	5,049,022	26,360,532	10,647,751	15,712,781
Committed	-	-	-	-	2,343,757	2,343,757	2,039,992	303,765
Assigned	-	-	-	-	4,213,757	4,213,757	3,431,467	782,290
Unassigned	11,805,925	-	(1,094,585)	-	(2,007,231)	8,704,109	7,793,450	910,659
Total	$ 11,990,497	$ 7,285,186	$ (1,094,585)	$ 14,004,036	$ 9,603,816	$ 41,788,950	$ 24,287,398	$ 17,501,552

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 65 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year the total fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	$ 162,284	$ 155,456	$ 6,828
Restricted	22,288	22,038	250
Unassigned	11,805,925	11,085,502	720,423
Total	$ 11,990,497	$ 11,262,996	$ 727,501
General Fund expenditures	$ 19,648,202	$ 18,763,642	
Unassigned as a percent of expenditures	60.1%	59.1%	
Total Fund Balance as a percent of expenditures	61.0%	60.0%	

The fund balance of the City's General fund increased as shown above. The increase in fund balance was due to increased property tax revenues during the year as noted in the governmental activities above.

Other major governmental fund analysis is shown below:

	December 31, 2025	December 31, 2024	Increase (Decrease)
Debt Service fund	$ 7,285,186	$ 6,392,774	$ 892,412
The Debt Service fund increase in fund balance during the year was due to increased investment earnings and increased tax revenue.			
2025 Capital Project fund	$ (1,094,585)	$ (1,247,732)	$ 153,147
The 2025 Capital Project total fund balance increased as a result of a bond issuance during the fiscal year and the receipt of additional local grant funding.			
Ice Arena Construction fund	$ 14,004,036	$ (215,575)	$ 14,219,611
The Ice Arena Construction total fund balance increased as a result of a bond issuance during the fiscal year and the receipt of contributions and donations.			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Ending Net Position 2025	Ending Net Position 2024	Increase/ (Decrease)
Water	$ 17,246,823	$ 14,072,427	$ 3,174,396
The increase is primarily the result of higher charges for services driven by utility rate increases, along with capital contributions received during the year.			
Wastewater	$ 30,173,367	$ 27,874,990	$ 2,298,377
The increase is primarily the result of higher charges for services driven by utility rate increases, along with capital contributions received during the year.			
Storm Water	$ 7,866,523	$ 6,240,356	$ 1,626,167
The increase is primarily the result of higher charges for services driven by utility rate increases, along with capital contributions received during the year.			

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025 is shown in the table below (net of accumulated depreciation). This investment in net assets includes land, buildings, infrastructure, machinery, and equipment.

Major capital asset activity during the current fiscal year included the following:

- Completion of College & Water Project
- 2023 Reclamation & Overlay
- Completion of Bluff View
- Disposal of 2009 Caterpillar
- Purchase of JD Tractor snow attachment
- 2025 Elgin Pelican
- Completion of Storm Structure
- Lincoln Box Culvert
- Purchase of 2024 F-150
- Completion of library study room
- Completion of council chamber improvements
- Completion of Babcock Shelter/Ballfield
- Completion of TH246

Capital Asset and Debt Administration (Continued)

- Disposal of various tractors, snowblowers, trucks, and skid-steer loader
- Completion of Sprinkler System – NCRC
- Completion of Honey Locust ECRT
- Completion of outdoor pool pump
- Purchase of various police vehicles
- Construction in progress of the Ice Arena
- Construction in progress of the Mill Town State Trail
- Construction in progress of the 2025 Reclamation and Overlay
- Construction in progress of the transit hub
- Construction in progress of Wall Street improvement

Additional information on the City's capital assets can be found in Note 3C starting on page 73 of this report.

City of Northfield's Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities			Total		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Land	$ 1,465,130	$ 1,465,130	$ -	$ 1,661,718	$ 1,661,718	$ -	$ 3,126,848	$ 3,126,848	$ -
Buildings and Improvements	13,345,194	14,169,616	(824,422)	8,944,745	10,230,688	(1,285,943)	22,289,939	24,400,304	(2,110,365)
Infrastructure	47,478,189	41,890,044	5,588,145	25,220,606	19,747,194	5,473,412	72,698,795	61,637,238	11,061,557
Machinery, Equipment and Vehicles	4,403,776	3,387,570	1,016,206	1,786,967	1,596,529	190,438	6,190,743	4,984,099	1,206,644
Construction in Progress	33,752,033	25,346,923	8,405,110	22,110,524	16,176,785	5,933,739	55,862,557	41,523,708	14,338,849
Total	$ 100,444,322	$ 86,259,283	$ 14,185,039	$ 59,724,560	$ 49,412,914	$ 10,311,646	$ 160,168,882	$ 135,672,197	$ 24,496,685
Percent increase (decrease)									18.1%

Long-term Debt. At the end of the current fiscal year, the City had a total bonded debt outstanding as shown below. The City's debt is composed of debt backed by the full faith and credit of the City, special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment, tax increment bonds, and bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Northfield's Outstanding Debt

	Governmental Activities			Business-type Activities			Total		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
General Obligation Bonds	$ 32,045,000	$ 29,400,000	$ 2,645,000	$ -	$ -	$ -	$ 32,045,000	$ 29,400,000	$ 2,645,000
General Obligation Improvement Bonds	5,365,000	6,630,000	(1,265,000)	-	-	-	5,365,000	6,630,000	(1,265,000)
General Obligation Tax Increment Bonds	-	60,000	(60,000)	-	-	-	-	60,000	(60,000)
General Obligation Revenue Bonds	21,700,000	-	21,700,000	19,010,000	19,550,000	(540,000)	40,710,000	19,550,000	21,160,000
Notes	303,575	460,166	(156,591)	-	-	-	303,575	460,166	(156,591)
Total	$ 59,413,575	$ 36,550,166	$ 22,863,409	$ 19,010,000	$ 19,550,000	$ (540,000)	$ 78,423,575	$ 56,100,166	$ 22,323,409
Percent increase (decrease)									39.8%

The City's total debt increased during the current fiscal year due to issuance of General Obligation bonds, series 2025A and 2025B. The City's bond rating was 'AA' from Standard & Poor's for their 2025 issues.

Minnesota statutes limit the amount of net general obligation debt a City may issue up to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limit for the City is $65,501,598, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 3E starting on page 77 of this report.

Currently Known Facts, Decisions, or Conditions

- The 2025 unemployment rate for Rice County, where the City is located, was 3.9 percent, which was an increase from 3.1 percent in the prior year. This is favorable to the State's average unemployment rate of 4.3 percent and also to the national average rate of 4.3 percent.

- Inflationary trends in the region are slightly above national indices. Minnesota was 2.8 percent versus the United States at 2.6 percent.

All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

During the current fiscal year, unassigned fund balance in the General fund increased to $11,990,494. This unassigned fund balance is designated for cash flow purposes and revenue stabilization.

The City's tax levy was increased by 9.9 percent for 2026.

For 2026, water rates are set to increase 9.0 percent. Wastewater rates are set to increase 3.0 percent. Storm water rates are set to increase 5.0 percent. Garbage rates are set to increase 6.5 percent.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Northfield, 801 Washington Street, Northfield, Minnesota 55057-2598.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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City of Northfield, Minnesota
Statement of Net Position
December 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Redevelopment Authority	Municipal Hospital
Assets					
Cash and temporary investments	$ 31,984,736	$ 19,875,865	$ 51,860,601	$ 433,915	$ 43,794,063
Cash held with fiscal agent	-	-	-	-	17,824
Restricted cash and investments	16,207,812	-	16,207,812	-	-
Receivables					
Interest	105,994	97,185	203,179	1,555	-
Delinquent taxes	158,005	-	158,005	3,634	-
Accounts, net of allowances	507,217	1,835,882	2,343,099	-	26,861,942
Leases	81,721	424,760	506,481	-	-
Notes, net of allowance	728,809	-	728,809	-	-
Special assessments	1,132,827	15,305	1,148,132	-	-
Intergovernmental	1,635,022	4,678	1,639,700	1,725	-
Internal balances	(1,376,317)	1,376,317	-	-	-
Inventories	571	370,271	370,842	-	2,210,488
Prepaid items	189,188	19,275	208,463	2,442	1,683,350
Other assets	-	-	-	-	335,412
Land held for resale	263,171	-	263,171	1,233,576	-
Capital assets					
Nondepreciable	35,217,163	23,772,242	58,989,405	56,994	3,211,831
Depreciable	65,227,159	35,952,318	101,179,477	175,134	24,286,059
Investment in joint venture	5,167,590	-	5,167,590	-	-
Total Assets	157,230,668	83,744,098	240,974,766	1,908,975	102,400,969
Deferred Outflows of Resources					
Deferred pension resources	3,909,336	182,966	4,092,302	15,432	4,850,943
Deferred other postemployment benefit resources	287,097	55,097	342,194	6,024	-
Total Deferred Outflows of Resources	4,196,433	238,063	4,434,496	21,456	4,850,943
Liabilities					
Accounts payable	2,375,457	1,852,210	4,227,667	14,346	4,299,766
Contracts payable	2,700,726	344,974	3,045,700	-	-
Deposits payable	186,976	-	186,976	700	-
Due to other governments	41,462	42,010	83,472	-	-
Accrued interest payable	925,436	357,367	1,282,803	-	56,749
Accrued wages payable	408,266	70,574	478,840	6,442	9,496,134
Unearned revenue	-	-	-	-	27,483
Noncurrent liabilities					
Due within one year					
Long-term liabilities	3,711,115	967,153	4,678,268	-	951,713
Other postemployment benefit liability	169,041	32,438	201,479	3,547	-
Due in more than one year					
Long-term liabilities	60,156,173	19,146,171	79,302,344	-	15,189,508
Net pension liability	4,545,313	622,910	5,168,223	52,529	21,151,031
Other postemployment benefit liability	1,271,712	244,045	1,515,757	26,685	-
Total Liabilities	76,491,677	23,679,852	100,171,529	104,249	51,172,384
Deferred Inflows of Resources					
Deferred pension resources	5,665,670	414,148	6,079,818	34,923	15,304,394
Deferred other postemployment benefit resources	284,997	54,691	339,688	5,980	-
Deferred lease resources	75,034	421,732	496,766	-	-
Total Deferred Inflows of Resources	6,025,701	890,571	6,916,272	40,903	15,304,394
Net Position					
Net investment in capital assets	52,517,292	38,692,175	91,209,467	232,128	11,356,669
Restricted					
Affordable housing	-	-	-	106,941	-
Police forfeitures	22,288	-	22,288	-	-
Debt service	6,989,368	-	6,989,368	-	17,824
Library	329,238	-	329,238	-	-
Public safety activities	46,845	-	46,845	-	-
Arts and culture	224,483	-	224,483	-	-
Redevelopment and housing	193,008	-	193,008	-	-
Economic development	2,265,809	-	2,265,809	-	-
Capital projects	1,999,552	-	1,999,552	-	-
Unrestricted	14,321,840	20,719,563	35,041,403	1,446,210	29,400,641
Total Net Position	$ 78,909,723	$ 59,411,738	$ 138,321,461	$ 1,785,279	$ 40,775,134

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 4,423,803	$ 2,658,660	$ -	$ -
Public safety	7,362,726	98,130	753,883	-
Public works	6,825,000	155,747	289,693	2,224,041
Culture and recreation	5,450,039	628,949	270,425	5,136,014
Housing and economic development	1,107,745	-	1,029,737	-
Transit	30,864	-	-	69,717
Miscellaneous	366,663	-	-	-
Interest on long-term debt	1,916,181	-	-	-
Total Governmental Activities	27,483,021	3,541,486	2,343,738	7,429,772
Business-type Activities				
Water	2,192,341	4,071,264	-	-
Wastewater	4,581,157	5,501,550	-	-
Garbage	1,049,120	1,060,228	-	-
Storm water	1,022,476	1,738,909	-	-
Liquor stores	2,657,974	2,768,247	-	-
Total Business-type Activities	11,503,068	15,140,198	-	-
Total Primary Government	$ 38,986,089	$ 18,681,684	$ 2,343,738	$ 7,429,772
Component Units				
Housing Redevelopment Authority	$ 632,792	$ 9,600	$ 17,129	$ 31,885
Municipal Hospital	$ 136,497,751	$ 137,641,118	$ 219,329	$ 102,797
General Revenues				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Tax increments				
Franchise taxes				
Lodging taxes				
Property taxes, levied for economic development				
Property taxes, levied for housing redevelopment				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Other revenues				
Gain on sale of capital assets				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, January 1, as Previously Presented				
Change to the Financial Reporting Entity (Note 9)				
Change from discrete to blended component unit				
Correction of Error (Note 9)				
Net Position, January 1, as Restated				
Net Position, December 31				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Economic Development Authority	Housing Redevelopment Authority	Municipal Hospital
$ (1,765,143)	$ -	$ (1,765,143)		$ -	$ -
(6,510,713)	-	(6,510,713)		-	-
(4,155,519)	-	(4,155,519)		-	-
585,349	-	585,349		-	-
(78,008)	-	(78,008)		-	-
38,853	-	38,853		-	-
(366,663)	-	(366,663)		-	-
(1,916,181)	-	(1,916,181)		-	-
(14,168,025)	-	(14,168,025)		-	-
-	1,878,923	1,878,923		-	-
-	920,393	920,393		-	-
-	11,108	11,108		-	-
-	716,433	716,433		-	-
-	110,273	110,273		-	-
-	3,637,130	3,637,130		-	-
(14,168,025)	3,637,130	(10,530,895)			
				(574,178)	-
				-	1,465,493
13,513,627	-	13,513,627		-	-
3,614,238	-	3,614,238		-	-
1,017,972	-	1,017,972		-	-
1,474,830	-	1,474,830		-	-
202,421	-	202,421		-	-
395,366	-	395,366		-	-
-	-	-		403,417	-
4,208,796	-	4,208,796		-	-
1,191,205	966,383	2,157,588		14,286	2,862,844
30,092	-	30,092		223,947	-
110,397	-	110,397		-	263,244
(2,732,654)	2,732,654	-		-	-
23,026,290	3,699,037	26,725,327		641,650	3,126,088
8,858,265	7,336,167	16,194,432		67,472	4,591,581
65,619,111	52,075,571	117,694,682	2,152,032	1,717,807	36,183,553
2,152,032	-	2,152,032	(2,152,032)	-	-
2,280,315	-	2,280,315	-	-	-
70,051,458	52,075,571	122,127,029	-	1,717,807	36,183,553
$ 78,909,723	$ 59,411,738	$ 138,321,461	$ -	$ 1,785,279	$ 40,775,134

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Northfield, Minnesota
Balance Sheet
Governmental Funds
December 31, 2025

	General	Debt Service	Formerly Nonmajor 2025 Capital Project Fund	Formerly Nonmajor Ice Arena Construction	Other Governmental Funds	Total
Assets						
Cash and temporary investments	$ 11,471,500	$ 7,346,367	$ -	$ -	$ 10,899,858	$ 29,717,725
Restricted cash and investments	-	-	-	16,207,812	-	16,207,812
Receivables						
Interest	32,847	23,179	-	-	39,596	95,622
Delinquent taxes	154,299	-	-	-	3,706	158,005
Accounts	117,215	-	-	-	390,002	507,217
Notes, net of allowances					728,809	728,809
Leases	-	-	-	-	81,721	81,721
Special assessments	-	933,370	-	-	199,457	1,132,827
Intergovernmental	71,234	1,351	-	-	1,562,437	1,635,022
Due from other funds	1,448,600	-	-	-	-	1,448,600
Inventories	571	-	-	-	-	571
Prepaid items	161,713	-	-	-	4,511	166,224
Land held for resale	-	-	-	-	263,171	263,171
Total Assets	$ 13,457,979	$ 8,304,267	$ -	$ 16,207,812	$ 14,173,268	$ 52,143,326
Liabilities						
Accounts payable	$ 817,937	$ 85,888	$ 149,857	$ -	$ 1,219,302	$ 2,272,984
Contracts payable	-	-	283,925	2,203,776	213,025	2,700,726
Due to other governments	13	-	-	-	41,449	41,462
Deposits payable	115,011	-	-	-	71,965	186,976
Accrued wages payable	380,222	-	-	-	15,907	396,129
Due to other funds	-	-	660,803	-	787,797	1,448,600
Advance from other funds	-	-	-	-	1,268,107	1,268,107
Total Liabilities	1,313,183	85,888	1,094,585	2,203,776	3,617,552	8,314,984
Deferred Inflows of Resources						
Unavailable revenue						
Taxes	154,299	-	-	-	3,706	158,005
Special assessments	-	933,193	-	-	199,457	1,132,650
Intergovernmental resources	-	-	-	-	673,703	673,703
Deferred lease resources	-	-	-	-	75,034	75,034
Total Deferred Inflows of Resources	154,299	933,193	-	-	951,900	2,039,392
Fund Balances						
Nonspendable						
Inventories	571	-	-	-	-	571
Prepaid items	161,713	-	-	-	4,511	166,224
Land held for resale	-	-	-	-	-	-
Restricted						
Police forfeitures	22,288	-	-	-	-	22,288
Debt service	-	7,285,186	-	-	-	7,285,186
Library	-	-	-	-	329,238	329,238
Public safety activities	-	-	-	-	46,845	46,845
Arts and culture	-	-	-	-	224,483	224,483
Redevelopment and housing	-	-	-	-	193,008	193,008
Economic development					2,265,809	2,265,809
Capital projects	-	-	-	14,004,036	1,989,639	15,993,675
Committed						
Carbon reduction	-	-	-	-	291,533	291,533
Utility franchise fees	-	-	-	-	1,371,064	1,371,064
Motor vehicle operations	-	-	-	-	501,763	501,763
Communications	-	-	-	-	179,397	179,397
Assigned						
Capital projects	-	-	-	-	4,213,757	4,213,757
Unassigned	11,805,925	-	(1,094,585)		(2,007,231)	8,704,109
Total Fund Balances	11,990,497	7,285,186	(1,094,585)	14,004,036	9,603,816	41,788,950
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 13,457,979	$ 8,304,267	$ -	$ 16,207,812	$ 14,173,268	$ 52,143,326

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2025

	Primary Government
Amounts reported for governmental activities in the statement of net position are different because	
Total Fund Balances - Governmental Funds	$ 41,788,950
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	100,375,708
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of	
Compensated absences payable	(1,317,560)
Bonds payable	(58,785,000)
Notes payable	(303,575)
Net pension liability	(4,425,493)
Other postemployment benefit liability	(1,736,010)
Bond premium, net of accumulated amortization	(3,136,153)
Investment in joint ventures are not financial resources, and therefore, are not reported in the funds	5,167,590
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.	
Delinquent property taxes receivable	158,005
Special assessments receivable	1,132,650
Intergovernmental receivable	673,703
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	3,874,141
Deferred inflows of pension resources	(5,586,006)
Governmental funds do not report long-term amounts related to other postemployment benefits.	
Deferred outflows of other postemployment benefit resources	281,170
Deferred inflows of other postemployment benefit resources	(279,114)
Governmental funds do not report a liability for accrued interest until due and payable.	(925,436)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	1,952,153
Total Net Position - Governmental Activities	$ 78,909,723

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Formerly Major 2019 Capital Project Fund	Formerly Major 2024 Capital Project Fund
Revenues				
Taxes	$ 11,812,389	$ 4,236,948		
Special assessments	-	548,391		
Licenses and permits	713,658	-		
Intergovernmental	5,325,291	-		
Charges for services	1,683,169	-		
Fines and forfeits	112,155	-		
Investment earnings	307,449	208,145		
Miscellaneous	144,592	81,078		
Total Revenues	20,098,703	5,074,562		
Expenditures				
Current				
General government	3,813,578	-		
Public safety	7,729,577	-		
Public works	3,822,623	-		
Culture and recreation	4,008,324	-		
Housing and economic development	-	126,094		
Miscellaneous	188,493	-		
Capital outlay				
General government	-	-		
Public safety	-	-		
Public works	-	-		
Culture and recreation	85,607	-		
Housing and economic development	-	-		
Transit	-	-		
Debt service				
Principal	-	2,951,591		
Interest and other charges	-	1,244,465		
Bond issuance costs	-	-		
Total Expenditures	19,648,202	4,322,150		
Excess (Deficiency) of Revenues Over (Under) Expenditures	450,501	752,412		
Other Financing Sources (Uses)				
Sale of capital assets	-	-		
Transfers in	277,000	140,000		
Bonds issued	-	-		
Premium on bonds issued	-	-		
Transfers out	-	-		
Total Other Financing Sources (Uses)	277,000	140,000		
Net Change in Fund Balances	727,501	892,412		
Fund Balances, January 1, as Previously Presented	11,262,996	6,392,774	(1,479,088)	68,859
Change to the Financial Reporting Entity (Note 9)				
Change from nonmajor to major fund	-	-	-	-
Change from major to nonmajor fund	-	-	1,479,088	(68,859)
Change from discrete to blended component unit				
Error Correction (Note 9)	-	-	-	-
Fund Balances, January 1, as Restated	11,262,996	6,392,774	-	-
Fund Balances, December 31	$ 11,990,497	$ 7,285,186	$ -	$ -

The notes to the financial statements are an integral part of this statement.

Formerly Nonmajor 2025 Capital Project Fund	Formerly Nonmajor Ice Arena Construction	Formerly Major 5th Street Redevelopment	Other Governmental Funds	Total
$ -	$ -		$ 4,078,440	$ 20,127,777
-	-		60,057	608,448
-	-		-	713,658
1,201,694	-		3,386,300	9,913,285
-	-		808,267	2,491,436
-	-		-	112,155
-	196,789		478,822	1,191,205
-	2,091,652		1,235,616	3,552,938
1,201,694	2,288,441		10,047,502	38,710,902
-	-		673,398	4,486,976
-	-		17,156	7,746,733
-	-		-	3,822,623
-	-		660,787	4,669,111
-	-		874,805	1,000,899
-	-		178,170	366,663
-	-		141,400	141,400
-	-		281,595	281,595
5,467,269	-		1,468,346	6,935,615
-	10,553,374		3,247,791	13,886,772
-	-		7,647	7,647
-	-		647,980	647,980
-	-		-	2,951,591
26,554	-		6,040	1,277,059
55,694	319,066		2,663	377,423
5,549,517	10,872,440		8,207,778	48,600,087
(4,347,823)	(8,583,999)		1,839,724	(9,889,185)
-	-		110,397	110,397
500,000	-		149,817	1,066,817
3,740,000	21,700,000		375,000	25,815,000
260,970	1,103,610		35,600	1,400,180
-	-		(1,001,657)	(1,001,657)
4,500,970	22,803,610		(330,843)	27,390,737
153,147	14,219,611		1,508,881	17,501,552
-	-	(2,197,119)	5,718,575	19,766,997
(1,247,732)	(215,575)	-	1,463,307	-
-	-	2,197,119	(3,607,348)	-
			2,240,086	2,240,086
-	-	-	2,280,315	2,280,315
(1,247,732)	(215,575)	-	8,094,935	24,287,398
$ (1,094,585)	$ 14,004,036	$ -	$ 9,603,816	$ 41,788,950

The notes to the financial statements are an integral part of this statement.

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City of Northfield, Minnesota
Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2025

	Primary Government
Amounts reported for governmental activities in the statement of activities are different because	
Net change in fund balances - governmental funds	$ 17,501,552
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital outlay	21,769,657
Depreciation expense	(4,769,972)
Capital contributions to business-type activities	(2,797,814)
The City has an equity interest in joint ventures. The net allocated gain or (loss) and contributions from this investment is not a current financial resource and therefore is not reported in the governmental funds.	703,375
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities.	
Principal repayments	2,951,591
Debt issued	(25,815,000)
Premium on bonds issued, net of amortization expense	(1,230,406)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(431,473)
Long-term pension activity is not reported in governmental funds.	
Pension expense	560,213
Direct aid contributions	61,285
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Property taxes	63,983
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(477,150)
Intergovernmental grants	673,703
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Other postemployment benefit costs	75,286
Compensated absences	(118,634)
Internal service funds are used by management to charge the costs of various services to individual funds. The net revenues of certain of the internal activities of internal service funds are reported in governmental	138,069
Change in Net Position - Governmental Activities	$ 8,858,265

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	601 Water	602 Wastewater	604 Storm Water	Nonmajor Proprietary Funds	Total	
Assets						
Current Assets						
Cash and temporary investments	$ 1,193,160	$ 12,828,630	$ 2,056,950	$ 3,797,125	$ 19,875,865	$ 2,267,011
Receivables						
Interest	14,833	56,533	9,691	16,128	97,185	10,372
Accounts	628,520	879,953	162,182	165,227	1,835,882	-
Leases	8,966	-	-	-	8,966	-
Intergovernmental	1,396	1,900	346	1,036	4,678	-
Advance to other funds - current	27,389	-	-	-	27,389	-
Inventories	41,619	-	-	328,652	370,271	-
Prepaid items	8,493	3,640	1,754	5,388	19,275	22,964
Total Current Assets	1,924,376	13,770,656	2,230,923	4,313,556	22,239,511	2,300,347
Noncurrent Assets						
Special assessments receivable - noncurrent	-	15,305	-	-	15,305	-
Advance to other funds - noncurrent	1,240,718	-	-	-	1,240,718	-
Lease receivable - noncurrent	415,794	-	-	-	415,794	-
Capital assets						
Land	853,454	5,250	803,014	-	1,661,718	-
Buildings	1,563,528	27,230,512	-	214,187	29,008,227	-
Infrastructure	13,687,448	14,420,935	14,090,798	56,835	42,256,016	-
Machinery, equipment and vehicles	811,733	1,654,673	574,720	432,413	3,473,539	459,349
Construction in progress	8,191,465	13,180,456	738,603	-	22,110,524	-
Less accumulated depreciation	(8,850,774)	(24,304,941)	(5,221,599)	(408,150)	(38,785,464)	(390,735)
Total Capital Assets	16,256,854	32,186,885	10,985,536	295,285	59,724,560	68,614
Total Noncurrent Assets	17,913,366	32,202,190	10,985,536	295,285	61,396,377	68,614
Total Assets	19,837,742	45,972,846	13,216,459	4,608,841	83,635,888	2,368,961
Deferred Outflows of Resources						
Deferred pension resources	60,868	64,498	12,427	45,173	182,966	35,195
Deferred other postemployment benefit resources	20,032	17,228	6,046	11,791	55,097	5,927
Total Deferred Outflows of Resources	80,900	81,726	18,473	56,964	238,063	41,122
Liabilities						
Current Liabilities						
Accounts payable	1,492,809	140,176	2,215	217,010	1,852,210	102,473
Contracts payable	229,780	115,194	-	-	344,974	-
Due to other governments	1,975	-	-	40,035	42,010	-
Accrued interest payable	-	266,976	90,391	-	357,367	-
Accrued wages payable	22,272	25,308	4,931	18,063	70,574	12,137
Compensated absences payable - current portion	17,419	42,028	611	22,095	82,153	-
Bonds payable - current portion	-	630,000	255,000	-	885,000	-
Other postemployment benefits liability - current portion	11,794	10,143	3,559	6,942	32,438	3,490
Total Current Liabilities	1,776,049	1,229,825	356,707	304,145	3,666,726	118,100
Noncurrent Liabilities						
Compensated absences payable, net of current portion	20,395	74,358	-	24,868	119,621	-
Bonds payable, net of current portion	-	14,118,045	4,908,505	-	19,026,550	-
Net pension liability	207,239	219,578	42,300	153,793	622,910	119,820
Other postemployment benefits liability	88,731	76,310	26,775	52,229	244,045	26,253
Total Noncurrent Liabilities	316,365	14,488,291	4,977,580	230,890	20,013,126	146,073
Total Liabilities	2,092,414	15,718,116	5,334,287	535,035	23,679,852	264,173
Deferred Inflows of Resources						
Deferred pension resources	137,788	145,987	28,122	102,251	414,148	79,664
Deferred other postemployment benefit resources	19,885	17,102	6,000	11,704	54,691	5,883
Deferred lease resources	421,732	-	-	-	421,732	-
Total Deferred Inflows of Resources	579,405	163,089	34,122	113,955	890,571	85,547
Net Position						
Net investment in capital assets	14,649,246	17,925,613	5,822,031	295,285	38,692,175	68,614
Unrestricted	2,597,577	12,247,754	2,044,492	3,721,530	20,611,353	1,991,749
Total Net Position	$ 17,246,823	$ 30,173,367	$ 7,866,523	$ 4,016,815	59,303,528	$ 2,060,363
	Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				108,210	
	Net position of business-type activities				$ 59,411,738	

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	601 Water	**602** Wastewater	**604** Storm Water	Nonmajor Proprietary Funds	Total	
Operating Revenues						
Sales	$ -	$ -	$ -	$ 3,820,998	$ 3,820,998	$ -
Cost of sales	-	-	-	(1,974,156)	(1,974,156)	-
Gross Profit	-	-	-	1,846,842	1,846,842	-
Charges for services	3,610,879	5,486,595	1,732,878	-	10,830,352	1,600,898
Other income	457,357	14,955	4,372	7,564	484,248	-
Total Operating Revenues	4,068,236	5,501,550	1,737,250	1,854,406	13,161,442	1,600,898
Operating Expenses						
Personal services	712,610	824,948	170,756	551,861	2,260,175	728,398
Pension expense	(41,729)	5,707	12,192	(2,999)	(26,829)	-
Supplies	275,632	985,985	52,311	24,326	1,338,254	153,551
Other services and charges	486,971	598,292	196,880	1,113,428	2,395,571	659,092
Insurance	19,800	27,167	1,220	9,112	57,299	-
Utilities	202,328	377,913	-	17,003	597,244	-
Depreciation	538,389	1,137,071	428,664	21,184	2,125,308	26,215
Total Operating Expenses	2,194,001	3,957,083	862,023	1,733,915	8,747,022	1,567,256
Operating Income (Loss)	1,874,235	1,544,467	875,227	120,491	4,414,420	33,642
Nonoperating Revenues (Expenses)						
Investment income	152,505	552,897	98,512	162,469	966,383	108,694
Lease income	3,028	-	-	-	3,028	-
Interest expense	-	(642,547)	(222,389)	-	(864,936)	-
Bond premium amortization	-	16,836	63,515	-	80,351	-
Total Nonoperating Revenues (Expenses)	155,533	(72,814)	(60,362)	162,469	184,826	108,694
Income Before Contributions and Transfers	2,029,768	1,471,653	814,865	282,960	4,599,246	142,336
Capital Contributions						
From Other Funds	1,151,077	830,382	816,355	-	2,797,814	-
Transfers Out	(6,449)	(3,658)	(5,053)	(50,000)	(65,160)	-
Total Contributions and Transfers	1,144,628	826,724	811,302	(50,000)	2,732,654	-
Change in Net Position	3,174,396	2,298,377	1,626,167	232,960	7,331,900	142,336
Net Position, January 1	14,072,427	27,874,990	6,240,356	3,783,855	51,971,628	1,918,027
Net Position, December 31	$ 17,246,823	$ 30,173,367	$ 7,866,523	$ 4,016,815	$ 59,303,528	$ 2,060,363

Change in net position as shown above	$ 7,331,900
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	4,267
Change in net position of business-type activities	$ 7,336,167

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	601 Water	**602** Wastewater	**604** Storm Water	Nonmajor Proprietary Funds	Total	
Cash Flows from Operating Activities						
Receipts from customers and users	$ 3,506,161	$ 5,589,158	$ 1,714,402	$ 3,815,332	$ 14,625,053	$ 1,600,898
Payments to suppliers and vendors	(1,013,386)	(2,121,899)	(401,643)	(3,107,422)	(6,644,350)	(735,284)
Payments to and on behalf of employees	(875,124)	(830,350)	(156,016)	(588,088)	(2,449,578)	(756,674)
Other receipts	457,357	14,955	4,372	7,564	484,248	-
Net Cash Provided (Used) by Operating Activities	2,075,008	2,651,864	1,161,115	127,386	6,015,373	108,940
Cash Flows from Noncapital Financing Activities						
(Increase) decrease in advances to other funds	986,878	-	-	-	986,878	-
Transfers to other funds	(6,449)	(3,658)	(5,053)	(50,000)	(65,160)	-
Net Cash Provided (Used) by Noncapital Financing Activities	980,429	(3,658)	(5,053)	(50,000)	921,718	-
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(4,547,865)	(3,008,920)	(824,634)	(188,565)	(8,569,984)	(9,383)
Principal paid on revenue bonds payable	-	(420,000)	(120,000)	-	(540,000)	-
Interest paid	-	(649,509)	(218,363)	-	(867,872)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,547,865)	(4,078,429)	(1,162,997)	(188,565)	(9,977,856)	(9,383)
Cash Flows from Investing Activities						
Investment income received	152,704	562,666	99,156	159,443	973,969	109,043
Net Increase (Decrease) in Cash and Cash Equivalents	(1,339,724)	(867,557)	92,221	48,264	(2,066,796)	208,600
Cash and Cash Equivalents, January 1	2,532,884	13,696,187	1,964,729	3,748,861	21,942,661	2,058,411
Cash and Cash Equivalents, December 31	$ 1,193,160	$ 12,828,630	$ 2,056,950	$ 3,797,125	$ 19,875,865	$ 2,267,011
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	$ 1,874,235	$ 1,544,467	$ 875,227	$ 120,491	$ 4,414,420	$ 33,642
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	538,389	1,137,071	428,664	21,184	2,125,308	26,215
(Increase) decrease in assets						
Accounts receivable	(105,215)	102,538	(18,480)	(5,680)	(26,837)	-
Due from other governments	497	25	4	14	540	-
Inventories	(5,329)	-	-	12,062	6,733	-
Prepaid items	560	4,004	378	(784)	4,158	(499)
(Increase) decrease in deferred outflows of resources						
Deferred pension resources	578	(7,696)	(3,329)	(4,226)	(14,673)	(3,406)
Deferred other postemployment benefit resources	(6,614)	(3,752)	(3,686)	(4,028)	(18,080)	(2,018)
Increase (decrease) in liabilities						
Accounts payable	(65,563)	(130,839)	(139,418)	15,880	(319,940)	77,858
Due to other governments	(52)	-	-	446	394	-
Accrued wages payable	(351)	3,444	595	2,833	6,521	1,828
Other postemployment benefits liability	(3,321)	(17,839)	12,073	(914)	(10,001)	(511)
Compensated absences payable	(64,035)	58,998	472	2,689	(1,876)	-
Net pension liability	(44,595)	(13,223)	5,014	(14,030)	(66,834)	(10,463)
Increase (decrease) in deferred inflows of resources						
Deferred pension resources	(41,180)	(19,456)	1,624	(17,015)	(76,027)	(12,923)
Deferred other postemployment benefit resources	(2,996)	(5,878)	1,977	(1,536)	(8,433)	(783)
Net Cash Provided (Used) by Operating Activities	$ 2,075,008	$ 2,651,864	$ 1,161,115	$ 127,386	$ 6,015,373	$ 108,940
Schedule of Noncash Investing Capital and Financing Activities						
Capital assets acquired on account	$ 1,607,608	$ 115,194	$ -	$ -	$ 1,722,802	$ -
Capital assets contributed by (to) other funds	$ 1,151,077	$ 830,382	$ 816,355	$ -	$ 2,797,814	$ -
Amortization of bond premium, net	$ -	$ (16,836)	$ (63,515)	$ -	$ (80,351)	$ -

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Private-Purpose Trust Fund	Custodial Fund
	851 Whittier Trust Fund	Deputy Registrar
Assets		
Cash and temporary investments	$ 377,822	$ -
Receivables		
Accrued interest	1,680	-
Total Assets	$ 379,502	$ -
Net Position		
Restricted		
Individuals and Other Governments	$ 379,502	$ -

The notes to the financial statements are an integral part of this statement.

City of Northfield, Minnesota
Statement of Changes Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	Private-Purpose Trust Fund	Custodial Fund
	851 Whittier Trust Fund	Deputy Registrar
Additions		
Fees collected on behalf of the state	$ -	$ 3,334,117
Investment earnings	17,196	-
Total Additions	17,196	3,334,117
Deductions		
Current		
Culture and recreation	3,400	-
Payments to state	-	3,334,117
Total Deductions	3,400	3,334,117
Net Increase (Decrease) in Fiduciary Net Position	13,796	-
Net Position, January 1	365,706	-
Net Position, December 31	$ 379,502	$ -

The notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Northfield (the City) was incorporated in 1875. The City operates under a Home Rule Charter as defined by Minnesota Statutes which provides for a Mayor-Council form of government. The Council exercises legislative authority and determines all matters of policy. The Council appoints the city administrator who is responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Each discretely presented component unit has a December 31 year end.

Blended Component Unit. The Northfield Economic Development Authority (EDA) was created pursuant to Minnesota Statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. The seven-member board consists of two Council members and five other Council-approved members. The EDA may not exercise any of the powers enumerated by the authorizing Statutes without prior approval of the City Council. The EDA issued debt during 2025 with the specific financial burden on the primary government. The EDA is reported as a special revenue fund and debt service fund of the City.

Discretely Presented Component Unit*s.* The component unit columns in the combined financial statements include the financial data of the Housing and Redevelopment Authority and the Northfield Municipal Hospital. These component units are presented in separate columns to emphasize that they are legally separate from the City.

The Northfield Housing and Redevelopment Authority (HRA) was created pursuant to Chapter 487 of the Minnesota Session Laws of 1947. The HRA was created by the City to carry out certain redevelopment projects. The governing board, which is comprised of five members, one of which is a City Council member, is appointed by the Mayor and approved by the City Council. The Council reviews and approves HRA tax levies, and the City provides major community development financing for HRA activities. The HRA is reported as a governmental fund type. Separate financial statements are not issued for this component unit. Condensed statement information for the HRA is presented starting on page 174 of these financial statements.

The Northfield Municipal Hospital board of directors is appointed by the City Council. The Hospital has its own budget review and prepares its own financial statements. The City can impose its will on the Hospital, and the outstanding bonded indebtedness is the hospital's debt and is not the responsibility of the City. The Hospital is reported as a discretely presented enterprise fund. Complete financial statements may be obtained at the entity's administrative offices, Northfield Municipal Hospital, 2000 North Avenue, Northfield, MN 55057.

Joint Venture and Joint Powers Agreement*.* The cities of Northfield and Dundas, Minnesota and the townships of Bridgewater, Northfield, Webster, Forest, Waterford, Sciota and Greenvale, Minnesota (Rural Fire) formed the Northfield Area Fire and Rescue Service, Northfield, Minnesota (NAFRS), established under Minnesota Statutes, section 471.59 on April 1, 2014 to provide fire protection, suppression, prevention, technical rescue and non-transport emergency medical services to these communities. The Board consists of eight voting Board members which consists of five board members appointed by the Northfield City Council, two Board members appointed by Rural Fire and one Board member appointed by the Dundas City Council. There are also 5 ex-officio (nonvoting) Board members. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the Organization's activities. Funding is provided by the communities at a ratio of 72.8 percent for Northfield, 6.0 percent for Dundas and 21.2 percent for Rural Fire. The percentages will be updated every two years based on their annual budget.

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its component units. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Note 1: Summary of Significant Accounting Policies (Continued)

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *2025 Capital Project fund* accounts for project costs and funding for the 2025 street projects.

The *Ice Arena Construction fund* accounts for project costs and funding for the Ice Arena which was bonded by the EDA.

The City reports the following major proprietary funds:

The *Water fund* accounts for the water service charges which are used to finance the water system operating expenses.

The *Wastewater fund* accounts for the wastewater service charges which are used to finance the sanitary sewer system operating expenses.

The *Storm Water fund* accounts for revenues and expenses with storm water disposal.

Additionally, the City reports the following fund types:

Internal Service funds are used to provide insurance coverage and data processing to other departments of the City.

Fiduciary Funds

The fiduciary funds use the accrual basis of accounting. Revenues are recognized with earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

The Private-Purpose Trust fund accounts for money held by the City in the capacity of trustees for others. The fund is used for the activity of the City's Whittier Trust.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. They use the *economic resources measurement focus.* The City's Custodial fund accounts for the activities of the Deputy Registrar.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Note 1: Summary of Significant Accounting Policies (Continued)

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewer and sanitation collection functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may invest idle funds as authorized by Minnesota Statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to Statute section 126C.55.

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.

8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Note 1: Summary of Significant Accounting Policies (Continued)

9. Guaranteed investment contracts (GICs) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The broker money market accounts operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2025:

- Commercial Backed Securities and US Treasury securities of $21,512,607 are valued using quoted market prices (Level 1 inputs)

- Commercial paper, Mortgage-backed securities and Municipal securities of $3,165,428 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at an amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days' interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting League of Minnesota Cities Finance Department at 145 University Avenue West, St. Paul, Minnesota, 55103-2044.

The City's investment policy follows Minnesota Statutes, which reduce the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Custodial Credit Risk* - For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the government would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2025 all investments were insured or registered, or securities were held by the City or its agent in the City's name.

- *Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies. The City's investment policy does not further limit the ratings of their investments.

- *Concentration Risk* - The City's investment policy does not address concentration with a particular broker. Investment instruments are varied to prevent concentration in any one investment type. The Hospital does not place a limit on the amount of the total portfolio that may be invested in any one depository or issuer. The Finance Department is responsible for the formulation, documentation, and monitoring of investment strategy consistent with the investment policy.

Note 1: Summary of Significant Accounting Policies (Continued)

- *Interest Rate Risk* - In accordance with its investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from the over-concentration of assets in a specific maturity. The maturities selected shall provide for stability of income and reasonable liquidity. The Hospital has a formal investment policy that addresses permissible investments, portfolio diversification and instrument maturities. Within these parameters, the liquidity of the investments is a concern maximizing income and the quality of the investments is paramount.

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and November each year.

Delinquent taxes receivable includes the past six years' uncollected taxes. Delinquent taxes have been offset by deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2025. The City has no allowance for uncollectible accounts, as the City is generally able to certify amounts not collected to the County for collection as special assessments. All trade receivables for the Municipal Hospital are shown net of an allowance for uncollectible accounts.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Patient Receivables

The Municipal Hospital provides an allowance for uncollectible accounts using management's judgment. Acute-care patients are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of the invoice. Past due accounts are individually analyzed for collectability, and then turned over to collection agents. Accounts for which no payments have been received are analyzed and after approval are written off. In addition, an allowance is estimated for other accounts based on historical experience of the Municipal Hospital. At December 31, 2025, the allowance for uncollectible accounts was $11,783,000.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available expendable financial resources.

Inventories and Prepaid Items

All inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method except for the governmental funds which are recorded at cost or are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

Assets Held for Resale

Land was acquired by the City and EDA for subsequent resale for redevelopment purposes. Land held for resale is an asset recorded at the lower of cost or realizable value in the fund that acquired it.

Restricted Assets

Restricted assets include assets set aside by the Hospital Board of Directors for future capital improvements, assets set aside under bond indenture agreements and assets set aside under employee health insurance arrangements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $10,000 (amount not rounded) and an estimated useful life in excess of one year. The Hospital's capitalization threshold is $5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City had already accounted for its prior infrastructure at historical cost for the initial reporting of these assets. As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Note 1: Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	10 - 30
Building and Improvements	20 - 40
Infrastructure	10 - 30
Machinery, Equipment and Vehicles	5 - 20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources are reported only in the statement of net position. The items result from actuarial calculations and current year pension contributions made subsequent to the measurement dates.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absences are measured using FIFO, reflecting the City's estimate of future leave usage and payouts, consistent with updated guidance under GASB 101. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate governmental compensated absences payable.

Postemployment Benefits Other Than Pensions

Under Minnesota Statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement 75, at January 1, 2025. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

Note 1: Summary of Significant Accounting Policies (Continued)

The total pension expense for the GERP, PEPFP, and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			
	GERP	PEPFP	DCP	Total
City's proportionate share				
Primary Government	$ (28,304)	$ 437,703	$ 1,680	$ 411,079
Discretely Presented Component Units				
Housing Redevelopment Authority	(525)	-	-	(525)
Municipal Hospital	779,441	-	-	779,441
Proportionate share of State's contribution				
Primary Government	(10,438)	38,491	-	28,053
Discretely Presented Component Units				
Housing Redevelopment Authority	(194)	-	-	(194)
Municipal Hospital	510,229	-	-	510,229
Total pension expense	$ 1,250,208	$ 476,194	$ 1,680	$ 1,728,082

Leases

The City and Hospital determines if an arrangement is a lease at inception. Leases are included in lease receivables, assets and lease liabilities in the statement of net position.

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Lease assets represent the Hospital's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Hospital's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Hospital will exercise that option. The Hospital has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Hospital has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Hospital accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Hospital treats the components as a single lease unit.

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items listed below reported in the statement of net position and governmental funds balance sheet:

- *Unavailable revenues* are presented in the governmental funds from three sources: property taxes, special assessments and intergovernmental revenue. These arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- *Deferred pension resources* are reported only in the statements of net position and result from actuarial calculations.

- *Deferred other postemployment benefit resources* are reported only in the statements of net position and result from actuarial calculations.

- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.

Net Patient and Resident Service Revenue

Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods, as final settlements are determined.

Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions

From time to time, the Hospital receives contributions from individuals and private organizations. Revenue contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted to either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council (the Council), which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Council itself or by an official to which the governing body delegates the authority. The Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds. The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unrestricted fund balance of 40 percent of budgeted operating expenditures for cash-flow timing needs.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquiring capital assets.

b. Restricted net position - Consists of net position balances restricted by limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Note 1: Summary of Significant Accounting Policies (Continued)

c. Unrestricted net position - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and special revenue funds except the Arts and Culture fund, TZD Enforcement fund, Jefferson Square TIF fund, Utility Franchise Fee, Carbon Reduction Fund, Spring Creek TIF fund, Aurora TIF fund, Washington TIF fund, Maple Brook TIF fund, Spring Creek TIF fund, and Kraewood TIF fund, which are not legally obligated to prepare budgets. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the Administrator so that a budget may be prepared. Before September 30th, the proposed budget is presented to the Council for review and the proposed levy is adopted. The Council holds public hearings and a final budget, and a final tax levy is prepared and adopted in early December.

The City’s legal level of budgetary control is at the fund level for funds other than the General fund. The legal level of budgetary control for the General fund is at the department level. The City’s department heads may make transfers of appropriations within a department with the approval of the City Administrator. Transfers of appropriations between departments require the approval of the Administrator. Transfers of appropriations between funds require the approval of the Council. Budgeted amounts are as originally adopted, or as amended by the Council. There were no amendments made to the budget.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Special Revenue			
Motor Vehicle	$ 284,809	$ 301,134	$ 16,325
Communication	368,829	372,264	3,435
Library Gift	12,500	52,976	40,476
C.C. Cloherty	200	233	33

Note 2: Stewardship, Compliance and Accountability (Continued)

These over expenditures were funded by revenues in excess of budget and available fund balance.

C. Deficit Fund Balance

The following funds had fund deficits at December 31, 2025:

Fund	Amount
Major	
Capital Projects	
2025 Capital Project	$ 1,094,585
Nonmajor	
Special Revenue	
Community Resource Center	60,481
Community Development Block Grant	14,085
Archer TIF	350
Capital Projects	
2022 Capital Project	165,730
2023 Capital Project	447
2026 Capital Project	526,457
5th Street Redevelopment	1,239,681

The above deficits will be eliminated through future intergovernmental revenues, taxes, tax increments, assessments and future bond proceeds.

Note 3: Detailed Notes on all Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota Statutes and as authorized by the Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;

Note 3: Detailed Notes on all Funds (Continued)

- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota Statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was $2,729,362 and the bank balance was $2,791,431. The bank balance was covered by federal depository insurance totaling $500,000. The remaining balance was collateralized with securities held by the pledging financial institution's trust department in the City's name.

Investments

As of December 31, 2025, the City had the following investments that are insured or registered, or securities held by the city or its agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using Level 1	Fair Value Measurement Using Level 2
Pooled Investments at Amortized Costs					
Broker Money Market Accounts	N/A	less than 1 year	$ 16,775,450		
4M Fund	N/A	less than 1 year	24,693,753		
Non-pooled Investments at Fair Value					
Commercial Paper	P-1	less than 1 year	1,895,554	$ -	$ 1,895,554
Commercial paper	N/A	less than 1 year	624,542	-	624,542
US Treasuries	Aa1	less than 1 year	6,122,904	6,122,904	-
US Treasuries	Aa1	1 to 5 years	12,962,725	12,962,725	-
Municipal Securities	Aa2	less than 1 year	121,102	-	121,102
Municipal Securities	Aa1	1 to 5 years	71,230	-	71,230
Municipal Securities	Aa2	1 to 5 years	138,314	-	138,314
Municipal Securities	A1	1 to 5 years	111,393	-	111,393
Federal Agency Securities					
Mortgage Backed Securities	Aa1	1 to 5 years	63,490	-	63,490
Mortgage Backed Securities	Aa1	Greater than 5 years	73,072	-	73,072
Federal Collateralized					
Mortgage Securities	AA+	1 to 5 years	32,945	-	32,945
Mortgage Securities	AA+	Greater than 5 years	33,786	-	33,786
Commercial Backed Securitie	AA+	less than 1 year	612,457	612,457	-
Commercial Backed Securitie	AA+	1 to 5 years	1,814,721	1,814,721	-
Total Investments			$ 66,147,438	$ 21,512,807	$ 3,165,428

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

Note 3: Detailed Notes on all Funds (Continued)

Cash on Hand

A reconciliation of cash and investments as shown on the statement of net position for the City is as follows:

	Total
Deposits - City Pooled Account	$ 2,729,362
Investments - City Pooled Account	66,147,438
Cash on Hand	3,350
Total	$ 68,880,150
Cash and Investments - Primary Government	$ 51,860,601
Restricted Cash and Investments - Primary Government	16,207,812
Cash and Investments - Component Unit - HRA	433,915
Cash and Investments - Fiduciary Funds	377,822
Total	$ 68,880,150

Component Unit - Municipal Hospital

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota Statutes and as authorized by the Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

The Hospital's deposits in banks at December 31, 2025 had a carrying value of $6,859,871 and were entirely covered by Federal depository insurance or by collateral held by the Hospital's custodial bank in the Hospital's name.

The Hospital had the following investments at December 31, 2025:

		Fair Value Measurement Using		
	Amount	Level 1	Level 2	Level 3
Federal Home Loan Bank	$ 1,711,032	$ -	$ 1,711,032	$ -
Federal National Mortgage Association	2,949,156	-	2,949,156	-
Federal Home Loan Mortgage Corp	2,773,758	-	2,773,758	-
Federal Farm Credit Bank	3,872,004	-	3,872,004	-
U.S. Treasury Notes	3,656,845	-	3,656,845	-
U.S. Government Obligations	3,499,671	-	3,499,671	-
Collateralized Mortgage Obligations	8,189,522	-	8,189,522	-
Certificate of Deposit	339,279	339,279	-	-
U.S. Equities	4,463,239	4,463,239	-	-
International Equities	976,129	976,129	-	-
Taxable Fixed Income	4,123,859	4,123,859	-	-
Other Assets	397,522	397,522	-	-
Total	$ 36,952,016	$ 10,300,028	$ 26,651,988	$ -

Note 3: Detailed Notes on all Funds (Continued)

- Federal Home Loan Bank: Consists of discount notes and notes with interest rates of 1.00% to 5.1% maturing from 2026 to 2033 and have AA+ ratings by Standard & Poor's.
- Federal National Mortgage Association: Consists of discount notes and notes with interest rates ranging from 1.50% to 3.50% maturing from 2029 to 2039 and have AA+ ratings by Standard & Poor's.
- Federal Home Loan Mortgage Corp: Consists of discount notes with interest rates ranging from 1.50% to 4.01% maturing from 2027 to 2041 and have AA+ ratings by Standard & Poor's.
- Federal Farm Credit Bank: Consists of discount notes with interest rates ranging from 0.90% to 5.29% maturing from 2026 to 2034 and have AA+ ratings by Standard & Poor's.
- US Treasury Notes: Consists of discount notes with interest rates ranging from 0% to 4.875% maturing from 2025 to 2030 and have AA+ ratings by Standard & Poor's.
- Certificates of Deposits (CD): Consists of deposits with interest rates ranging from 0% to 5% maturing in 2026.
- U.S. Government Obligations: Consists of discount notes with interest rates ranging from 0% to 5.00% maturing from 2024 to 2028 and have BBB – AA+ ratings by Standard & Poor's.
- Collateralized Mortgage Obligations: Consists of discount notes with interest rates ranging from 3.11% to 5.25% maturing from 2024 to 2028 and have BBB – AA+ ratings by Standard & Poor's.
- Equity Investments: Consists of common stocks of U.S. companies, American Depository Receipts, U.S. dollar denominated foreign equity securities and foreign equity securities of foreign companies that are listed on a major domestic stock exchange or traded in the over-the-counter markets.

Cash and Investments Summary

A reconciliation of cash and investments as shown on the Statement of Net Position for the Component Unit - Municipal Hospital is as follows:

Deposits	$ 6,859,871
Investments	36,952,016
Total	$ 43,811,887
Cash and Investments	$ 43,794,063
Restricted Assets	17,824
Total	$ 43,811,887

Note 3: Detailed Notes on all Funds (Continued)

B. Receivables

The Hospital provides an allowance for uncollectible accounts based on the allowance method using management's judgment. Patients and residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of the invoice. Past due accounts are individually analyzed for collectability, and then turned over to collection agents. Accounts for which no payments have been received are analyzed and after approval are written off. In addition, an allowance is estimated for other accounts based on the historical experience of the Hospital. At December 31, 2025, the allowance for uncollectible accounts was $11,783,000.

Patient Receivables

Patient receivables reported as current assets by the Hospital at December 31, 2025 consist of the following:

Receivable from Patients and their Insurance Carriers	$ 32,560,553
Receivable from Medicare	4,541,539
Receivables from Medicaid	1,346,052
Total Patient Receivables	38,448,144
Less: Allowance for Doubtful Accounts	(11,783,000)
Patient Receivables, Net	$ 26,665,144

There are other accounts receivable in the amount of $196,798 for 2025.

Notes

The EDA - component unit has several business subsidy loans to local businesses. The terms of repayment vary with each loan. The total of these notes receivable for December 31, 2025 is $728,809.

Lease Receivable

The City leases various land, buildings and office spaces to others. These agreements contain various renewal and extension options. The latest maturity date is projected to be in 2031; however, the City anticipates new or revised leasing arrangements to occur in the future.

Long-term lease activity for the year ended December 31, 2025 was as follows:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Tower Land Agreement	08/17/25	5.00 %	$ 7,123	$ 424,760
Rice County - Office Space	11/01/21	1.41	12,863	81,721
				$ 506,481

Note 3: Detailed Notes on all Funds (Continued)

C. Capital Assets

Capital asset activity for primary government for the year ended December 31, 2025 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	$ 1,465,130	$ -	$ -	$ 1,465,130
Construction in progress	25,346,923	20,743,319	(12,338,209)	33,752,033
Total Capital Assets not Being Depreciated	26,812,053	20,743,319	(12,338,209)	35,217,163
Capital Assets being Depreciated				
Buildings and improvements	30,495,523	63,604	-	30,559,127
Infrastructure	105,077,782	8,831,000	-	113,908,782
Machinery, equipment and vehicles	10,740,383	1,681,512	(529,955)	11,891,940
Total Capital Assets Being Depreciated	146,313,688	10,576,116	(529,955)	156,359,849
Less Accumulated Depreciation				
Buildings and improvements	(16,325,907)	(888,026)	-	(17,213,933)
Infrastructure	(63,187,738)	(3,242,855)	-	(66,430,593)
Machinery, equipment and vehicles	(7,352,813)	(665,306)	529,955	(7,488,164)
Total Accumulated Depreciation	(86,866,458)	(4,796,187)	529,955	(91,132,690)
Total Capital Assets Being Depreciated, Net	59,447,230	5,779,929	-	65,227,159
Governmental Activities Capital Assets, Net	$ 86,259,283	$ 26,523,248	$ (12,338,209)	$ 100,444,322

Note 3: Detailed Notes on all Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	$ 1,661,718	$ -	$ -	$ 1,661,718
Construction in progress	16,176,785	11,203,039	(5,269,300)	22,110,524
Total Capital Assets not Being Depreciated	17,838,503	11,203,039	(5,269,300)	23,772,242
Capital Assets being Depreciated				
Buildings and improvements	29,008,227	-	-	29,008,227
Infrastructure	36,170,361	6,085,655	-	42,256,016
Machinery, equipment, and vehicles	3,148,962	417,560	(92,983)	3,473,539
Total Capital Assets Being Depreciated	68,327,550	6,503,215	(92,983)	74,737,782
Less Accumulated Depreciation				
Buildings and improvements	(18,777,539)	(1,285,943)	-	(20,063,482)
Infrastructure	(16,423,167)	(612,243)	-	(17,035,410)
Machinery, equipment, and vehicles	(1,552,433)	(227,122)	92,983	(1,686,572)
Total Accumulated Depreciation	(36,753,139)	(2,125,308)	92,983	(38,785,464)
Total Capital Assets Being Depreciated, Net	31,574,411	4,377,907	-	35,952,318
Business-type Activities Capital Assets, Net	$ 49,412,914	$ 15,580,946	$ (5,269,300)	$ 59,724,560

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 147,027
Public safety	549,716
Public works, including depreciation of general infrastructure assets	3,073,320
Culture and recreation	866,009
Housing and economic development	105,000
Miscellaneous	28,900
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	26,215
Total Depreciation Expense - Governmental Activities	$ 4,796,187
Business-type Activities	
Water	$ 538,389
Wastewater	1,137,071
Garbage	17,164
Storm Water	428,664
Municipal Liquor Store	4,020
Total Depreciation Expense - Business-type Activities	$ 2,125,308

Note 3: Detailed Notes on all Funds (Continued)

Discretely Presented Component Units

Capital asset activity for the Municipal Hospital for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Municipal Hospital				
Capital Assets not being Depreciated				
Land	$ 2,931,772	$ -	$ -	$ 2,931,772
Construction in progress	613,655	1,375,869	(1,709,465)	280,059
Total Capital Assets not Being Depreciated	3,545,427	1,375,869	(1,709,465)	3,211,831
Capital Assets being Depreciated and Amortized				
Land improvements	2,313,108	19,277	(75,126)	2,257,259
Buildings	71,346,333	537,490	-	71,883,823
Building equipment	3,967,021	111,172	(140,494)	3,937,699
Movable equipment	32,219,661	1,480,374	(1,552,694)	32,147,341
Lease facilities	419,595	271,261	(209,796)	481,060
Lease equipment	892,109	60,460	(39,344)	913,225
Other real estate	105,396	-	(105,396)	-
Total Capital Assets Being Depreciated and Amortized	111,263,223	2,480,034	(2,122,850)	111,620,407
Less Accumulated Depreciation and Amortization for				
Land improvements	(1,438,361)	(158,965)	47,729	(1,549,597)
Buildings	(50,141,028)	(3,295,393)	-	(53,436,421)
Building equipment	(3,078,777)	(217,257)	108,807	(3,187,227)
Movable equipment	(28,315,323)	(1,391,681)	1,540,952	(28,166,052)
Lease facilities	(301,622)	(149,880)	209,798	(241,704)
Lease equipment	(497,934)	(267,590)	12,177	(753,347)
Other real estate	(105,396)	-	105,396	-
Total Accumulated Depreciation and Amortized	(83,878,441)	(5,480,766)	2,024,859	(87,334,348)
Total Capital Assets Being Depreciated and Amortized, Net	27,384,782	(3,000,732)	(97,991)	24,286,059
Municipal Hospital Capital Assets, Net	$ 30,930,209	$ (1,624,863)	$ (1,807,456)	$ 27,497,890

Note 3: Detailed Notes on all Funds (Continued)

Capital asset activity for the HRA for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
HRA				
Capital Assets not being Depreciated				
Land	$ 56,994	$ -	$ -	$ 56,994
Capital Assets being Depreciated				
Buildings and structures	361,892	-	-	361,892
Less Accumulated Depreciation for				
Buildings and structures	(173,614)	(13,144)	-	(186,758)
Total Capital Assets being Depreciated, Net	188,278	(13,144)	-	175,134
HRA Capital Assets, Net	$ 245,272	$ (13,144)	$ -	$ 232,128

Depreciation expense was charged to functions/programs of the discretely presented component units as follows:

Discretely Presented Component Units	
Municipal Hospital	$ 5,480,766
HRA	$ 13,144

Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include street construction and various public facilities. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Wall Street Improvements	$ 4,314,371	$ 216,814
Mills town Trail	2,609,328	2,570,361
Jefferson Parkway West Mill & Overlay & Mills Towns Trail Improvements	2,470,070	82,340
Ice Arena	9,817,336	12,832,708
2025 Reclamation & Overlay	2,017,583	91,170
Jefferson Parkway & Extension	4,365,815	3,925,879
Wastewater Treatment Facility	1,404,235	6,887,459
Total	$ 26,998,739	$ 15,793,392

Note 3: Detailed Notes on all Funds (Continued)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances at December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Governmental		
General	2025 Capital Project	$ 660,803
	Nonmajor Governmental Funds	787,797
Total		$ 1,448,600

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include temporary loans made to other funds caused by the timing of bond sales, temporary capital loans and special assessment collections in the subsequent year.

Advances to/from Other Funds

The Water fund loaned the City Facilities fund $271,722 to cover the construction of the street department roof. The loan is to be paid back with semi-annual payments to be made on August 1 and February 1. Payments commenced on 2/1/2020, at an interest rate of 1.9 percent. The balance of these advances at December 31, 2025 was $116,365. Additionally, the Water fund advanced $2,111,742 to the 5th Street Redevelopment fund during 2022 for capital expenditures. The balance of this advance as of December 31, 2025 was $1,151,742. There are no formal repayment terms; rather, dollars will be remitted upon future developer contributions.

Interfund Transfers

	Transfers In				
	General Fund	Debt Service Fund	2025 Capital Project Fund	Nonmajor Governmental Funds	Total
Transfers Out					
Nonmajor governmental funds	$ 227,000	$ 140,000	$ 500,000	$ 134,657	$ 1,001,657
Water fund	-	-	-	6,449	6,449
Wastewater fund	-	-	-	3,658	3,658
Storm water fund	-	-	-	5,053	5,053
Nonmajor proprietary funds	50,000	-	-	-	50,000
Total	$ 277,000	$ 140,000	$ 500,000	$ 149,817	$ 1,066,817

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the Debt Service fund to establish mandatory reserve accounts, 3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Note 3: Detailed Notes on all Funds (Continued)

The following transfers were made during 2025:

- From the Liquor fund ($50,000) and the Utility Franchise Fee fund ($160,000) and the Economic Development Authority ($67,000) to the General fund for operations
- From the Capital Reserve fund ($34,657), Water fund ($6,449), Wastewater fund ($3,658), and Stormwater fund ($5,053) to the Arts and Culture fund for capital needs.
- From the Utility Franchise Fee fund ($100,000) to the Carbon Reduction fund.
- From the Utility Franchise Fee fund ($140,000) to the 2021A Bonds fund.
- From the Utility Franchise Fee Fund ($500,000) to the 2025 Capital Project Fund for financing of the project.

E. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund special assessments related bonds.

Primary Government Debt

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds of 2018A	$ 4,195,000	3.00 - 3.30 %	06/07/18	02/01/39	$ 3,190,000
G.O. Bonds of 2018B	240,000	3.00	10/11/18	02/01/29	105,000
G.O. Bonds of 2019A	4,450,000	2.10 - 4.00	10/10/19	02/01/33	3,070,000
G.O. Bonds of 2020A	1,370,000	1.00 - 3.00	07/23/20	02/01/31	875,000
G.O. Bonds of 2021A	2,710,000	1.00 - 2.00	09/09/21	02/01/32	1,915,000
G.O. Bonds of 2022A	4,020,000	3.00 - 4.00	08/04/22	02/01/35	3,585,000
G.O. Bonds of 2023B	7,350,000	5.00	10/26/23	02/01/39	7,175,000
G.O. Bonds of 2024A	8,015,000	4.00 - 5.00	09/12/24	02/01/45	8,015,000
G.O. Bonds of 2025A	4,115,000	4.38 - 5.00	08/14/25	02/01/41	4,115,000
Total General Obligation Bonds					$ 32,045,000

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	General Obligation Bonds Governmental Activities Principal	Interest	Total
2026	$ 1,875,000	$ 1,239,173	$ 3,114,173
2027	2,215,000	1,172,349	3,387,349
2028	2,380,000	1,089,024	3,469,024
2029	2,480,000	1,003,499	3,483,499
2030	2,460,000	919,261	3,379,261
2031 - 2035	11,005,000	3,292,384	14,297,384
2036 - 2040	7,165,000	1,302,126	8,467,126
2041 - 2045	2,465,000	228,481	2,693,481
Total	$ 32,045,000	$ 10,246,297	$ 42,291,297

G.O. Special Assessment (Improvement) Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partly financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2015A	$ 1,595,000	2.00 - 2.15 %	11/03/15	02/01/26	$ 170,000
G.O. Improvement Bonds of 2016C	795,000	1.55 - 2.00	09/15/16	02/01/27	170,000
G.O. Improvement Bonds of 2017A	945,000	2.00 - 2.25	09/07/17	02/01/28	285,000
G.O. Improvement Bonds of 2018B	1,470,000	3.00	10/11/18	02/01/29	635,000
G.O. Improvement Bonds of 2019A	1,885,000	2.10 - 4.00	10/10/19	02/01/30	1,000,000
G.O. Improvement Bonds of 2020A	2,990,000	1.00 - 3.00	07/23/20	02/01/31	1,880,000
G.O. Improvement Bonds of 2021A	1,545,000	1.00 - 2.00	09/09/21	02/01/33	1,225,000
Total G.O. Special Assessments Bonds					$ 5,365,000

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for general obligation special assessment bonds are as follows:

Year Ending December 31	G.O. Special Assessment Bonds Governmental Activities Principal	Interest	Total
2026	$ 1,155,000	$ 99,144	$ 1,254,144
2027	990,000	71,262	1,061,262
2028	925,000	45,874	970,874
2029	845,000	25,955	870,955
2030	680,000	13,615	693,615
2031 - 2033	770,000	9,725	779,725
Total	$ 5,365,000	$ 265,575	$ 5,630,575

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

The EDA has issued public project lease revenue bonds for financing the Ice Arena project in accordance with Minnesota Statutes. The agreements are supported by activity between the EDA and the City. The bonds will be paid back with future property tax levies and lease revenues from the School District and the City of Dundas.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Bonds of 2010A	$ 887,100	0.65 - 6.30 %	12/28/10	02/01/26	$ 60,000
G.O. Utility Revenue Bonds of 2016C	1,185,000	1.55 - 2.00	09/15/16	02/01/27	235,000
G.O. Utility Revenue Bonds of 2020A	665,000	1.00 - 3.00	07/23/20	02/01/31	425,000
G.O. Utility Revenue Bonds of 2023A	17,240,000	5.00	10/11/23	02/01/44	16,940,000
G.O. Utility Revenue Bonds of 2024A	1,350,000	5.00	09/12/24	02/01/35	1,350,000
Total Business-type					19,010,000
EDA Lease Revenue Bonds 2025B	21,700,000	2.48 - 5.00	09/04/25	02/01/46	21,700,000
Total Governmental-type					21,700,000
Total G.O. Revenue Bonds					$ 40,710,000

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31	G.O. Revenue Bonds Business-type Activities Principal	Interest	Total	G.O. Revenue Bonds Governmental-type Activities Principal	Interest	Total
2026	$ 885,000	$ 844,808	$ 1,729,808	$ -	$ 970,787	$ 970,787
2027	895,000	806,071	1,701,071	255,000	1,062,381	1,317,381
2028	810,000	766,856	1,576,856	705,000	1,038,381	1,743,381
2029	850,000	727,456	1,577,456	740,000	1,002,256	1,742,256
2030	895,000	686,675	1,581,675	775,000	964,381	1,739,381
2031 - 2035	4,800,000	2,757,125	7,557,125	4,505,000	4,183,906	8,688,906
2036 - 2040	5,020,000	1,580,766	6,600,766	5,745,000	2,908,906	8,653,906
2041 - 2045	4,855,000	422,981	5,277,981	7,300,000	1,326,803	8,626,803
2046	-	-	-	1,675,000	41,877	1,716,877
Total	$ 19,010,000	$ 8,592,738	$ 27,602,738	$ 21,700,000	$ 13,499,678	$35,199,678

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Wastewater	Storm Water
Revenue	$ 5,501,550	$ 1,737,250
Principal and Interest	1,069,509	338,363
Percent of Revenue	19.4 %	19.5 %

Notes Payable.

This note was issued to fund the Crossing Tax increment district project.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Taxable Tax increment Note of 2006 - The Crossing	$ 2,035,776	3.89 %	08/01/08	08/01/27	$ 303,575

The annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31	Notes Payable Governmental Activities Principal	Interest	Total
2026	$ 167,878	$ 6,830	$ 174,708
2027	135,697	1,269	136,966
Total	$ 303,575	$ 8,099	$ 311,674

Note 3: Detailed Notes on all Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	$ 29,400,000	$ 4,115,000	$ (1,470,000)	$ 32,045,000	$ 1,875,000
General obligation special assessment bonds	6,630,000	-	(1,265,000)	5,365,000	1,155,000
General obligation tax increment bonds	60,000	-	(60,000)	-	-
General obligation revenue bonds	-	21,700,000	-	21,700,000	-
Plus amounts for unamortized premiums	1,905,747	1,400,180	(169,774)	3,136,153	-
Total Bonds Payable	37,995,747	27,215,180	(2,964,774)	62,246,153	3,030,000
Notes from Direct Borrowings and Direct Placements	460,166	-	(156,591)	303,575	167,878
Compensated Absences Payable *	1,198,926	118,634	-	1,317,560	513,237
Governmental Activity Long-term Liabilities	$ 39,654,839	$ 27,333,814	$ (3,121,365)	$ 63,867,288	$ 3,711,115

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type Activities					
Bonds Payable					
General obligation revenue bonds	$ 19,550,000	$ -	$ (540,000)	$ 19,010,000	$ 885,000
Plus amounts for unamortized premiums	981,901	-	(80,351)	901,550	-
Total Bonds Payable	20,531,901	-	(620,351)	19,911,550	885,000
Compensated Absences Payable*	203,650	-	(1,876)	201,774	82,153
Business-type Activity Long-term Liabilities	$ 20,735,551	$ -	$ (622,227)	$ 20,113,324	$ 967,153

* The change in compensated absences liability is presented as a net change.

Note 3: Detailed Notes on all Funds (Continued)

The City's outstanding notes from direct borrowings and direct placements related to governmental activities of $303,575 contain a provision that in an event of default, the City shall find feasible and responsible parties who will assume the obligation of making or completing the minimum improvements as specified by the development plan. They City will reimburse the developer, its successors or transferee in the amount of the purchase price paid by the developer less any amounts the City is required to pay to the holder of any mortgage encumbering the parcel. Upon resale of the parcel, the proceeds should first be applied to reimburse the City for all costs and expenses incurred, second to reimburse the developer up to amounts allowed by the development plan, followed by any remaining balance being retained by the City.

Conduit Debt Obligations

From time to time, the City has issued Housing Revenue Bonds, Health Care Facilities Revenue Bonds and School Facilities Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of rental housing, educational or health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2025, the total conduit debt issued for issues outstanding totaled $347,288.

Component Unit Debt

Revenue Bonds - Municipal Hospital

The following bonds were issued to provide partial funding for the construction of the Farmington Clinic, Campus Clinic, and purchase of the Northfield Hospital and to extinguish the Hospital Revenue Bonds Series 2001C, Series 2006, and Series 2015B. They will be retired from net revenues of the Hospital.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Hospital Revenue Bonds of 2016	$ 25,000,000	2.56 %	08/05/16	08/01/31	$ 1,112,046
Hospital Revenue Bonds of 2024	11,190,000	4.45	12/20/24	12/31/29	10,850,000
Hospital Revenue Bonds of 2025	3,805,000	3.94	10/16/26	09/01/32	3,773,266
					$ 15,735,312

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31	Revenue Bonds Component Unit - Municipal Hospital Principal	Interest	Total
2026	$ 687,844	$ 658,304	$ 1,346,148
2027	712,744	631,120	1,343,864
2028	737,885	604,678	1,342,563
2029	10,023,846	573,776	10,597,622
2030	354,889	133,136	488,025
2031-2033	3,218,104	208,693	3,426,797
Total	$ 15,735,312	$ 2,809,707	$ 18,545,019

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Hospital
Revenue	$ 137,641,118
Principal and Interest	5,499,401
Percent of Revenue	4.00 %

Leases Payable – Municipal Hospital

The Hospital leases facilities and computers for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028 and provide for renewal options ranging from six months to two years. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments under lease agreements are as follows:

Year Ending December 31	Leases Component Unit - Municipal Hospital Principal	Interest	Total
2026	$ 263,869	$ 8,683	$ 272,552
2027	118,486	2,440	120,926
2028	23,554	211	23,765
Total	$ 405,909	$ 11,334	$ 417,243

Right-to-use assets acquired through outstanding leases are shown in Note 3C. There were no impairment losses in 2025.

Note 3: Detailed Notes on all Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Component Unit Activities- Municipal Hospital					
Bonds Payable					
Revenue bonds	$ 16,287,002	$ 3,805,000	$ (4,356,690)	$ 15,735,312	$ 687,844
Lease Assets	521,378	331,721	(447,190)	405,909	263,869
Component Unit Long-term Liabilities	$ 16,808,380	$ 4,136,721	$ (4,803,880)	$ 16,141,221	$ 951,713

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Plan

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state Statute and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal to 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989, or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were $620,461. The City's contributions were equal to the required contributions as set by state Statute.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The discretely presented component unit – Municipal Hospital had contributions of approximately $4,609,969 for the year ending December 31, 2025.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were $545,374. The City's contributions were equal to the required contributions as set by state Statute.

D. Pension costs

General Employees Fund Pension Costs

At December 31, 2025, the City and it's component units reported a liability of $24,076,887 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of $16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $580,810.

		Component Units		
	Primary Government	Housing Redevelopment Authority	Municipal Hospital	Total
City's Proportionate Share of the Net Pension Liability	$ 2,873,327	$ 52,529	$ 21,151,031	$ 24,076,887
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	68,760	1,821	510,229	580,810
Total	$ 2,942,087	$ 54,350	$ 21,661,260	$ 24,657,697

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0883% at the end of the measurement period and 0.0867% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of negative $750,611 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional $499,597 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2025, the City reported its proportionate share of the General Employees Fund's deferred outflows of resources and deferred inflows of resources, related to pension from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 273,741	$ -
Changes in Actuarial Assumptions	69,234	661,063
Net Difference Between Projected and Actual Earnings on Plan Investments	-	1,143,389
Changes in Proportion	198,303	105,378
Contributions Paid to PERA Subsequent to the Measurement Date	303,285	-
Total	$ 844,563	$ 1,909,830

The $303,285 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ (224,961)
2026	(582,016)
2027	(378,619)
2028	(207,974)

At December 31, 2025, the City's component units reported its proportionate share of the General Employees Fund's deferred outflows of resources and deferred inflows of resources, related to pension from the following sources:

	Component Units			
	Housing Redevelopment Authority		Municipal Hospital	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 5,029	$ -	$ 2,015,230	$ -
Changes in Actuarial Assumptions	1,262	12,166	509,616	4,866,779
Net Difference Between Projected and Actual Earnings on Plan Investments	-	20,837	-	8,416,197
Changes in Proportion	3,614	1,920	24,163	2,021,418
Contributions to GERP Subsequent To the Measurement Date	5,527	-	2,301,934	-
Total	$ 15,432	$ 34,923	$ 4,850,943	$ 15,304,394

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The $5,527, and $2,301,934 reported and deferred outflows of resources related to pensions resulting from the HRA and Municipal Hospital's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Component Units	
	Housing Redevelopment Authority	Municipal Hospital
2026	$ (4,026)	$ (3,123,660)
2027	(10,417)	(4,755,350)
2028	(6,776)	(3,372,932)
2029	(3,799)	(1,503,443)

Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of $2,294,496 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1959% at the end of the measurement period and 0.2133% for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by $17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $79,552.

	Primary Government
City's Proportionate Share of the Net Pension Liability	$ 2,294,896
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	79,552
Total	$ 2,374,448

For the year ended December 31, 2025, the City recognized pension expense of $437,703 for its proportionate share of the Police and Fire Plan's pension expense. The city recognized $38,491 as grant revenue and pension expense for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire special funding situation."

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan allocation schedules for the $9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized $17,628 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,060,315	$ -
Changes in Actuarial Assumptions	1,740,267	2,875,409
Net Difference Between Projected and Actual Earnings on Plan Investments	-	1,024,244
Changes in Proportion	162,668	270,335
Contributions Paid to PERA Subsequent to the Measurement Date	284,489	-
Total	$ 3,247,739	$ 4,169,988

The $284,489 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ 531,651
2027	(495,267)
2028	(1,141,807)
2029	(111,487)
2030	10,172

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.00 %	

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range

- Inflation is assumed to be 2.25% for the General Employees Plan and Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan and 1%

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2024 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

H. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund			
Primary government	$ 6,979,257	$ 2,873,327	$ (457,211)
Component Unit - HRA	127,188	52,529	(8,332)
Component Unit - Municipal Hospital	51,372,537	21,151,031	(3,365,410)

	City Proportionate Share of NPL		
	1 Percent Decrease (4.40%)	Current (5.40%)	1 Percent Increase (6.40%)
Police and Fire Fund			
Primary government	$ 6,013,114	$ 2,294,896	$ (758,348)

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

The City has City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax-deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the employer. *Minnesota Statutes*, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan) (Continued)

Total contributions made by the City during the fiscal year 2025 were:

Contribution Amount		Percentage of Covered Payroll		
Employee	Employer	Employee	Employer	Required Rate
$ 1,680	$ 1,680	5.00 %	5.00 %	5.00 %

The City and council members contributions to the DCP plan for the years ending December 31, 2025, 2024 and 2023 were $1,680, $2,115, and $2,046, respectively.

Note 6: Postemployment Benefits Other Than Pensions

A. Plan Description

The City administers a single employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the City’s group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the union representing employees and are renegotiated each three-year bargaining period. The component unit is included in the City’s plan. The Retiree Health Plan does not issue a publicly available financial report. There are no assets accumulated in a GASB-compliant trust.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	7
Spouses Receiving Payments	4
Active Plan Members	115
Total Plan Members	126

B. Funding Policy

Contribution requirements are also negotiated between the City and union representatives. The City does not contribute to the cost of current-year premiums for eligible retired plan members and their spouses. For the year ended December 31, 2025, the City’s average contribution rate was 16.06 percent of covered-employee payroll. For the year 2025, the City directly contributed $120,023 to the Plan, while implicit contributions totaled $52,399.

C. Actuarial Methods and Assumptions

The City’s total OPEB liability of $1,747,468 was measured as of January 1, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2025, of which the primary government and HRA portions were calculated at $1,717,236 and $30,232, respectively.

The total OPEB liability in the January 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.20%
20-Year Municipal Bond Yield	4.20%
Inflation Rate	2.50%
Salary Increases	Service graded table
Medical Trend Rate	6.50% as of January 1, 2025 grading to 5.00% over 6 years and then to 4.00% over the next 48 years

Note 6: Postemployment Benefits Other Than Pensions (Continued)

The discount rate used to measure the total OPEB liability was 4.20 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public retirement Plan Headcount-Weighted Mortality Tables (General, Safety with MP-2021 Generational Improvement Scale.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at January 1, 2025	$ 1,703,790
Changes for the Year:	
Service cost	68,058
Interest	62,983
Differences between expected and actual experience	148,725
Changes in assumptions or other inputs	(95,578)
Benefit payments	(140,510)
Net Changes	43,678
Balances at December 31, 2025	$ 1,747,468
Primary Government	$ 1,717,236
Component Unit - HRA	30,232
Total OPEB Obligation	$ 1,747,468

Since the prior measurement date, the following assumptions changed:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The retirement, withdrawal, and salary increase rates for non-police were updated to reflect the latest experience study.
- The discount rate was changed from 3.70% to 4.20%.

Note 6: Postemployment Benefits Other Than Pensions (Continued)

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.20 percent) or one percentage point higher (5.20 percent) than the current discount rate:

	1 Percent Decrease (3.2%)	Current (4.2%)	1 Percent Increase (5.2%)
Primary government	$ 1,805,662	$ 1,717,236	$ 1,633,165
Component Unit - HRA	31,789	30,232	28,752

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rate that is one percentage point lower (5.50 percent decreasing to 4.00 percent) or one percentage-point higher (7.50 percent decreasing to 6.00 percent) than the current cost trend rate:

	1 Percent Decrease (5.5% Decreasing to 3%)	Healthcare Cost Trend Rates (6.5% Decreasing to 4%)	1 Percent Increase (7.5% Decreasing to 5%)
Primary Government	$ 1,609,752	$ 1,717,236	$ 1,837,642
Component Unit - HRA	28,340	30,232	32,352

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of negative $114,123. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit	
			Housing Redevelopment Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	$ 47,473	$ 154,557	$ 836	$ 2,721
Net Difference Between Expected and Actual Experience	125,273	185,131	2,205	3,259
Contributions to OPEB Subsequent to the Measurement Date	169,448	-	2,983	-
Total	$ 342,194	$ 339,688	$ 6,024	$ 5,980

Note 6: Postemployment Benefits Other Than Pensions (Continued)

Deferred outflows of resources totaling $172,431 related to OPEB resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Primary Government	Component Unit Housing Redevelopment Authority
2026	$ (65,724)	$ (1,157)
2027	(81,021)	(1,426)
2028	(19,245)	(339)
2029	(19,241)	(339)
2030	10,836	191
Thereafter	7,453	131

Note 7: Commitments and Contingent Liabilities

A. Land Lease

The Hospital leases the land on which the facility is located from a local college. The lease term is for 60 years with two 20-year options. The annual rent expense for the first twenty years of the lease is approximately $6,000. The rent expense in subsequent years will be equal to 5 percent of the appraised market price for rural agricultural land in the Dakota/Rice County Region. The rent expense would be adjusted to current market rates if certain events were to occur, such as the sale of the Hospital.

B. Self-insurance Plan

The Hospital self-insures their employee health and dental insurance program. The Hospital has entered into an agreement with an insurance company to provide stop-loss insurance, to limit the losses on individual and aggregate claims and to provide claims processing and other administrative functions. Claims are accrued as incurred. The amounts charged to expense include administration fees, stop-loss insurance premiums, claims paid, and accruals for claims incurred but not yet paid at year end. Insurance expense for the year ended December 31, 2025 was $5,671,121.

C. Medical Malpractice Insurance

The Hospital purchases medical malpractice insurance under claims made policy on a fixed-premium basis. The Hospital is responsible for any individual claims exceeding $1,000,000, and for aggregate claims exceeding $3,000,000 for a policy year. Should this policy lapse and not be replaced with equivalent coverage, claims based upon occurrence during its term, but reported subsequent thereto, will be uninsured.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant reduction in insurance coverage from the previous year in any of the Hospital's policies. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Note 7: Commitments and Contingent Liabilities (Continued)

The Hospital is involved in legal proceedings which resulted through the normal course of providing health care services and other matters. The litigation is in the early stages and too premature to determine the degree of liability, if any, to the Hospital. Management has assessed its coverage under medical malpractice and other insurances and believes at the point of the proceedings adequate provisions have been made for any amounts it may be responsible to pay under the respective policies deductible amounts.

Healthcare Legislation and Regulation

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse Statutes and regulations by healthcare providers. Violation of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program. During fiscal year 2007, the RAC identified and corrected a significant amount of improper overpayments to providers in the demonstration states, which did not include Minnesota. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. While the hospital was selected for a RAC audit during 2017 and 2016, they were not materially impacted and appear to have appropriate policies and procedures to mitigate the risks related to RAC reviews.

Management believes that the Hospital is in substantial compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Note 8: Net Patient Service Revenue

The Hospital has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Revenue is recorded at established billing rates, net of contractual adjustments, resulting from agreements with third-party payors.

A. Medicare

Inpatient acute care and outpatient services provided to Medicare beneficiaries are reimbursed at respectively determined rates per visit. These rates vary based on patient classification systems that consider clinical, diagnostic, and other factors. The Hospital is reimbursed for certain cost-reimbursable items as tentative rates, with final settlement determined following the submission of annual Medicare cost reports and subsequent audits by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended December 31, 2023.

Inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Note 8: Net Patient Service Revenue (Continued)

Outpatient services provided to Medicare outpatient program beneficiaries are subject to the Ambulatory Payment Classification (APC) method. Medicare reimburses the Hospital a predetermined amount for most outpatient services. The following services are excluded from the APC payment methodology; services already paid on a fee schedule, certain drugs, biologicals and medical devices identified as pass-through items. The APC payments are not based on the provider's annual cost report.

Physician-Based Clinic services are reimbursed using the Medicare Physician Fee Schedule.

B. Medicaid

Inpatient acute care services provided to Medicaid beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary based on patient classification systems that consider clinical, diagnostic, and other factors. Outpatient services provided to Medicaid beneficiaries are reimbursed on a fee-for-service basis.

Other

The Hospital has also entered into payment agreements with Blue Cross and other commercial insurance carriers. The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates. As of August 1, 2014, the Hospital Blue Cross contract moved to APR-DRG for inpatient acute care services. As of January 1, 2024, the Hospital Blue Cross contract moved to a fee schedule for outpatient services.

Laws and regulations governing Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Changes in estimated settlement amounts resulted in net patient revenue decreasing by approximately $43,000 for the year ended December 31, 2025.

A summary of patient and resident revenues and contractual adjustments is as follows:

	2025
Total Patient and Resident Revenues	$ 380,895,418
Contractual Adjustments	
Medicare	(68,372,896)
Medicaid	(4,338,279)
Commercial / HMO's	(149,084,635)
Provision of bad debts	(3,768,821)
Other	(19,275,548)
Total Contractual Adjustments	(244,840,179)
Net Patient and Resident Revenues	$ 136,055,239

Note 9: Adjustments to and Restatement of Beginning Balances

Change within Major and Nonmajor Fund Reporting

During fiscal year 2025, the 2019 Capital Project fund, 2024 Capital Project fund, and 5th Street Redevelopment fund were determined to be nonmajor. The 2025 Capital Project Fund and Ice Arena Construction fund were determined to be major. The effects of the changes within the financial reporting entity are shown in the financial statements above.

Note 9: Adjustments to and Restatement of Beginning Balances (Continued)

Change in Classification of Component Unit

During fiscal year 2025, the Economic Development Authority issued the 2025 Lease Revenue Bonds which will be paid back through lease revenue through the City of Northfield. This resulted in economic dependence from the City which resulted in the reclassification to a blended component unit.

Error Correction

During the current fiscal year, the City identified an error in the timing of MSA revenue recognition in prior periods. To correct this error, beginning fund balance has been restated as follows:

- Fund 420: An adjustment of $2,014,383 was recorded to recognize MSA revenue that should have been reported in the prior fiscal year.
- Fund 425: An adjustment of $265,932 was recorded to recognize MSA revenue that should have been recorded in the appropriate fiscal period going forward.

The adjustments correct the timing of revenue recognition only and do not impact current-year financial activity or cash flows.

Note 10: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk-sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers' compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Federal and State Funds

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2025.

Note 10: Other Information (Continued)

D. Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

E. Legal Debt Margin

In accordance with Minnesota Statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. As of December 31, 2025, the City is under the legal debt margin.

F. Concentrations

The City receives a significant amount of its annual General fund revenues from the State of Minnesota from the Local Government Aid (LGA) program. The amount received in 2025 was $3,870,140 for LGA. This accounted for 19.2 percent of General fund revenues.

G. Joint Powers Agreement

The cities of Northfield and Dundas, Minnesota and the townships of Bridgewater, Northfield, Webster, Forest, Waterford, Sciota and Greenvale, Minnesota (Rural Fire) formed the Northfield Area Fire and Rescue Service, Northfield, Minnesota (NAFRS), established under Minnesota Statutes, section 471.59 on April 1, 2014, to provide fire protection, suppression, prevention, technical rescue and non-transport emergency medical services to these communities. The Board consists of eight voting Board members which consists of five board members appointed by the Northfield City Council, two Board members appointed by Rural Fire and one Board member appointed by the Dundas City Council. There are also 5 ex-officio (nonvoting) Board members. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the Organization's activities.

Funding is provided by the communities at a ratio of 72.9 percent for Northfield, 6.0 percent for Dundas and 21.1 percent for Rural Fire. The percentages will be updated every two years.

The net position of NAFRS as of December 31, 2025 was $7,079,860. The City's portion of this is recorded as an investment in joint venture in the amount of $5,167,590 at year end.

H. Tax Abatements

As of December 31, 2025, the City has three agreements entered into by the City listed below that abate City property taxes. Below is information specific to the agreement:

The City entered into a tax increment financing agreement (Jefferson Square TIF) on December 18, 2009, with a developer in which the developer incurred costs to rehab a 50-unit rental housing project. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the housing development. The pay-as-you-go agreement has a maximum return to the developer of $505,551 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.1799) and has a maximum duration of December 31, 2037. The calculation of taxes abated during the fiscal year is noted in the chart below.

Note 10: Other Information (Continued)

The City entered into a tax increment financing agreement (Spring Creek TIF) on November 20, 2009, with a developer in which the developer incurred costs to facilitate construction of a 28-unit affordable rental housing development. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the housing development. The pay-as-you-go agreement has a maximum return to the developer of $1,201,203 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.1799) and has a maximum duration of December 31, 2040. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (Aurora Pharmaceutical TIF) on September 7, 2018, with a developer in which the developer incurred costs to facilitate construction of an expansion to a facility within the "Master Development District". The pay-as-you-go TIF note was issued by the City to reimburse $169,939 of the developer's expenses to expand the facility. As the City collects future tax increment for the increased property value and tax capacity related to the development, these dollars will be used to pay the Note. The tax increment payments are only obligated through February 1, 2029. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (5th and Washington) in October 2019, with a developer in which the developer incurred costs to facilitate construction of a multifamily rental housing facility within the "Master Development District". The pay-as-you-go agreement has a maximum return to the developer of $1,800,000 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.1799) and has a maximum duration of February 1, 2048. The calculation of taxes abated during the fiscal year is noted in the chart below.

Lost revenue as it relates to tax abatements for the year ended December 31, 2025, was as follows:

	City Tax Rate (Year of Establishment)	Captured Tax Capacity	Amount of Taxes Abated in the Fiscal Year
Tax Increment Districts (PAYGO)			
Jefferson Square TIF	38.405%	$ 8,675	$ 3,332
Spring Creek TIF	50.947%	17,414	8,872
5th and Washington	58.161%	139,786	81,301
Aurora Pharamaceutical	59.867%	642	384
Spring Creek Project	56.610%	14,927	8,450
Kraewood Project	59.867%	104,638	62,644
Total			$ 164,983

Note 11: Subsequent Events

Subsequent to year-end, the Hospital entered into an agreement to acquire the Allina Clinic in Northfield, Minnesota in the amount of $5,560,724. The acquisition was not completed as of the date of issuance, and its potential impact has not been reflected in the financial statements. The Hospital will issue a Taxable Hospital Subordinate Revenue Note, Series 2026C in the amount of $3,560,724 to fund this purchase. The remaining $2,000,000 will be paid in cash by the Hospital.

On February 10, 2026 the City issued General Obligation Water Revenue Bonds, Series 2026A in the amount of $12,335,000 to finance various utility improvements, including extending water lines to the future water treatment plant and installing infrastructure and improvements serving interim areas.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Northfield, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/25	0.0883 %	$ 24,076,887	$ 580,810	$24,657,697	$ 69,869,120	34.5 %	90.8 %
06/30/24	0.0867	28,009,450	724,267	28,733,717	66,043,554	42.4	86.7
06/30/23	0.7801	43,622,320	1,202,509	44,824,829	66,142,059	66.0	83.1
06/30/22	0.7146	60,952,576	1,787,032	62,739,608	59,601,395	102.3	76.7
06/30/21	0.7116	30,388,509	927,963	31,316,472	59,622,002	51.0	87.0
06/30/20	0.7253	43,485,050	1,340,986	44,826,036	51,721,254	84.1	79.0
06/30/19	0.7354	40,603,332	1,261,945	41,865,277	52,532,689	77.3	80.2
06/30/18	0.7442	41,285,165	1,354,032	42,639,197	51,536,488	80.1	79.5
06/30/17	0.7455	46,939,073	598,475	47,537,548	51,298,616	91.5	75.9
06/30/16	0.7125	57,859,590	755,451	58,615,041	48,384,386	119.6	68.9

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	$ 5,230,430	$ 5,230,430	$ -	$ 70,145,613	7.5 %
12/31/2024	4,995,156	4,995,156	-	66,308,907	7.5
12/31/2023	4,957,112	4,957,112	-	66,100,452	7.5
12/31/2022	4,532,694	4,532,694	-	60,050,448	7.5
12/31/2021	4,176,540	4,176,540	-	59,829,788	7.0
12/31/2020	3,695,577	3,695,577	-	52,001,705	7.1
12/31/2019	3,985,018	3,985,018	-	52,834,725	7.5
12/31/2018	3,816,880	3,816,880	-	51,632,613	7.4
12/31/2017	3,653,609	3,653,609	-	51,299,443	7.1
12/31/2016	3,441,249	3,441,249	-	48,626,595	7.1

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2025 - The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members. The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP 2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

2025 - The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The state's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/25	0.1959 %	$ 2,294,896	$ 79,552	$ 2,374,448	$ 2,972,610	77.2 %	90.8 %
06/30/24	0.2133	2,805,677	106,951	2,912,628	2,953,106	95.0	87.0
06/30/23	0.2128	3,674,779	148,042	3,822,821	2,794,352	131.5	86.5
06/30/22	0.2007	8,733,671	381,412	9,115,083	2,437,503	358.3	70.5
06/30/21	0.1862	1,437,267	64,625	1,501,892	2,200,536	65.3	93.7
06/30/20	0.1936	2,551,855	60,099	2,611,954	2,184,797	116.8	87.2
06/30/19	0.1873	1,993,998	-	1,993,998	1,976,819	100.9	89.3
06/30/18	0.1800	1,918,615	-	1,918,615	1,897,321	101.1	88.8
06/30/17	0.1690	2,281,701	-	2,281,701	1,731,626	131.8	85.4
06/30/16	0.1760	7,063,186	-	7,063,186	1,697,313	416.1	63.9

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	$ 545,374	$ 545,374	$ -	$ 3,081,209	17.70 %
12/31/2024	529,324	529,324	-	5,990,533	8.84
12/31/2023	500,914	500,914	-	2,830,024	17.70
12/31/2022	460,425	460,425	-	2,601,272	17.70
12/31/2021	398,926	398,926	-	2,253,819	17.70
12/31/2020	406,257	406,257	-	2,295,239	17.70
12/31/2019	350,130	350,130	-	2,065,665	16.95
12/31/2018	315,132	315,132	-	1,945,261	16.20
12/31/2017	294,689	294,689	-	1,819,069	16.20
12/31/2016	273,813	273,813	-	1,690,205	16.20

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2025 - Assumed rates of salary increases were reduced slightly. Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements. Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment. Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience. Percent married assumption for female retirees lowered from 70% to 65%. Minor changes were made to form of payment assumptions for retirees. Minor changes were made to assumptions made with respect to missing participant data. The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to the form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

2017 - Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

2025 - The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase). The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis). The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 20248 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048. Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 - The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional $9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - An additional one-time direct state aid contribution of $19.4 million will be contributed to the Plan on October 1, 2023. The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023.

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by Statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048, was added to the existing $9.0 million state contribution. New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 68,058	$ 78,837	$ 72,946	$ 91,274	$ 88,616	$ 100,849	$ 84,014	$ 90,105
Interest	62,983	66,912	37,781	38,207	67,861	84,327	73,255	71,092
Differences between expected and actual experience	148,725	-	(82,430)	-	(494,523)	-	31,873	-
Changes in assumptions	(95,578)	24,056	(131,864)	-	54,482	108,962	(72,876)	-
Benefit payments	(140,510)	(118,787)	(118,952)	(145,802)	(151,411)	(170,090)	(98,299)	(80,972)
Net Change in Total OPEB Liability	43,678	51,018	(222,519)	(16,321)	(434,975)	124,048	17,967	80,225
Total OPEB Liability - Beginning	1,703,790	1,652,772	1,875,291	1,891,612	2,326,587	2,202,539	2,184,572	2,104,347
Total OPEB Liability - Ending	$ 1,747,468	$ 1,703,790	$ 1,652,772	$ 1,875,291	$ 1,891,612	$ 2,326,587	$ 2,202,539	$ 2,184,572
Primary Government	$ 1,717,236	$ 1,655,724	$ 1,610,698	$ 1,831,094	$ 1,858,873	$ 2,293,876	$ 2,164,581	$ 2,144,983
Component Unit - EDA	-	21,302	16,498	16,614	15,956	20,521	19,609	20,348
Component Unit - HRA	30,232	26,764	25,576	27,583	16,783	12,190	18,349	19,241
Total OPEB Obligation	$ 1,747,468	$ 1,703,790	$ 1,652,772	$ 1,875,291	$ 1,891,612	$ 2,326,587	$ 2,202,539	$ 2,184,572
Covered-Employee Payroll	$ 10,878,858	$ 9,450,543	$ 9,175,284	$ 7,222,133	$ 6,266,456	$ 5,733,488	$ 5,733,488	$ 5,733,488
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	16.06 %	18.03 %	18.01 %	25.97 %	30.19 %	40.58 %	38.42 %	38.10 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available. There are no assets accumulated in a GASB-compliant trust.

Notes to the Required Supplementary Information - Total OPEB Liability and Related Ratios

Changes in Actuarial Funding Method

2025 - No changes noted.

2024 - No changes noted.

2023 - No changes noted.

2022 - No changes noted.

2021 - No changes noted.

2020 - No changes noted.

2019 - No changes noted.

2018 - The actuarial cost method was changed from projected unit credit to entry age as prescribed by GASB 75.

Notes to the Required Supplementary Information - Total OPEB Liability and Related Ratios (Continued)

Changes in Actuarial Assumptions

2025 – The discount rate changed from 3.70% to 4.20%. The health care trend rates were updated. The retirement, withdrawal, and salary increase rates for non-police were updated to reflect the latest experience study.

2024 – The discount rate was changed from 4.00% to 3.70%.

2023 - The health care trend rates were changed to better anticipate short-term and long-term medical increases. The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale. The inflation rate was changed from 2.00% to 2.50%. The discount rate was changed from 2.00% to 4.00%. The retirement, withdrawal, and salary increase rates for public safety were updated to reflect the latest experience study.

2022 - No changes noted.

2021 - The health care trend rates were changed to better anticipate short-term and long-term medical increases. The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP - 2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale. The retirement and withdrawal rates for non-public safety employees were updated. The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and employee classification. The inflation rate changed from 2.50% to 2.00%. The discount rate was changed from 2.90% to 2.00%. These changes increased the liability $54,482.

2020 - The discount rate was changed from 3.80% to 2.90%.

2019 - The healthcare trend rates were changed to better anticipate short-term and long-term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated. The discount rate was changed from 3.30% to 3.80%.

2018 - The discount rate was changed from 3.50% to 3.30%.

City of Northfield, Minnesota
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	$ 11,882,614	$ 11,812,389	$ (70,225)
Licenses and permits	645,200	713,658	68,458
Intergovernmental	4,810,254	5,325,291	515,037
Charges for services	1,596,655	1,683,169	86,514
Fines and forfeits	58,500	112,155	53,655
Investment earnings	250,000	307,449	57,449
Miscellaneous	216,023	144,592	(71,431)
Total Revenues	19,459,246	20,098,703	639,457
Expenditures			
Current			
General government	4,245,524	3,813,578	431,946
Public safety	7,698,899	7,729,577	(30,678)
Public works	3,762,683	3,822,623	(59,940)
Culture and recreation	3,919,007	4,008,324	(89,317)
Miscellaneous	287,787	188,493	99,294
Capital outlay			
General government	1,000	-	1,000
Public works	3,000	-	3,000
Culture and recreation	23,500	85,607	(62,107)
Debt service			
Principal	12,000	-	12,000
Interest and other	1,806	-	1,806
Total Expenditures	19,955,206	19,648,202	307,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(495,960)	450,501	946,461
Other Financing Sources (Uses)			
Transfers in	277,000	277,000	-
Net Change in Fund Balances	(218,960)	727,501	946,461
Fund Balances, January 1	11,262,996	11,262,996	-
Fund Balances, December 31	$ 11,044,036	$ 11,990,497	$ 946,461

The notes to the financial statements are an integral part of this statement.

Notes to the Required Supplementary Information - Budgetary Reporting

A. Budgetary Comparison Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Summary of Significant Budget Variances

The General fund revenues and expenditures varied significantly from final budget amounts as noted below:

Revenues

- Intergovernmental revenues were over budget due to receiving FEMA and EAB Shade Tree grants that were unbudgeted in 2025.

Expenditures

- General Government expenses varied significantly from budget due to budgeting for land development/zoning code that did not occur and will be moved into 2026.

C. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2025.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Northfield, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
Assets			
Cash and temporary investments	$ 4,432,781	$ 6,467,077	$ 10,899,858
Receivables			
Interest	15,715	23,881	39,596
Delinquent taxes	3,706	-	3,706
Accounts	390,002	-	390,002
Notes, net of allowances	728,809	-	728,809
Leases	81,721	-	81,721
Special assessments	-	199,457	199,457
Intergovernmental	1,728	1,560,709	1,562,437
Prepaid items	4,511	-	4,511
Land held for resale	213,234	49,937	263,171
Total Assets	$ 5,872,207	$ 8,301,061	$ 14,173,268
Liabilities			
Accounts payable	$ 350,348	$ 868,954	$ 1,219,302
Contracts payable	-	213,025	213,025
Due to other governments	41,449	-	41,449
Deposits payable	-	71,965	71,965
Accrued wages payable	15,907	-	15,907
Due to other funds	53,028	734,769	787,797
Advance from other funds	-	1,268,107	1,268,107
Total Liabilities	460,732	3,156,820	3,617,552
Deferred Inflows of Resources			
Unavailable revenue			
Taxes	3,706	-	3,706
Special assessments	-	199,457	199,457
Intergovernmental resources	-	673,703	673,703
Deferred lease resources	75,034	-	75,034
Total Deferred Inflows of Resources	78,740	873,160	951,900
Fund Balances			
Nonspendable			
Prepaid items	4,511	-	4,511
Land held for resale	-	-	-
Restricted			
Library	329,238	-	329,238
Public safety activities	46,845	-	46,845
Arts and culture	224,483	-	224,483
Redevelopment and housing	193,008	-	193,008
Economic development	2,265,809		2,265,809
Capital projects	-	1,989,639	1,989,639
Committed			
Carbon reduction	291,533	-	291,533
Utility franchise fees	1,371,064	-	1,371,064
Motor vehicle operations	501,763	-	501,763
Communications	179,397	-	179,397
Assigned			
Capital projects	-	4,213,757	4,213,757
Unassigned	(74,916)	(1,932,315)	(2,007,231)
Total Fund Balances	5,332,735	4,271,081	9,603,816
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,872,207	$ 8,301,061	$ 14,173,268

City of Northfield, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
Revenues			
Taxes			
Property taxes	$ 722,362	$ 1,425,486	$ 2,147,848
Tax increment	455,762	-	455,762
Franchise fees	1,474,830	-	1,474,830
Special assessments	-	60,057	60,057
Intergovernmental			
Federal	37,196	-	37,196
State	48,000	3,301,104	3,349,104
Charges for services			
General government	370,810	-	370,810
Culture and recreation	405,867	4,896	410,763
Communication	26,694	-	26,694
Investment earnings	210,949	267,873	478,822
Miscellaneous			
Other	28,838	966,802	995,640
Contributions and donations	53,634	186,342	239,976
Total Revenues	3,834,942	6,212,560	10,047,502
Expenditures			
Current			
General government	673,398	-	673,398
Public safety	17,156	-	17,156
Culture and recreation	656,426	4,361	660,787
Housing and economic development	874,805	-	874,805
Miscellaneous	178,170	-	178,170
Capital outlay			
General government	-	141,400	141,400
Public safety	-	281,595	281,595
Public works	-	1,468,346	1,468,346
Culture and recreation	190,178	3,057,613	3,247,791
Housing and economic development	-	7,647	7,647
Transit	-	647,980	647,980
Debt service			
Interest and other charges	-	6,040	6,040
Issuance fees	-	2,663	2,663
Total Expenditures	2,590,133	5,617,645	8,207,778
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,244,809	594,915	1,839,724
Other Financing Sources (Uses)			
Sale of capital assets	-	110,397	110,397
Transfers in	149,817	-	149,817
Debt issued	-	375,000	375,000
Transfers out	(967,000)	(34,657)	(1,001,657)
Bond premiums	-	35,600	35,600
Total Other Financing Sources (Uses)	(817,183)	486,340	(330,843)
Net Change in Fund Balances	427,626	1,081,255	1,508,881
Fund Balances, January 1, as Previously Presented	2,665,023	3,053,552	5,718,575
Change to the financial reporting entity (Note 9)			
Change from nonmajor to major fund	-	1,463,307	1,463,307
Change from major to nonmajor fund	-	(3,607,348)	(3,607,348)
Change from discrete to blended component unit	2,240,086	-	2,240,086
Error correction (Note 9)	-	2,280,315	2,280,315
Fund Balances, January 1, as Restated	4,905,109	3,189,826	8,094,935
Fund Balances, December 31	$ 5,332,735	$ 4,271,081	$ 9,603,816

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Resource Center - accounts for financial activity associated with the operations of the City's Community Resource Center.

Motor Vehicle - accounts for the issuance of licenses for motor vehicles, drivers and recreational vehicles.

Communication - accounts for the use of franchise fees.

Library Gift - accounts for donations received specifically for library purposes.

G.W. Bunday - accounts for bequests restricted for library purposes.

Scriver Memorial - accounts for the investment income to purchase library books and materials.

L.J. Gustafson - accounts for bequests restricted for library purposes.

Myrtle Houston Trust - established with a bequest from the Myrtle Houston Revocable Trust. The funds are designated for children's programs at the library.

C.C Cloherty Endowed Book - the funds are designated for programs at the library.

Arts and Culture - accounts for community grants related to the fine arts.

Community Development Block Grant - accounts for the use of CDBG funds.

TZD Enforcement - accounts for the federal grant dollars used to develop areas for improving traffic safety initiatives.

Jefferson Square TIF - accounts for the financial activity associated with the TIF District.

Master Development TIF - accounts for the financial activity of TIF District No. 4.

Utility Franchise Fee - accounts for the financial activity related to the utility franchise fee.

Carbon Reduction - accounts for the financial activity related to the Carbon reduction.

Economic Development Authority - accounts for the financial activity related to the blended component unit of the Economic Development Authority.

Spring Creek TIF – accounts for the activity associated with the TIF District.

Aurora TIF – accounts for the activity associated with the TIF District.

Washington TIF – accounts for the activity associated with the TIF District.

Maple Brook TIF – accounts for the activity associated with the TIF District.

Spring Creek II TIF – accounts for the activity associated with the TIF District.

Kraewood TIF – accounts for the activity associated with the TIF District.

Archer TIF – accounts for the activity associated with the TIF District.

Heritage Lofts Housing – accounts for the activity associated with the TIF District.

City of Northfield, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2025

	211 Community Resource Center	215 Motor Vehicle Fund	229 Communication Fund	240 Library Gift Fund	241 G.W. Bunday Fund	242 Scriver Memorial Fund
Assets						
Cash and temporary investments	$ -	$ 540,119	$ 143,600	$ 51,275	$ 29,933	$ 159,563
Receivables						
Interest	-	2,780	1,073	221	132	706
Delinquent taxes	139	-	-	-	-	-
Accounts	12,091	8,024	38,579	-	-	-
Notes, net of allowances	-	-	-	-	-	-
Leases	81,721	-	-	-	-	-
Intergovernmental	37	-	-	-	-	-
Prepaid items	-	2,069	-	-	-	-
Land held for resale	-	-	-	-	-	-
Total Assets	$ 93,988	$ 552,992	$ 183,252	$ 51,496	$ 30,065	$ 160,269
Liabilities						
Accounts payable	$ 40,553	$ 36	$ 124	$ 5,341	$ -	$ -
Due to other governments	-	41,449	-	-	-	-
Accrued wages payable	-	7,675	3,731	-	-	-
Due to other funds	38,743	-	-	-	-	-
Total Liabilities	79,296	49,160	3,855	5,341	-	-
Deferred Inflows of Resources						
Unavailable revenue						
Taxes	139	-	-	-	-	-
Deferred lease resources	75,034	-	-	-	-	-
Total Deferred Inflows of Resources	75,173	-	-	-	-	-
Fund Balances						
Nonspendable						
Prepaid items	-	2,069	-	-	-	-
Restricted						
Library	-	-	-	46,155	30,065	160,269
Public safety activities	-	-	-	-	-	-
Arts and culture	-	-	-	-	-	-
Redevelopment and housing	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Committed						
Carbon reduction	-	-	-	-	-	-
Future projects	-	-	-	-	-	-
Communications	-	-	179,397	-	-	-
Motor vehicle operations	-	501,763	-	-	-	-
Unassigned	(60,481)	-	-	-	-	-
Total Fund Balances	(60,481)	503,832	179,397	46,155	30,065	160,269
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 93,988	$ 552,992	$ 183,252	$ 51,496	$ 30,065	$ 160,269

243 L.J. Gustafson Fund	244 Myrtle Houston Fund	245 C.C. Cloherty Endowed Book Fund	246 Arts and Culture Fund	250 Community Development Block Grant Fund	252 TZD Enforcement Fund	271 Jefferson Square TIF Fund	270 Master Development TIF Fund
$ 30,493	$ 46,628	$ 15,229	$ 225,733	$ -	$ 46,670	$ 25,141	$ 46,654
136	206	68	1,073	-	175	99	208
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 30,629	$ 46,834	$ 15,297	$ 226,806	$ -	$ 46,845	$ 25,240	$ 46,862
$ -	$ -	$ 11	$ 2,323	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	14,085	-	-	-
-	-	11	2,323	14,085	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
30,629	46,834	15,286	-	-	-	-	-
-	-	-	-	-	46,845	-	-
-	-	-	224,483	-	-	-	-
-	-	-	-	-	-	25,240	46,862
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(14,085)	-	-	-
30,629	46,834	15,286	224,483	(14,085)	46,845	25,240	46,862
$ 30,629	$ 46,834	$ 15,297	$ 226,806	$ -	$ 46,845	$ 25,240	$ 46,862

City of Northfield, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet (Continued)
December 31, 2025

	255 Utility Franchise Fee Fund	257 Carbon Reduction Fund	290 Economic Development Authority	385 Spring Creek TIF Fund	386 Aurora TIF Fund
Assets					
Cash and temporary investments	$ 1,118,168	$ 290,695	$ 1,329,670	$ 45,456	$ 39,139
Receivables					
Interest	6,141	1,084	832	161	180
Delinquent taxes	-	-	3,567	-	-
Accounts	331,308	-	-	-	-
Notes, net of allowances	-	-	728,809	-	-
Leases	-	-	-	-	-
Intergovernmental	-	-	1,691	-	-
Prepaid items	-	-	2,442	-	-
Land held for resale	-	-	213,234	-	-
Total Assets	$ 1,455,617	$ 291,779	$ 2,280,245	$ 45,617	$ 39,319
Liabilities					
Accounts payable	$ 84,553	$ 246	$ 3,926	$ 11,335	$ 285
Due to other governments	-	-	-	-	-
Accrued wages payable	-	-	4,501	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	84,553	246	8,427	11,335	285
Deferred Inflows of Resources					
Unavailable revenue					
Taxes	-	-	3,567	-	-
Deferred lease resources	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	3,567	-	-
Fund Balances					
Nonspendable					
Prepaid items	-	-	2,442	-	-
Restricted					
Library	-	-	-	-	-
Public safety activities	-	-	-	-	-
Arts and culture	-	-	-	-	-
Redevelopment and housing	-	-	-	34,282	39,034
Economic Development	-	-	2,265,809	-	-
Committed					
Carbon reduction	-	291,533	-	-	-
Future projects	1,371,064	-	-	-	-
Communications	-	-	-	-	-
Motor vehicle operations	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	1,371,064	291,533	2,268,251	34,282	39,034
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,455,617	$ 291,779	$ 2,280,245	$ 45,617	$ 39,319

387 Washington TIF Fund	388 Maple Brook TIF Fund	389 Spring Creek II TIF Fund	390 Kraewood TIF Fund	391 Archer TIF Fund	392 Heritage Lofts Housing	Total
$ 113,188	$ 53,701	$ 8,846	$ 72,032	$ -	$ 848	$ 4,432,781
194	97	2	147	-	-	15,715
-	-	-	-	-	-	3,706
-	-	-	-	-	-	390,002
-	-	-	-	-	-	728,809
-	-	-	-	-	-	81,721
-	-	-	-	-	-	1,728
-	-	-	-	-	-	4,511
-	-	-	-	-	-	213,234
$ 113,382	$ 53,798	$ 8,848	$ 72,179	$ -	$ 848	$ 5,872,207
$ 87,470	$ 40,135	$ 8,845	$ 65,015	$ 150	$ -	$ 350,348
-	-	-	-	-	-	41,449
-	-	-	-	-	-	15,907
-	-	-	-	200	-	53,028
87,470	40,135	8,845	65,015	350	-	460,732
-	-	-	-	-	-	3,706
-	-	-	-	-	-	75,034
-	-	-	-	-	-	78,740
-	-	-	-	-	-	4,511
-	-	-	-	-	-	329,238
-	-	-	-	-	-	46,845
-	-	-	-	-	-	224,483
25,912	13,663	3	7,164	-	848	193,008
-	-	-	-	-	-	2,265,809
-	-	-	-	-	-	291,533
-	-	-	-	-	-	1,371,064
-	-	-	-	-	-	179,397
-	-	-	-	-	-	501,763
-	-	-	-	(350)	-	(74,916)
25,912	13,663	3	7,164	(350)	848	5,332,735
$ 113,382	$ 53,798	$ 8,848	$ 72,179	$ -	$ 848	$ 5,872,207

City of Northfield, Minnesota
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued on the Following Pages)
For the Year Ended December 31, 2025

	211 Community Resource Center	215 Motor Vehicle Fund	229 Communication Fund	240 Library Gift Fund	241 G.W. Bunday Fund	242 Scriver Memorial Fund
Revenues						
Taxes						
Property taxes	$ 328,279	$ -	$ -	$ -	$ -	$ -
Tax increment	-	-	-	-	-	-
Franchise fees	-	-	139,243	-	-	-
Intergovernmental						
Federal	-	-	-	-	-	-
State	-	-	-	-	-	-
Charges for services						
General government	-	370,810	-	-	-	-
Communication	-	-	26,694	-	-	-
Culture and recreation	405,867	-	-	-		-
Investment earnings (loss)	(888)	28,450	8,949	2,232	1,341	7,119
Miscellaneous						
Contributions and donations	-	-	-	53,634	-	-
Other	4,531	2,168	-	-	-	-
Total Revenues	737,789	401,428	174,886	55,866	1,341	7,119
Expenditures						
Current						
General government	-	301,134	372,264	-	-	-
Public safety	-	-	-	-		-
Culture and recreation	502,593	-	-	52,976	-	746
Housing and economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	
Capital outlay						
Culture and recreation	190,178	-	-	-	-	-
Total Expenditures	692,771	301,134	372,264	52,976	-	746
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,018	100,294	(197,378)	2,890	1,341	6,373
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	45,018	100,294	(197,378)	2,890	1,341	6,373
Fund Balances, January 1, as Previously Presented	(105,499)	403,538	376,775	43,265	28,724	153,896
Change to the Financial Reporting Entity (Note 9)						
Change from discrete to blended component unit	-	-	-	-	-	-
Fund Balances, January 1, as Restated	(105,499)	403,538	376,775	43,265	28,724	153,896
Fund Balances, December 31	$ (60,481)	$ 503,832	$ 179,397	$ 46,155	$ 30,065	$ 160,269

243 L.J. Gustafson Fund	**244** Myrtle Houston Fund	**245** C.C. Cloherty Endowed Book Fund	**246** Arts and Culture Fund	**250** Community Development Block Grant Fund	**252** TZD Enforcement Fund	**271** Jefferson Square TIF Fund	**270** Master Development TIF Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	8,937	-
-	-	-	-	-	-	-	-
-	-	-	-	2,737	34,459	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,367	2,075	691	10,587	-	1,861	902	2,182
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,367	2,075	691	10,587	2,737	36,320	9,839	2,182
-	-	-	-	-	-	-	-
-	-	-	-	-	17,156	-	-
988	-	233	98,890	-	-	-	-
-	-	-	-	17,239	-	4,240	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
988	-	233	98,890	17,239	17,156	4,240	-
379	2,075	458	(88,303)	(14,502)	19,164	5,599	2,182
-	-	-	49,817	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	49,817	-	-	-	-
379	2,075	458	(38,486)	(14,502)	19,164	5,599	2,182
30,250	44,759	14,828	262,969	417	27,681	19,641	44,680
-	-	-	-	-	-	-	-
30,250	44,759	14,828	262,969	417	27,681	19,641	44,680
$ 30,629	$ 46,834	$ 15,286	$ 224,483	$ (14,085)	$ 46,845	$ 25,240	$ 46,862

City of Northfield, Minnesota
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2025

	255 Utility Franchise Fee Fund	257 Carbon Reduction Fund	Formerly Discretely Presented Component Unit 290 Economic Development Authority	385 Spring Creek TIF Fund	386 Aurora TIF Fund
Revenues					
Taxes					
Property taxes	$ -	$ -	$ 394,083	$ -	$ -
Tax increment	-	-	-	24,659	-
Franchise fees	1,335,587	-	-	-	-
Intergovernmental					
Federal	-	-	-	-	-
State	-	48,000	-	-	-
Charges for services					
General government	-	-	-	-	-
Communication	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Investment earnings (loss)	68,922	10,651	56,787	1,606	1,801
Miscellaneous					
Contributions and donations	-	-	-	-	-
Other	-	-	22,139	-	-
Total Revenues	1,404,509	58,651	473,009	26,265	1,801
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and economic development	-	17,129	377,844	22,816	1,018
Miscellaneous	84,553	93,617	-	-	-
Capital outlay					
Culture and recreation	-	-	-	-	-
Total Expenditures	84,553	110,746	377,844	22,816	1,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,319,956	(52,095)	95,165	3,449	783
Other Financing Sources (Uses)					
Transfers in	-	100,000	-	-	-
Transfers out	(900,000)	-	(67,000)	-	-
Total Other Financing Sources (Uses)	(900,000)	100,000	(67,000)	-	-
Net Change in Fund Balances	419,956	47,905	28,165	3,449	783
Fund Balances, January 1, as Previously Presented	951,108	243,628	-	30,833	38,251
Change to the Financial Reporting Entity (Note 9)					
Change from discrete to blended component unit	-	-	2,240,086	-	-
Fund Balances, January 1, as Restated	951,108	243,628	2,240,086	30,833	38,251
Fund Balances, December 31	$ 1,371,064	$ 291,533	$ 2,268,251	$ 34,282	$ 39,034

387 Washington TIF Fund	388 Maple Brook TIF Fund	389 Spring Creek II TIF Fund	390 Kraewood TIF Fund	391 Archer TIF Fund	392 Heritage Lofts Housing	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 722,362
183,066	83,838	19,296	135,137	-	829	455,762
-	-	-	-	-	-	1,474,830
-	-	-	-	-	-	37,196
-	-	-	-	-	-	48,000
-	-	-	-	-	-	370,810
-	-	-	-	-	-	26,694
-	-	-	-	-	-	405,867
1,989	1,006	68	1,232	-	19	210,949
-	-	-	-	-	-	53,634
-	-	-	-	-	-	28,838
185,055	84,844	19,364	136,369	-	848	3,834,942
-	-	-	-	-	-	673,398
-	-	-	-	-	-	17,156
-	-	-	-	-	-	656,426
176,177	80,840	17,590	159,562	350	-	874,805
-	-	-	-	-	-	178,170
-	-	-	-	-	-	190,178
176,177	80,840	17,590	159,562	350	-	2,590,133
8,878	4,004	1,774	(23,193)	(350)	848	1,244,809
-	-	-	-	-	-	149,817
-	-	-	-	-	-	(967,000)
-	-	-	-	-	-	(817,183)
8,878	4,004	1,774	(23,193)	(350)	848	427,626
17,034	9,659	(1,771)	30,357	-	-	2,665,023
-	-	-	-	-	-	2,240,086
17,034	9,659	(1,771)	30,357	-	-	4,905,109
$ 25,912	$ 13,663	$ 3	$ 7,164	$ (350)	$ 848	$ 5,332,735

City of Northfield, Minnesota
Community Resource Center
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
Property taxes	$ 328,156	$ 328,279	$ 123
Charges for services			
Culture and recreation	322,275	405,867	83,592
Investment earnings (loss)	-	(888)	(888)
Miscellaneous			
Other	-	4,531	4,531
Total Revenues	650,431	737,789	87,358
Expenditures			
Current			
Culture and recreation			
Supplies	149,000	101,813	47,187
Other services and charges	415,800	400,780	15,020
Capital outlay			
Culture and recreation	133,000	190,178	(57,178)
Total Expenditures	697,800	692,771	5,029
Net Change in Fund Balances	(47,369)	45,018	92,387
Fund Balances, January 1	(105,499)	(105,499)	-
Fund Balances, December 31	$ (152,868)	$ (60,481)	$ 92,387

City of Northfield, Minnesota
Motor Vehicle Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services			
General government	$ 281,900	$ 370,810	$ 88,910
Investment earnings	3,000	28,450	25,450
Miscellaneous	-	2,168	2,168
Total Revenues	284,900	401,428	116,528
Expenditures			
Current			
General government			
Personal services	252,955	270,627	(17,672)
Supplies	2,500	2,064	436
Other services and charges	29,354	28,443	911
Total Expenditures	284,809	301,134	(16,325)
Net Change in Fund Balances	91	100,294	100,203
Fund Balances, January 1	403,538	403,538	-
Fund Balances, December 31	$ 403,629	$ 503,832	$ 100,203

City of Northfield, Minnesota
Communication Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
Franchise fees	$ 150,000	$ 139,243	$ (10,757)
Charges for services	30,000	26,694	(3,306)
Investment earnings	10,000	8,949	(1,051)
Total Revenues	190,000	174,886	(15,114)
Expenditures			
Current			
General government			
Personal services	233,687	214,681	19,006
Supplies	11,863	4,213	7,650
Other services and charges	123,279	153,370	(30,091)
Total Expenditures	368,829	372,264	(3,435)
Net Change in Fund Balances	(178,829)	(197,378)	(18,549)
Fund Balances, January 1	376,775	376,775	-
Fund Balances, December 31	$ 197,946	$ 179,397	$ (18,549)

City of Northfield, Minnesota
Library Gift Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 500	$ 2,232	$ 1,732
Contributions and donations	12,000	53,634	41,634
Total Revenues	12,500	55,866	43,366
Expenditures			
Current			
Culture and recreation			
Other services and charges	12,500	52,976	(40,476)
Net Change in Fund Balances	-	2,890	2,890
Fund Balances, January 1	43,265	43,265	-
Fund Balances, December 31	$ 43,265	$ 46,155	$ 2,890

City of Northfield, Minnesota
G.W. Bunday Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 150	$ 1,341	$ 1,191
Expenditures			
Current			
Culture and recreation			
Other services and charges	4,000	-	4,000
Net Change in Fund Balances	(3,850)	1,341	5,191
Fund Balances, January 1	28,724	28,724	-
Fund Balances, December 31	$ 24,874	$ 30,065	$ 5,191

City of Northfield, Minnesota
Scriver Memorial Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 750	$ 7,119	$ 6,369
Expenditures			
Current			
Culture and recreation			
Other services and charges	750	746	4
Net Change in Fund Balances	-	6,373	6,373
Fund Balances, January 1	153,896	153,896	-
Fund Balances, December 31	$ 153,896	$ 160,269	$ 6,373

City of Northfield, Minnesota
L.J. Gustafson Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 200	$ 1,367	$ 1,167
Expenditures			
Current			
Culture and recreation			
Other services and charges	1,500	988	512
Net Change in Fund Balances	(1,300)	379	1,679
Fund Balances, January 1	30,250	30,250	-
Fund Balances, December 31	$ 28,950	$ 30,629	$ 1,679

City of Northfield, Minnesota
Myrtle Houston Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 250	$ 2,075	$ 1,825
Expenditures			
Current			
Miscellaneous			
Other services and charges	1,000	-	1,000
Net Change in Fund Balances	(750)	2,075	2,825
Fund Balances, January 1	44,759	44,759	-
Fund Balances, December 31	$ 44,009	$ 46,834	$ 2,825

City of Northfield, Minnesota
C.C. Cloherty Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ 200	$ 691	$ 491
Expenditures			
Current			
Culture and recreation			
Other services and charges	200	233	(33)
Net Change in Fund Balances	-	458	458
Fund Balances, January 1	14,828	14,828	-
Fund Balances, December 31	$ 14,828	$ 15,286	$ 458

City of Northfield, Minnesota
Community Development Block Grant (CDBG) Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental			
Federal	$ 52,720	$ 2,737	$ (49,983)
Expenditures			
Current			
Housing and economic development			
Other services and charges	52,720	17,239	35,481
Net Change in Fund Balances	-	(14,502)	(14,502)
Fund Balances, January 1	417	417	-
Fund Balances, December 31	$ 417	$ (14,085)	$ (14,502)

City of Northfield, Minnesota
Master Development Tax Increment Financing Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Investment earnings	$ -	$ 2,182	$ 2,182
Fund Balances, January 1	46,000	44,680	-
Fund Balances, December 31	$ 46,000	$ 46,862	$ 2,182

City of Northfield, Minnesota
Economic Development Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
Tax increment	$ 395,848	$ 394,083	$ (1,765)
Investment earnings	11,500	56,787	45,287
Other	8,500	22,139	13,639
Total Revenues	415,848	473,009	57,161
Expenditures			
Current			
Housing and economic development			
Personal services	221,386	190,188	31,198
Supplies	500	458	42
Other services and charges	188,962	187,198	1,764
Total Expenditures	410,848	377,844	33,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	95,165	90,165
Other Financing Sources (Uses)			
Transfers out	(72,000)	(67,000)	5,000
Net Change in Fund Balances	(67,000)	28,165	95,165
Fund Balances, January 1, as Previously Presented	-	-	-
Change to the Financial Reporting Entity (Note 9)			
Change from discrete to blended component unit	2,240,086	2,240,086	-
Fund Balances, January 1, as Restated	2,240,086	2,240,086	-
Fund Balances, December 31	$ 2,173,086	$ 2,268,251	$ 95,165

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NONMAJOR CAPITAL PROJECT FUNDS

The Capital Project Funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

2019 Capital Project - accounts for projects financed by the 2019A bond issue.

2022 Capital Project - accounts for projects financed by the 2022A bond issue.

2023 Capital Project - accounts for projects financed by the 2023 bond issue.

2024 Capital Project - accounts for projects financed by the 2024 bond issue.

2026 Capital Project - accounts for projects to be financed by a future 2026 bond issue.

Park - accounts for park dedication fees and other contributions for park purposes.

City Facilities - accounts for the accumulation of resources for city facility purposes.

Equipment and Vehicle Replacement - accounts for the accumulation of resources to be used for City vehicle and equipment replacement purposes.

Hauberg Park - accounts for donations received for future park improvements.

Mill Town Trail - accounts for the funding and project costs for the trail project.

5th Street Redevelopment - accounts for the funding and project costs for the 5th Street Redevelopment.

Capital Reserve - accounts for monies set aside to help finance future City facilities and other capital improvements.

City of Northfield, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet (Continued on the Following Page)
December 31, 2025

	420 *Formerly Major* 2019 Capital Project Fund	**423** 2022 Capital Project Fund	**424** 2023 Capital Project Fund	**425** *Formerly Major* 2024 Capital Project Fund	**427** 2026 Capital Project Fund	**451** Park Fund
Assets						
Cash and temporary investments	$ 557,258	$ -	$ -	$ 276,290	$ -	$ 1,950,804
Receivables						
Interest	2,460	-	219	2,434	-	6,502
Special assessments						
Current	-	-	-	13,207	-	-
Noncurrent	-	-	-	-	-	-
Intergovernmental	-	-	-	-	673,703	-
Land held for resale	-	-	-	-	-	-
Total Assets	$ 559,718	$ -	$ 219	$ 291,931	$ 673,703	$ 1,957,306
Liabilities						
Accounts payable	$ -	$ -	$ -	$ 688	$ 59,017	$ 12,139
Contracts payable	-	11,943	-	70,616	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	153,787	666	-	467,440	-
Advance from other funds	-	-	-	-	-	-
Total Liabilities	-	165,730	666	71,304	526,457	12,139
Deferred Inflows of Resources						
Unavailable revenue						
Special assessments	-	-	-	13,207	-	-
Intergovernmental	-	-	-	-	673,703	-
Total Deferred Inflows of Resources	-	-	-	13,207	673,703	-
Fund Balances						
Restricted						
Capital projects	-	-	-	44,472	-	1,945,167
Assigned						
Capital projects	559,718	-	-	162,948	-	-
Unassigned	-	(165,730)	(447)	-	(526,457)	-
Total Fund Balance	559,718	(165,730)	(447)	207,420	(526,457)	1,945,167
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 559,718	$ -	$ 219	$ 291,931	$ 673,703	$ 1,957,306

454	455	456	458	465	475	
City Facilities Fund	Equipment and Vehicle Replacement	Hauberg Park	Mill Town Trail	5th Street Redevelopment	Capital Reserve Fund	Total
$ 804,418	$ 1,866,089	$ 14,921	$ -	$ -	$ 997,297	$ 6,467,077
4,648	3,283	64	-	316	3,955	23,881
-	-	-	-	-	-	13,207
-	-	-	-	-	186,250	186,250
-	-	-	886,549	-	457	1,560,709
-	-	-	-	-	49,937	49,937
$ 809,066	$ 1,869,372	$ 14,985	$ 886,549	$ 316	$ 1,237,896	$ 8,301,061
$ -	$ 202,563	$ -	$ 594,080	$ 467	$ -	$ 868,954
-	-	-	130,466	-	-	213,025
-	-	-	-	7,149	64,816	71,965
-	-	-	32,237	80,639	-	734,769
116,365	-	-	-	1,151,742	-	1,268,107
116,365	202,563	-	756,783	1,239,997	64,816	3,156,820
-	-	-	-	-	186,250	199,457
-	-	-	-	-	-	673,703
-	-	-	-	-	186,250	873,160
-	-	-	-	-	-	1,989,639
692,701	1,666,809	14,985	129,766	-	986,830	4,213,757
-	-	-	-	(1,239,681)	-	(1,932,315)
692,701	1,666,809	14,985	129,766	(1,239,681)	986,830	4,271,081
$ 809,066	$ 1,869,372	$ 14,985	$ 886,549	$ 316	$ 1,237,896	$ 8,301,061

City of Northfield, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued on the Following Pages)
For the Year Ended December 31, 2025

	420	423	424	425
	Formerly Major			*Formerly Major*
	2019 Capital Project Fund	2022 Capital Project Fund	2023 Capital Project Fund	2024 Capital Project Fund
Revenues				
Taxes				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental				
State	-	-	-	187,025
Special assessments	-	-	-	60,057
Charges for services				
Culture and recreation	-	-	-	-
Investment earnings (loss)	24,423	-	(5,098)	24,179
Miscellaneous				
Other	-	-	-	-
Contributions and donations	-	-	-	-
Total Revenues	24,423	-	(5,098)	271,261
Expenditures				
Current				
Culture and recreation	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,203	119,050	398,632
Culture and recreation	-	-	-	-
Housing and economic development	-	-	-	-
Transit	-	-	-	-
Debt service				
Interest and other	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	-	2,203	119,050	398,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,423	(2,203)	(124,148)	(127,371)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
Bond premiums	-	-	-	-
Bonds issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	24,423	(2,203)	(124,148)	(127,371)
Fund Balances, January 1, as Previously Presented	-	(163,527)	123,701	-
Change to the Financial Reporting Entity (Note 9)				
Change from nonmajor to major fund	-	-	-	-
Change from major to nonmajor fund	(1,479,088)	-	-	68,859
Error Correction (Note 9)	2,014,383	-	-	265,932
Fund Balances, January 1, as Restated	535,295	(163,527)	123,701	334,791
Fund Balances, December 31	$ 559,718	$ (165,730)	$ (447)	$ 207,420

426 *Formerly Nonmajor* 2025 Capital Project Fund	427 2026 Capital Project Fund	451 Park Fund	454 City Facilities Fund	455 Equipment and Vehicle Replacement	456 Hauberg Park
	$ -	$ 444,344	$ 287,106	$ 494,864	$ -
	-	-	69,717	-	-
	-	-	-	-	-
	-	4,896	-	-	-
	-	68,775	43,513	64,855	385
	-	-	-	332	1,310
	-	186,342	-	-	-
	-	704,357	400,336	560,051	1,695
	-	4,361	-	-	-
	-	-	141,400	-	-
	-	-	20,639	260,956	-
	372,501	-	-	575,960	-
	-	42,520	75,163	26,000	-
	-	-	-	-	-
	-	-	647,980	-	-
	-	-	2,703	3,337	-
	-	-	-	2,663	-
	372,501	46,881	887,885	868,916	-
	(372,501)	657,476	(487,549)	(308,865)	1,695
	-	-	-	110,397	-
	-	-	-	-	-
	-	-	-	35,600	-
	-	-	-	375,000	-
	-	-	-	520,997	-
	(372,501)	657,476	(487,549)	212,132	1,695
(1,247,732)	(153,956)	1,287,691	1,180,250	1,454,677	13,290
1,247,732	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	(153,956)	1,287,691	1,180,250	1,454,677	13,290
	$ (526,457)	$ 1,945,167	$ 692,701	$ 1,666,809	$ 14,985

City of Northfield, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued) For the Year Ended December 31, 2025

	458	459 *Formerly Nonmajor*	465 *Formerly Major*	475	
	Mill Town Trail	Ice Arena Construction	5th Street Redevelopment	Capital Reserve Fund	Total
Revenues					
Taxes					
Property taxes	$ -		$ -	$ 199,172	$ 1,425,486
Intergovernmental					
State	3,044,362		-	-	3,301,104
Special assessments	-		-	-	60,057
Charges for services					
Culture and recreation	-		-	-	4,896
Investment earnings	2,691		5,085	39,065	267,873
Miscellaneous					
Other	5,160		960,000	-	966,802
Contributions and donations	-		-	-	186,342
Total Revenues	3,052,213		965,085	238,237	6,212,560
Expenditures					
Current					
Culture and recreation	-		-	-	4,361
Capital outlay					
General government	-		-	-	141,400
Public safety	-		-	-	281,595
Public works	-		-	-	1,468,346
Culture and recreation	2,913,930		-	-	3,057,613
Housing and economic development	-		7,647	-	7,647
Transit	-		-	-	647,980
Debt service					
Interest and other	-		-	-	6,040
Bond issuance costs	-		-	-	2,663
Total Expenditures	2,913,930		7,647	-	5,617,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,283		957,438	238,237	594,915
Other Financing Sources (Uses)					
Sale of capital assets	-		-	-	110,397
Transfers out	-		-	(34,657)	(34,657)
Bond premiums	-		-	-	35,600
Bonds issued	-		-	-	375,000
Total Other Financing Sources (Uses)	-		-	(34,657)	486,340
Net Change in Fund Balances	138,283		957,438	203,580	1,081,255
Fund Balances, January 1, as Previously Presented	(8,517)	(215,575)	-	783,250	3,053,552
Change to the financial reporting entity (Note 9)					
Change from nonmajor to major fund	-	215,575	-	-	1,463,307
Change from major to nonmajor fund	-		(2,197,119)	-	(3,607,348)
Error Correction (Note 9)	-		-	-	2,280,315
Fund Balances, January 1, as Restated	(8,517)		(2,197,119)	783,250	3,189,826
Fund Balances, December 31	$ 129,766		$ (1,239,681)	$ 986,830	$ 4,271,081

THE GENERAL FUND

The General fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund.

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City of Northfield, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on Following Pages)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Taxes			
Property taxes	$ 11,702,614	$ 11,609,968	$ (92,646)
Hotel-motel tax	180,000	202,421	22,421
Total taxes	11,882,614	11,812,389	(70,225)
Licenses and permits			
Business	80,200	80,245	45
Nonbusiness	565,000	633,413	68,413
Total licenses and permits	645,200	713,658	68,458
Intergovernmental			
Federal			
FEMA	-	133,217	133,217
Coronavirus capital projects fund	-	25,586	25,586
Other	-	16,261	16,261
State			
Local government aid	3,870,133	3,870,140	7
Property tax credits	-	396	396
Street maintenance aid	205,000	289,693	84,693
Fire aid	219,718	286,047	66,329
Police aid	264,976	318,746	53,770
Other state aid	39,691	179,070	139,379
County			
Library aid	198,236	206,135	7,899
Highway	12,500	-	(12,500)
Total intergovernmental	4,810,254	5,325,291	515,037
Charges for services			
General government	1,005,205	1,038,008	32,803
Public safety	67,000	74,100	7,100
Streets and highways	119,850	144,965	25,115
Culture and recreation	404,600	426,096	21,496
Total charges for services	1,596,655	1,683,169	86,514
Fines and forfeits	58,500	112,155	53,655
Investment earnings	250,000	307,449	57,449
Miscellaneous			
Contributions and donations	1,477	5,900	4,423
Other	214,546	138,692	(75,854)
Total miscellaneous	216,023	144,592	(71,431)
Total Revenues	19,459,246	20,098,703	639,457

City of Northfield, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Expenditures			
Current			
General Government			
Mayor and Council			
Personal services	$ 81,328	$ 80,581	$ 747
Supplies	4,750	3,727	1,023
Other services and charges	385,234	291,557	93,677
Total Mayor and Council	471,312	375,865	95,447
City clerk			
Personal services	256,119	255,086	1,033
Supplies	1,900	1,003	897
Other services and charges	36,817	15,579	21,238
Total city clerk	294,836	271,668	23,168
Administration			
Personal services	372,529	380,462	(7,933)
Supplies	4,600	575	4,025
Other services and charges	371,884	363,337	8,547
Total administration	749,013	744,374	4,639
Finance			
Personal services	672,941	626,367	46,574
Supplies	4,000	7,261	(3,261)
Other services and charges	176,328	125,301	51,027
Total finance	853,269	758,929	94,340
Elections			
Personal services	5,000	12	4,988
Supplies	1,500	1,095	405
Other services and charges	11,500	7,696	3,804
Total elections	18,000	8,803	9,197
Human resources			
Personal services	470,572	484,443	(13,871)
Supplies	2,497	361	2,136
Other services and charges	239,519	228,929	10,590
Total human resources	712,588	713,733	(1,145)
Community development			
Personal services	202,023	218,696	(16,673)
Supplies	3,000	4,010	(1,010)
Other services and charges	282,655	92,720	189,935
Total community development	487,678	315,426	172,252

City of Northfield, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)			
Current (Continued)			
General Government (Continued)			
City hall operations			
Supplies	$ 64,800	$ 62,925	$ 1,875
Other services and charges	104,421	101,808	2,613
Total City hall operations	169,221	164,733	4,488
Planning and zoning			
Personal services	285,483	259,538	25,945
Supplies	300	68	232
Other services and charges	12,661	9,278	3,383
Total planning and zoning	298,444	268,884	29,560
Insurance	191,163	191,163	-
Total General Government	4,245,524	3,813,578	431,946
Public Safety			
Police protection			
Personal services	5,307,936	5,134,174	173,762
Supplies	275,600	199,298	76,302
Other services and charges	573,669	539,307	34,362
Total police protection	6,157,205	5,872,779	284,426
Fire protection			
Personal services	219,718	286,047	(66,329)
Other services and charges	762,012	1,101,859	(339,847)
Total fire protection	981,730	1,387,906	(406,176)
Building inspection			
Personal services	504,466	431,928	72,538
Supplies	5,500	3,698	1,802
Other services and charges	49,998	33,266	16,732
Total building inspection	559,964	468,892	91,072
Total Public Safety	7,698,899	7,729,577	(30,678)
Public Works			
Engineering			
Personal services	731,722	756,628	(24,906)
Supplies	17,700	11,818	5,882
Other services and charges	147,370	156,824	(9,454)
Total engineering	896,792	925,270	(28,478)
Streets			
Personal services	1,309,531	1,189,063	120,468
Supplies	295,600	312,167	(16,567)
Other services and charges	607,180	642,363	(35,183)
Total streets	2,212,311	2,143,593	68,718

City of Northfield, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)			
Current (Continued)			
Public Works (Continued)			
Street lighting			
Supplies	$ 35,000	$ 95,953	$ (60,953)
Other services and charges	250,000	264,798	(14,798)
Total street lighting	285,000	360,751	(75,751)
Facilities			
Personal services	244,694	259,705	(15,011)
Supplies	11,700	16,906	(5,206)
Other services and charges	112,186	116,398	(4,212)
Total facilities	368,580	393,009	(24,429)
Total Public Works	3,762,683	3,822,623	(59,940)
Culture and Recreation			
Ice arena			
Personal services	165,669	156,324	9,345
Supplies	36,550	28,132	8,418
Other services and charges	235,651	239,339	(3,688)
Total ice arena	437,870	423,795	14,075
Swimming pool			
Personal services	159,516	145,797	13,719
Supplies	56,500	53,086	3,414
Other services and charges	55,800	63,600	(7,800)
Total swimming pool	271,816	262,483	9,333
General parks			
Personal services	235,795	221,914	13,881
Supplies	60,000	67,433	(7,433)
Other services and charges	419,100	444,597	(25,497)
Total general parks	714,895	733,944	(19,049)
Recreation administration			
Personal services	129,313	136,812	(7,499)
Other services and charges	154,313	154,133	180
Total recreation administration	283,626	290,945	(7,319)
Library			
Personal services	1,584,898	1,731,167	(146,269)
Supplies	75,500	72,104	3,396
Other services and charges	550,402	493,886	56,516
Total library	2,210,800	2,297,157	(86,357)
Total Culture and Recreation	3,919,007	4,008,324	(89,317)

City of Northfield, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Expenditures (Continued)			
Current (Continued)			
Miscellaneous			
Unallocated			
Other services and charges	$ 287,787	$ 188,493	$ 99,294
Total Current	19,913,900	19,562,595	351,305
Capital outlay			
General government	1,000	-	1,000
Public works	3,000	-	3,000
Culture and recreation	23,500	85,607	(62,107)
Total capital outlay	27,500	85,607	(58,107)
Debt service			
Principal	12,000	-	12,000
Interest and other charges	1,806	-	1,806
Total debt service	13,806	-	13,806
Total Expenditures	19,955,206	19,648,202	307,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(495,960)	450,501	946,461
Other Financing Sources (Uses)			
Transfers in	277,000	277,000	-
Net Change in Fund Balances	(218,960)	727,501	946,461
Fund Balances, January 1	11,262,996	11,262,996	-
Fund Balances, December 31	$ 11,044,036	$ 11,990,497	$ 946,461

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DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

City of Northfield, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2025

	315	316	317	318	319
	2014A Bonds Fund	2015A Bonds Fund	2016C Bonds Fund	2017A Bonds Fund	2018B Bonds Fund
Assets					
Cash and temporary investments	$ 37,032	$ 199,797	$ 224,540	$ 180,346	$ 334,943
Receivables					
Interest	206	613	1,005	605	995
Special assessments					
Current	-	1,782	7,027	38,796	38,457
Delinquent	240	-	-	-	-
Intergovernmental	-	-	-	-	-
Total Assets	$ 37,478	$ 202,192	$ 232,572	$ 219,747	$ 374,395
Liabilities					
Accounts payable	$ 150	$ 5,150	$ 150	$ 150	$ 150
Due to other funds	-	-	-	-	-
Total Liabilities	150	5,150	150	150	150
Deferred Inflows of Resources					
Unavailable revenue					
Special assessments	240	1,782	7,027	38,764	38,457
Fund Balances					
Restricted					
Debt service	37,088	195,260	225,395	180,833	335,788
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 37,478	$ 202,192	$ 232,572	$ 219,747	$ 374,395

320 2019A Bonds Fund	321 2020A Bonds Fund	322 2021A Bonds Fund	323 2022A Bonds Fund	324 2023B Bonds Fund	325 2024A Bonds Fund	352 2014A (2006A) Public Project Revenue Refunding Bonds
$ 333,997	$ 1,608,823	$ 1,112,069	$ 429,557	$ 608,049	$ 300,906	$ 9,109
776	6,077	5,725	943	1,030	287	41
156,450	148,479	503,674	-	-	-	-
404	1,614	36,393	-	-	-	-
-	-	-	-	-	-	-
$ 491,627	$ 1,764,993	$ 1,657,861	$ 430,500	$ 609,079	$ 301,193	$ 9,150
$ 150	$ 150	$ 250	$ 150	$ 150	$ 150	$ -
-	-	-	-	-	-	-
150	150	250	150	150	150	-
156,854	150,002	540,067	-	-	-	-
334,623	1,614,841	1,117,544	430,350	608,929	301,043	9,150
$ 491,627	$ 1,764,993	$ 1,657,861	$ 430,500	$ 609,079	$ 301,193	$ 9,150

City of Northfield, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2025

	354	357	358	359
	2012 COPS Debt Fund	2018A NAFRS Debt Service	2021 Equipment Certificates	2022 Equipment Certificates
Assets				
Cash and temporary investments	$ 399,145	$ 438,251	$ 87,439	$ 69,538
Receivables				
Interest	729	1,243	227	147
Special assessments				
Current	-	-	-	-
Delinquent	-	-	-	-
Intergovernmental	-	-	-	-
Total Assets	$ 399,874	$ 439,494	$ 87,666	$ 69,685
Liabilities				
Accounts payable	$ 150	$ 625	$ 150	$ 150
Due to other funds	-	-	-	-
Total Liabilities	150	625	150	150
Deferred Inflows of Resources				
Unavailable revenue				
Special assessments	-	-	-	-
Fund Balances				
Restricted				
Debt service	399,724	438,869	87,516	69,535
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 399,874	$ 439,494	$ 87,666	$ 69,685

360	361	379	382	
2023B Equipment Certificates	2024A Equipment Certificates	2017B Refunding TIF Bonds	Riverfront TIF Bonds	Total
$ 73,112	$ 105,479	$ 396,628	$ 397,607	$ 7,346,367
227	126	1,232	945	23,179
54	-	-	-	894,719
-	-	-	-	38,651
-	-	1,315	36	1,351
$ 73,393	$ 105,605	$ 399,175	$ 398,588	$ 8,304,267
$ 150	$ 150	$ 150	$ 77,613	$ 85,888
-	-	-	-	-
150	150	150	77,613	85,888
-	-	-	-	933,193
73,243	105,455	399,025	320,975	7,285,186
$ 73,393	$ 105,605	$ 399,175	$ 398,588	$ 8,304,267

City of Northfield, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued on the Following Pages)
For the Year Ended December 31, 2025

	315	316	317	318	319
	2014A Bonds Fund	2015A Bonds Fund	2016C Bonds Fund	2017A Bonds Fund	2018B Bonds Fund
Revenues					
Taxes					
Property taxes	$ -	$ 85,000	$ -	$ 55,000	$ 175,000
Tax increment	-	-	-	-	-
Special assessments	1,047	25,156	7,173	21,650	18,656
Investment earnings (loss)	1,588	5,893	9,847	5,909	10,241
Miscellaneous	-	-	-	-	-
Total Revenues	2,635	116,049	17,020	82,559	203,897
Expenditures					
Current					
Housing and economic development	-	-	-	-	-
Debt service					
Principal	125,000	165,000	85,000	95,000	175,000
Interest and other charges	2,359	10,807	4,231	7,841	25,513
Total Expenditures	127,359	175,807	89,231	102,841	200,513
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,724)	(59,758)	(72,211)	(20,282)	3,384
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Net Change in Fund Balances	(124,724)	(59,758)	(72,211)	(20,282)	3,384
Fund Balances, January 1	161,812	255,018	297,606	201,115	332,404
Fund Balances, December 31	$ 37,088	$ 195,260	$ 225,395	$ 180,833	$ 335,788

320	321	322	323	324	325	352
2019A Bonds Fund	2020A Bonds Fund	2021A Bonds Fund	2022A Bonds Fund	2023B Bonds Fund	2024A Bonds Fund	2014A (2006A) Public Project Revenue Refunding Bonds
$ 215,000	$ 390,000	$ 129,000	$ 393,300	$ 729,438	$ 589,900	$ -
-	-	-	-	-	-	-
56,980	37,048	379,734	892	-	-	-
7,590	60,626	31,976	9,820	11,413	3,397	114
-	-	-	-	-	-	-
279,570	487,674	540,710	404,012	740,851	593,297	114
-	-	-	-	-	-	-
235,000	430,000	385,000	270,000	155,000	-	-
34,387	77,795	50,696	103,575	348,750	292,254	-
269,387	507,795	435,696	373,575	503,750	292,254	-
10,183	(20,121)	105,014	30,437	237,101	301,043	114
-	-	140,000	-	-	-	-
10,183	(20,121)	245,014	30,437	237,101	301,043	114
324,440	1,634,962	872,530	399,913	371,828	-	9,036
$ 334,623	$ 1,614,841	$ 1,117,544	$ 430,350	$ 608,929	$ 301,043	$ 9,150

City of Northfield, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2025

	354	357	358	359
	2012 COPS Debt Fund	2018A NAFRS Debt Service	2021 Equipment Certificates	2022 Equipment Certificates
Revenues				
Taxes				
Property taxes	$ 410,000	$ 185,000	$ 60,500	$ 64,500
Tax increment	-	-	-	-
Special assessments	-	-	-	-
Investment earnings (loss)	7,472	12,449	2,337	1,519
Miscellaneous	-	81,078	-	-
Total Revenues	417,472	278,527	62,837	66,019
Expenditures				
Current				
Housing and economic development	-	-	-	-
Debt service				
Principal	315,000	180,000	50,000	50,000
Interest and other	71,173	104,208	5,050	12,800
Total Expenditures	386,173	284,208	55,050	62,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,299	(5,681)	7,787	3,219
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Net Change in Fund Balances	31,299	(5,681)	7,787	3,219
Fund Balances, January 1	368,425	444,550	79,729	66,316
Fund Balances, December 31	$ 399,724	$ 438,869	$ 87,516	$ 69,535

360	361	379	382	
2023B Equipment Certificates	2023B Equipment Certificates	2017B Refunding TIF Bonds	Riverfront TIF Bonds	Total
$ 41,000	$ 152,100	$ -	$ -	$ 3,674,738
-	-	193,047	369,163	562,210
55	-	-	-	548,391
2,023	1,505	12,758	9,668	208,145
-	-	-	-	81,078
43,078	153,605	205,805	378,831	5,074,562
-	-	-	126,094	126,094
20,000	-	60,000	156,591	2,951,591
15,150	48,150	3,552	26,174	1,244,465
35,150	48,150	63,552	308,859	4,322,150
7,928	105,455	142,253	69,972	752,412
-	-	-	-	140,000
7,928	105,455	142,253	69,972	892,412
65,315	-	256,772	251,003	6,392,774
$ 73,243	$ 105,455	$ 399,025	$ 320,975	$ 7,285,186

City of Northfield, Minnesota
Combining Statements of Net Position
Nonmajor Proprietary Funds
December 31, 2025

	603 Garbage	609 Liquor Store	Total
Assets			
Current Assets			
Cash and temporary investments	$ 1,688,714	$ 2,108,411	$ 3,797,125
Receivables			
Interest	7,648	8,480	16,128
Accounts	145,954	19,273	165,227
Intergovernmental	1,036	-	1,036
Inventories	-	328,652	328,652
Prepaid items	-	5,388	5,388
Total Current Assets	1,843,352	2,470,204	4,313,556
Noncurrent Assets			
Capital assets			
Buildings	20,383	193,804	214,187
Infrastructure	-	56,835	56,835
Machinery, equipment and vehicles	320,566	111,847	432,413
Less accumulated depreciation	(75,765)	(332,385)	(408,150)
Total Capital Assets	265,184	30,101	295,285
Total Assets	2,108,536	2,500,305	4,608,841
Deferred Outflows of Resources			
Deferred pension resources	3,508	41,665	45,173
Deferred other postemployment benefit resources	1,183	10,608	11,791
Total Deferred Outflows of Resources	4,691	52,273	56,964
Liabilities			
Current Liabilities			
Accounts payable	103,664	113,346	217,010
Due to other governments	7,512	32,523	40,035
Accrued wages payable	1,383	16,680	18,063
Compensated absences payable - current portion	-	22,095	22,095
Other postemployment benefits liability - current portion	696	6,246	6,942
Total Current Liabilities	113,255	190,890	304,145
Noncurrent Liabilities			
Compensated absences payable, net of current portion	-	24,868	24,868
Net pension liability	11,944	141,849	153,793
Other postemployment benefits liability	5,240	46,989	52,229
Total Noncurrent Liabilities	17,184	213,706	230,890
Total Liabilities	130,439	404,596	535,035
Deferred Inflows of Resources			
Deferred pension resources	7,941	94,310	102,251
Deferred other postemployment benefit resources	1,174	10,530	11,704
Total Deferred Inflows of Resources	9,115	104,840	113,955
Net Position			
Net investment in capital assets	265,184	30,101	295,285
Unrestricted	1,708,489	2,013,041	3,721,530
Total Net Position	$ 1,973,673	$ 2,043,142	$ 4,016,815

City of Northfield, Minnesota
Combining Statements of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2025

	603 Garbage	609 Liquor	Total
Operating Revenues			
Sales	$ 1,053,836	$ 2,767,162	$ 3,820,998
Cost of sales	-	(1,974,156)	(1,974,156)
Gross Profit	1,053,836	793,006	1,846,842
Other income	6,392	1,172	7,564
Total Operating Revenues	1,060,228	794,178	1,854,406
Operating Expenses			
Personal services	64,675	487,186	551,861
Pension expense	949	(3,948)	(2,999)
Supplies	662	23,664	24,326
Other services and charges	960,924	152,504	1,113,428
Insurance	4,239	4,873	9,112
Utilities	662	16,341	17,003
Depreciation	17,164	4,020	21,184
Total Operating Expenses	1,049,275	684,640	1,733,915
Operating Income (Loss)	10,953	109,538	120,491
Nonoperating Revenues (Expenses)			
Investment income	75,759	86,710	162,469
Income Before Transfers	86,712	196,248	282,960
Transfers out	-	(50,000)	(50,000)
Change in Net Position	86,712	146,248	232,960
Net Position, January 1	1,886,961	1,896,894	3,783,855
Net Position, December 31	$ 1,973,673	$ 2,043,142	$ 4,016,815

City of Northfield, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	603 Garbage	609 Liquor	Total
Cash Flows from Operating Activities			
Receipts from customers and users	$ 1,048,177	$ 2,767,155	$ 3,815,332
Payments to suppliers and vendors	(950,113)	(2,157,309)	(3,107,422)
Payments to and on behalf of employees	(66,037)	(522,051)	(588,088)
Other receipts	6,392	1,172	7,564
Net Cash Provided (Used) by Operating Activities	38,419	88,967	127,386
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	-	(50,000)	(50,000)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(188,565)	-	(188,565)
Cash Flows from Investing Activities			
Investment income received	74,623	84,820	159,443
Net Increase (Decrease) in Cash and Cash Equivalents	(75,523)	123,787	48,264
Cash and Cash Equivalents, January 1	1,764,237	1,984,624	3,748,861
Cash and Cash Equivalents, December 31	$ 1,688,714	$ 2,108,411	$ 3,797,125
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 10,953	$ 109,538	$ 120,491
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	17,164	4,020	21,184
(Increase) decrease in assets			
Accounts receivable	(5,673)	(7)	(5,680)
Due from other governments	14	-	14
Inventories	-	12,062	12,062
Prepaid items	-	(784)	(784)
(Increase) decrease in deferred outflows of resources			
Deferred pension resources	(525)	(3,701)	(4,226)
Deferred other postemployment benefit resources	(469)	(3,559)	(4,028)
Increase (decrease) in liabilities			
Accounts payable	17,205	(1,325)	15,880
Due to other governments	118	328	446
Accrued wages payable	304	2,529	2,833
Other postemployment benefits liability	406	(1,320)	(914)
Compensated absences payable	-	2,689	2,689
Net pension liability	(284)	(13,746)	(14,030)
Increase (decrease) in deferred inflows of resources			
Deferred pension resources	(749)	(16,266)	(17,015)
Deferred other postemployment benefit resources	(45)	(1,491)	(1,536)
Net Cash Provided (Used) by Operating Activities	$ 38,419	$ 88,967	$ 127,386

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Information Technology Fund - accounts for the accumulation and allocations of costs associated with technology.

Insurance Fund - accounts for the accumulation and allocation of costs associated with property and liability insurance.

City of Northfield, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2025

	701 Information	705 Insurance	Total
Assets			
Current Assets			
Cash and temporary investments	$ 901,968	$ 1,365,043	$ 2,267,011
Receivables			
Interest	4,283	6,089	10,372
Prepaid items	1,572	21,392	22,964
Total Current Assets	907,823	1,392,524	2,300,347
Noncurrent Assets			
Capital assets			
Machinery and equipment	459,349	-	459,349
Less accumulated depreciation	(390,735)	-	(390,735)
Total Capital Assets	68,614	-	68,614
Total Assets	976,437	1,392,524	2,368,961
Deferred Outflows of Resources			
Deferred pension resources	31,805	3,390	35,195
Deferred other postemployment benefit resources	4,722	1,205	5,927
Total Deferred Outflows of Resources	36,527	4,595	41,122
Liabilities			
Current Liabilities			
Accounts payable	86,075	16,398	102,473
Accrued wages payable	11,486	651	12,137
Other postemployment benefits liability - current portion	2,780	710	3,490
Total Current Liabilities	100,341	17,759	118,100
Noncurrent Liabilities			
Net pension liability	108,280	11,540	119,820
Other postemployment benefits liability	20,915	5,338	26,253
Total Noncurrent Liabilities	129,195	16,878	146,073
Total Liabilities	229,536	34,637	264,173
Deferred Inflows of Resources			
Deferred pension resources	71,991	7,673	79,664
Deferred other postemployment benefit resources	4,687	1,196	5,883
Total Deferred Inflows of Resources	76,678	8,869	85,547
Net Position			
Net investment in capital assets	68,614	-	68,614
Unrestricted	638,136	1,353,613	1,991,749
Total Net Position	$ 706,750	$ 1,353,613	$ 2,060,363

City of Northfield, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	701 Information	705 Insurance	Total
Operating Revenues			
Charges for services	$ 916,872	$ 684,026	$ 1,600,898
Operating Expenses			
Personal services	356,435	371,963	728,398
Supplies	153,551	-	153,551
Other services and charges	363,632	295,460	659,092
Depreciation	26,215	-	26,215
Total Operating Expenses	899,833	667,423	1,567,256
Operating Income (Loss)	17,039	16,603	33,642
Nonoperating Revenues			
Investment income	45,195	63,499	108,694
Change in Net Position	62,234	80,102	142,336
Net Position, January 1	644,516	1,273,511	1,918,027
Net Position, December 31	$ 706,750	$ 1,353,613	$ 2,060,363

City of Northfield, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2025

	701 Information	705 Insurance	Total
Cash Flows from Operating Activities			
Receipts from customers and users	$ 916,872	$ 684,026	$ 1,600,898
Payments to suppliers and vendors	(450,556)	(284,728)	(735,284)
Payments to and on behalf of employees	(381,826)	(374,848)	(756,674)
Net Cash Provided (Used) by Operating Activities	84,490	24,450	108,940
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(9,383)	-	(9,383)
Cash Flows from Investing Activities			
Investment income received	44,372	64,671	109,043
Net Increase (Decrease) in Cash and Cash Equivalents	119,479	89,121	208,600
Cash and Cash Equivalents, January 1	782,489	1,275,922	2,058,411
Cash and Cash Equivalents, December 31	$ 901,968	$ 1,365,043	$ 2,267,011
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 17,039	$ 16,603	$ 33,642
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	26,215	-	26,215
(Increase) decrease in assets			
Prepaid items	25	(524)	(499)
(Increase) decrease in deferred outflows of resources			
Deferred pension resources	(3,084)	(322)	(3,406)
Deferred other postemployment benefit resources	(1,581)	(437)	(2,018)
Increase (decrease) in liabilities			
Accounts payable	66,602	11,256	77,858
Accrued wages payable	1,651	177	1,828
Net pension liability	(9,432)	(1,031)	(10,463)
Other postemployment benefits liability	(614)	103	(511)
(Increase) decrease in deferred inflows of resources			
Deferred pension resources	(11,662)	(1,261)	(12,923)
Deferred other postemployment benefit resources	(669)	(114)	(783)
Net Cash Provided (Used) by Operating Activities	$ 84,490	$ 24,450	$ 108,940

COMPONENT UNITS

Housing and Redevelopment Authority – This component unit was established to account for the financial activities of the HRA.

Municipal Hospital – This component unit was established to account for the financial activities of the Municipal Hospital.

City of Northfield, Minnesota
Discretely Presented Component Unit - Housing Redevelopment Authority
Combining Balance Sheet - Governmental Funds
December 31, 2025

Assets		
Cash and temporary investments	$	433,915
Receivables		
Interest		1,555
Delinquent taxes		3,634
Intergovernmental		1,725
Prepaid items		2,442
Land held for resale		1,233,576
Total Assets	$	1,676,847
Liabilities		
Accounts payable	$	14,346
Deposits payable		700
Accrued wages payable		6,442
Total Liabilities		21,488
Deferred Inflows of Resources		
Unavailable revenue		
Taxes		3,634
Fund Balances		
Nonspendable		
Land held for resale		1,233,576
Prepaid items		2,442
Restricted		
Affordable housing		106,941
Unassigned		308,766
Total Fund Balances		1,651,725
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	1,676,847
Total Fund Balances - Governmental Funds	$	1,651,725
Amounts reported for governmental activities in the statement of net position are different because		
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.		232,128
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(52,529)
Other postemployment benefit liability		(30,232)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.		
Delinquent property taxes receivable		3,634
Governmental funds do not report long-term amounts related to pensions.		
Deferred outflows of resources		15,432
Deferred inflows of resources		(34,923)
Governmental funds do not report long-term amounts related to other postemployment benefits.		
Deferred inflows of other postemployment benefit resources		(5,980)
Deferred outflows of other postemployment benefit resources		6,024
Total Net Position - Governmental Activities	$	1,785,279

City of Northfield, Minnesota
Discretely Presented Component Unit - Housing Redevelopment Authority
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

Revenues		
Taxes	$	402,108
Intergovernmental - State		31,885
Charges for services		9,600
Investment earnings		14,286
Payment from primary government		17,129
Miscellaneous		224,141
Total Revenues		699,149
Expenditures		
Current		
Housing and economic development		
Personal services		218,742
Supplies		381
Other services and charges		326,761
Payment to primary government		67,000
Total Expenditures		612,884
Excess (Deficiency) of Revenues Over (Under) Expenditures		86,265
Fund Balances, January 1		1,565,460
Fund Balances, December 31	$	1,651,725
Amounts reported for governmental activities in the statement of activities are different because		
Net change in fund balances - governmental funds	$	86,265
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.		
Depreciation expense		(13,144)
Long-term pension activity is not reported in governmental funds.		
Pension expense		(5,779)
Direct aid contributions		(194)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.		
Property taxes		1,309
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other postemployment benefit costs		(985)
Change in Net Position - Governmental Activities	$	67,472

City of Northfield, Minnesota
Discretely Presented Component Unit - Municipal Hospital
Statement of Net Position
For the Year Ended December 31, 2025

Assets	
Current Assets	
Cash and cash equivalents	$ 5,392,520
Current portion of noncurrent cash and cash equivalents	1,279,238
Patient receivables, less allowance for uncollectible accounts $11,783,000	26,665,144
Accounts receivable - other	196,798
Inventories	2,210,488
Prepaid items	1,683,350
Total Current Assets	37,427,538
Noncurrent Cash and Investments	
Internally Designated for Health Benefits	1,279,238
Internally Designated for Capital Improvements	37,122,305
Restricted by Bond Agreement	17,824
Less current portion of noncurrent cash and investments	(1,279,238)
Total Noncurrent Cash and Investments	37,140,129
Other Assets	335,412
Capital Assets, Net	27,497,890
Total Assets	102,400,969
Deferred Outflows of Resources	
Deferred pension resources	4,850,943
Total Assets and Deferred Outflows of Resources	$ 107,251,912
Liabilities	
Current Liabilities	
Current maturities of long-term debt	$ 951,713
Accounts payable, trade	3,912,766
Accrued payroll and benefits	9,496,134
Accrued interest payable	56,749
Unearned revenue	27,483
Third party payor settlements payable	387,000
Total Current Liabilities	14,831,845
Noncurrent Liabilities	
Long-term debt, less current maturities	15,189,508
Net pension liability	21,151,031
Total Noncurrent Liabilities	36,340,539
Total Liabilities	51,172,384
Deferred Inflows of Resources	
Deferred pension resources	15,304,394
Net Position	
Net investment in capital assets	11,356,669
Restricted by bond agreement	17,824
Unrestricted	29,400,641
Total Net Position	40,775,134
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 107,251,912

City of Northfield, Minnesota
Discretely Presented Component Unit - Municipal Hospital
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2025

Operating Revenues	
Net patient and resident service revenue	$ 136,055,239
Other revenues	1,585,879
Total Operating Revenues	137,641,118
Operating Expenses	
Salaries and wages	66,188,312
Employee benefits	10,020,116
Supplies and drugs	24,097,534
Purchased services	19,179,525
Utilities	1,324,539
Other	6,449,798
Depreciation and amortization	5,480,766
Interest	730,805
Taxes and surcharges	2,951,356
Total Operating Expenses	136,422,751
Operating Income (Loss)	1,218,367
Nonoperating Revenues (Expenses)	
Investment income	2,862,844
Noncapital Grants and Contributions	219,329
Gain (loss) on the sale/disposal of capital assets	263,244
Miscellaneous	(75,000)
Total Nonoperating Revenues (Expenses)	3,270,417
Excess (Deficiency) of Revenues Over (Under) Expenses	4,488,784
Capital Grants and Contributions	102,797
Change in Net Position	4,591,581
Net Position, January 1	36,183,553
Net Position, December 31	$ 40,775,134

City of Northfield, Minnesota
Discretely Presented Component Unit - Municipal Hospital
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Cash received from patients and third party payors	$ 134,081,156
Cash paid to employees	(75,872,329)
Cash paid to suppliers	(59,576,129)
Other receipts and payments, net	1,617,033
Net Cash Provided (Used) by Operating Activities	249,731
Cash Flows from Noncapital Financing Activities	
Noncapital grants and contributions	219,329
Miscellaneous expenses	(75,000)
Net Cash Provided (Used) by Noncapital Financing Activities	144,329
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	322,946
Purchase of capital assets	(1,776,428)
Proceeds from issuance of long-term debt	3,805,000
Principal payments on long-term debt	(4,803,880)
Capital grants and contributions	102,797
Interest payments on long-term debt	(695,521)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,045,086)
Cash Flows from Investing Activities	
(Increase) decrease in noncurrent cash and investments	4,906,497
Investment income	2,862,844
Net Cash Provided (Used) by Investing Activities	7,769,341
Net Increase (Decrease) in Cash and Cash Equivalents	5,118,315
Cash and Cash Equivalents, January 1	274,205
Cash and Cash Equivalents, December 31	$ 5,392,520
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating income (loss)	$ 1,218,367
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	5,480,766
Interest	730,805
Provision for bad debt expense	3,768,821
(Increase) decrease in assets	
Patient receivables	(5,821,033)
Inventories, prepaids and other receivables	462,356
(Increase) decrease in deferred outflows of resources	
Deferred pension resources	627,427
Increase (decrease) in liabilities	
Accounts payable	(794,614)
Third-party payor settlements payable	78,129
Accrued expenses	336,099
Net pension liability	(3,651,975)
(Increase) decrease in deferred inflows of resources	
Deferred pension resources	(2,185,417)
Net Cash Provided (Used) by Operating Activities	$ 249,731
Schedule of Noncash Investing Capital and Financing Activities	
Capital assets acquired by lease obligation	$ 331,721

STATISTICAL SECTION (UNAUDITED)

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Northfield's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Northfield, Minnesota
Net Position by Component
2016 - 2025
(Accrual Basis of Accounting)

	Fiscal Year				
	2025	Restated 2024	Restated 2023	2022	2021
Governmental Activities					
Net investment in capital assets	$ 52,517,292	$ 48,120,220	$ 42,801,132	$ 41,300,947	$ 39,434,081
Restricted	12,070,591	11,195,612	7,869,991	6,982,652	7,419,113
Unrestricted	14,321,840	10,735,626	7,834,552	5,144,473	9,296,850
Total Governmental Activities Net Position	78,909,723	70,051,458	58,505,675	53,428,072	56,150,044
Business-type Activities					
Net investment in capital assets	38,692,175	31,902,536	33,767,743	32,677,989	32,891,088
Unrestricted	20,719,563	20,173,035	19,107,812	16,508,267	14,727,714
Total Business-type Activities Net Position	59,411,738	52,075,571	52,875,555	49,186,256	47,618,802
Primary Government					
Net investment in capital assets	91,209,467	80,022,756	76,568,875	73,978,936	72,325,169
Restricted	12,070,591	11,195,612	7,869,991	6,982,652	7,419,113
Unrestricted	35,041,403	30,908,661	26,942,364	21,652,740	24,024,564
Total Primary Government Net Position	$ 138,321,461	$ 122,127,029	$ 111,381,230	$ 102,614,328	$ 103,768,846

Table 1

Fiscal Year				
2020	2019	2018	2017	2016
$ 40,073,838	$ 37,588,910	$ 36,036,469	$ 35,086,458	$ 35,941,654
5,752,199	4,982,397	5,454,996	5,615,513	4,603,145
6,459,697	6,306,493	7,225,012	8,200,388	5,780,200
52,285,734	48,877,800	48,716,477	48,902,359	46,324,999
32,017,801	28,248,889	25,470,459	24,721,543	23,301,761
13,399,287	14,356,086	13,947,708	12,362,466	11,431,459
45,417,088	42,604,975	39,418,167	37,084,009	34,733,220
72,091,639	65,837,799	61,506,928	59,808,001	59,243,415
5,752,199	4,982,397	5,454,996	5,615,513	4,603,145
19,858,984	20,662,579	21,172,720	20,562,854	17,211,659
$ 97,702,822	$ 91,482,775	$ 88,134,644	$ 85,986,368	$ 81,058,219

City of Northfield, Minnesota
Changes in Net Position (Continued on the Following Pages)
2016 - 2025
(Accrual Basis of Accounting)

	Fiscal Year			
	2025	Restated 2024	Restated 2023	2022
Expenses				
Governmental activities				
General government	$ 4,423,803	$ 4,951,881	$ 4,140,291	$ 4,569,897
Public safety	7,362,726	7,752,181	7,346,035	7,336,398
Public works/streets	6,825,000	6,659,029	6,441,116	6,287,000
Culture and recreation	5,450,039	5,173,993	4,755,072	4,434,800
Housing and economic development	1,107,745	732,379	715,510	594,722
Transit	30,864	108,463	54,838	54,837
Miscellaneous	366,663	215,642	262,645	240,115
Interest on long-term debt	1,916,181	1,116,224	632,685	672,008
Total governmental activities expenses	27,483,021	26,709,792	24,348,192	24,189,777
Business-type activities				
Water	2,192,341	2,455,327	2,234,724	2,184,043
Wastewater	4,581,157	4,548,062	3,860,711	3,807,882
Garbage	1,049,120	1,065,066	984,523	929,018
Storm water drainage	1,022,476	814,983	933,397	920,017
Municipal Liquor Store	2,657,974	2,734,247	2,750,941	2,703,643
Total Business-type Activities Expenses	11,503,068	11,617,685	10,764,296	10,544,603
Total Primary Government Expenses	$ 38,986,089	$ 38,327,477	$ 35,112,488	$ 34,734,380
Program Revenues				
Governmental Activities				
Charges for services				
Licenses and permits	$ -	$ -	$ -	$ -
Other public works	155,747	568,275	109,611	171,151
Parks and recreation	628,949	573,933	594,825	391,475
Other activities	2,756,790	2,621,463	2,551,580	2,508,362
Operating grants and contributions	2,343,738	1,407,437	2,109,834	1,702,417
Capital grants and contributions	7,429,772	2,867,355	3,194,188	215,549
Total Governmental Activities Program Revenues	13,314,996	8,038,463	8,560,038	4,988,954
Business-type Activities				
Charges for services				
Water	4,071,264	2,883,280	2,621,302	2,130,582
Wastewater	5,501,550	5,093,835	5,106,902	5,307,855
Municipal Liquor Store	2,768,247	2,848,907	2,863,583	2,797,955
Other activities	2,799,137	2,502,786	2,320,822	2,107,186
Capital grants and contributions	-	-	-	-
Operating grants and contributions	-	-	157,209	29,341
Total Business-type Activities Program Revenues	15,140,198	13,328,808	13,069,818	12,372,919
Total Primary Government Program Revenues	$ 28,455,194	$ 21,367,271	$ 21,629,856	$ 17,361,873

Table 2

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ 3,654,574	$ 4,491,926	$ 2,930,109	$ 2,778,597	$ 2,583,745	$ 2,542,003
4,454,656	5,110,574	5,884,599	4,336,925	3,850,606	5,195,075
5,154,868	4,928,177	5,272,769	5,017,361	5,183,024	4,642,307
3,773,614	3,646,866	3,691,317	3,307,807	3,050,928	2,934,423
399,931	375,633	126,751	226,477	188,361	282,094
25,938	25,938	25,938	25,938	25,938	53,658
142,725	89,529	190,537	121,480	132,307	112,509
681,847	695,457	736,814	669,303	521,233	582,762
18,288,153	19,364,100	18,858,834	16,483,888	15,536,142	16,344,831
1,923,931	1,726,354	1,631,940	1,539,698	1,655,023	1,544,092
3,429,783	3,783,972	4,175,037	4,710,701	3,244,493	3,120,760
950,778	835,774	840,429	954,165	742,024	715,898
678,361	727,063	743,286	581,240	458,757	404,546
2,692,996	2,553,893	2,799,519	2,764,049	2,939,174	2,935,516
9,675,849	9,627,056	10,190,211	10,549,853	9,039,471	8,720,812
$ 27,964,002	$ 28,991,156	$ 29,049,045	$ 27,033,741	$ 24,575,613	$ 25,065,643
$ 797,166	$ 633,539	$ 572,386	$ 627,896	$ 859,249	$ 679,474
100,291	202,482	133,824	145,827	110,099	199,106
459,705	287,100	366,083	432,403	441,206	466,522
1,279,903	1,210,107	1,304,158	1,044,846	991,258	990,659
1,412,390	2,866,949	1,641,596	919,115	872,076	1,085,300
812,001	3,308,340	1,936,637	1,548,732	1,617,174	2,790,632
4,861,456	8,508,517	5,954,684	4,718,819	4,891,062	6,211,693
2,120,107	2,214,235	2,010,971	2,049,922	2,103,303	2,069,419
4,969,964	4,886,287	4,641,574	4,538,992	4,378,493	4,276,262
2,871,877	2,806,155	2,914,301	2,907,451	3,064,270	3,148,215
2,039,351	1,974,963	1,905,471	1,826,453	1,780,512	1,747,036
-	334,321	-	1,649,099	-	527,156
64,286	-	221,425	15,405	18,079	7,500
12,065,585	12,215,961	11,693,742	12,987,322	11,344,657	11,775,588
$ 16,927,041	$ 20,724,478	$ 17,648,426	$ 17,706,141	$ 16,235,719	$ 17,987,281

City of Northfield, Minnesota
Changes in Net Position (Continued)
2016 - 2025
(accrual basis of accounting)

	Fiscal Year			
	2025	2024	2023	2022
Program Revenues - Continued				
Net (expense)/revenue				
Governmental activities	$ (14,168,025)	$ (18,671,329)	$ (15,788,154)	$ (19,200,823)
Business-type activities	3,637,130	1,711,123	2,305,522	1,828,316
Total Primary Government Net Expense	$ (10,530,895)	$ (16,960,206)	$ (13,482,632)	$ (17,372,507)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	$ 18,541,203	$ 15,646,775	$ 14,411,913	$ 12,027,538
Franchise taxes	1,474,830	1,407,683	1,375,359	1,337,548
Hotel/motel taxes	202,421	200,779	206,269	181,046
Unrestricted grants and contributions	4,208,796	3,984,260	3,406,604	3,450,210
Investment earnings	1,191,205	968,018	1,314,039	(526,828)
Miscellaneous	140,489	1,130,406	73,812	79,794
Contributions of capital assets	-	-	-	(125,164)
Transfers	(2,732,654)	3,742,067	77,761	54,707
Total Governmental Activities	23,026,290	27,079,988	20,865,757	16,478,851
Business-type Activities				
Investment earnings (loss)	966,383	1,216,486	1,348,450	(331,319)
Gain on sale of capital assets	-	14,474	41,629	-
Transfers of capital assets	-	-	-	125,164
Transfers	2,732,654	(3,742,067)	(6,302)	(54,707)
Extraordinary item - impairment gain on fire and flood damage net of insurance recovery	-	-	-	-
Total Business-type Activities	3,699,037	(2,511,107)	1,383,777	(260,862)
Total Primary Government	$ 26,725,327	$ 24,568,881	$ 22,249,534	$ 16,217,989
Changes in Net Position				
Governmental activities	$ 8,858,265	$ 8,408,659	$ 5,077,603	$ (2,721,972)
Business-type activities	7,336,167	(799,984)	3,689,299	1,567,454
Total Primary Government	$ 16,194,432	$ 7,608,675	$ 8,766,902	$ (1,154,518)

Table 2 (Continued)

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ (13,426,697)	$ (10,855,583)	$ (12,904,150)	$ (11,765,069)	$ (10,645,080)	$ (10,133,138)
2,389,736	2,588,905	1,503,531	2,437,469	2,305,186	3,054,776
$ (11,036,961)	$ (8,266,678)	$ (11,400,619)	$ (9,327,600)	$ (8,339,894)	$ (7,078,362)
$ 10,729,467	$ 10,314,775	$ 9,343,724	$ 8,861,136	$ 8,211,742	$ 8,080,765
1,097,698	191,478	197,626	201,452	200,007	206,945
147,947	94,748	179,686	125,994	116,745	116,895
5,536,476	3,254,785	3,079,906	3,344,284	3,649,679	3,539,565
(274,855)	251,495	378,618	258,412	78,011	100,699
57,582	103,704	76,432	136,840	77,029	58,147
(56,917)	-	-	(111,265)	-	-
53,609	1,549,994	153,192	45,000	35,000	125,000
17,291,007	15,760,979	13,409,184	12,861,853	12,368,213	12,228,016
(191,330)	257,669	391,992	203,058	80,603	104,139
-	18,071	-	16,666	-	-
56,917	-	-	111,265	-	(527,156)
(53,609)	(1,549,994)	(153,192)	(45,000)	(35,000)	(125,000)
-	-	1,444,477	-	-	-
(188,022)	(1,274,254)	1,683,277	285,989	45,603	(548,017)
$ 17,102,985	$ 14,486,725	$ 15,092,461	$ 13,147,842	$ 12,413,816	$ 11,679,999
$ 3,864,310	$ 4,905,396	$ 505,034	$ 1,096,784	$ 1,723,133	$ 2,094,878
2,201,714	1,314,651	3,186,808	2,723,458	2,350,789	2,506,759
$ 6,066,024	$ 6,220,047	$ 3,691,842	$ 3,820,242	$ 4,073,922	$ 4,601,637

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City of Northfield, Minnesota
Governmental Activities Tax Revenues by Source
2016 - 2025
(Accrual Basis of Accounting)

Table 3

Fiscal Year	General Property Taxes	Tax Increment Taxes	Hotel-Motel Tax	Franchise Tax	Total
2025	$ 17,523,231	$ 1,017,972	$ 202,421	$ 1,474,830	$ 20,218,454
2024	14,634,161	1,012,614	200,779	1,407,683	17,255,237
2023	13,544,649	867,264	206,269	1,375,359	15,993,541
2022	11,359,699	667,839	181,046	1,337,548	13,546,132
2021	10,184,843	544,624	147,947	1,097,698	11,975,112
2020	9,836,441	478,334	94,748	191,478	10,601,001
2019	8,961,746	381,978	179,686	197,626	9,721,036
2018	8,519,918	341,218	125,994	201,452	9,188,582
2017	7,878,710	333,032	116,745	200,007	8,528,494
2016	7,758,176	322,589	116,895	206,945	8,404,605

City of Northfield, Minnesota
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2025	2024	2023	2022
General Fund				
Nonspendable	$ 162,284	$ 155,456	$ 144,289	$ 236,076
Restricted	22,288	22,038	31,037	32,315
Committed	-	-	-	335,694
Assigned	-	-	-	-
Unassigned	11,805,925	11,085,502	10,623,411	9,213,672
Total General Fund	$ 11,990,497	$ 11,262,996	$ 10,798,737	$ 9,817,757
All Other Governmental Funds				
Nonspendable	$ 4,511	$ 3,916	$ 2,463	$ 3,368
Restricted	26,338,244	8,600,993	9,744,485	8,045,898
Committed	2,343,757	2,039,992	1,960,665	1,166,281
Assigned	4,213,757	3,431,467	2,782,592	1,141,052
Unassigned	(3,101,816)	(5,572,367)	(5,163,570)	(3,820,800)
Total All Other Governmental Funds	$ 29,798,453	$ 8,504,001	$ 9,326,635	$ 6,535,799

Table 4

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ 122,799	$ 115,374	$ 106,932	$ 93,737	$ 103,591	$ 115,936
37,129	13,815	13,520	9,137	6,733	6,491
785,044	74,000	71,742	71,742	71,742	71,742
-	-	-	-	-	-
8,859,509	8,830,986	7,924,356	7,796,388	7,466,114	7,121,262
$ 9,804,481	$ 9,034,175	$ 8,116,550	$ 7,971,004	$ 7,648,180	$ 7,315,431
$ 2,669	$ 2,363	$ 1,679	$ 609	$ 2,316	$ 2,881
9,387,932	6,407,991	5,028,837	6,811,822	6,055,095	6,266,885
1,205,558	1,209,220	1,164,691	1,079,664	1,165,600	888,424
1,001,729	1,841,754	1,603,298	1,468,808	1,508,874	1,745,125
(1,784,220)	(2,264,400)	(1,812,606)	(503,057)	(272,495)	(228,172)
$ 9,813,668	$ 7,196,928	$ 5,985,899	$ 8,857,846	$ 8,459,390	$ 8,675,143

City of Northfield, Minnesota
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2025	2024	2023	2022
Revenues				
Taxes	$ 20,127,777	$ 17,241,528	$ 15,924,034	$ 13,504,532
Licenses, fees and permits	713,658	711,146	921,559	850,749
Fines and forfeits	112,155	114,144	105,160	99,912
Charges for services	2,491,436	2,698,862	2,107,318	2,152,142
Special assessments	608,448	548,056	430,236	447,465
Intergovernmental	9,913,285	8,011,601	5,906,660	5,734,775
Investment earnings	1,191,205	968,018	1,314,039	(526,828)
Miscellaneous	3,552,938	497,680	587,071	629,334
Total Revenues	38,710,902	30,791,035	27,296,077	22,892,081
Expenditures				
Current:				
General government	4,486,976	4,584,820	4,127,343	4,114,981
Public safety	7,746,733	7,215,429	6,645,997	5,940,834
Public works	3,822,623	3,678,661	3,617,206	3,321,806
Culture and recreation	4,669,111	4,274,034	3,760,893	3,597,825
Transit	-	-	-	-
Housing and economic development	1,000,899	591,338	549,469	537,742
Nondepartmental	366,663	215,642	262,645	240,115
Capital Outlay:				
General government	141,400	-	35,011	471,392
Public safety	281,595	980,830	80,155	396,377
Public works	6,935,615	14,939,123	8,165,250	6,126,884
Culture and recreation	13,886,772	2,357,331	217,556	30,095
Transit	647,980	2,106,834	125,980	12,557
Housing and economic development	7,647	36,041	61,041	2,156,980
Debt Service:				
Principal	2,951,591	2,878,688	2,848,979	2,660,681
Interest and other	1,277,059	975,316	705,708	654,367
Issuance fees	377,423	52,464	47,138	78,688
Total Expenditures	48,600,087	44,886,551	31,250,371	30,341,324
Revenues over (under) expenditures	(9,889,185)	(14,095,516)	(3,954,294)	(7,449,243)
Other Financing Sources (Uses):				
Bonds issued	25,815,000	8,015,000	7,350,000	4,020,000
Bond premium/(discount)	1,400,180	771,663	478,892	87,840
Transfers in	1,066,817	7,581,378	1,608,197	1,387,803
Transfers out	(1,001,657)	(3,694,142)	(1,710,979)	(1,333,096)
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	110,397	1,063,242	-	22,103
Total Other Financing Sources (Uses)	27,390,737	13,737,141	7,726,110	4,184,650
Net Change in Fund Balances	$ 17,501,552	$ (358,375)	$ 3,771,816	$ (3,264,593)
Debt service as a percentage of noncapital expenditures	15.8%	15.5%	15.7%	15.4%

Table 5

Fiscal Year					
2021	2020	2019	2018	2017	2016
$ 11,952,739	$ 10,538,215	$ 9,699,385	$ 9,146,642	$ 8,501,718	$ 8,405,183
797,166	633,539	572,386	627,896	859,249	679,474
71,543	61,562	88,415	111,751	98,171	82,032
1,782,808	1,681,087	1,672,511	1,521,326	1,454,847	1,561,121
436,211	1,393,145	672,538	593,867	580,762	668,700
6,080,037	8,526,994	4,494,474	5,485,051	4,544,279	6,458,670
(274,855)	251,495	378,618	258,412	78,011	100,699
531,760	478,249	821,265	502,536	499,889	549,765
21,377,409	23,564,286	18,399,592	18,247,481	16,616,926	18,505,644
3,531,019	4,397,954	2,925,655	2,745,528	2,433,481	2,408,862
5,138,674	4,944,085	4,972,264	4,372,987	4,291,893	4,070,750
2,758,210	2,684,042	2,681,829	2,566,496	2,489,659	2,381,026
3,023,449	2,747,671	2,802,266	2,509,446	2,400,275	2,281,839
-	-	-	-	-	-
399,931	375,633	126,751	226,944	185,895	282,094
142,725	89,529	190,537	121,480	131,058	112,509
438,857	-	42,625	112,841	88,705	22,006
156,451	278,938	753,082	3,572,030	193,330	765,063
3,818,325	9,088,261	4,953,492	4,024,319	1,655,893	4,257,931
207,980	120,282	155,829	408,464	767,291	2,853,881
-	-	-	-	-	27,720
43,205	172,856	271,726	-	21,506	-
2,110,172	2,131,280	1,906,622	2,314,653	2,744,125	2,043,881
745,952	672,680	770,521	532,805	562,336	572,068
-	-	-	97,032	4,725	28,594
22,514,950	27,703,211	22,553,199	23,605,025	17,970,172	22,108,224
(1,137,541)	(4,138,925)	(4,153,607)	(5,357,544)	(1,353,246)	(3,602,580)
4,255,000	4,360,000	6,335,000	5,905,000	1,405,000	1,425,000
198,446	316,937	266,698	66,784	12,778	45,554
265,407	1,759,625	1,200,378	484,780	880,683	1,499,964
(236,798)	(209,631)	(1,047,186)	(439,780)	(845,683)	(1,374,964)
-	-	(5,020,000)	-	-	-
42,532	40,648	36,027	62,040	17,464	25,337
4,524,587	6,267,579	1,770,917	6,078,824	1,470,242	1,620,891
$ 3,387,046	$ 2,128,654	$ (2,382,690)	$ 721,280	$ 116,996	$ (1,981,689)
16.0%	15.5%	17.9%	21.3%	17.6%	21.3%

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City of Northfield, Minnesota
Tax Capacity and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year Ended December 31,	Residential Property	Commercial Property	Other	Total Tax Capacity	Total Direct Tax Rate	Taxable Market Value	Tax Capacity Value as a Percentage of TMV
2025	$ 19,580,971	$ 5,800,442	$ 169,499	$ 25,550,912	68.680 %	$ 2,328,302,300	1.10 %
2024	18,917,308	5,237,151	164,139	24,318,598	62.230	2,183,386,600	1.11
2023	17,189,376	4,828,275	156,805	22,174,456	62.643	2,002,958,800	1.11
2022	14,739,879	4,496,967	149,837	19,386,683	59.867	1,759,012,900	1.10
2021	13,631,599	4,405,435	241,595	18,278,629	56.661	1,658,005,700	1.10
2020	12,778,158	4,150,117	225,069	17,153,344	58.161	1,566,037,200	1.10
2019	11,921,696	3,960,955	221,365	16,104,016	53.220	1,474,689,900	1.09
2018	11,104,755	3,751,027	228,755	15,084,537	57.160	1,387,176,300	1.09
2017	10,533,222	3,580,397	210,583	14,324,202	55.670	1,322,187,500	1.08
2016	9,673,963	3,485,445	200,569	13,359,977	57.550	1,230,567,100	1.09

Source: Rice and Dakota County Auditor/Treasurer's Offices.

City of Northfield, Minnesota
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Northfield			Overlapping Rates County		
	Operating	Debt Service	Total City	Operating	Debt Service	Total County
2025	53.65 %	15.03 %	68.68 %	33.00 %	4.30 %	37.30 %
2024	49.70	12.53	62.23	32.69	2.44	35.13
2023	51.51	11.13	62.64	31.74	4.96	36.70
2022	48.53	11.33	59.86	35.40	3.94	39.34
2021	45.90	10.76	56.66	35.69	4.17	39.86
2020	47.26	10.90	58.16	35.17	4.37	39.54
2019	45.74	10.48	56.22	35.29	4.23	39.52
2018	46.04	11.12	57.16	35.70	4.56	40.26
2017	43.93	11.74	55.67	35.15	4.80	39.95
2016	45.97	11.67	57.64	35.80	5.08	40.88

Source: Rice County Auditor/Treasurer

*Overlapping rates are those of local and county governments that apply to property owners within the City. While a small portion of the City lies within Dakota County, only the Rice County tax rate is shown in this table as it is the predominant county.

Table 7

Overlapping Rates				
School Districts	Other Districts			
Total School	Special Districts	Total Direct Rates	Total Overlapping Rates	Total Direct and Overlapping Rates
32.74 %	3.47 %	68.68 %	73.51 %	142.19 %
20.38	3.36	62.23	58.87	121.10
23.82	3.26	62.64	63.78	126.42
27.02	3.49	59.86	69.85	129.71
29.96	3.37	56.66	73.19	129.85
30.47	3.39	58.16	73.40	131.56
31.22	3.45	56.22	74.19	130.41
33.15	3.40	57.16	76.81	133.97
30.94	3.42	55.67	74.31	129.98
32.90	3.66	57.64	77.44	135.08

City of Northfield, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2025 Taxable Tax Capacity	2025 Rank	2025 Percentage of Total City Capacity Value	2016 Taxable Capacity Value	2016 Rank	2016 Percentage of Total City Capacity Value
Malt-O-Meal / Post	$607,162	1	2.38 %	$746,476	1	5.59 %
Hidden Valley Apartments	386,443	2	1.51	154,626	10	1.16
McLane Minnesota, Inc	291,648	3	1.14	373,336	3	2.79
Cardinal CG Company	272,532	4	1.07	182,616	7	1.37
St Olaf College	271,477	5	1.06			
Xcel Energy	250,584	6	0.98	539,416	2	4.04
Strobel & Werner Real Estate	240,938	7	0.94			
Timberfield Properties of Northfield, LLC	198,461	8	0.78			
5th Street Lofts LLC	147,101	9	0.58			
Union Pacific Railroad Co.	134,774	10	0.53			
Dayton Hudson Corp				228,682	4	1.71
Community Resource bank				203,946	5	1.53
Hayzin LLC				201,390	6	1.51
Allina Health Systems				177,384	8	1.33
Carleton College				155,876	9	1.17
	$ 2,801,120		10.96 %	$ 2,963,748		22.18 %

Source: City of Northfield Financial Records

City of Northfield, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 9

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 16,931,822	$ 16,818,257	99.30 %	$ -	$ 16,818,257	99.30 %
2024	14,577,827	14,514,748	99.60	44,388	14,559,136	99.90
2023	13,403,796	13,316,769	99.40	79,133	13,395,902	99.90
2022	11,244,996	11,208,422	99.70	34,782	11,243,204	100.00
2021	10,067,146	10,035,663	99.70	30,382	10,066,045	100.00
2020	9,709,177	9,655,352	99.40	53,047	9,708,399	100.00
2019	8,849,117	8,807,734	99.50	40,758	8,848,492	100.00
2018	8,437,869	8,341,974	98.90	95,410	8,437,384	100.00
2017	7,797,481	7,727,970	99.10	69,044	7,797,014	100.00
2016	7,655,738	7,608,047	99.40	47,251	7,655,298	100.00

Sources: Rice County, Minnesota Auditor-Treasurer's Office and Dakota County, Minnesota Auditor-Treasurer's Office.

City of Northfield, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds	General Obligation Revenue Bonds	Certificates of Participation	Financed Purchase Arrangement	Notes Payable	Total Governmental Activities
2025	$ 33,729,522	$ 5,620,954	$ -	$ 22,803,610	$ -	$ 92,067	$ 303,575	$ 62,549,728
2024	30,894,202	6,937,970	60,000	-	-	103,575	460,166	38,455,913
2023	23,245,554	8,322,697	146,500	236,711	-	115,083	627,354	32,693,899
2022	16,360,705	9,620,985	213,500	463,423	-	379,404	776,520	27,814,537
2021	12,962,436	10,989,273	275,500	685,134	-	635,950	905,164	26,453,457
2020	10,498,070	10,616,444	337,500	896,845	-	883,262	932,448	24,164,569
2019	9,336,704	8,657,985	399,500	1,108,557	-	961,057	1,038,813	21,502,616
2018	5,099,232	7,783,696	461,000	1,315,268	5,020,000	1,152,418	1,149,587	21,981,201
2017	861,313	7,534,079	527,500	1,516,979	5,295,000	1,361,046	1,256,212	18,352,129
2016	1,161,208	7,731,644	584,000	1,713,691	5,565,000	1,561,305	1,380,677	19,697,525

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Information not available at the time of the audit

Table 10

Percentage of Tax Capacity	Business-type Activities: Sewer/Storm and Water Bonds	Business-type Activities: Lease Payable	Business-type Activities: Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
245 %	$ 19,911,550	$ -	$ 19,911,550	$ 82,461,278	- %	3,865
158	20,531,901	-	20,531,901	58,987,814	6.69	2,806
147	19,368,551	-	19,368,551	52,062,450	7.27	2,488
143	1,479,569	27,883	1,507,452	29,321,989	12.36	1,427
145	1,768,393	55,167	1,823,560	28,277,017	12.26	1,360
141	3,204,565	81,424	3,285,989	27,450,558	11.69	1,339
134	3,975,633	106,691	4,082,324	25,584,940	11.80	1,253
146	5,673,965	131,006	5,804,971	27,786,172	10.56	1,362
128	7,628,978	154,405	7,783,383	26,135,512	10.55	1,281
147	9,434,988	176,922	9,611,910	29,309,435	8.99	1,442

City of Northfield, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2025	$ 33,729,522	$ 5,175,704	$ 28,553,818	1.23 %	$ 1,338
2024	30,894,202	4,321,196	26,573,006	1.22	1,264
2023	23,245,554	2,675,921	20,569,633	1.03	983
2022	16,360,705	1,962,965	14,397,740	0.82	701
2021	12,962,436	2,169,774	10,792,662	0.65	519
2020	10,498,070	1,909,368	8,588,702	0.55	419
2019	9,336,704	821,425	8,515,279	0.58	417
2018	5,099,232	105,043	4,994,189	0.36	245
2017	861,313	116,197	745,116	0.06	37
2016	1,161,208	454,243	706,965	0.06	35

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Northfield, Minnesota
Computation of Direct and Overlapping Debt
December 31, 2025

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
School District			
ISD No. 659	$ 78,955,000	54.92 %	$ 43,362,086
Rice County	56,035,000	19.60	10,982,860
Subtotal - Overlapping Debt			54,344,946
City Direct Debt			62,549,728
Total Direct and Overlapping Debt			$ 116,894,674

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Northfield. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

City of Northfield, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Debt Limit	$ 69,849,069	$ 65,501,598	$ 60,088,764	$ 52,770,387	$ 49,740,171
Total Net Debt Applicable to Limit	49,260,000	25,445,000	14,625,000	15,752,924	12,790,187
Legal Debt Margin	$ 20,589,069	$ 40,056,598	$ 45,463,764	$ 37,017,463	$ 36,949,984
Total net debt applicable to the limit as a percentage of debt limit	70.52%	38.85%	24.34%	29.85%	25.71%

Note: Minnesota Statute Section 475.53, subdivision 1 Limit on Net Debt except as otherwise provided in sections 475.51 to 475.74, no municipality except a school district or a city of the first class shall incur or be subject to a net debt in excess of 3 percent of the market value of taxable property therein.

Table 13

2020	2019	2018	2017	2016
$ 46,981,116	$ 44,240,697	$ 41,615,289	$ 39,665,625	$ 36,917,013
10,629,468	9,664,323	9,825,000	6,125,000	12,176,500
$ 36,351,648	$ 34,576,374	$ 31,790,289	$ 33,540,625	$ 24,740,513
22.62%	21.84%	23.61%	15.44%	32.98%

Legal Debt Margin Calculation for Fiscal Year 2025

Total Estimated Market Value	$ 2,328,302,300
Debt Limit (3% of Total Assessed Value)	69,849,069
Debt Applicable to Limit:	
General Obligation Bonds	49,260,000
Legal Debt Margin	$ 20,589,069

City of Northfield, Minnesota
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Utility Revenue Bonds						
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections
				Principal	Interest		
2025	$ 14,612,073	$ 7,306,354	$ 7,305,719	$ 540,000	$ 866,896	5.19	$ 548,391
2024	12,639,409	7,244,173	5,395,236	235,000	116,222	15.36	548,056
2023	12,306,404	5,703,781	6,602,623	225,000	117,103	19.30	429,167
2022	10,111,358	5,410,258	4,701,100	307,285	16,602	14.51	314,699
2021	9,793,015	4,479,599	5,313,416	1,456,171	60,317	3.50	431,342
2020	10,059,369	4,821,526	5,237,843	1,474,488	82,853	3.36	1,044,160
2019	9,890,968	5,250,437	4,640,531	1,679,488	102,543	2.60	366,219
2018	8,447,387	5,515,177	2,932,210	1,939,062	150,864	1.40	432,991
2017	8,217,766	4,066,046	4,151,720	1,794,062	200,148	2.08	575,626
2016	8,132,625	3,787,027	4,345,598	2,408,636	212,826	1.66	579,120

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

Improvement Bonds						
Debt Service			Tax Increment	Debt Service		
Principal	Interest	Coverage	Collections	Principal	Interest	Coverage
$ 1,265,000	$ 129,543	0.39	$ 562,210	$ 216,591	$ 21,521	2.36
1,330,000	133,412	0.37	564,628	253,688	52,598	1.84
1,250,000	194,225	0.30	867,024	216,216	52,564	3.23
1,320,000	229,871	0.20	671,489	196,404	54,744	2.67
1,210,085	235,939	0.30	543,172	186,606	54,907	2.25
1,385,512	173,064	0.67	472,334	181,460	54,536	2.00
1,090,512	175,847	0.29	373,911	172,274	61,432	1.60
1,240,938	137,382	0.31	339,982	567,625	55,927	0.55
1,145,938	164,316	0.44	334,418	640,965	86,963	0.46
896,364	164,586	0.55	334,785	187,499	96,734	1.18

City of Northfield, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 15

Fiscal Year	Population	Households	Personal Income	Per Capita Personal Income	Unemployment Rate
2025	21,334	6,901	*	*	3.60 %
2024	21,020	6,886	$ 3,945,502	$ 57,160	2.40
2023	20,924	6,817	3,784,858	55,702	2.10
2022	20,547	6,723	3,624,851	53,548	2.60
2021	20,790	6,723	3,466,996	51,545	2.70
2020	20,494	6,564	3,209,215	47,839	4.20
2019	20,426	6,522	3,019,915	45,092	3.20
2018	20,398	6,492	2,933,428	44,096	2.20
2017	20,405	6,461	2,756,600	41,787	3.50
2016	20,320	6,361	2,635,830	40,167	3.30

*Information not available

Sources: Population and households from the Minnesota Demographer's Office; personal income and per capita income is for the Faribault-Northfield Metropolitan SA from the Bureau Economic Analysis. U.S. Department of Commerce; unemployment rate is from the Minnesota Department of Employment and Economic Development.

City of Northfield, Minnesota
Principal Employers
Current Year and Nine Years Ago

Table 16

Employer	2025 Employees	2025 Rank	2025 Percentage of Total City Employment (a)	2016 Employees	2016 Rank	2016 Percentage of Total City Employment
Post Consumer Products	878	1	2.41 %	650	2	1.26 %
Carleton College	860	2	2.36	650	3	1.26
St Olaf College	860	3	2.36	860	1	1.67
ISD 659	576	4	1.58	600	4	1.17
McLane Minnesota Inc.	550	5	1.51	480	6	0.93
Lutheran Home - The Cannon Valley	500	6	1.37			0.00
Northfield Hospital	481	7	1.32	481	5	0.94
Multek Flexible Circuits	450	8	1.23	450	7	0.88
Taylor Truck Line, Inc.	360	9	0.99	360	8	0.70
Three Links Care Center	250	10	0.69	250	9	0.49
Cub Foods			0.00	160	10	0.31
Total	5,765		15.80 %	4,941		9.61 %

Source: Minnesota Department of Employment and Economic Development
Note a: Total employment is for Rice County.

City of Northfield, Minnesota
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees (a) as of December 31			
	2025	2024	2023	2022
General Government				
Management services	5.1	4.2	4.1	4.0
Finance	5.0	4.0	4.0	4.0
Human resources	3.0	3.0	5.2	5.0
Community development	3.0	2.0	3.0	3.0
Planning	2.0	2.0	2.0	2.0
Building inspections	3.8	3.8	3.1	3.0
Information technology	3.0	3.0	3.0	3.0
Police				
Officers	26.0	24.0	23.0	24.0
Civilians	5.7	7.0	8.0	8.0
Fire				
Firefighters and officers (b)				
Public Works				
Engineering	5.0	6.0	6.0	5.0
Streets and park maintenance	12.0	14.0	13.5	13.0
Economic Development	0.0	1.0	1.0	1.0
Housing	1.0	2.0	1.0	1.0
Buildings and Recreation Facilities	4.0	4.0	4.0	4.0
Library	20.9	19.9	14.8	14.6
Motor Vehicle	3.9	4.0	3.3	3.2
Water	7.0	8.0	7.6	7.0
Wastewater	6.0	6.0	5.8	6.0
Refuse	1.0	1.0	1.0	0.5
Storm Water	1.0	1.0	1.0	1.0
Liquor Operations	7.1	6.1	6.2	6.5
Total	125.5	126.0	120.6	118.8

Source: City Budget Office

(a) Excludes seasonal employees

Table 17

Full-time Equivalent Employees (a) as of December 31					
2021	2020	2019	2018	2017	2016
5.3	4.1	3.0	3.0	3.0	3.0
3.9	4.0	4.0	4.0	4.0	4.0
4.2	3.7	3.6	2.6	2.6	2.6
2.2	1.1	1.1	0.7	0.7	1.1
1.1	1.9	1.9	1.4	1.4	1.6
2.8	3.6	3.6	4.2	4.2	2.6
3.0	3.0	3.0	3.2	3.2	3.2
23.0	23.0	23.0	22.0	22.0	22.0
7.0	7.2	5.0	6.0	6.0	5.0
		-	-	-	-
5.2	5.0	4.6	4.8	4.8	4.3
12.7	13.2	13.3	10.5	10.5	8.6
1.0	1.2	1.2	1.2	1.2	1.7
1.0	1.1	1.1	1.1	1.1	0.5
4.0	4.0	3.4	3.1	3.1	3.4
13.9	13.6	13.1	11.8	11.8	11.5
3.0	3.0	3.2	3.2	3.2	2.6
7.2	6.1	5.4	6.8	6.8	4.9
5.6	7.1	8.8	6.9	6.9	7.5
0.5	1.0	1.0	1.0	1.0	0.0
1.0	1.4	1.4	0.4	0.4	1.4
6.4	6.4	7.0	7.0	7.0	7.0
114.0	114.7	111.8	104.9	104.9	98.5

City of Northfield, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2025	2024	2023	2022
Police				
Traffic violations	1,108	1,155	1,829	1,250
Group A Crimes	543	633	622	606
Group B Crimes	269	263	263	331
Building Inspection				
Permits issued	848	1,037	1,360	3,020
Total value	$ 99,389,877	$ 67,567,197	$ 62,558,926	$ 72,611,379
Single-family home permits issued	21	10	16	16
Single-family home value	8,316,332	4,122,010	6,371,610	6,499,955
Library				
Population served	27,826	27,337	27,181	26,332
Circulation	320,055	316,785	298,811	285,060
Hours open	4,167	4,176	3,155	3,163
Cardholders	16,633	15,536	14,409	13,672
Visits	200,790	186,348	154,764	140,471
Water				
Connections	5,956	5,845	6,180	6,092
Total water pumped (millions of gallons)	675.0	685.0	738.8	725.6
Average daily consumption (millions of gallons)	1.9	1.9	2.0	1.9
Peak daily consumption (millions of gallons)	3.0	2.8	3.7	3.8
Wastewater				
Treatment capacity (millions of gallons)	5.2	5.2	5.2	5.2
Average daily volume treated (millions of gallons)	2.0	2.3	2.0	1.9

Sources: Various city departments.

Note: Indicators are not available for the general government public works and recreation functions.

Table 18

Fiscal Year					
2021	2020	2019	2018	2017	2016
708	904	714	904	601	569
596	416	166	221	229	234
296	489	384	376	328	415
2,011	1,244	1,102	948	673	690
$ 103,058,714	$ 64,811,938	$ 43,985,221	$ 51,849,365	$ 102,549,565	$ 68,569,787
33	13	39	35	30	30
11,623,852	4,780,509	6,983,944	9,324,358	7,627,499	5,988,500
27,510	27,273	27,110	27,002	26,930	26,851
298,396	258,217	340,018	330,734	320,190	285,737
3,225	2,588	3,143	3,170	3,204	2,976
15,133	15,490	18,149	19,185	17,869	17,153
116,044	96,841	175,610	183,086	177,980	143,093
6,041	5,996	5,968	5,896	5,869	5,823
739.1	666.5	673.5	685.9	733	724.6
2.0	1.9	1.9	1.8	2.0	2.0
3.8	3.4	3.1	3.6	3.3	3.3
5.2	5.2	5.2	5.2	5.2	5.2
2.0	2.5	2.5	2.2	2.4	2.2

City of Northfield, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2025	2024	2023	2022
Police				
Stations	1	1	1	1
Fire Stations	1	1	1	1
Public Works				
Miles of street, local, county and state highways	107.40	106.93	106.93	106.10
Parks and Recreation				
Number of parks	46	46	46	46
Acreage	564	442	442	442
Playgrounds	21	21	21	21
Baseball/softball diamonds	10	10	10	10
Soccer/football fields	10	9	9	9
Community centers	-	1	1	1
Indoor ice arena	1	1	1	1
Outdoor pool	1	1	1	1
Water				
Storage capacity (thousands of gallons)	3,000	3,000	3,000	3,000
Wastewater				
Treatment capacity (millions of gallons)	5.2	5.2	5.2	5.2

Sources: Various City departments
Note: (a) No capital asset indicators are available for the general government of library function.

Table 19

Fiscal Year					
2021	2020	2019	2018	2017	2016
1	1	1	1	1	1
1	1	1	1	1	1
106.10	105.90	105.80	105.70	104.08	104.08
45	45	45	45	45	45
441	441	441	441	441	441
21	21	21	21	20	20
10	10	10	10	12	12
9	9	9	9	10	10
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
3,000	3,000	3,000	3,000	3,000	3,000
5.2	5.2	3.5	3.5	3.5	3.5

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OTHER REQUIRED REPORTS

CITY OF NORTHFIELD
NORTHFIELD, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Northfield, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Northfield, Minnesota (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 26, 2026. Our report includes a reference to other auditors who audited the financial statements of the Northfield Municipal Hospital as described in our report on the City financial statements. This report does not include the results of the other auditors' testing of compliance that are reported on separately by those auditors.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Abdo
Mankato, Minnesota
May 26, 2026

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Northfield, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Northfield, Minnesota (the City), as of and for the year ended December 31, 2025, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 26, 2026. We did not audit the financial statements of the Northfield Municipal Hospital discretely presented component unit. Those financial statements were audited by other auditors, whose report dated April 24, 2026, expressed an unmodified opinion on those statements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings an responses as item 2025-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Mankato, Minnesota
May 26, 2026

City of Northfield, Minnesota
Schedule of Findings and Responses
For the Year Ended December 31, 2025

Finding	Description
2025-001	**Preparation of Financial Statements**
Condition:	As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Recent auditing standards require auditors to communicate this situation to the Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on recent auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement of the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
Criteria:	Internal controls should be in place to ensure adequate internal control over safeguarding of assets and the reliability of financial records and reporting.
Cause:	From a practical standpoint, we prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.
Effect:	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. As in prior years, we have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.
Recommendation:	Under these circumstances, the most effective controls lie in management's knowledge of the City's financial operations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. Regarding the specific situation listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting software financial information to the amount reported in the financial statements.

Management Response:

For now, the City's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.

Finding	Description
2025-002	**Material Audit Adjustments**
Condition:	During the audit, it was identified that Municipal State Aid (MSA) in a prior year was not recorded in the correct accounting period due to the advance draw of the MSA funds. As a result, MSA revenue was materially misstated in the current year financial statements, requiring a material audit adjustment to properly recognize the revenue in the prior period. There were also capital costs that needed to be recorded in the appropriate funds which resulted in material audit adjustments between project funds.
Criteria:	Government-Wide Financial Statements should recognize MSA revenue when it is earned and allotted to the City in accordance with generally accepted accounting principles (GAAP). Fund Financial Statements should recognize MSA revenue when it is both earned, allotted, and available, with amounts not meeting availability requirements reported as unavailable revenue. Also the capital costs needed to be allocated between appropriate funding sources which resulted in material audit adjustments.
Cause:	The misstatement occurred due to improper treatment of unavailable MSA revenue balances in the prior year. Unavailable revenue was incorrectly offset or carried forward rather than being appropriately recognized in the period in which the revenue was earned and allocated, resulting in revenue being recorded in an incorrect fiscal year. The project costs are tracked on an annual basis and have various funding sources that are reconciled at the end of the project which resulted in some transfers and costs being classified in the wrong funds.
Effect:	Because MSA revenue was not recorded in the proper period, Government-Wide and Fund Financial Statement revenues were materially misstated prior to adjustment. A material audit adjustment was required to correct the timing of revenue recognition and to fairly present the City's financial position and results of operations along with project funding for various capital project funds.
Recommendation:	We recommend the City enhance its year-end review procedures over MSA revenue and project funding sources for capital project funds.

Management Response:

The City will enhance its year-end review procedures over MSA revenue using the SAAS report from Minnesota Department of transportation and project cost tracking worksheet that will track the various funding sources.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

KUTAKROCK

Kutak Rock LLP
60 South Sixth Street, Suite 3400, Minneapolis, MN 55402-4018
office 612.334.5000

$3,350,000
City of Northfield, Minnesota
General Obligation Street Reconstruction Bonds
Series 2026B

We have acted as bond counsel to the City of Northfield, Rice and Dakota Counties, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds"), originally dated the date hereof, and issued in the original aggregate principal amount of $3,350,000. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bonds are payable from ad valorem taxes levied by the Issuer, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is excludable, to the same extent, from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes and is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The opinion set forth in the preceding sentences is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we

express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated _____, 2026 at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

$3,350,000
City of Northfield, Minnesota
General Obligation Street Reconstruction Bonds
Series 2026B

CONTINUING DISCLOSURE CERTIFICATE

_____, 2026

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Northfield, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds") in the original aggregate principal amount of $3,350,000. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the "Resolutions"). The Bonds are being delivered to _____, _____, _____ (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Street Reconstruction Bonds, Series 2026B, issued by the Issuer in the original aggregate principal amount of $3,350,000.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final Official Statement, dated _____, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means the City of Northfield, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means _____, _____, _____.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF NORTHFIELD, MINNESOTA

_____
Mayor

_____
City Clerk

APPENDIX E

TERMS OF PROPOSAL

$3,350,000* GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES 2026B
CITY OF NORTHFIELD, MINNESOTA

Proposals for the purchase of $3,350,000* General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds") of the City of Northfield, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on July 21, 2026, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Section 475.58, subd. 3b, and Minnesota Statutes, Chapter 475, as amended, by the City, to finance various street reconstruction projects as described in the City's Five-Year Street Reconstruction and Overlay Plan, dated January 6, 2026. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated August 13, 2026, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2028	$130,000	2033	$210,000	2038	$245,000
2029	185,000	2034	215,000	2039	255,000
2030	190,000	2035	225,000	2040	265,000
2031	195,000	2036	230,000	2041	275,000
2032	205,000	2037	240,000	2042	285,000

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2037 shall be subject to optional redemption prior to maturity on February 1, 2036 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about August 13, 2026, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kutak Rock LLP, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX MATTERS" in this Official Statement and the Form of Legal Opinion found in APPENDIX B) and has not performed any investigation as to its accuracy, completeness, or sufficiency. Bond Counsel has not examined or verified, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

SUBMISSION OF PROPOSALS

Proposals must not be for less than $3,309,800 plus accrued interest on the principal sum of $3,350,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

1) Electronically to bondsale@ehlers-inc.com; or

2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of $67,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the City Council

City of Northfield, Minnesota

PROPOSAL FORM

The City Council **July 21, 2026**
City of Northfield, Minnesota (the "City")

RE: $3,350,000* General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds")
DATED: August 13, 2026

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $3,309,800) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2028	_____	% due	2033	_____	% due	2038
_____	% due	2029	_____	% due	2034	_____	% due	2039
_____	% due	2030	_____	% due	2035	_____	% due	2040
_____	% due	2031	_____	% due	2036	_____	% due	2041
_____	% due	2032	_____	% due	2037	_____	% due	2042

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2028 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of $67,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about August 13, 2026.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 13, 2026 of the above proposal is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Northfield, Minnesota, on July 21, 2026.

By: _____ By: _____

Title: _____ Title: _____

Research Update:

Northfield, MN Series 2026B GO Street Reconstruction Bonds Assigned 'AA' Rating

July 14, 2026

Overview

- S&P Global Ratings assigned its 'AA' long-term rating to the City of Northfield, Minnesota's $3.4 million series 2026B general obligation (GO) street reconstruction bonds.
- The outlook is stable.

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Rationale

Security

Northfield's full-faith-and-credit GO pledge, including the city's unlimited ad valorem taxing powers, secures the series 2026B bonds. Bond proceeds will pay for street reconstruction projects.

Credit highlights

The rating reflects our view of Northfield's well-managed finances, characterized by healthy reserve levels and a stable local economy anchored by St. Olaf and Carleton colleges. Limiting the rating are debt metrics that are increasing to somewhat higher levels compared with those of similarly rated cities, although we do not expect the rising debt burden will materially pressure the local tax base considering Northfield's net tax capacity has increased by nearly 50% over the past five years. The city's economic metrics, specifically its incomes and productivity metrics, are lower than those of higher-rated cities but are somewhat understated due to the local college student population.

Northfield has consistently posted operating surpluses over at least the past 10 years, supported by conservative budgeting and a stable revenue mix consisting mainly of property taxes (59% of fiscal 2025 operating revenue) and state aid (25%). Reserves (inclusive of the liquor store fund) have generally hovered at 60%-70% of operating revenues, above the city's 50% fund balance policy. In 2025, Northfield outperformed its budgeted general fund deficit of $357,000 (1.8% of budgeted revenues), to report a surplus of $728,000 (3.6%) attributable to positive revenue variances and expenditure savings. Northfield plans to draw down one-time state public safety aid received in 2023, as reflected in the fiscal 2026 budget general fund deficit of $250,000 (1.2%). Management expects savings from retirements will likely continue to offset the depletion of these funds.

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The city plans to issue $2 million in additional GO debt annually for routine street projects in the coming years; however, we expect its practice of annually issuing for this purpose will continue without materially increasing Northfield's debt given that the city will repay approximately the same amount it plans to issue each year. Management indicated further plans to issue $3.9 million in GO water revenue bonds in 2027 for water meter replacements. We note about $30 million of the city's existing GO debt, is self-supported from utility revenues; removing this amount reduces net direct debt per capita to about $2,800, which remains elevated but closer to peer median levels.

The rating further reflects our view of the following factors:

- A stable economy, with ongoing residential development and modest population growth. Our economic assessment reflects our view that Carleton and St. Olaf colleges, which have seen steady enrollment, are stabilizing institutions with student populations that likely result in understated local income metrics.
- Stable finances supported by manageable labor costs, a predictable revenue mix, and conservative budgeting, with about $2 million in additional reserves in the liquor store fund. Northfield could spend down some of its liquor store fund cash to relocate the store to facilitate an economic development project, but otherwise has no plans to spend down reserves, which we expect will remain robust and a key credit strength.
- Management practices that support financial stability, including quarterly budget-to-actual and investment reporting to the city council, detailed long-term capital plans that identify funding sources and estimated costs by year, and the above-mentioned 50% fund balance policy that also calls for a one-month emergency reserve. We view the city's cyber risk mitigation measures as consistent with our view of its credit fundamentals.
- Debt metrics that are increasing to somewhat higher levels compared with those of similarly rated cities, with current costs that could increase to just over 20% of total governmental fund revenue following recent issuances, while accounting for the planned contributions from the Northfield School District and Dundas. In our view, pension costs are not a credit pressure.
- For more information on our institutional framework assessment for Minnesota municipalities, see "Institutional Framework Assessment: Minnesota Local Governments," Sept. 10, 2024.
- While Northfield is exposed to localized flooding risks as a result of its location along the Cannon River, we consider its exposure to natural hazards low compared with that of national peers and neutral in our credit analysis. Flooding in 2024 resulted in minimal property impact and no damage to city assets, and the city's climate action plan demonstrates active risk management through the recent elevation of critical infrastructure. In addition, Northfield is addressing manganese-related water quality concerns by continuing to explore planned infrastructure improvements, including a new water treatment plant. A series 2026A bond issuance and planned water rate increases will partly finance this project. While these water quality issues require significant capital investment, they represent a proactive approach to managing long-term environmental and public health risks.

Outlook

The stable outlook reflects our view that Northfield's conservative budgeting practices will support financial stability over the two-year outlook period.

Downside scenario

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We could take a negative rating action if the city issues a substantial amount of additional debt that weakens debt metrics beyond expectations.

Upside scenario

We could take a positive rating action if economic metrics improve to levels we consider more commensurate with what we typically see among higher-rated peers and if Northfield 's debt moderate.

Northfield, Minnesota--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.40
Economy	3.5
Financial performance	2
Reserves and liquidity	1
Management	2.00
Debt and liabilities	3.50

Northfield, Minnesota--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita as % of U.S.	66	--	66	66
County PCPI as % of U.S.	80	--	80	81
Market value ($000s)	2,443,453	2,345,400	2,224,133	1,990,731
Market value per capita ($)	115,519	110,883	105,150	91,284
Top 10 taxpayers as % of taxable value	11.0	10.2	10.2	10.7
County unemployment rate (%)	3.1	3.0	2.8	2.5
Local median household EBI as % of U.S.	112	--	112	109
Local per capita EBI as % of U.S.	89	--	89	86
Local population	21,152	--	21,152	21,808
Financial performance				
Operating fund revenue ($000s)	--	19,028	18,646	16,802
Operating fund expenditures ($000s)	--	18,764	17,360	16,813
Net transfers and other adjustments ($000s)	--	200	(305)	24
Operating result ($000s)	--	464	981	13
Operating result as % of revenue	--	2.4	5.3	0.1
Operating result three-year average %	--	2.6	3.5	3.7
Reserves and liquidity				
Available reserves as % of operating revenue	--	58.3	52.4	54.8
Available reserves ($000s)	--	11,086	9,775	9,214
Debt and liabilities				
Debt service cost as % of revenue	--	12.5	13.0	14.4
Net direct debt per capita ($)	3,789	2,652	2,369	1,299
Net direct debt ($000s)	80,136	56,100	50,102	28,334

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Northfield, Minnesota--key credit metrics

	Most recent	2024	2023	2022
Direct debt 10-year amortization (%)	51	64	--	--
Pension and OPEB cost as % of revenue	--	4	4	5
NPLs per capita ($)	--	284	2,236	2,996
Combined NPLs ($000s)	--	6,011	47,297	65,330

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

Ratings List	
New Issue Ratings	
US$3.400 mil GO str reconstruction bnds ser 2026B dtd 08/13/2026 due 02/01/2042	
Long Term Rating	AA/Stable

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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File #: 26-399, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: David Bennett, Public Works Director/City Engineer

Discuss Proposed Traffic and Pedestrian Safety Improvements on Fillmore St., Hayes Dr., & Carter Dr.

Action Requested:
The Northfield City Council discusses and provides input on the Proposed Traffic and Pedestrian Safety Improvements on Fillmore St., Hayes Dr., & Carter Dr.

Summary Report:
Due to concerns raised from the proposed Harvest Hill 2nd Addition development, City staff have reviewed traffic safety concerns on Fillmore Street, Hayes Drive, and Carter Drive. As the proposed development fell far short of triggering a formal traffic impact study, staff collected local data to directly inform interventions and solutions. The primary objective of the data collection was to review traffic speeds, pedestrian crossing safety, and patterns that could inform changes that may be needed to improve traffic and safety in the neighborhood.

Prior to school dismissal, the City collected vehicle speed data on Fillmore St/Hayes Drive, and Grant Drive as shown in the figure below.



The data on the traffic speeds on both Grant Drive and Hayes Drive shows that an overwhelming majority of vehicles are moving below the 30 mph speed limit, indicating that drivers are not speeding in the neighborhood.

The City also collected pedestrian counts at three intersections; Roosevelt Drive and Hayes Drive, Hayes Drive and Fillmore Street, and Fillmore Street and Carter Drive.



The data from the pedestrian crossing count indicated the following recommendations. More detail is provided in the attached report.

Roosevelt Drive and Hayes Drive

The recommendation is to mark the crossing on the south leg with high visibility crosswalk markings. When Roosevelt Drive receives a street rehabilitation project the pedestrian ramps should be upgraded to be ADA and a receiving ramp should be added for the trail crossing on the west leg.

Hayes Drive and Fillmore Street

Due to the low pedestrian crossing count and lack of crash history at this intersection the recommendation is to leave the crossings unmodified. Due to the skewed intersection geometry and the trail crossing on the north leg the recommendation is to replace the existing yield sign on the westbound approach with a stop sign. Long term recommendation is to review the intersection geometry when street rehabilitation work is being planned for this area.

Fillmore Street and Carter Drive

The recommendation would be to mark the west leg and south leg crossings with high visibility crosswalk markings and add pedestrian crossing signs to the south leg crossing. Pedestrian crossing signs are not recommended on the west leg due to this approach being stop controlled.

The City reviewed an All-Way Stop at Fillmore and Carter Drive. The City follows guidelines in the MN Manual on Uniform Traffic Control Devices (MNMUTCD), and this documents provides the guidance

consideration for an All-Way Stop.

MNMUTCD guidance for All-Way stop

- Warrant A - Crash experience
  - 5 or more reported crashes in a 12 months. No reported crashes in the last 10 years.
- Warrant B - Sight Distance
  - In reviewing the intersection adequate sight distance is provided
- Warrant C - Transition to a signal
  - No transition to signal proposed
- Warrant D - 8-hour volume
  - 300 units per hour for each of any 8 hours of a typical day for the major street, or 200 units per hour for any 8 hours from the minor street. Vehicle volume is not met, even with projected traffic from new development.
- Recommendation is to not install an All-Way stop

Final Summary of Recommendations and Next Steps:

- Add high visibility crosswalk markings to:
  - The South leg of Roosevelt Dr. and Hayes Dr.
  - The West and South legs of Carter Dr. and Fillmore St.
- Add crossing signs to the south leg of Carter Dr. and Fillmore St.
- Replace the Yield sign at Hayes Dr. and Fillmore St. with a stop sign
- Reassess after TH 246 turnback improvements are completed by the middle school (work with school district staff to encourage drop-off and pick-up in front of the middle school after the improvements)

City Plans & Policies Relevance:

Alternative Options:

Financial Impacts:

Tentative Timelines:

Filmore and Hayes Safety Review

City Council July 21, 2026



A safe transportation network for all

Tonight's Outline

- Minnesota Best Practices
- Count Locations
- Vehicle Speeds / Counts
- Pedestrian Counts / Recommendations
- All-Way Stop Review
- Questions / Comments

Minnesota's Best Practices for Pedestrian and Bicycle Safety Guidelines

Safety Enhancements Evaluated

1. High-visibility crosswalk markings
2. Raised crosswalk
3. Advance yield signage
4. In-street Pedestrian crossing signage
5. Curb extensions
6. Pedestrian refuge island
7. Rectangular Rapid-Flashing Beacon (RRFB)
8. Road diet
9. Pedestrian Hybrid beacon

Roadway Configuration	Posted Speed Limit and AADT								
	Vehicle AADT <9,000			Vehicle AADT 9,000–15,000			Vehicle AADT >15,000		
	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph
2 lanes (1 lane in each direction)	● 2 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6 7 9	○ 5 6 7 9	○ 5 6 ● 9
3 lanes with raised median (1 lane in each direction)	● 2 3 4 5	● ○ 5 7 9	○ ○ 5 ● 9	○ 3 4 5 7 9	○ ○ 5 ● 9	○ ○ 5 ● 9	○ ○ 4 5 7 9	○ ○ 5 7 9	○ ○ 5 ● 9
3 lanes w/o raised median (1 lane in each direction with a two-way left-turn lane)	● 2 3 4 5 6 7 9	● ○ 5 6 7 9	○ ○ 5 6 9	○ 3 4 5 6 7 9	○ ○ 5 6 ● 9	○ ○ 5 6 9	○ ○ 4 5 6 7 9	○ ○ 5 6 9	○ ○ 5 6 ● 9
4+ lanes with raised median (2 or more lanes in each direction)	● ○ 5 7 8 9	● ○ 5 7 8 9	○ ○ 5 8 9	○ ○ 5 7 8 9	○ ○ 5 ● 8 9	○ ○ 5 8 9	○ ○ 5 ● 8 9	○ ○ 5 8 9	○ ○ 5 8 9
4+ lanes w/o raised median (2 or more lanes in each direction)	● ○ 5 6 7 8 9	○ ○ 5 6 7 8 9	○ ○ 5 6 8 9	○ ○ 5 6 7 8 9	○ ○ 5 6 ● 8 9	○ ○ 5 6 8 9	○ ○ 5 6 ● 8 9	○ ○ 5 6 8 9	○ ○ 5 6 8 9

Given the set of conditions in a cell,

- # Signifies that the countermeasure is a candidate treatment at a marked uncontrolled crossing location.
- ● Signifies that the countermeasure should always be considered, but not mandated or required, based upon engineering judgment at a marked uncontrolled crossing location.
- ○ Signifies that crosswalk visibility enhancements should always occur in conjunction with other identified countermeasures.*

The absence of a number signifies that the countermeasure is generally not an appropriate treatment, but exceptions may be considered following engineering judgment.

1 High-visibility crosswalk markings, parking restrictions on crosswalk approach, adequate nighttime lighting levels, and crossing warning signs
2 Raised crosswalk
3 Advance Yield Here To (Stop Here For) Pedestrians sign and yield (stop) line
4 In-Street Pedestrian Crossing sign
5 Curb extension
6 Pedestrian refuge island
7 Rectangular Rapid-Flashing Beacon (RRFB)**
8 Road Diet
9 Pedestrian Hybrid Beacon (PHB)**

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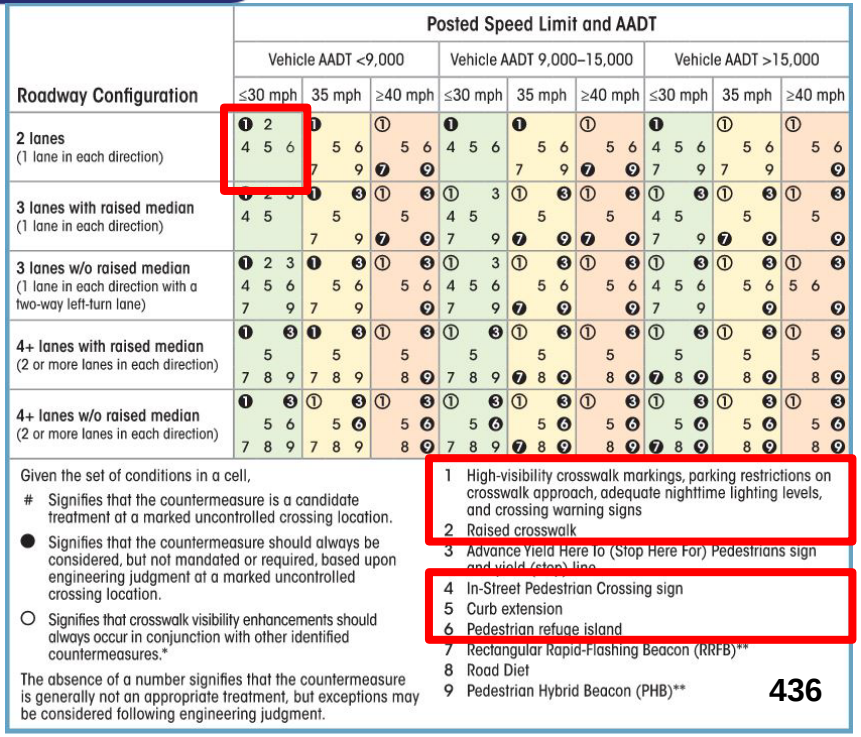
Minnesota's Best Practices for Pedestrian and Bicycle Safety Guidelines

- Daily traffic < 9,000
- Roadway configuration
  - 2 Lanes
- Speed limit
  - 30 mph

Filled-in circle indicates that a safety enhancement should always be considered

Just a number indicates a safety enhancement should always occur in conjunction with other countermeasures

Blank indicates that a safety enhancement may not be needed or appropriate, but there are exceptions



Roadway Configuration	Posted Speed Limit and AADT								
	Vehicle AADT <9,000			Vehicle AADT 9,000–15,000			Vehicle AADT >15,000		
	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph
2 lanes (1 lane in each direction)	● 2 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6 7 9	○ 5 6 7 9	○ 5 6 ●
3 lanes with raised median (1 lane in each direction)	● 4 5	● 3 5 7 9	○ 3 5 ● 9	○ 3 4 5 7 9	○ 3 5 ● 9	○ 3 5 ● 9	○ 3 4 5 7 9	○ 3 5 ● 9	○ 3 5 ●
3 lanes w/o raised median (1 lane in each direction with a two-way left-turn lane)	● 2 3 4 5 6 7 9	● 3 5 6 7 9	○ 3 5 6 ● 9	○ 3 4 5 6 7 9	○ 3 5 6 ● 9	○ 3 5 6 ● 9	○ 3 4 5 6 7 9	○ 3 5 6 ● 9	○ 3 5 6 ●
4+ lanes with raised median (2 or more lanes in each direction)	● 3 5 7 8 9	● 3 5 7 8 9	○ 3 5 ● 8 9	○ 3 5 7 8 9	○ 3 5 ● 7 8 9	○ 3 5 ● 8 9	○ 3 5 ● 7 8 9	○ 3 5 ● 8 9	○ 3 5 ●
4+ lanes w/o raised median (2 or more lanes in each direction)	● 3 5 6 7 8 9	○ 3 5 6 7 8 9	○ 3 5 6 ● 8 9	○ 3 5 6 7 8 9	○ 3 5 6 ● 7 8 9	○ 3 5 6 ● 8 9	○ 3 5 6 ● 7 8 9	○ 3 5 6 ● 8 9	○ 3 5 6 ●

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7 Rectangular Rapid-Flashing Beacon (RRFB)**
8 Road Diet
9 Pedestrian Hybrid Beacon (PHB)**

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Minnesota's Best Practices for Pedestrian and Bicycle Safety Guidelines

- The Local Road Research Board recommends that on roads with a speed limit of less than 35 MPH at least 20 pedestrians must use a crossing in one hour for the crossing to be marked.
- At crossings used primarily by children this threshold can be reduced by 33% to 13 pedestrians in one hour.
- For this analysis 13 pedestrians in one hour was the threshold for all crossings.

Intersection Locations / Traffic Count Locations

Pedestrian Counts

- Roosevelt Drive & Hayes Drive
- Hayes Drive & Filmore Street
- Carter Drive & Filmore Street

Traffic Counts/Speed Data

- Hayes Drive south of Pointe Lane
- Grant Drive north of Grant Court



Pedestrian Count Times

- Pedestrian counts were collected on 2 school days during pick up and drop off times. (7:00 – 9:00 a.m. & 2:00 – 4:00 p.m.)
- An additional count was collected on a day with out school at the same times for a baseline.



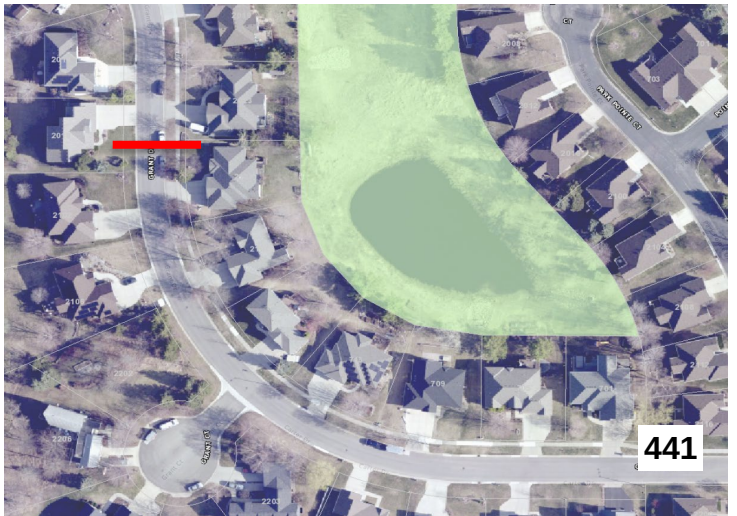
Traffic Counts
Filmore Street / Hayes Drive

- Counts collected May 27th through June 3rd
- Average Daily Traffic: 710 Vehicles per Day
- Average speed: 25 MPH
- 85% speed: 29 MPH
- No Speeding Concerns based on data



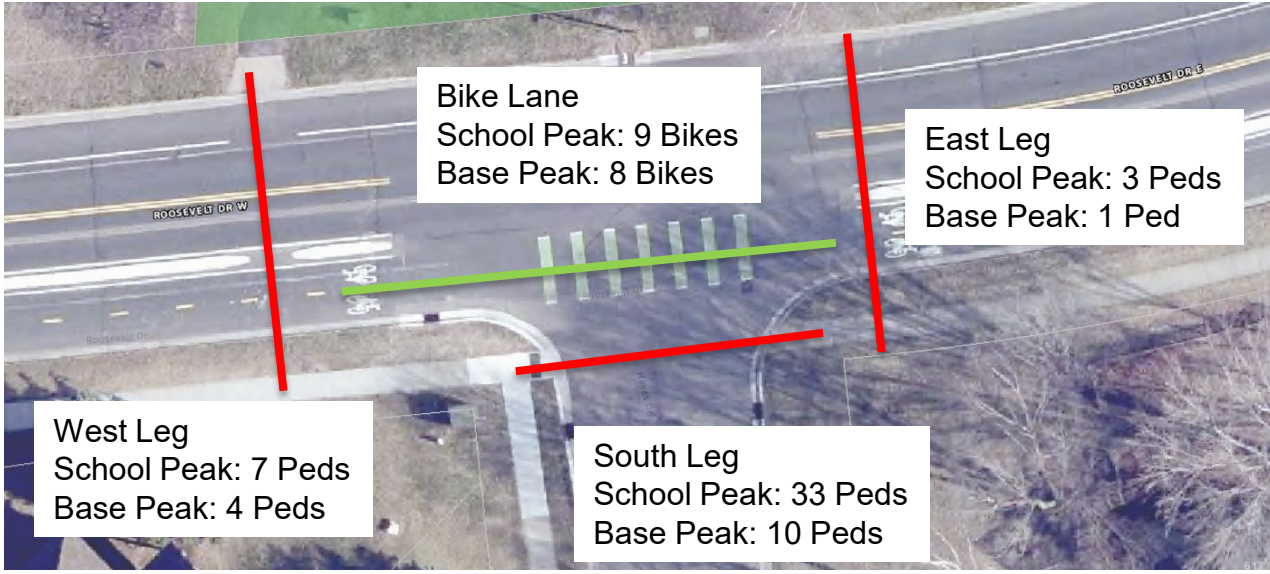
Traffic Counts Grant Drive

- Counts collected May 4th through June 12th
- Average Daily Traffic: 301 Vehicles per Day
- Average speed: 20 MPH
- 85% speed: 25 MPH
- No Speeding Concerns based on data



Pedestrian Counts
Roosevelt Drive & Hayes Drive

- Peak hour counts for each leg.
- Counts collected May 26th, 28th, June 2nd, and 26th



Base means non-school day counts

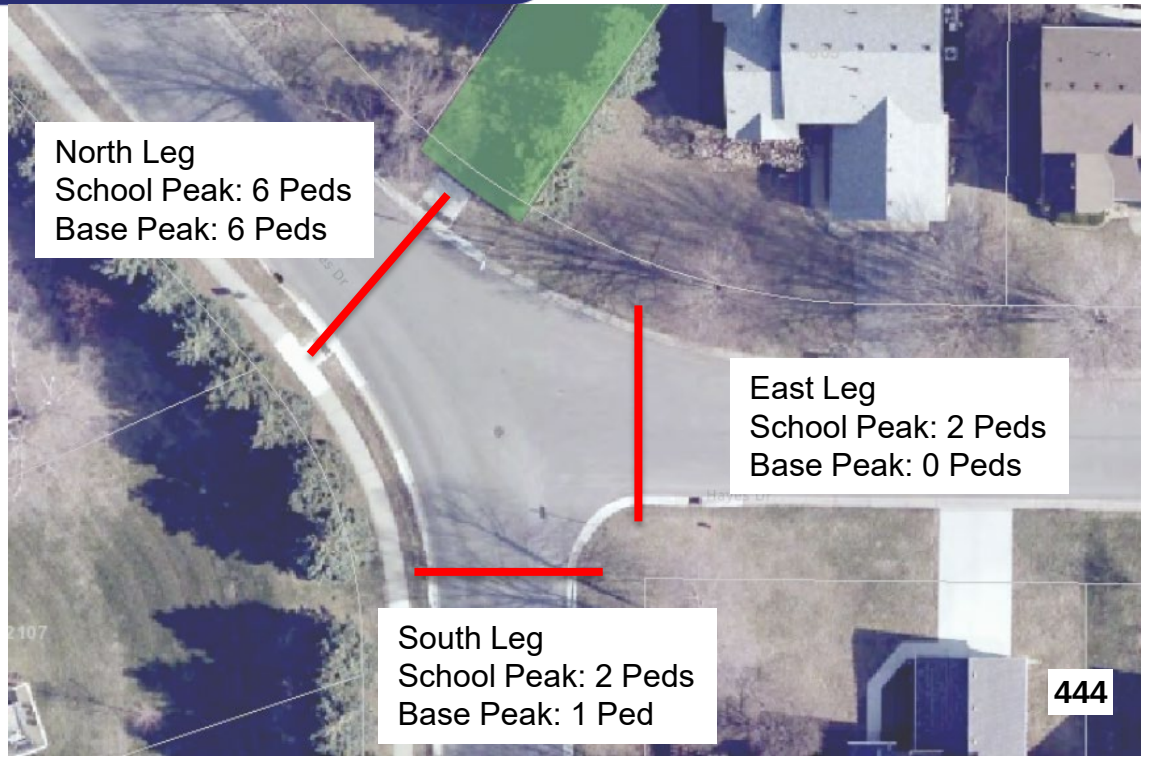
Recommendations
Roosevelt Drive & Hayes Drive

- The south leg crossing is over the 13 pedestrians per hour threshold for crossings used primarily by children.
- Mark the south leg crossing with a high visibility crosswalk



Pedestrian Counts
Hayes Drive & Filmore Street

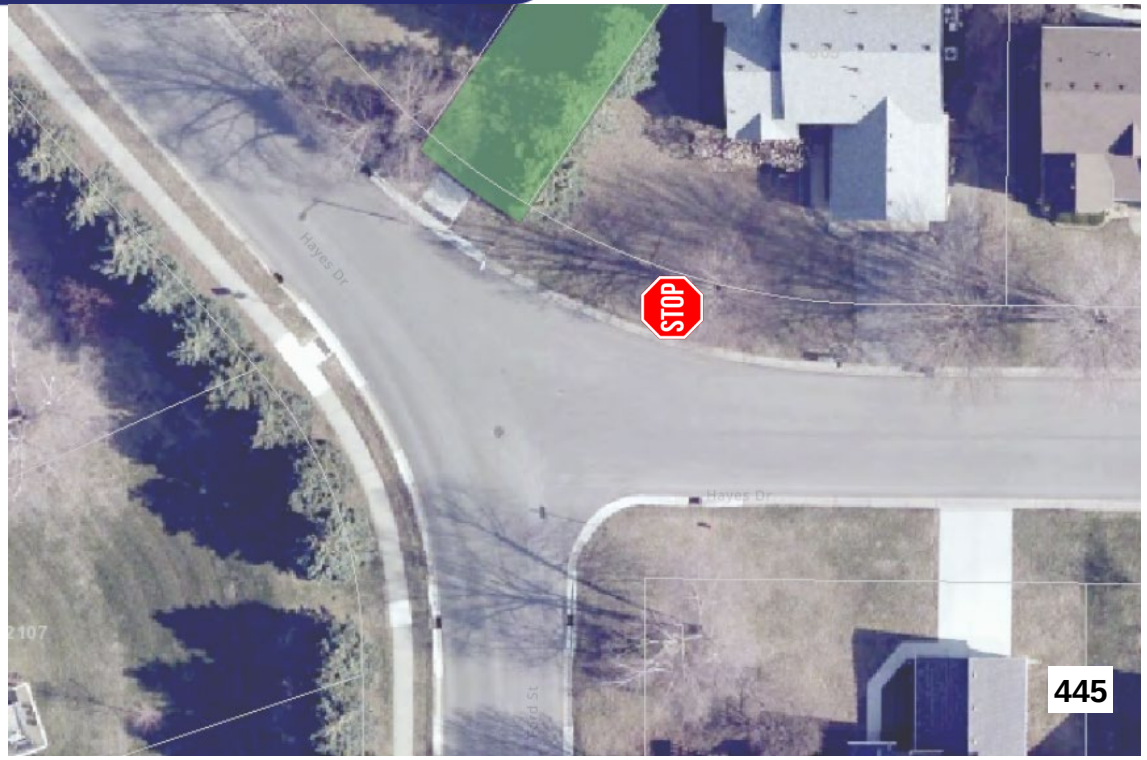
- Peak hour counts for each leg.
- Counts collected May 21st, 26th, June 1st, and 22nd



Base means non-school day counts

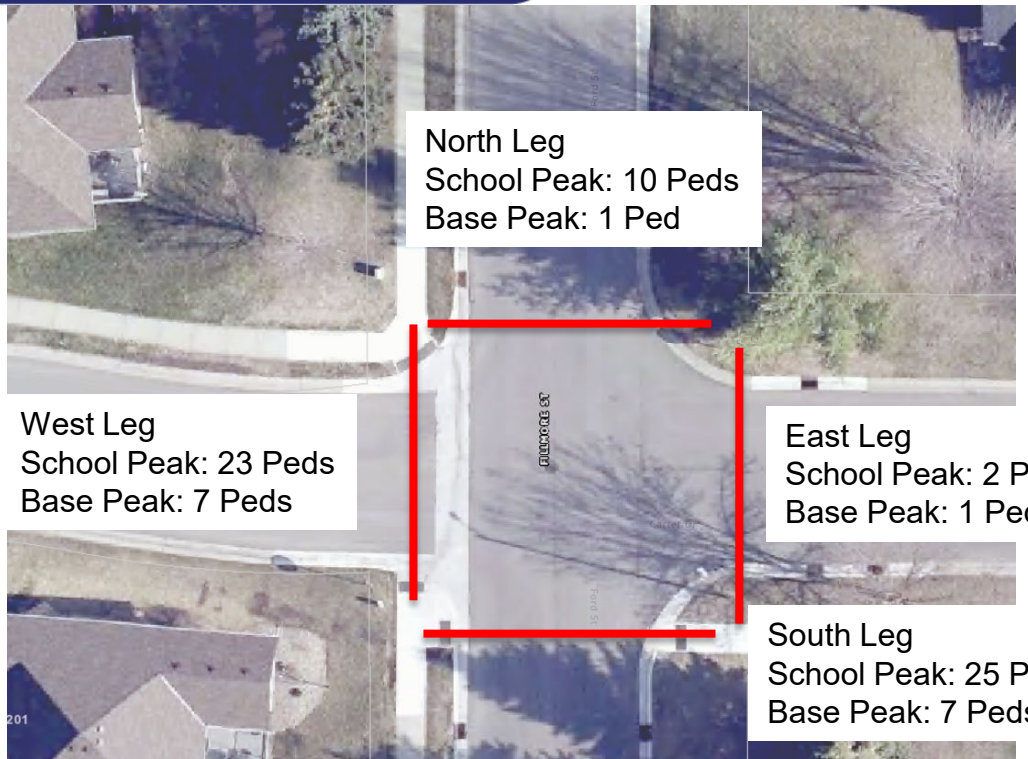
Recommendations
Hayes Drive & Filmore Street

- None of the legs meet the minimum crossings required to mark the crosswalks
- Replace the yield sign with a stop sign on the east leg (westbound approach)



Pedestrian Counts
Carter Drive & Filmore Street

- Peak hour counts for each leg.
- Counts collected May 21st, 26th, June 1st, and 22nd



Base means non-school day counts

Recommendations
Carter Drive & Filmore Street

- West leg and south leg are over the 13 pedestrians per hour threshold to mark crosswalks
- Mark the west and south legs with high visibility crosswalks
- Add crossing signs to the south leg crossing
- Additional pedestrian safety countermeasures that could be added
  - RRFB on South Leg for Fillmore Crossing
  - Bumpout/Narrowing of the south leg of the intersection

Note: The south leg is the highest pedestrian crossing volume, but minimal current vehicle conflicts with southbound left the primary movement that doesn't conflict with pedestrians.



All-Way Stop Review
Carter Drive & Filmore Street

- MnMUTCD guidance for All-Way stop
- Warrant A – Crash experience
  - 5 or more reported crashes in a 12 months. No reported crashes in the last 10 years.
- Warrant B – Sight Distance
  - In reviewing the intersection adequate sight distance is provided
- Warrant C – Transition to a signal
- Warrant D – 8-hour volume
  - 300 units per hour for each of any 8 hours of a typical day for the major street, or 200 units per hour for any 8 hours from the minor street. Vehicle volume is not met.
- Recommendation is to not install an All-Way stop



Recommendation Summary

- Add high visibility crosswalk markings to:
  - The South leg of Roosevelt Dr. and Hayes Dr.
  - The West and South legs of Carter Dr. and Filmore St.
- Add crossing signs to the south leg of Carter Dr. and Filmore St.
- Replace the Yield sign at Hayes Dr. and Filmore St. with a stop sign
- Reassess after TH 246 turnback improvements are completed by the middle school (work with school district staff to encourage drop-off and pick-up in front of the middle school after the improvements)

A Safe Transportation Network for All



Traffic Safety Review

Fillmore Street, Hayes Drive, Carter Drive



City of Northfield

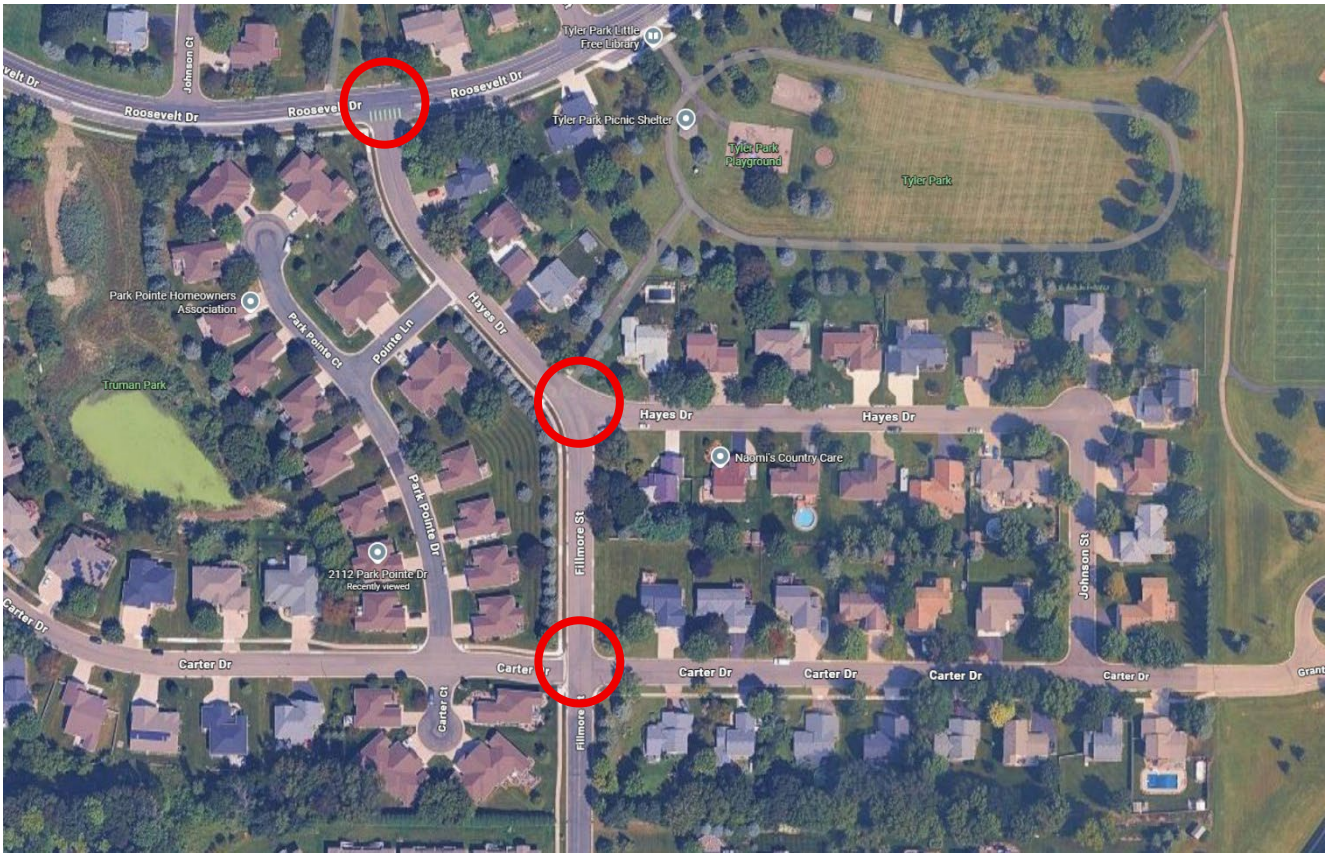
Jacob Ives – Graduate Engineer

David Bennett PE – Public Work Director/City Engineer

Introduction

A crossing review and traffic safety review was conducted for pedestrian crossings located on Fillmore Street / Hayes Drive between Roosevelt Drive and Carter Drive. The review considers the existing conditions including traffic control, geometrics, and pedestrian origin-destination demand to determine the appropriate crossing treatment. In addition, the review for traffic safety takes into account the proposed traffic from the 71 unit Harvest Hill 2nd Addition development and the additional 497 trips per day of traffic that will be generated from the development. Three intersections were reviewed with this study; Roosevelt Drive and Hayes Drive, Hayes Drive and Fillmore Street, and Fillmore Street and Carter Drive (Figure 1).

Figure 1: Location of Intersections



Scope of Study

- **Pedestrian Safety:** Review pedestrian and bike counts and review crash data to provide insight into safety trends at the crossing.
- **Signs and Markings:** Analyze the existing conditions at the crossing to identify potential changes to improve the safety of pedestrians.

- **Traffic Safety Review:** Review history of crashes at these intersection to identify any potential safety changes.

Data Collection

Four 2-hour pedestrian counts (pedestrians and bikes) were collected at each intersection, two from 7:00 a.m. to 9:00 a.m. and two from 2:00 p.m. to 4:00 p.m. at the intersections shown In Figure 1. These times were chosen to get the peak pedestrian crossing numbers from students walking to and from school. The counts were conducted on Thursday May 21st, Tuesday May 26th, Thursday May 28th, Monday June 1st, and Tuesday June 2nd. Additional counts were collected on June 22nd, and 23rd when school was not in session in order to get a baseline number of pedestrians. In addition to the Pedestrian counts, vehicle speed and count were collected on Hayes Drive between Fillmore Street and Pointe Lane and on Grant Drive between Grant Court and Adams Street. Tables with crossing data are shown in **Appendix A.** Vehicle speed and count are shown in **Appendix B.**

Crossing Enhancements

Current thresholds for marking pedestrian crossings are identified in the Minnesota Department of Transportation's Traffic Engineering Manual which considers geometrics, sight distance, traffic volumes, bike/pedestrian volumes, site characteristics, speed limit, crash history, surrounding land use, transit stops, and connecting non-motorized facilities. The crossings are in a residential area with parks to the north and schools to the east. All the roads in the area are low-speed roads with a limit of 30 mph, have a relatively low traffic count, and have good sight lines throughout with no obstructions around the crossing. The pedestrian volume is critical to determining which crossings should or should not be marked to not overwhelm motorists and focus their attention on the crossings most used by pedestrians. The Local Road Research Board Pedestrian Crossings: Uncontrolled Locations identifies volume thresholds for marking pedestrian crossings based on previous research. "If the crossing location is on a roadway with a speed of 35 mph or less, there should be a minimum of 20 pedestrians using the crossing during one hour of the day." A 33% reduction (13 pedestrians crossing in one hour) can be applied if the crossing is primarily used by children (13 pedestrians in one hour will be the threshold for this evaluation).

Minnesota's Best Practices for Pedestrian and Bicycle Safety guidelines identify improvements for bicycle and pedestrian safety on roadway networks through crash reduction treatments. From the Minnesota Statewide Pedestrian Crash Analysis, 57% of pedestrian crashes occur when the user is crossing the roadway. A reduction of crashes can be accomplished with the proper use of design and planning principles that improve pedestrian safety at intersections. The number of vehicle lanes, pedestrian exposure, average daily traffic (ADT) volumes, posted speed limit, and geometry

of the location helps to identify where the use of designated crosswalk and associated crossing treatments may be appropriate for improved pedestrian safety and mobility. Table 1 below provides guidance for improving pedestrian safety at uncontrolled crossing locations by the selection of appropriate countermeasures.

Table 1: Recommendations for installing marked crosswalks and other needed improvements at uncontrolled locations

Roadway Configuration	Posted Speed Limit and AADT								
	Vehicle AADT <9,000			Vehicle AADT 9,000–15,000			Vehicle AADT >15,000		
	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph	≤30 mph	35 mph	≥40 mph
2 lanes (1 lane in each direction)	● 2 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6	● 5 6 7 9	○ 5 6 ● 9	● 4 5 6 7 9	○ 5 6 7 9	○ 5 6 ● 9
3 lanes with raised median (1 lane in each direction)	● 2 3 4 5 7 9	● ● 5 7 9	○ ● 5 ● 9	○ 3 4 5 7 9	○ ● 5 ● 9	○ ● 5 ● 9	○ ● 4 5 7 9	○ ● 5 ● 9	○ ● 5 ● 9
3 lanes w/o raised median (1 lane in each direction with a two-way left-turn lane)	● 2 3 4 5 6 7 9	● ● 5 6 7 9	○ ● 5 6 ● 9	○ 3 4 5 6 7 9	○ ● 5 6 ● 9	○ ● 5 6 ● 9	○ ● 4 5 6 7 9	○ ● 5 6 ● 9	○ ● 5 6 ● 9
4+ lanes with raised median (2 or more lanes in each direction)	● ● 5 7 8 9	● ● 5 7 8 9	○ ● 5 ● 8 9	○ ● 5 7 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9
4+ lanes w/o raised median (2 or more lanes in each direction)	● ● 5 6 7 8 9	○ ● 5 ● 7 8 9	○ ● 5 ● 8 9	○ ● 5 ● 7 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9	○ ● 5 ● 8 9

Given the set of conditions in a cell,

- # Signifies that the countermeasure is a candidate treatment at a marked uncontrolled crossing location.
- ● Signifies that the countermeasure should always be considered, but not mandated or required, based upon engineering judgment at a marked uncontrolled crossing location.
- ○ Signifies that crosswalk visibility enhancements should always occur in conjunction with other identified countermeasures.*

The absence of a number signifies that the countermeasure is generally not an appropriate treatment, but exceptions may be considered following engineering judgment.

1 High-visibility crosswalk markings, parking restrictions on crosswalk approach, adequate nighttime lighting levels, and crossing warning signs
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8 Road Diet
9 Pedestrian Hybrid Beacon (PHB)**

Source: FHWA-SA-17-072

Evaluation and Recommendations

Fillmore Street and Hayes Drive are classified as a collector street with a speed limit of 30 mph. It is a two-lane undivided roadway (one lane in each direction). Traffic counts indicate daily traffic of approximately 700 vehicles per day and an average speed of 25 mph. None of the evaluated intersections have any reported crash history. Northfield Middle School is located to the east, and Bridgewater Elementary is located to the northeast. The surrounding land use is residential with parks to the north and east.

Roosevelt Drive and Hayes Drive

This intersection is a T-intersection with stop sign control on the south leg (NB approach). Roosevelt Drive is a two-lane undivided roadway with a median separated bikeway on the south side. Traffic counts indicate a daily traffic volume of approximately 1,500 vehicles per day. A sidewalk exists on the south side of Roosevelt Drive and crosses Hayes Drive at the south leg of this intersection. A trail leading to Jefferson Park crosses Roosevelt Drive at the west leg of this intersection. All crossings are currently unmarked except for the separated bikeway. At peak hour a total of seven (7) pedestrians were observed crossing the west leg, three (3) crossing the east leg, and 33 crossing the south leg. At peak hour nine (9) bikes were observed crossing in the bikeway.

The recommendation is to mark the crossing on the south leg with high visibility crosswalk markings. When Roosevelt Drive receives a street rehabilitation project the pedestrian ramps should be upgraded to be ADA and a receiving ramp should be added for the trail crossing on the west leg.

Hayes Drive and Fillmore Street

This intersection is a T-intersection with yield sign control on the east leg (WB approach). A sidewalk exists along west side of Hayes Drive north of this intersection and the west side of Fillmore Street south of this intersection. A trail leading to Tyler Park crosses Hayes Drive at the North leg of this intersection. The north leg crossing currently has pedestrian crossing signs, but no crosswalk pavement markings. At peak hour a total of six (6) pedestrians were observed crossing the north leg, two (2) crossing the south leg, and two (2) crossing the east leg.

Due to the low pedestrian crossing count and lack of crash history at this intersection the recommendation is to leave the crossings unmodified. Due to the skewed intersection geometry and the trail crossing on the north leg the recommendation is to replace the existing yield sign on the westbound approach with a stop sign. Long term recommendation is to review the intersection geometry when street rehabilitation work is being planned for this area.

Fillmore Street and Carter Drive

This intersection is a four-way intersection with stop control on the east and west legs (WB and EB approaches). Sidewalk exists along the west side of Fillmore Street, the North side of Carter Drive west of Fillmore Street, and the south side of Carter Drive east of Fillmore Street. All crossings at this intersection are currently unmarked. Carter Drive is a two-lane undivided roadway (one lane in

each direction). Traffic counts to the west of Fillmore Street indicate daily traffic of approximately 300 vehicles per day and an average speed of 20 mph. At peak hour a total of 10 pedestrians were observed crossing the north leg, two (2) crossing the east leg, 23 crossing the west leg, and 25 crossing the south leg.

The recommendation would be to mark the west leg and south leg crossings with high visibility crosswalk markings and add pedestrian crossing signs to the south leg crossing. Pedestrian crossing signs are not recommended on the west leg due to this approach being stop controlled.

Appendix A – Pedestrian Counts 15-Minute Intervals

*** Tables with asterisks are base counts with no school**

Hayes Drive & Roosevelt Drive

Hayes Drive / Roosevelt Drive Morning 5/28/26				
	West Leg	South Leg	East Leg	Bike Lane
7:00	2	2	-	-
7:15	-	5	-	-
7:30	1	3	-	3
7:45	-	6	-	2
8:00	4	10	-	1
8:15	-	3	-	2
8:30	1	1	-	1
8:45	-	1	-	-
Total	**8**	**31**	**0**	**9**

Hayes Drive / Roosevelt Drive Morning 6/2/26				
	West Leg	South Leg	East Leg	Bike Lane
7:00	-	2	-	2
7:15	3	2	-	1
7:30	1	3	-	-
7:45	-	6	-	1
8:00	3	8	-	4
8:15	2	5	-	2
8:30	-	2	-	-
8:45	1	1	-	-
Total	**10**	**29**	**0**	**10**

* Hayes Drive / Roosevelt Drive Morning 6/23/26				
	West Leg	South Leg	East Leg	Bike Lane
7:00				
7:15	2	5		
7:30		1		1
7:45		3		2
8:00				
8:15		3		
8:30	1			
8:45	1	3	1	
Total	**4**	**15**	**1**	**3**

Hayes Drive / Roosevelt Drive Afternoon 5/26/26				
	West Leg	South Leg	East Leg	Bike Lane
2:00	-	-	-	2
2:15	-	-	-	1
2:30	-	-	-	1
2:45	-	-	-	3
3:00	3	9	1	-
3:15	3	16	2	2
3:30	-	7	-	3
3:45	-	1	-	2
Total	**6**	**33**	**3**	**14**

Hayes Drive / Roosevelt Drive Afternoon 6/2/26				
	West Leg	South Leg	East Leg	Bike Lane
2:00	-	-	-	-
2:15	1	-	-	1
2:30	47*	47*	-	1
2:45	-	-	-	2
3:00	2	5	3	2
3:15	1	19	-	-
3:30	2	6	-	5
3:45	2	1	-	-
Total	**11**	**34**	**3**	**11**

Note: this count is due to a class of 44 students. For the analysis this class was excluded, and the number was reduced to 3

* Hayes Drive / Roosevelt Drive Afternoon 6/23/26				
	West Leg	South Leg	East Leg	Bike Lane
2:00		1		7
2:15	2			
2:30		1		
2:45		3		1
3:00	1	6		2
3:15	3			
3:30				
3:45		2		6
Total	6	13	0	16

Fillmore Street & Hayes Drive

Fillmore Street / Hayes Drive Morning 5/26/26			
	North Leg	South Leg	East Leg
7:00	-	-	-
7:15	1	-	-
7:30	1	-	-
7:45	-	-	-
8:00	1	-	-
8:15	-	-	-
8:30	1	-	-
8:45	-	-	-
Total	4	0	0

Fillmore Street / Hayes Drive Morning 6/1/26			
	North Leg	South Leg	East Leg
7:00	-	-	-
7:15	-	-	-
7:30	-	-	-
7:45	-	-	-
8:00	1	-	-
8:15	2	-	-
8:30	-	-	-
8:45	-	-	-
Total	3	0	0

* Fillmore Street / Hayes Drive Morning 6/22/26			
	North Leg	South Leg	East Leg
7:00			
7:15			
7:30	2		
7:45	1		
8:00	1	1	
8:15			
8:30	4		
8:45			
Total	8	1	0

Fillmore Street / Hayes Drive Afternoon 5/21/26			
	North Leg	South Leg	East Leg
2:00	1	-	2
2:15	-	-	-
2:30	-	-	-
2:45	2	-	-
3:00	-	-	-
3:15	3	2	2
3:30	1	-	-
3:45	-	-	-
Total	7	2	4

Fillmore Street / Hayes Drive Afternoon 6/1/26			
	North Leg	South Leg	East Leg
2:00	-	-	-
2:15	2	-	-
2:30	-	-	-
2:45	-	-	-
3:00	2	1	-
3:15	-	-	-
3:30	2	1	1
3:45	1	-	-
Total	7	2	1

* Fillmore Street / Hayes Drive Afternoon 6/22/26			
	North Leg	South Leg	East Leg
2:00			
2:15	1		
2:30	2		
2:45			
3:00	2		
3:15			
3:30			
3:45			
Total	5	0	0

Filmore Street & Carter Drive

Fillmore Street / Carter Drive Morning 5/26/26				
	North Leg	South Leg	West Leg	East Leg
7:00	-	2	2	-
7:15	1	5	5	1
7:30	-	9	7	-
7:45	-	1	1	-
8:00	-	-	-	-
8:15	-	-	-	-
8:30	-	2	2	-
8:45	-	-	-	-
Total	1	19	17	1

Fillmore Street / Carter Drive Morning 6/1/26				
	North Leg	South Leg	West Leg	East Leg
7:00	-	1	1	-
7:15	-	3	2	-
7:30	1	12	9	1
7:45	1	4	1	-
8:00	-	-	-	-
8:15	-	1	-	-
8:30	-	1	1	-
8:45	-	1	-	-

Total	**2**	**23**	**14**	**1**

* Fillmore Street / Carter Drive Morning 6/22/26				
	North Leg	**South Leg**	**West Leg**	**East Leg**
7:00		2		
7:15				
7:30		1	1	
7:45			1	
8:00		2	2	
8:15	1	1	1	1
8:30		2	2	
8:45		2	2	
Total	**1**	**10**	**9**	**1**

Fillmore Street / Carter Drive Afternoon 5/21/26				
	North Leg	**South Leg**	**West Leg**	**East Leg**
2:00	-	-	-	-
2:15	-	2	1	-
2:30	-	-	-	-
2:45	-	15	11	-
3:00	-	6	6	-
3:15	6	2	1	1
3:30	4	2	5	1
3:45	-	-	-	-
Total	**10**	**27**	**24**	**2**

Fillmore Street / Carter Drive Afternoon 6/1/26				
	North Leg	**South Leg**	**West Leg**	**East Leg**
2:00	-	-	1	-
2:15	-	-	-	-
2:30	1	-	1	-
2:45	2	13	13	-
3:00	1	4	3	-
3:15	-	4	1	1
3:30	4	3	3	1
3:45	-	2	2	-
Total	**8**	**26**	**24**	**2**

* Fillmore Street / Carter Drive Afternoon 6/22/26				
	North Leg	South Leg	West Leg	East Leg
2:00				
2:15				
2:30		1	1	
2:45		3	3	
3:00		2	1	
3:15		1	1	
3:30				
3:45				
Total	0	7	6	0

Appendix B – Traffic Data

Hayes Drive Between Fillmore Street & Pointe Lane

Speed Statistics

Vehicles = 5321
Posted speed limit = 30 mph, Exceeding = 537 (10.09%), Mean Exceeding = 32.18 mph
Maximum = 52.9 mph, **Minimum** = 5.7 mph, **Mean** = 25.0 mph
85% Speed = 28.97 mph, **95% Speed** = 31.65 mph, **Median** = 25.28 mph
10 mph Pace = 20 - 30, **Number in Pace** = 4249 (79.85%)
Variance = 19.05, **Standard Deviation** = 4.36 mph

Speed Bins (Partial days)

Speed	Bin	Below	Above	Energy	vMult	n * vMult
0 - 5	0 0.000%	0 0.000%	5321 100.0%	0.00	0.00	0.00
5 - 10	21 0.395%	21 0.395%	5300 99.61%	0.00	0.00	0.00
10 - 15	140 2.631%	161 3.026%	5160 96.97%	0.00	0.00	0.00
15 - 20	365 6.860%	526 9.885%	4795 90.11%	0.00	0.00	0.00
20 - 25	1947 36.59%	2473 46.48%	2848 53.52%	0.00	0.00	0.00
25 - 30	2311 43.43%	4784 89.91%	537 10.09%	0.00	0.00	0.00
30 - 35	493 9.265%	5277 99.17%	44 0.827%	0.00	0.00	0.00
35 - 40	36 0.677%	5313 99.85%	8 0.150%	0.00	0.00	0.00
40 - 45	4 0.075%	5317 99.92%	4 0.075%	0.00	0.00	0.00
45 - 50	3 0.056%	5320 100.0%	1 0.019%	0.00	0.00	0.00
50 - 55	1 0.019%	5321 100.0%	0 0.000%	0.00	0.00	0.00
55 - 60	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
60 - 65	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
65 - 70	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
70 - 75	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
75 - 80	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
80 - 85	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
85 - 90	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
90 - 95	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00
95 - 100	0 0.000%	5321 100.0%	0 0.000%	0.00	0.00	0.00

Vehicle Count

* Wednesday, May 27, 2026 - Total=809, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
0	**0**	**0**	**0**	**0**	**5**	**20**	**40**	**173**	**37**	**27**	**38**	**42**	**35**	**107**	**82**	**58**	**50**	**28**	**26**	**20**	**19**	**1**	**1**
0	0	0	0	0	0	2	8	8	**9**	3	9	4	10	8	**27**	16	11	3	11	2	4	0	0
0	0	0	0	0	2	4	15	**36**	17	13	12	13	9	19	**10**	15	15	7	6	7	5	0	1
0	0	0	0	0	2	5	9	**86**	7	4	9	12	8	8	**26**	11	14	8	4	8	5	0	0
0	0	0	0	0	1	9	8	**43**	4	7	8	13	8	**72**	19	16	10	10	5	3	5	1	0

AM Peak 0815 - 0915 (174), AM PHF=0.51 PM Peak 1445 - 1545 (135), PM PHF=0.47

* Thursday, May 28, 2026 - Total=806, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
0	**0**	**0**	**0**	**1**	**6**	**24**	**190**	**36**	**25**	**28**	**35**	**52**	**27**	**103**	**86**	**42**	**41**	**35**	**41**	**18**	**10**	**5**	**1**
0	0	0	0	0	0	7	**10**	6	3	1	6	19	11	6	**41**	11	14	6	6	8	3	5	1
0	0	0	0	1	3	2	**39**	13	7	8	7	8	1	11	**13**	14	8	8	14	4	5	0	0
0	0	0	0	0	3	5	**83**	13	9	8	9	17	4	**14**	14	8	12	11	7	2	2	0	0
0	0	0	0	0	0	10	**58**	4	6	11	13	8	11	**72**	18	9	7	10	14	4	0	0	1

AM Peak 0700 - 0800 (190), AM PHF=0.57 PM Peak 1430 - 1530 (140), PM PHF=0.49

* Friday, May 29, 2026 - Total=793, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
1	**0**	**0**	**0**	**0**	**9**	**11**	**168**	**35**	**26**	**31**	**34**	**38**	**35**	**116**	**76**	**48**	**41**	**32**	**27**	**29**	**17**	**8**	**11**
0	0	0	0	0	0	1	7	**8**	4	8	7	7	11	10	**23**	10	14	14	5	8	4	2	3
0	0	0	0	0	1	2	**30**	9	6	8	7	12	8	12	**17**	15	8	7	9	6	7	0	7
0	0	0	0	0	1	3	**82**	10	6	10	8	8	7	17	**19**	10	13	6	8	9	3	3	0
1	0	0	0	0	7	5	**49**	8	10	5	12	11	9	**77**	17	13	6	5	5	6	3	3	1

AM Peak 0715 - 0815 (169), AM PHF=0.52 PM Peak 1445 - 1545 (136), PM PHF=0.44

* Saturday, May 30, 2026 - Total=461, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
3	**0**	**0**	**1**	**0**	**3**	**9**	**8**	**30**	**39**	**39**	**35**	**41**	**25**	**31**	**18**	**32**	**38**	**27**	**31**	**21**	**22**	**7**	**1**
1	0	0	0	0	2	2	2	5	7	**11**	8	**8**	8	10	8	13	14	5	8	7	6	2	0
2	0	0	1	0	0	4	3	5	7	**9**	8	**11**	9	11	1	5	7	6	5	6	7	3	0
0	0	0	0	0	0	1	2	9	**11**	8	6	**10**	5	1	4	9	7	10	11	5	4	1	0
0	0	0	0	0	1	2	1	11	**14**	11	13	**12**	3	9	5	5	10	6	7	3	5	1	0

AM Peak 0930 - 1030 (45), AM PHF=0.80 PM Peak 1200 - 1300 (41), PM PHF=0.85

* Sunday, May 31, 2026 - Total=495, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
1	**2**	**0**	**1**	**3**	**0**	**5**	**7**	**11**	**33**	**17**	**32**	**37**	**35**	**34**	**39**	**50**	**37**	**45**	**44**	**36**	**14**	**10**	**2**
0	0	0	1	1	0	2	3	4	9	1	6	**10**	11	7	6	**14**	7	19	14	8	4	2	0
0	2	0	0	0	0	1	0	4	10	6	**6**	6	13	9	11	**13**	11	7	9	10	3	6	1
0	0	0	0	2	0	2	1	0	5	5	**13**	11	3	5	11	**13**	9	9	7	8	3	1	1
1	0	0	0	0	0	0	3	3	9	5	**7**	10	8	13	**11**	10	10	10	14	10	4	1	0

AM Peak 1115 - 1215 (36), AM PHF=0.69 PM Peak 1545 - 1645 (51), PM PHF=0.91

* Monday, June 1, 2026 - Total=816, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
0	**0**	**0**	**0**	**0**	**8**	**18**	**180**	**28**	**30**	**27**	**33**	**44**	**41**	**117**	**75**	**50**	**61**	**32**	**17**	**30**	**16**	**7**	**2**
0	0	0	0	0	4	5	8	**9**	7	9	10	14	9	5	**25**	15	22	9	3	8	8	2	0
0	0	0	0	0	2	3	**40**	5	8	5	12	10	11	**15**	12	14	11	10	7	9	2	2	2
0	0	0	0	0	0	0	3	**82**	4	8	5	3	10	10	**16**	18	10	15	7	3	10	3	1
0	0	0	0	0	2	7	**50**	10	7	8	8	10	11	**81**	20	11	13	6	4	3	3	2	0

AM Peak 0715 - 0815 (181), AM PHF=0.55 PM Peak 1415 - 1515 (137), PM PHF=0.42

* Tuesday, June 2, 2026 - Total=793, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2300	
0	**0**	**0**	**0**	**0**	**5**	**20**	**187**	**35**	**32**	**36**	**22**	**39**	**30**	**118**	**68**	**52**	**46**	**34**	**27**	**21**	**7**	**10**	**4**
0	0	0	0	0	0	3	**14**	9	7	7	4	12	11	10	**13**	16	13	9	9	3	4	2	2
0	0	0	0	0	1	3	**36**	12	10	10	7	2	3	14	**10**	11	12	7	3	9	2	5	1
0	0	0	0	0	2	5	**83**	5	10	10	7	11	6	10	**23**	10	11	11	12	3	0	3	1
0	0	0	0	0	2	9	**54**	9	5	9	4	14	10	**84**	22	15	10	7	3	6	1	0	0

AM Peak 0700 - 0800 (187), AM PHF=0.56 PM Peak 1445 - 1545 (130), PM PHF=0.39

* Wednesday, June 3, 2026 - Total=348 (Incomplete) , 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
1	**0**	**0**	**0**	**0**	**6**	**16**	**45**	**173**	**37**	**32**	**38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	0	0	0	0	1	3	8	8	14	9	16	0	-	-	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	2	1	17	33	9	13	10	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	1	2	12	86	4	6	10	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	2	10	8	46	10	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-

Grant Drive Between Grant Court and Adams Street

Speed Statistics

Vehicles = 2501
Posted speed limit = 30 mph, Exceeding = 15 (0.600%), Mean Exceeding = 32.19 mph
Maximum = 37.2 mph, **Minimum** = 5.0 mph, **Mean** = 20.5 mph
85% Speed = 24.68 mph, **95% Speed** = 26.96 mph, **Median** = 21.14 mph
10 mph Pace = 16 - 26, **Number in Pace** = 1940 (77.57%)
Variance = 19.68, **Standard Deviation** = 4.44 mph

Speed Bins (Partial days)

Speed	Bin	Below	Above	Energy	vMult	n * vMult
0 - 5	0 0.000%	0 0.000%	2501 100.0%	0.00	0.00	0.00
5 - 10	50 1.999%	50 1.999%	2451 98.00%	0.00	0.00	0.00
10 - 15	254 10.16%	304 12.16%	2197 87.84%	0.00	0.00	0.00
15 - 20	701 28.03%	1005 40.18%	1496 59.82%	0.00	0.00	0.00
20 - 25	1176 47.02%	2181 87.21%	320 12.79%	0.00	0.00	0.00
25 - 30	305 12.20%	2486 99.40%	15 0.600%	0.00	0.00	0.00
30 - 35	14 0.560%	2500 100.0%	1 0.040%	0.00	0.00	0.00
35 - 40	1 0.040%	2501 100.0%	0 0.000%	0.00	0.00	0.00
40 - 45	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
45 - 50	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
50 - 55	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
55 - 60	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
60 - 65	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
65 - 70	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
70 - 75	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
75 - 80	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
80 - 85	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
85 - 90	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
90 - 95	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00
95 - 100	0 0.000%	2501 100.0%	0 0.000%	0.00	0.00	0.00

Vehicle Count

* Thursday, June 4, 2026 - Total=325, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**0**	**0**	**1**	**0**	**1**	**4**	**78**	**8**	**10**	**11**	**21**	**21**	**12**	**40**	**26**	**24**	**20**	**16**	**12**	**7**	**6**	**7**	**0**	
0	0	0	1	0	0	0	6	3	4	3	10	7	5	4	9	5	6	2	5	2	1	1	0	0
0	0	0	0	0	0	1	8	2	4	3	3	4	2	5	10	4	7	6	4	2	1	6	0	0
0	0	0	0	0	1	2	40	1	0	1	3	6	4	8	6	8	4	5	2	1	2	0	0	0
0	0	0	0	0	0	1	24	2	2	4	5	4	1	23	1	7	3	3	1	2	2	0	0	0

AM Peak 0700 - 0800 (78), AM PHF=0.49 PM Peak 1430 - 1530 (50), PM PHF=0.54

* Friday, June 5, 2026 - Total=387, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**0**	**1**	**1**	**0**	**4**	**9**	**77**	**13**	**13**	**13**	**16**	**16**	**21**	**47**	**25**	**27**	**28**	**20**	**17**	**15**	**15**	**4**	**5**	
0	0	0	0	0	0	2	0	2	4	4	1	2	4	5	7	4	10	5	5	4	5	1	1	0
0	0	0	0	0	1	1	15	3	3	0	5	4	4	10	7	6	6	5	6	3	6	1	2	0
0	0	1	1	0	0	1	44	5	3	5	6	7	7	10	5	7	5	4	2	1	3	0	2	0
0	0	0	0	0	3	5	18	3	3	4	4	3	6	22	6	10	7	6	4	7	1	2	0	1

AM Peak 0715 - 0815 (79), AM PHF=0.45 PM Peak 1415 - 1515 (49), PM PHF=0.56

* Saturday, June 6, 2026 - Total=232, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
1	**2**	**2**	**0**	**1**	**0**	**1**	**3**	**16**	**18**	**46**	**13**	**0**	**26**	**21**	**15**	**13**	**11**	**17**	**13**	**4**	**4**	**2**	**3**	
0	1	0	0	0	0	1	1	3	3	8	13	0	2	7	6	3	3	4	3	2	0	0	0	0
0	0	1	0	0	0	0	0	1	4	17	0	0	11	7	4	1	2	4	4	1	2	2	0	0
0	0	1	0	1	0	0	2	4	4	10	0	0	11	5	0	3	3	4	1	0	1	0	1	0
1	1	0	0	0	0	0	0	8	7	11	0	0	2	2	5	6	3	5	5	1	1	0	2	0

AM Peak 1015 - 1115 (51), AM PHF=0.75 PM Peak 1315 - 1415 (31), PM PHF=0.70

* Sunday, June 7, 2026 - Total=202, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**0**	**0**	**0**	**1**	**1**	**2**	**3**	**5**	**2**	**11**	**24**	**22**	**15**	**21**	**20**	**22**	**14**	**16**	**11**	**6**	**2**	**3**	**1**	
0	0	0	0	1	0	0	1	1	2	4	8	7	3	6	1	6	3	6	2	0	1	2	0	0
0	0	0	0	0	0	1	0	2	0	3	6	2	6	7	5	8	2	4	2	1	0	0	0	0
0	0	0	0	0	0	0	0	1	0	1	4	8	1	3	6	6	3	1	1	0	1	1	0	0
0	0	0	0	0	1	1	2	1	0	3	6	5	5	5	8	2	6	5	6	5	0	0	1	0

AM Peak 1100 - 1200 (24), AM PHF=0.75 PM Peak 1530 - 1630 (28), PM PHF=0.88

* Monday, June 8, 2026 - Total=335, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**1**	**0**	**0**	**2**	**3**	**3**	**64**	**8**	**13**	**21**	**19**	**17**	**25**	**44**	**27**	**14**	**24**	**14**	**17**	**12**	**6**	**0**	**1**	
0	0	0	0	0	0	1	1	2	6	3	2	4	5	3	12	3	10	6	6	5	2	0	0	0
0	1	0	0	1	2	1	5	2	3	6	9	5	6	4	2	2	3	1	5	5	3	0	0	0
0	0	0	0	1	0	1	38	4	0	6	2	2	9	2	10	5	4	3	3	0	1	0	1	0
0	0	0	0	0	1	0	20	0	4	6	6	6	5	35	3	4	7	4	3	2	0	0	0	0

AM Peak 0715 - 0815 (65), AM PHF=0.43 PM Peak 1445 - 1545 (59), PM PHF=0.42

* Tuesday, June 9, 2026 - Total=356, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**1**	**0**	**1**	**0**	**2**	**5**	**80**	**12**	**17**	**19**	**12**	**13**	**12**	**37**	**30**	**29**	**24**	**24**	**17**	**8**	**8**	**2**	**3**	
0	0	0	1	0	1	2	1	2	2	0	2	3	4	4	13	3	11	4	6	3	2	0	0	0
0	0	0	0	0	1	1	10	4	9	8	4	5	4	5	6	9	3	10	4	0	2	2	2	1
0	0	0	0	0	0	0	43	2	5	4	4	3	2	7	3	7	5	6	2	2	1	0	0	1
0	1	0	0	0	0	2	26	4	1	7	2	2	2	21	8	10	5	2	5	3	3	0	1	0

AM Peak 0715 - 0815 (81), AM PHF=0.47 PM Peak 1430 - 1530 (47), PM PHF=0.56

* Wednesday, June 10, 2026 - Total=345, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
2	**1**	**0**	**0**	**1**	**1**	**5**	**16**	**64**	**18**	**13**	**27**	**43**	**17**	**18**	**24**	**17**	**18**	**15**	**9**	**16**	**13**	**4**	**3**	
0	0	0	0	0	0	0	3	3	5	6	10	3	2	2	4	3	6	7	4	3	6	3	0	0
1	1	0	0	0	1	2	4	9	5	3	4	4	6	5	8	6	6	1	2	3	1	0	2	0
1	0	0	0	1	0	2	4	37	2	2	9	5	4	4	7	3	5	3	1	5	1	1	0	0
0	0	0	0	0	0	1	5	15	6	2	4	31	5	7	5	5	1	4	2	5	3	0	1	0

AM Peak 0815 - 0915 (66), AM PHF=0.45 PM Peak 1230 - 1330 (44), PM PHF=0.35

* Thursday, June 11, 2026 - Total=230, 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
0	**1**	**0**	**1**	**0**	**3**	**6**	**7**	**12**	**10**	**14**	**14**	**25**	**19**	**13**	**9**	**14**	**22**	**14**	**15**	**11**	**11**	**6**	**3**	
0	1	0	1	0	0	2	2	2	1	2	2	5	9	1	2	4	2	3	4	3	5	2	0	1
0	0	0	0	0	1	0	1	6	3	3	2	7	5	3	1	0	8	4	4	1	2	2	2	0
0	0	0	0	0	1	1	3	2	3	2	6	4	2	3	3	5	8	4	3	2	1	1	1	0
0	0	0	0	0	1	3	1	2	3	7	4	9	3	6	3	5	4	3	4	5	3	1	0	0

AM Peak 1130 - 1230 (22), AM PHF=0.79 PM Peak 1215 - 1315 (29), PM PHF=0.81

* Friday, June 12, 2026 - Total=89 (Incomplete) , 15 minute drops

0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	
1	**1**	**0**	**1**	**0**	**1**	**7**	**10**	**16**	**15**	**16**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1	0	0	0	0	0	0	1	1	3	5	4	4	-	-	-	-	-	-	-	-	-	-	-	-
0	1	0	0	0	1	0	1	4	3	5	4	0	-	-	-	-	-	-	-	-	-	-	-	-
0	0	0	1	0	0	1	5	5	1	2	5	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	0	6	3	6	8	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-

File #: 26-400, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: David Bennett, Public Work Director/City Engineer

Discuss City Wide Local Speed Limit Study

Action Requested:
None, Discussion and Initial Council Input

Summary Report:
In August of 2019 the State legislature enacted a new law that allows City's to set speed limits on roadways under their jurisdictional control, where previously all speed studies went through MnDOT to establish roadway speed limits.

Since the new law has been in place, there have been a handful of City's that have implemented City Wide speed limits. There are typically two different approaches:

1. Uniform
    a. One speed limit on all local streets
    b. Inexpensive and quicker to implement
    c. Consistent driver expectation
    d. Typically, 25 mph with few exceptions (20 MPH Minneapolis/St. Paul)
2. Tiered System
    a. Speed Limits established by roadway classification
        i. Residential, collectors
    b. Requires more signage and education

The City is kicking off the study and will be developing a speed limit guidance document on how the City will establish local speed limits. The City has hired Bolton-Menk to assist with the study, we will kickoff with public engagement in August/September to hear from the public about if the local roadway speed limits should change.

The goal is to have the study complete by the end of the year. Staff are looking for any initial input from City Council as the study kicks off.

City Plans & Policies Relevance:
2045 Comprehensive Plan

Alternative Options:
NA

Financial Impacts:
TBD

Tentative Timelines:
Study complete end of 2026

City Speed Limit Study

City Council

July 21, 2026



A safe transportation network for all

Speed Limits

- Statutory speed limits based on roadway classification
  - Current default on local roads is 30 mph
- Effective August 1, 2019, Minnesota Statute changes allow cities increased authority to set speed limits on streets under the city's jurisdiction without conducting an engineering and traffic investigation.
- Prior to statute change the local authorities requested the Commissioner of the Minnesota Department of Transportation to authorize any speed limit changes

City Compliance with New State Statute

1. Develop a Speed Limit Policy to define procedures to set speed limits
   - Speed limit Policy to be based on city's safety, engineering, and traffic analysis
   - Recommended Speed limits to be based on national urban speed limit guidance
2. Implement speed limit changes in consistent and understandable manner

Speed Limit Policy Goals

- Create a rational means for setting speed limits on local roads that effectively balance the need for public safety and transportation mobility

- Provide a consistent procedure for changing speed limits

National Urban Speed Limit Guidance

- NCHRP (National Cooperative Highway Research Program) Report 966 – Posted Speed Limit Setting Procedure and Tool: User Guide (2021)
  - Speed limit setting procedure for any roadway type with an increased emphasis on designing for the context of the road.
  - Multiple variables such as roadway classification, adjacent land uses, and surface type are considered.
- NACTO (National Association of City Transportation Officials) – City Limits (2020)
  - NACTO's City Limits (2020) promotes lower urban speed limits, highlighting speed as a key factor in fatal and serious crashes.
  - The report recommends replacing the 85th-percentile method with safety-based speed setting, supported by evidence that lower speed limits reduce crashes and injuries.
- Smart Growth America – Dangerous by Design (2021)
  - Number of people struck and killed annually has grown by 75 percent between 2010 and 2022.
  - Policies continued to be made that prioritize speedy movement of vehicles at the expense of the safety of all people who use the streets

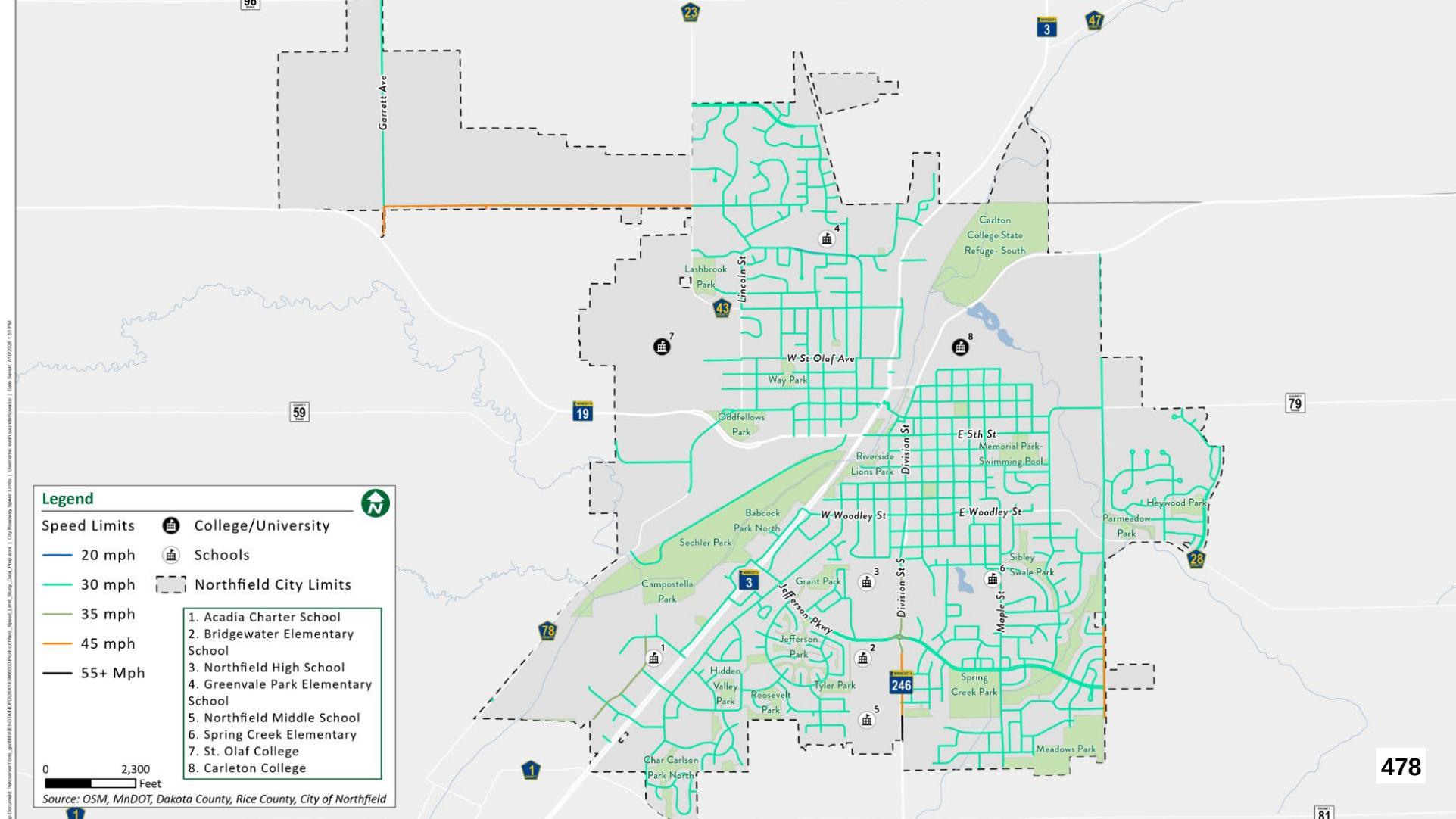
NCHRP 966 Posted Speed Limit Setting Procedure and Tool

– Tool created for transportation professionals for setting speed limits focused on roadway context

- Crash history including severity consequences.
- Available roadside elements.
- Horizontal curvature characteristics including radius, superelevation, and friction.
- Roadway lighting.
- Adjacent pedestrian and bicycle activity.
- Roadway facility type and context.
- Number of signals.
- Number of access points.
- Type of median.
- Presence of sidewalk.
- Presence of bicyclist facilities.

City of Northfield Existing Conditions

- City roadways in Northfield contain a variety of:
  - Daily traffic volume
  - Cross section
  - Pedestrian/bicycle uses and facilities
  - Proximity to schools
  - Access/driveway spacing
  - Surrounding land use


Legend
Speed Limits
20 mph
30 mph
35 mph
45 mph
55+ Mph
College/University
Schools
Northfield City Limits
1. Acadia Charter School
2. Bridgewater Elementary School
3. Northfield High School
4. Greenvale Park Elementary School
5. Northfield Middle School
6. Spring Creek Elementary
7. St. Olaf College
8. Carleton College
0
2,300
Feet
Source: OSM, MnDOT, Dakota County, Rice County, City of Northfield
Garrett Ave
Lashbrook Park
Lincoln St
W St Olaf Ave
Way Park
Oddfellows Park
Carlton College State Refuge- South
Division St
E 5th St
Memorial Park- Swimming Pool
Riverside Lions Park
W Woodley St
E Woodley St
Babcock Park North
Sechler Park
Campostella Park
Grant Park
Jefferson Pkwy
Jefferson Park
Hidden Valley Park
Roosevelt Park
Tyler Park
Spring Creek Park
Maple St
Sibley Swale Park
Heywood Park
Parmeadow Park
Meadows Park
Char Carlson Park North
23
47
3
59
19
43
79
28
78
246
1
81

Crash Analysis – City

- 48 reported crashes in on City Roads in 2025
- 218 Total Reported Collisions in last 5 years (2021-2025)
  - 7 Pedestrian Crashes
  - 7 Bicycle Crashes (2 fatal)

Fatal	4
Serious Injury	5
Minor Injury	27
Possible Injury	30
Property Damage Only	152
Total	**218**

Speed Data Collection

- Radar Data Collection to take place on variety of roadways
- Data will be used to summarize representative roadway group behaviors
  - Speed by time of day
  - Confirmation of ADT and Heavy Vehicle percentages
  - Average, 85th percentile speeds recorded
- Data to be used with NCHRP 966 to produce proposed speed limits

Public Input

- Two Open House Phases
- Existing Conditions
- Proposed Conditions
- Online Platform Available for Each



Speed Limit Study Timeline

August-September

- Existing Conditions
  - **Review of existing network and safety history**
  - **Data collection of representative locations**
  - **Open house #1**

October-November

- Proposed Conditions
  - **Analysis of representative locations (NCHRP 966)**
  - **First drafts of policy document and proposed speed limits**
  - **Open house #2**

December

- Completion
  - **Final drafts of policy document and proposed speed limits**
  - **Council Presentation #2**

Local Speed Limit Study



Council Input/ Questions?

Chloe Christenson, P.E.
Bryan Nemeth, P.E., PTOE



File #: Res. 2026-075, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: Scott Wopata, Community Development Director
David Bennett, Public Works Director/City Engineer

Consideration of a Resolution Approving a Final Plat for Harvest Hills Second Addition.

Action Requested:
The Northfield City Council is asked to consider a resolution approving the final plat for Harvest Hills 2nd Addition with conditions, which were approved as part of the preliminary plat.

Summary Report:
Harvest Hills Townhomes, LLC has applied for a final plat to create Phase One of Harvest Hills Second Addition, on a parcel situated on the south side of Northfield and west of Northfield Middle School. The parcel is 10.30 acres and proposes creating 15 lots with 38 units and 3 outlots which will be part of the planned second phase. The parcel is zoned N2-B: Neighborhood General 2. This first phase consists of 22 duplex units, 6 tri-plex units, 4 four-plex units and 6 six-plex units.

The developer has applied for Tax Increment Financing (TIF) and the City Council will be considering a TIF agreement on July 21, 2026. As part of the TIF requirement, the developer will ensure that 20% of the units are affordable at 50% AMI. Additionally, the developer has met the City's Sustainable Building Policy.

City Council and neighbors have requested additional consideration for pedestrian and vehicle traffic in the adjacent neighborhood. While these improvements are not related to the final plat or development agreement, staff are presenting the suggested improvements concurrently on July 21, 2026.

On April 16, Planning Commission held a public hearing for the preliminary plat. During that same meeting, the preliminary plat was recommended to be brought to City Council. City Council approved the preliminary plat on May 5.

Per City Council Resolution 2026-050 (approval of the preliminary plat) the following summary of items were incorporated into the final plat and development agreement:

- Preliminary plat extension of 5 years (see Section 5 of the development agreement);
- A phase specific erosion and sediment control plan (see Section 16);
- Park dedication requirements (see Section 20);
- Trail connection to Northfield Middle School and along Fillmore St. and trail easement (see Section 27);

The city council shall consider the following in the review of a final plat. Criteria (a), (b) and (d) below must be met and criterion (c) shall be considered:

(a) Construction drawings have been submitted to, reviewed, and approved by the city engineer;
- Construction drawings have been submitted to, reviewed, and approved by the city engineer. They are attached to the final plat staff report.

(b) A development agreement must have been prepared and submitted as part of the final plat application;
- The development agreement is prepared and attached as a separate item with a separate resolution.

(c) Whether the final plat is in substantial compliance with the approved preliminary plat and any conditions on the preliminary plat approval, and whether any changes of note were reported to the city council; and
- The final plat is substantially similar to what was approved as part of the preliminary plat. The conditions in the resolution approving the preliminary plat have been incorporated into the final plat and development agreement.

(d) The final plat must comply with all other applicable standards in this LDC and state law including Minn. Stat., Ch. 505 as applicable.
- The final plat complies with the Land Development Code and Minnesota State Statute 505 Plats; Coordinates; Surveys.

Recommendation:
Staff recommends approval of the final plat.

City Plans & Policies Relevance:
Approving the final plat for Harvest Hills Second Addition is a step forward in adding more housing to Northfield. The project targets some of the City's main strategic goals, increasing the housing stock with housing that is affordable, more dense and more sustainable.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
The applicant is prepared to begin grading and site work for phase one immediately.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-

APPROVING A FINAL PLAT FOR HARVEST HILLS SECOND ADDITION

WHEREAS, Harvest Hills Townhomes, LLC (the "Developer" or "Applicant") has submitted an application for Final Plat approval for Harvest Hils Section Addition, which subject property is legally described in Exhibit A and owned by Harvest Hills Townhomes, LLC; and

WHEREAS, the above-mentioned final plat is attached hereto as Exhibit B (the "Final Plat"); and

WHEREAS, the City Council of the City of Northfield may hear requests for Final Plat approval pursuant to Northfield City Code, Chapter 34, Sec. 8.5.12, which provides that a Final Plat must conform to the approved Preliminary Plat and any required modifications as determined through the Preliminary Plat process; and

WHEREAS, pursuant to Northfield City Code, Chapter 34, Section 8.5.12(D)(2), the City Council shall consider the following criteria in the review of a final plat. Criteria (a), (b), and (d) must be met, and (c) shall be considered:

(a) Construction drawings have been submitted to, reviewed and approved by the city engineer;
(b) A development agreement must have been prepared and submitted as part of the final plat application;
(c) Whether the final plat is in substantial compliance with the approved preliminary plat and any conditions on the preliminary plat approval, and whether any changes of note were reported to the city council; and
(d) The final plat must comply with all other applicable standards in this LDC and state law including Minn. Stat., Ch. 505 as applicable; and

WHEREAS, the Planning Commission considered the Applicant's request for a Preliminary Plat for Harvest Hills Second Addition (the "Preliminary Plat") at a duly noticed Public Hearing, which took place on April 16, 2026; and

WHEREAS, the Planning Commission on April 16, 2026 recommended approval to the City Council by a 7-0 vote; and

WHEREAS, the City Council of the City of Northfield considered and approved the

Preliminary Plat of Harvest Hills Second Addition with conditions at its regular City Council meeting held on May 5, 2026, Resolution No. 2026-050, which resolution is incorporated herein by reference; and

WHEREAS, a Development Agreement has been prepared between the City of Northfield and the Applicant, which outlines the responsibilities of the Applicant and the City of Northfield to install certain required street and infrastructure improvements necessary to support the development, and the same will be brought to the City Council for consideration of approval; and

WHEREAS, the City Council of the City of Northfield has reviewed the proposed Final Plat for compliance with the Land Development Code, the Preliminary Plat and conditions, and the statutes of the State of Minnesota at its duly noticed meeting held July 21, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT, the Final Plat of Harvest Hills Second Addition is hereby approved upon the property legally described in Exhibit A and as the Final Plat is depicted in Exhibit B, subject to the following conditions:

1. The Final Plat shall comply with the provisions of all state statutes and standard procedures for platting in Rice County.

2. Pursuant to Northfield City Code, Chapter 34, Section 8.5.12(D)(4), the Final Plat shall be recorded with the County Recorder or Registrar of Titles and evidence of such recording shall be provided to the City within six months of the date of this Resolution. No changes, erasures, modifications or revisions shall be made in the Final Plat after approval has been given by the City Council and endorsed by the Mayor and City Clerk in writing on the Final Plat. If the Final Plat is not timely recorded with the appropriate county, the City Council shall revoke the Final Plat.

3. Within six months of the date of this Resolution and prior to commencement of any construction on the subject property the Applicant must enter into a Development Agreement with the City for the installation of all required improvements, and the Applicant must provide the security required therein. Execution of the required Development Agreement and documents related thereto are a condition precedent to City execution of the Final Plat

4. The Applicant shall be responsible for and pay all fees, including recording fees.

PASSED by the City Council of the City of Northfield on this 21st day of July, 2026.

ATTEST

_____ _____

City Clerk Mayor

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES
____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

Outlot A, HARVEST HILLS, Rice County, Minnesota.

EXHIBIT B

FINAL PLAT

THE CITY OF
NORTHFIELD
MINNESOTA
ESTD 1855

Harvest Hills Second Addition

City Council – July 21, 2026

Scott Wopata, Community Development Director

Three items – Three Resolutions

1. Final Plat
2. Development Agreement
3. TIF Assistance Agreement

Location


CARTER DR
FILLMORE ST
GREENFIELD DR
PID 2212426022
BERLANE DR
494

Timeline & Process

April 13
Harvest Hills Neighborhood Meeting

April 16
Public Hearing and PC Review

April 21
HRA Review

May 5
City Council approved preliminary plat

June 16
EAW Petition review by City Council

July 21
Final Plat, DA, and TIF review by City Council

What we've heard – *positives*

- Right level of density
- Ideal for young families
  - Proximity to schools
  - Proximity to trails
- Market rate/workforce model
- Progress on affordable housing
- Progress toward road connectivity

Concerns we've addressed

- Traffic and pedestrian safety
  - EAW
  - Traffic Study
- Stormwater and runoff
- Water pressure
- Housing types
- Emergency services access
- Zoning change and plat history

Review of Criteria

Criteria (a), (b), and (d) must be met and (c) shall be considered

Final Plat Approval Criteria – *REQUIRED*

a) Construction drawings must be submitted to, reviewed, and approved by the city engineer;

b) A development agreement must be prepared and submitted as part of the final plat application;

Final Plat Approval Criteria – *REQUIRED*

d) The final plat must comply with all other applicable standards in this LDC and state law including Minn. Stat., Ch. 505 as applicable.

Final Plat Approval Criteria – *CONSIDERED*

c) Whether the final plat is in substantial compliance with the approved preliminary plat and any conditions on the preliminary plat approval, and whether any changes of note were reported to the city council;

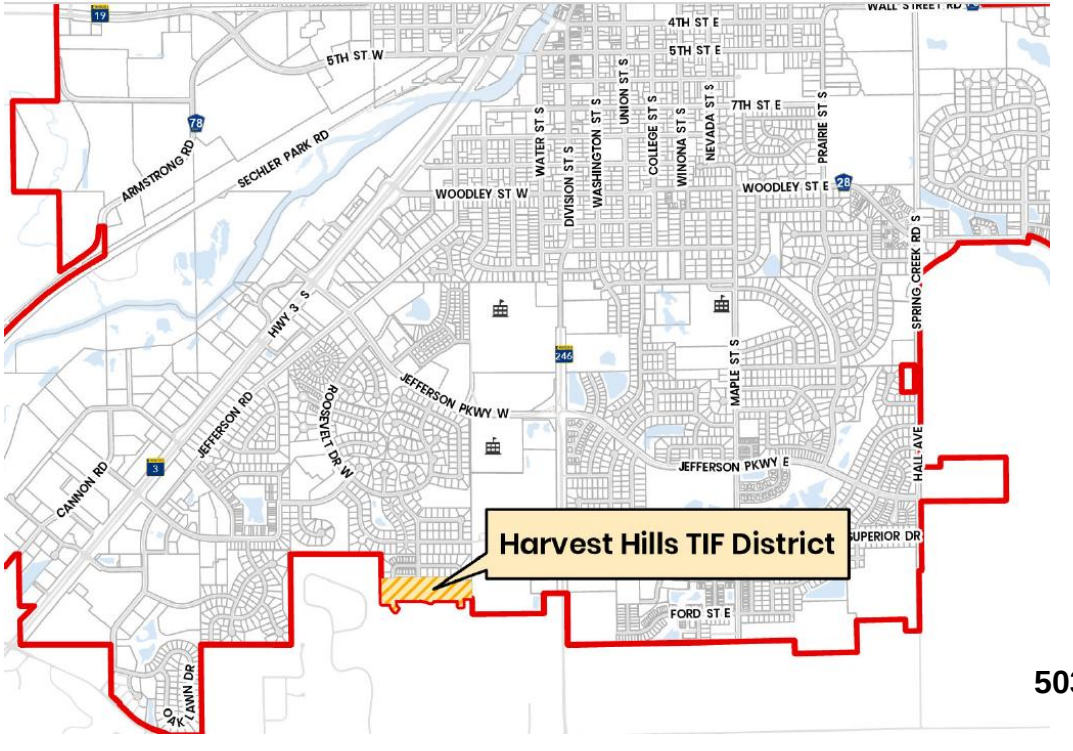
Three items – Three Resolutions

1. Final Plat
2. Development Agreement
3. TIF Assistance Agreement

TIF Plan – Proposed District

Harvest Hills

- Housing TIF District
- PID: 22.12.4.26.022
- Undeveloped property
- Assessed Value: $246,800
- Project: 71-units of rental townhomes
    - Includes installation of utilities, streets, sidewalks



TIF Plan – Proposed District

- **Regulatory Document establishes the purpose, term, estimates and budget for TIF District**
  - Purpose: Provide affordable housing; incentivize new private development and infrastructure within the community
  - Maximum term – taxes payable from 2028 to 2053
    - Or earlier if funding obligations are met
  - Estimates and Maximum Budget
    - Full term potential TIF revenue estimate of $10.5 million
    - Amount supports $5.9 million potential funding capacity
      - After discounting at 5.85% financing interest rate ($4,580,000)

ESTIMATED SOURCES	
Tax Increment - 26 year collection	$ 10,007,426
Interest	500,371
TOTAL	**$ 10,507,797**

ESTIMATED USES	
Affordable Housing (1.0% appreciation)	5,427,426
Administrative Costs (5%)	500,371
PROJECT FUNDING SUBTOTAL	**$ 5,927,797**
Interest	4,580,000
TOTAL USES	**$ 10,507,797**

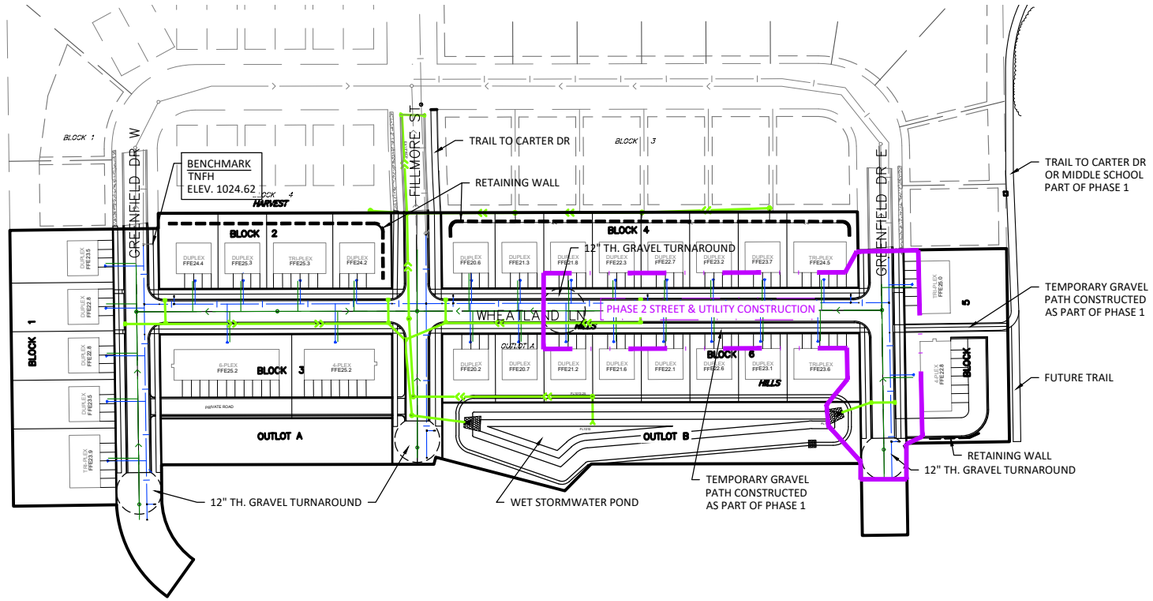
TIF Assistance Agreement

- 20 years vs 26 years
- Phase 1 = 53% of project
- TIF Agreement for Phase 1 = 18% for total project
- $1,915,000 of $10,507,797
- 5% retained for administrative costs
- Affordability, Accessibility, and Sustainability

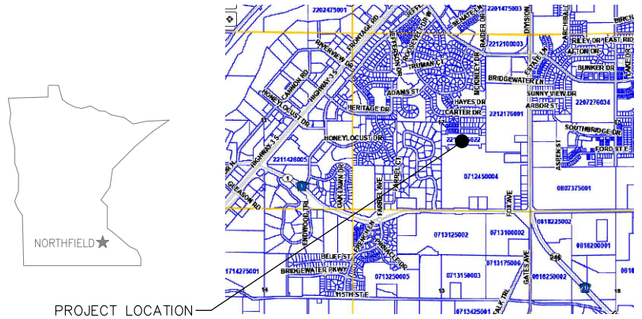
HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A, HARVEST HILLS
NORTHFIELD, MN

LEGEND

	= Catch Basin
C	= Cable TV
C&G	= Curb and Gutter
CHL	= Chainlink Fence
CO	= Clean Out
COC	= Center of Channel
CMP	= Corrugated Metal Pipe
CS	= Curb Stop
CI	= Cast Iron
CW	= Concrete Sidewalk
DWY	= Driveway
E	= Electric
E	= Electric Meter
EV	= Electric Vault
	= Fire hydrant
G	= Gas Main
G	= Gas Meter
	= Guy Anchor
IE	= Invert Elevation
	= Light Pole
OH	= Overhead
(P)	= Painted Utility Location
PVC	= Polyvinyl Chloride
	= Power Pole
	= Power Pole with luminaire
(R)	= Record Utility Location
RCP	= Reinforced Concrete Pipe
S	= Sanitary Manhole
	= Storm Manhole
T	= Telephone Pedestal
T	= Telephone
	= Traffic flow direction
	= Traffic arrow painted on ground
UG	= Underground
VCP	= Vitrified Clay Pipe
	= Water Main Valve
	= Water Manhole
W	= Water Main
	= Deciduous Tree
	= Coniferous Tree
	= Surface Water Flow Direction



VICINITY MAP



INDEX TO SHEETS

SHEET	SUBJECT
1	TITLE SHEET & LOCATION MAP
2–4	SWPPP NOTES & DETAILS
5–15	DETAILS
16–18	GRADING PLAN
19–24	PLAN AND PROFILES

THIS SET OF PLANS CONTAINS 24 SHEETS

SPECIFICATIONS WHICH APPLY

ALL CONSTRUCTION AND MATERIALS SHALL COMPLY WITH THE MOST RECENT EDITION OF MNDOT STANDARD SPECIFICATIONS FOR CONSTRUCTION, INCLUDING PUBLISHED TECHNICAL MEMORANDA, MINNESOTA PLUMBING CODE, AND WITH THE CITY ENGINEERING STANDARD SPECIFICATIONS FOR WATERMAIN & SERVICE LINE, SANITARY SEWER AND STORM SEWER INSTALLATION (PER "STANDARD UTILITIES SPECIFICATIONS" BY THE CITY ENGINEERS ASSOCIATION OF MINNESOTA), AND THE CITY'S STANDARD DETAILS AND SPECIFICATIONS.

GENERAL NOTES

1. CONTRACTOR AND ALL SUBCONTRACTORS SHALL COMPLY WITH ALL APPLICABLE CODES AND ORDINANCES GOVERNED BY STATE AND LOCAL JURISDICTION.
2. COORDINATE ELECTRIC, GAS & TELEPHONE UTILITY INSTALLATION & ROUTING WITH LOCAL UTILITY COMPANIES
3. ANY ALTERATIONS OR REVISIONS TO THE SITE DEVELOPMENT PLAN AS SHOWN SHALL NOT BE THE RESPONSIBILITY OF JONES, HAUGH & SMITH INC. AND SHALL RELEASE JONES, HAUGH & SMITH INC. OF ANY LIABILITY FOR ANY DAMAGES CAUSED THEREFROM UNLESS WRITTEN AUTHORIZATION OR PLAN REVISION HAS BE APPROVED BY JONES, HAUGH & SMITH INC. PRIOR.
4. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FOR CONSTRUCTION.
5. LANDSCAPING, IRRIGATION, AND LIGHTING NOT A PART OF THIS PLAN.

SWPPP GENERAL NOTES

1. THIS PLAN IS MEANT AND PROVIDED AS A GUIDE IN THE PROVISION OF SEDIMENT AND EROSION CONTROL (ESC) BMP'S AS REQUIRED BY THE NPDES PERMIT.
2. ADDITIONAL EROSION AND SEDIMENT CONTROL MEASURES, ALTHOUGH NOT SHOWN HERE, MAY BE REQUIRED TO COMPLY WITH THE PROVISIONS OF THE PERMIT.
3. PROVISION AND MAINTENANCE OF EROSION AND SEDIMENT CONTROL BMP'S IN ACCORDANCE WITH THE NPDES PERMIT IS THE RESPONSIBILITY OF THE CONTRACTOR, REGARDLESS OF WHAT IS SHOWN ON THIS PLAN.
4. MAINTENANCE OF ESC BMP'S IS INCIDENTAL TO THE WORK.
5. NO ADDITIONAL PAYMENT WILL BE MADE FOR ADDITIONAL EROSION CONTROL BMP'S AS REQUIRED BY THE NPDES PERMIT.
6. THE CONTRACTOR SHALL OBTAIN THE NPDES PERMIT FROM THE MPCA AND PAY ANY APPLICABLE FEES AS WORK INCIDENTAL TO THE CONTRACT.
8. SHOULD MPCA ENFORCEMENT ACTIONS OCCUR, THE CONTRACTOR WILL BE THE CO–PERMITEE RESPONSIBLE FOR CORRESPONDING WITH THE MPCA.
9. THE CONTRACTOR WILL BE PAY ALL FINES IMPOSED BY REGULATING AUTHORITIES DUE TO NON–COMPLIANCE WITH THE TERMS OF THE NPDES PERMIT WITH NO COST TO THE OWNER.

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

DESIGN ENGINEER:

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

JOHN H. SCHULTE V, PE LICENSE NO. 44639

DATED:

The subsurface utility information in this plan is Utility Quality Level D. This Utility Quality Level was determined according to the guidelines of CI/ASCE 38-02, entitled "Standard Guidelines for the collection and depiction of existing subsurface utility data."
Some site improvements and topography may have been concealed by winter conditions at the time of survey.

100 0 100
SCALE IN FEET

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No responsibility is accepted for the locations of utilities shown hereon. Verification of actual locations should be requested prior to the commencement of construction or the taking of any other action relying on the actual locations.

GOPHER STATE ONE–CALL: 1–800–252–1166

REV.	BY	DATE
-	-	-

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED:	JHS5
DRAWN:	JHS5
CHECKED:	BJJ
Date:	5/14/26
DWG:	23–259

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
TITLE SHEET

SHEET 1 OF 24

CONSTRUCTION ACTIVITY INFORMATION

PROJECT NAME: HARVEST HILLS SECOND ADDITION
PROJECT LOCATION:
SECTION: SE¼ SECTION 12–T111–R20W
CITY: NORTHFIELD
TOWNSHIP: BRIDGEWATER
COUNTY: RICE

PROJECT SIZE: 10.10 DISTURBED ACRES

PROJECT TYPE: RESIDENTIAL SUBDIVISION

MAJOR SOIL TYPES:
1. 1410B, RACINE SILT LOAM

IMPERVIOUS SURFACE:
EXISTING: 0.00 AC
PROPOSED: 4.54 AC
DIRECT DISCHARGE FROM IMPERVIOUS SURFACE: 0.38 AC

RECEIVING WATERS: CITY OF NORTHFIELD STORM SEWER SYSTEM

DATES OF CONSTRUCTION: SPRING 2026–FALL 2027

OWNER:
SCHROM CONSTRUCTION
NICK KRAFT
1116 N. RIVERFRONT DR
MANKATO, MN 56001
PHONE 507–257–5110

UNDERGROUND UTILITY CONTRACTOR:
TBD

PARTY RESPONSIBLE FOR LONG TERM O&M: OWNER

GENERAL SITE INFORMATION

THIS SITE TREATS STORMWATER VIA A A PERMANENT STORMWATER POND. THE SITE'S STORMWATER POND OR TEMPORARY SEDIMENT BASINS WILL BE PART OF THE FIRST GRADING ACTIVITIES PERFORMED AT THE SITE. THE POND WILL NOT BE DIRECTLY CONNECTED TO ITS OUTLET UNTIL ALL UPSTREAM FEATURES ARE FULLY STABILIZED. PUMPING WILL BE UTILIZED IN THE INTERIM.

IMMEDIATELY FOLLOWING GRADING OF SLOPES OF 3:1 OR GREATER WHICH DRAIN TO WATERS OF THE STATE, SLOPES WILL BE STABILIZED WITH EROSION BLANKET OR HYDROSEEDING OVER A MINIMUM OF 6" OF TOPSOIL.

ALL EROSION CONTROL MEASURES SHALL REMAIN IN PLACE AND BE MAINTAINED IN GOOD CONDITION UNTIL THE SITE HAS BEEN RE–VEGETATED. THE CONTRACTOR MAY REMOVE NECESSARY SILT FENCING TO CONSTRUCT ROADWAYS WHILE MAINTAINING ADEQUATE EROSION CONTROL IN ADJACENT AREAS.

SUFFICIENT TOPSOIL SHALL BE STOCKPILED TO ALLOW FOR THE REPLACEMENT OF A MINIMUM OF 6" OF TOPSOIL FOR DISTURBED AREAS TO BE RE–VEGETATED. STOCKPILES WILL BE STABILIZED WITH TARPS OR SEEDED WITH OATS OR WINTER WHEAT WITHIN 7 DAYS OF COMPLETION, WITH SILT FENCE RINGS IN PLACE PRIOR TO STOCKPILE CONSTRUCTION.

CONTRACTOR WILL SCHEDULE SITE GRADING, UTILITY INSTALLATION, AND GRAVEL SURFACE CONSTRUCTION SO THAT THE GENERAL SITE CAN BE MULCHED AND RE–SEEDED SOON AFTER DISTURBANCE.

DISTURBED AREAS SHALL BE STABILIZED WITHIN 7 DAYS OF CESSATION OF DISTURBANCE. STABILIZATION ACTIVITIES WILL BEGIN IMMEDIATELY AND BE COMPLETED WITHIN 7 DAYS. STABILIZATION WILL BE COMPLETED WITHIN 7 DAYS FOR SLOPES 3:1 AND STEEPER OR WHEN IDENTIFIED AS IMPAIRED.

SILT FENCES WILL BE CHECKED AFTER EACH RAIN EVENT AND DAILY DURING A PROLONGED RAINFALL. IMMEDIATELY REPAIR FAILED OR FAILING MEASURES AND REPORT IN LOG BOOK.
REMOVE SEDIMENT DEPOSITS FROM SILT FENCE AND BALE CHECKS WHEN SEDIMENT REACHES APPROXIMATELY 1/2 THE HEIGHT OF THE BARRIER.

BARRIERS WILL BE REPLACED WHEN THEY DECOMPOSE OR BECOME INEFFECTIVE BEFORE THE BARRIERS ARE NO LONGER NECESSARY. ANY SEDIMENT REMAINING IN–PLACE AFTER THE BARRIERS ARE NO LONGER NECESSARY WILL BE DRESSED TO CONFORM TO EXISTING GRADE, AND PREPARED AND SEEDED WITH THE APPROPRIATE SEED MIX, AS DIRECTED BY THE ENGINEER.

IN THOSE AREAS WHERE WOOD FIBER BLANKET OR OTHER SLOPE STABILIZATION METHODS HAVE FAILED, THE SLOPE SHALL BE REESTABLISHED, SEED AND TOPSOIL REPLACED, AND ADDITIONAL SLOPE TREATMENT INSTALLED AS DIRECTED BY THE ENGINEER.

BARRIERS WILL BE REMOVED WHEN FINAL STABILIZATION OF THE SLOPES HAS BEEN COMPLETED AS DETERMINED BY THE ENGINEER.

NO STORMWATER MITIGATION MEASURES WERE REQUIRED AS A PART OF ENVIRONMENTAL, ARCHAEOLOGICAL OR OTHER REQUIRED LOCAL, STATE, OR FEDERAL REVIEW OF THIS PROJECT.

THIS PROJECT IS NOT LOCATED IN A KARST AREA NECESSITATING MEASURES TO PROTECT DRINKING WATER SUPPLY.

EROSION PREVENTION PRACTICES

APPROPRIATE CONSTRUCTION PRACTICES WILL BE USED TO MINIMIZE EROSION. AREAS OF NON–DISTURBANCE WILL BE DELINEATED (FLAGGED, ETC.) ON THE SITE BEFORE WORK BEGINS.

CONTRACTOR SHALL PHASE CONSTRUCTION, MAINTAIN VEGETATIVE BUFFER STRIPS, AND PROVIDE HORIZONTAL SLOPE STAKING IN ORDER TO MINIMIZE EROSION. SUGGESTED CONSTRUCTION SEQUENCING TO MINIMIZE EXPOSED AREAS SUBJECT TO EROSION HAS BEEN SHOWN, BUT ULTIMATE SEQUENCING IS UP TO THE CONTRACTOR. THE SWPPP ON–SITE WILL BE RED–LINED BY THE CONTRACTOR TO INDICATE FINAL SEQUENCING.

DOWNSTREAM SILT FENCE AND INLET PROTECTION DEVICES WILL BE INSTALLED PRIOR TO EARTH MOVING ACTIVITIES.

SLOPES SHALL BE "CAT–TRACKED" WHEN COMPLETE SUCH THAT THE TRACK DEPRESSIONS ARE PERPENDICULAR TO DRAINAGE FLOW.

SILT FENCE SHALL BE INSTALLED BEFORE WORK BEGINS. SILT FENCE LIMITS SHALL COINCIDE WITH DOWNGRADE GRADING LIMITS UNLESS OTHERWISE NOTED.

SILT FENCE USED ON SLOPES SHALL BE PLACED SUCH THAT 100 LINEAL FEET OF SILT FENCE STABILIZES APPROXIMATELY 0.25 ACRES OF DRAINAGE.

THE WETTED PERIMETER OF DRAINAGE SWALES WILL BE STABILIZED WITH RAPID STABILIZATION MEASURES WITHIN 200' OF THE SITE BOUNDARY LINE WITHIN 24 HOURS.

PIPE OUTLETS WILL BE PROVIDED WITH ENERGY DISSIPATION (RIP RAP) WITHIN 24 HOURS OF CONNECTION TO WATERS OF THE STATE.

IF NOT SHOWN ON THE PLAN: ALL EXPOSED SOIL AREAS WITHIN 200' OF SURFACE WATER OR A STORMWATER CONVEYANCE WHICH HAVE CONTINUOUS POSITIVE SLOPES WILL HAVE TEMPORARY EROSION PROTECTION OR PERMANENT COVER FOR THE EXPOSED SOILS YEAR–ROUND, ACCORDING TO THE FOLLOWING TABLE OF SLOPES AND TIME FRAMES:

GRADE OF SLOPE	TIME (MAX.)	BMP
STEEPER THAN 3:1	7 DAYS	RAPID STABILIZATION METHOD 4
4:1 TO 3:1	7 DAYS	RAPID STABILIZATION METHOD 2
FLATTER THAN 4:1	7 DAYS	TYPE 1 DISC ANCHORED MULCH

STABILIZATION WILL COMMENCE IMMEDIATELY UPON COMPLETION OF GRADING AND BE COMPLETE WITHIN THE STATED TIMEFRAME UNLESS FURTHER GRADING ACTIVITIES WILL COMMENCE PRIOR TO COMPLETION DATE. FROZEN GROUND IS CONSIDERED STABILIZED.

CUT AREAS WHERE NO GRADING HAS OCCURRED WITHIN 7 DAYS WILL BE STABILIZED USING BIO–ROLLS A MINIMUM OF EVERY 20 LINEAL FEET IN ORDER TO PREVENT EROSION.

FILL SLOPES WHICH DRAIN TO WATERS OF THE STATE OR OFFSITE SHALL BE STABILIZED IMMEDIATELY UPON CESSATION OF GRADING ACTIVITIES. THUS, IF SLOPES ARE BROUGHT TO SUBGRADE ELEVATION AND WILL CEASED BEING WORKED ON UNTIL TOPSOIL RE–SPREADING, THEY WILL BE STABILIZED IN THE INTERIM. STABILIZE SLOPES WITH INTERIM LINES OF SILT FENCE OR BIO–ROLLS EVERY 20 LINEAL FEET.

SOIL STOCKPILES WHICH REMAIN UNWORKED FOR MORE THAN 7 DAYS WILL BE STABILIZED WITH SEED AND MULCH OR TARPS WITH SILT FENCE RINGS IN PLACE PRIOR TO STOCKPILE CONSTRUCTION. DO NOT LOCATE STOCKPILES IN BUFFERS OR SURFACE WATERS.

IF THIS PROJECT IS SUBJECT TO A DNR WORK IN WATERS RESTRICTIONS DURING FISH SPAWNING TIMES, EXPOSED SOIL AREAS MUST BE STABILIZED WITHIN 24 HOURS DURING THE SPAWNING PERIOD.

THE WETTED PERIMETER OF THE LAST 200' OF DRAINAGE SWALES WILL BE STABILIZED WITHIN 24 HOURS OF CONNECTING TO A SURFACE WATER OR PROPERTY LINE. DO NOT USE MULCH, TACKIFIER OR SIMILAR EROSION PREVENTION MEASURES IF THE SLOPES OF SWALES ARE GREATER THAN 2%.

SEDIMENT CONTROL PRACTICES

CONTRACTOR SHALL FURNISH, INSTALL, AND MAINTAIN:
SEDIMENT CONTROLS FOR TEMPORARY AND PERMANENT DRAINAGE BASINS AND DRAINAGE DITCHES THAT ARE A PART OF THIS DESIGN, AND UPGRADIENT OF ANY BUFFER ZONES, INCLUDING:

- CHECK DAMS AND/OR WOOD FIBER BLANKETS TO ENSURE SHEET FLOW AND PREVENT RILLS FOR SLOPE LENGTHS GREATER THAN 75' WITH A SLOPE OF 3:1 OR GREATER (SEE NOTES ON BIO–ROLLS SPACED EVERY 20' ABOVE)
- SILT FENCE AT ALL DOWN GRADIENT PERIMETERS INSTALLED PRIOR TO ALL LAND DISTURBING ACTIVITIES
- INLET PROTECTION AT ALL DRAIN INLETS INCLUDING NEWLY CONSTRUCTED CATCH BASINS, INCLUDING CATCH BASIN STRUCTURES PRIOR TO CASTING INSTALLATION, AND SANITARY SEWER STRUCTURES.
- SILT FENCING AROUND TEMPORARY SOIL STOCKPILES
- ROCK OR WOOD CHIP CONSTRUCTION SITE ENTRANCES
- DAILY STREET SWEEPING OF TRACKED SEDIMENT ONTO PAVED SURFACES
- CONCRETE TRUCKS SHALL PERFORM WASHOUT ACTIVITIES OFFSITE

TYPICALLY, UTILIZE THE PERMANENT STORMWATER PONDS FOR TEMPORARY SEDIMENTATION. IF AN AREA GREATER THAN 5 ACRES IS DESIGNED TO EVENTUALLY DRAIN TO A FILTRATION OR INFILTRATION BASIN, CONSTRUCT A TEMPORARY SEDIMENTATION BASIN UPSTREAM OF ULTIMATE BASIN.
CLEAN OUT TEMPORARY BASINS WHEN SEDIMENT DEPTH REACHES ½ VOLUME WITHIN 72 HOURS OF DISCOVERY.

IF SURFACE WATER IS TO DISCHARGE OFFSITE BEFORE TREATMENT, DIRECT TO VEGETATED AREAS.

DEWATERING AND BASIN DRAINING

CONTRACTOR SHALL PROVIDE PERMITS FOR ALL DEWATERING ACTIVITIES (INCIDENTAL TO CONSTRUCTION)
ALL DEWATERING ACTIVITIES SHALL DISCHARGE TO A TEMPORARY SEDIMENTATION BASIN OR DEWATERING BASIN CONSTRUCTED NEAR OR PART OF THE PERMANENT STORMWATER BASIN.

THE DEWATERING OR TEMPORARY SEDIMENT BASINS WILL BE PUMPED THROUGH A FILTRATION SYSTEM CONSTRUCTED BY THE CONTRACTOR PRIOR TO DISCHARGE. NO BACKWASHING OF FILTERS ON–SITE.

DEWATERING CHANNELS WHICH ARE OVER LAND SHALL BE PROTECTED FROM EROSION. PLACE END OF HOSE ON FABRIC OR PLASTIC TO PREVENT EROSION.

CLEAN OUT TEMPORARY SEDIMENT BASINS TO DESIGN VOLUME AFTER SEDIMENT REACHES 1/2 DESIGN VOLUME.

CONSTRUCT DEWATERING ACTIVITIES SUCH THAT THEY WILL NOT CAUSE NUISANCE CONDITIONS, EROSION IN RECEIVING CHANNELS OR ON DOWN SLOPE PROPERTIES OR ADVERSELY AFFECT WETLANDS.

ADDITIONAL BMP'S FOR SPECIAL WATERS

THIS PROJECT DOES NOT DISCHARGE TO SPECIAL WATERS OR HAVE SIGNIFICANT IMPACTS TO WETLANDS

ADDITIONAL MEASURES HAVE BEEN INCLUDED AS RELATED TO IMPAIRMENTS OF THE CANNON RIVER WHICH IS WITHIN 1 MILE OF THE DISCHARGE POINT. ITEMS 23.9, 23.10 AND 23.11 OF THE NPDES GENERAL STORMWATER PERMIT ARE INCLUDED.

INSPECTIONS AND MAINTENANCE

CONTRACTOR SHALL INSPECT AND MAINTAIN MEASURES AT MINIMUM ONCE EVERY (7) DAYS DURING ACTIVE CONSTRUCTION, AND WITHIN 24 HOURS AFTER A RAINFALL EVENT OF 0.5" IN 24 HOURS. ALSO INSPECT AREAS ADJACENT TO THE SITE FOR ROGUE EROSION OR SEDIMENT.

DEWATERING DISCHARGE POINTS WILL BE PHOTOGRAPHED DAILY WITH RECORDS MAINTAINED IF DISCHARGE REACHES A SURFACE WATER.

INSPECTIONS WILL INCLUDE STABILIZED AREAS, EROSION PREVENTION AND SEDIMENT CONTROLS, AGGREGATE SURFACES, DISCHARGE CHANNELS AND DEVICES, PERMANENT STORMWATER BMP'S AND RECEIVING STORM SEWER FACILITIES.

STABILIZED AREAS WILL BE INSPECTED ONCE PER MONTH. WHERE WORK HAS BEEN SUSPENDED DUE TO FROZEN GROUND CONDITIONS, INSPECTIONS AND MAINTENANCE WILL TAKE PLACE AS SOON AS FIRST RUNOFF OCCURS AT THE SITE OR PRIOR TO RESUMING CONSTRUCTION, WHICHEVER COMES FIRST.

CONSTRUCTION SITE VEHICLE ENTRANCES WILL BE INSPECTED FOR EVIDENCE OF OFF–SITE SEDIMENT BEING TRACKED ONTO PAVED SURFACES DAILY. TRACKED SEDIMENT MUST BE REMOVED FROM ALL OFF–SITE PAVED SURFACES WITHIN 24 HOURS OF DISCOVERY.

THE INSPECTION LOG MUST INCLUDE THE: DATE AND TIME, NAME OF INSPECTOR, FINDINGS INCLUDING SPECIFIC LOCATIONS OF CORRECTIONS REQUIRED, CORRECTIVE ACTIONS TAKEN WITH DATE AND TIME, RAINFALL AMOUNTS AND DATES VIA RAIN GAUGE OR WEATHER STATION WITHIN 1 MILE, DOCUMENTATION OF SEDIMENT DISCHARGE FROM SITE WITH PHOTOGRAPHS.

REPAIR ALL NONFUNCTIONAL BMP'S BY THE END OF THE NEXT BUSINESS DAY OR AS SOON AS FIELD CONDITIONS ALLOW.

RECORDS RETENTION

CONTRACTOR SHALL MAINTAIN RECORDS OF THE SEDIMENT RETENTION PROCEDURES ON–SITE. RECORDS WILL INCLUDE:
COPY OF THE SWPPP AND ANY CHANGES
INSPECTION AND MAINTENANCE RECORDS
PERMANENT OPERATION AND MAINTENANCE AGREEMENTS
CALCULATIONS FOR THE DESIGN OF TEMPORARY AND PERMANENT STORMWATER MANAGEMENT SYSTEMS

POLLUTION PREVENTION MANAGEMENT MEASURES

SOLID WASTE:
COLLECTED SEDIMENT, ASPHALT AND CONCRETE MILLINGS, FLOATING DEBRIS, PAPER, PLASTIC, FABRIC, CONSTRUCTION AND DEMOLITION DEBRIS AND OTHER WASTES MUST BE DISPOSED OF PROPERLY AND MUST COMPLY WITH MPCA DISPOSAL REQUIREMENTS.
SIGNED SEPARATE DISPOSAL BINS WITH A SIGN REQUIRING USE OF SAID BINS WILL BE INSTALLED AND UTILIZED.

CONCRETE AND OTHER WASHOUTS:
PERFORM ALL CONCRETE TRUCK WASHOUTS OFFSITE.

SOLID AND LIQUID WASHOUT WASTE FROM OTHER MATERIALS (STUCCO, PAINT, FORM RELEASE OILS CURING COMPOUNDS ETC.) WILL BE DISPOSED OF IN A PROPERLY DESIGNATED LANDFILL.

PERFORM ALL HANDTOOLS WASHOUTS IN A LEAKPROOF CONTAINMENT FACILITY OR IMPERMEABLE LINER THAT PREVENTS RUNOFF ONTO ADJACENT SOILS.
DEBRIS/SEDIMENT WILL NOT CONTACT THE GROUND SURFACE. A SIGN REQUIRING USE OF PROPER WASHOUT FACILITIES WILL BE INSTALLED ADJACENT TO SAID FACILITIES.

HAZARDOUS MATERIALS:
OIL, GASOLINE, PAINT AND ANY HAZARDOUS SUBSTANCES WILL BEE PROPERLY STORED, INCLUDING SECONDARY CONTAINMENT TO PREVENT SPILLS, LEAKS, OR OTHER DISCHARGE. RESTRICTED ACCESS TO STORAGE AREAS WILL BE PROVIDED TO PREVENT VANDALISM. STORAGE AND DISPOSAL OF HAZARDOUS WASTE WILL BE IN COMPLIANCE WITH MPCA
REGULATIONS.
PLASTIC SHEETING UNDER AN ABSORBENT MATERIAL WILL BE PLACED ON THE GROUND NEAR FUEL STORAGE TANKS TO PREVENT SPILLS WHEN LOADING OR UNLOADING THE TANKS.
SPILL KITS WILL BE PROVIDED NEAR STORAGE.

EXTERNAL WASHING OF TRUCKS AND OTHER CONSTRUCTION VEHICLES IS NOT ALLOWED ON–SITE.
NO ENGINE DEGREASING IS ALLOWED ON SITE.

NO FLOCCULENTS ARE BEING UTILIZED TO ENHANCE SEDIMENTATION IN RETENTION FACILITIES.

PORTABLE TOILETS WILL BE SECURED.

SWPPP IMPLEMENTATION CHAIN OF RESPONSIBILITY

THE GENERAL CONTRACTOR SHALL PROVIDE A TRAINED, CERTIFIED, KNOWLEDGEABLE PERSON WHO SHALL SERVE AS THE SITE'S EROSION CONTROL INSPECTOR. THIS PERSON SHALL BE RESPONSIBLE FOR INSTALLATION AND MAINTENANCE OF EROSION AND SEDIMENT CONTROL BMP'S, AND SHALL MAINTAIN THE INSPECTION LOG AT THE PROJECT SITE.

EACH SUBCONTRACTOR ON–SITE WILL DESIGNATE AN EMPLOYEE AS ITS PROJECT SWPPP OFFICER. A LIST OF THESE OFFICERS WITH CONTACT INFORMATION WILL BE AVAILABLE ON–SITE. IT WILL BE SOLELY THE SWPPP OFFICERS' RESPONSIBILITY TO ENSURE THAT ALL ON–SITE ACTIVITIES PERFORMED BY ITS COMPANY COMPLY WITH THE SWPPP. THE GENERAL CONTRACTOR'S SWPPP INSPECTOR WILL HAVE AUTHORITY OVER ALL SUBCONTRACTOR'S SWPPP OFFICERS FOR WORK PERTAINING TO COMPLIANCE.

NOTE THE PERSONS RESPONSIBLE FOR EACH CONTRACTOR IN THE SWPPP.

SHOULD A SWPPP OFFICER FAIL TO ENSURE COMPLIANCE, THAT OFFICER'S FOREMAN OR DIRECT SUPERVISOR WILL ASSUME ALL RESPONSIBILITY.

SHOULD A SUBCONTRACTOR FAIL TO COMPLY WITH THE SWPPP, THE GENERAL CONTRACTOR WILL ASSUME ALL RESPONSIBILITY FOR COMPLIANCE.

SHOULD THE GENERAL CONTRACTOR FAIL TO COMPLY WITH THE SWPPP, THE OWNER WILL ASSUME ALL RESPONSIBILITY FOR COMPLIANCE.

SWPPP AMENDMENTS

THE CONTRACTOR IS RESPONSIBLE FOR DOCUMENTING CHANGES TO THE SWPPP VIA MARKUPS ON THE ON–SITE SWPPP DOCUMENTS. SHOULD ADDITIONAL MEASURES BE NEEDED BEYOND THE CAPABILITY OF THE CONTRACTOR, THE CONTRACTOR WILL CONTACT THE SWPPP DESIGNER FOR ASSISTANCE.

PERMIT TERMINATION CONDITIONS

THE CONTRACTOR WILL BE A CO–PERMITEE DURING THE CONSTRUCTION OF THE PROJECT. AFTER DESIGNATED SURFACING OF THE PROJECT HAS BEEN COMPLETED, 70% PERMANENT VEGETATIVE COVER HAS BEEN ESTABLISHED OVER THE PERVIOUS AREAS OF THE SITE, THE PERMANENT STORMWATER TREATMENT FACILITIES ARE OPERATING AS DESIGNED AND HAVE BEEN RETURNED TO DESIGN CAPACITY, ANY SEDIMENT HAS BEEN REMOVED FROM STORMWATER CHANNELS, TEMPORARY EROSION AND SEDIMENT CONTROL DEVICES HAVE BEEN REMOVED, DATED PHOTOGRAPHS OF THE SITE SHOWING FINAL STABILIZATION HAVE BEEN SUBMITTED TO THE OWNER, THE OWNER WILL, WITHIN 30 DAYS, SUBMIT THE NOTICE OF TERMINATION (NOT) AND DATED PHOTOGRAPHS TO THE MPCA.

NOTIFICATION OF THE MPCA IN CASE OF POLLUTION

IT IS THE DUTY OF THE CONTRACTOR TO NOTIFY THE MPCA IMMEDIATELY OF ANY DISCHARGE, ACCIDENTAL OR OTHERWISE, OF ANY SUBSTANCE OR MATERIAL UNDER HIS CONTROL WHICH, IF NOT RECOVERED, MAY CAUSE POLLUTION OF WATERS OF THE STATE, AND THE CONTRACTOR SHALL RECOVER AS RAPIDLY AND THOROUGHLY AS POSSIBLE SUCH SUBSTANCE OR MATERIAL AND TAKE IMMEDIATELY SUCH OTHER ACTION AS MAY BE REASONABLY POSSIBLE TO MINIMIZE OR ABATE POLLUTION OF WATERS OF THE STATE CAUSED THEREBY.

SEDIMENT LEAVING THE CONSTRUCTION SITE AND ENTERING A PUBLIC WATER IS CAUSE FOR NOTIFICATION.

PETROLEUM SPILLS LARGER THAN 5 GALLONS MUST BE REPORTED.

MINNESOTA DUTY OFFICER: 800-422-0798

DISCUSSION OF INFILTRATION VIABILITY

SOILS AT THE SITE ARE GENERALLY POORLY DRAINED, RESULTING IN SEASONALLY SATURATED SOILS NEAR THE SURFACE. THIS ELEVATED WATER TABLE COMBINED WITH SITE GRADING REQUIREMENTS PRECLUDES INFILTRATION AS A METHOD OF STORMWATER TREATMENT AS IT IS INFEASIBLE TO OBTAIN 3' OF VERTICAL SEPARATION OF BETWEEN POTENTIAL TREATMENT DEVICES AND SEASONALLY SATURATED SOILS.

IRRIGATION IS PROPOSED AS A MEASURE OF VOLUME CONTROL.

QUALIFIED SWPPP PERSONNEL INFORMATION

CERTIFIED SWPPP DESIGNER:
JOHN H. SCHULTE V, PE
JONES HAUGH & SMITH, INC.
515 SOUTH WASHINGTON AVE
ALBERT LEA, MN 56007
(507) 451–4598

DATES OF LAST TRAINING: 1/5/24 Expires 2027
CONTENT: U of M DESIGN OF CONSTRUCTION SWPPP

CERTIFIED EROSION CONTROL SUPERVISOR:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____
DATES OF LAST TRAINING: _____
CONTENT: _____

CERTIFIED SWPPP INSTALLER:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____
DATES OF LAST TRAINING: _____
CONTENT: _____

CERTIFIED SWPPP INSPECTOR:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____
DATES OF LAST TRAINING: _____
CONTENT: _____

GRADING CONTRACTOR:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____

OTHER LAND DISTURBING CONTRACTOR:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____

OTHER LAND DISTURBING CONTRACTOR:

NAME: _____
FIRM: _____
ADDRESS: _____
_____
PHONE: _____

REV.	BY	DATE	REVISION DESCRIPTION
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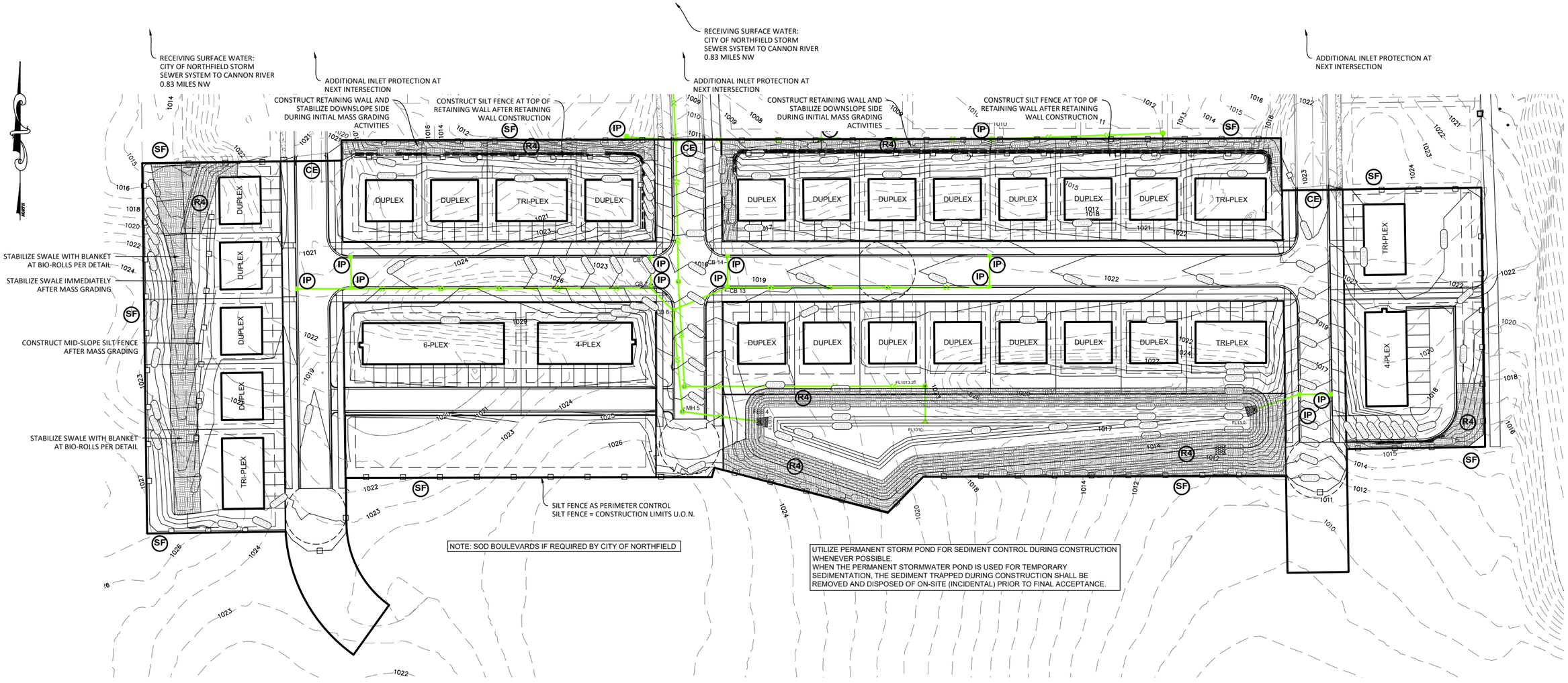
JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: BJJ
Date: 5/14/26
DWG: 23–259

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
John H. Schulte V
License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
SWPPP NARRATIVE

SHEET 2 OF 24



LEGEND

- —848— EXISTING ELEVATION CONTOUR LINE
- **—848—** PROPOSED ELEVATION CONTOUR LINE
- (IP) CATCH BASIN INLET PROTECTION
- (CE) CONSTRUCTION ENTRANCE
- (SF) SILT FENCE - MACHINE SLICED
- (R4) RAPID STABILIZATION METHOD 4

TURF ESTABLISHMENT

1. PROVIDE A MINIMUM OF 6" OF TOPSOIL OVER ALL AREAS DESIGNATED TO RECEIVE TURF.
2. STABILIZE ALL OTHER DISTURBED AREAS OF THE SITE NOT SHOWN TO RECEIVE SPECIAL TREATMENT ON THIS PLAN IN ACCORDANCE WITH THE LANDSCAPE PLAN OF IF NOT SHOWN, WITH HYDROSEED MIXTURE AS MNDOT RAPID STABILIZATION METHOD 3 WITH:
   SEED MIX 25-131 @ 100 LB/ACRE,
   FERTILIZER 22-5-10 @ 300 LBS/ACRE
   TYPE 1 HYDRAULIC SOIL STABILIZER

WINTER STABILIZATION

IN THE EVENT THAT FINAL STABILIZATION OF THE SITE HAS NOT OCCURRED PRIOR TO WINTER CONDITIONS, THE FOLLOWING ACTIVITIES WILL OCCUR:

1. STABILIZE ALL AREAS DESIGNATED TO RECEIVE TURF WITH SODDING OR SEED MIX 22-112 @ 40 LB/ACRE WITH SEED MIX 21-112 (WINTER WHEAT) @ 100 LB/ACRE, AND TYPE 1 MULCH FROZEN TO GROUND WITH WATER
2. SPOT CHECK AND STABILIZE ALL AREAS ALREADY STABILIZED WITH THE ABOVE

REQUIRED BMP INSPECTION & MAINTENANCE SCHEDULE

Item	Frequency
PERIMETER SILT FENCE/BIO-ROLL	WEEKLY OR AFTER EACH 0.5" RAIN EVENT. CLEAN WHEN DEVICES REACH 50% CAPACITY
INLET PROTECTION	WEEKLY OR AFTER EACH 0.5" RAIN EVENT. CLEAN WHEN DEVICES REACH 50% CAPACITY
ROCK CONSTRUCTION ENTRANCE	WEEKLY OR AFTER EACH 0.5" RAIN EVENT
STREET SWEEPING	DAILY
PERMANENT STABILIZATION	WEEKLY OR AFTER EACH 0.5" RAIN EVENT UNTIL 100% OF STABILIZED AREA REACHES 70% COVERAGE

50 0 50
HORIZ. SCALE FEET

DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

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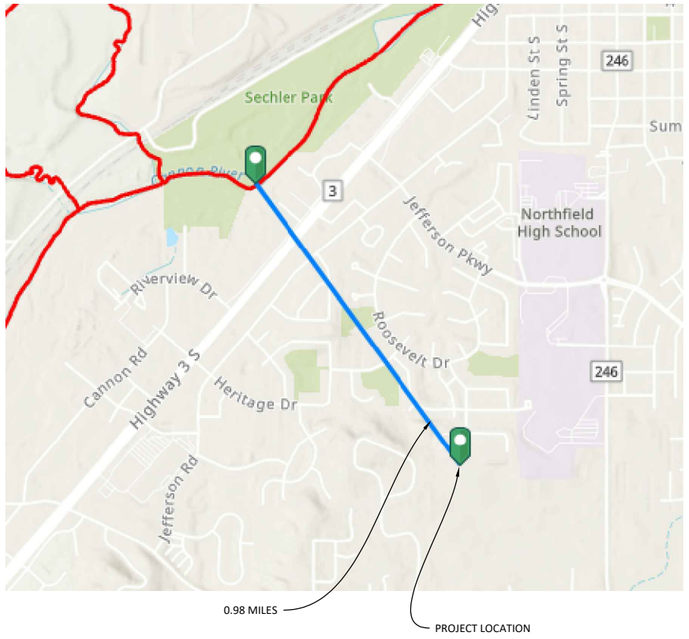
HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
SWPPP & GRADING PLAN

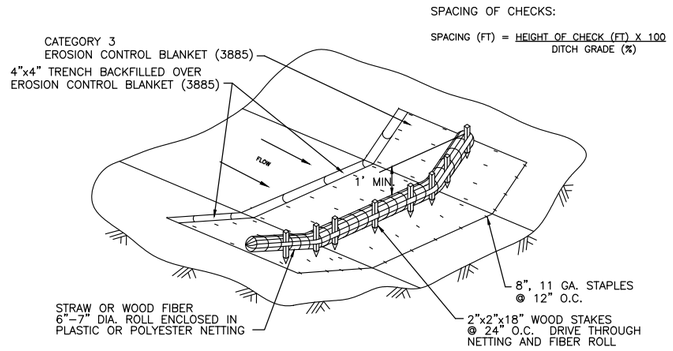
SHEET 3 OF 24

SOILS MAP

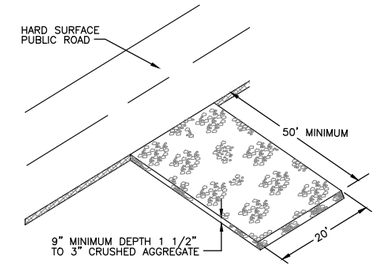


MAP OF SURFACE WATERS



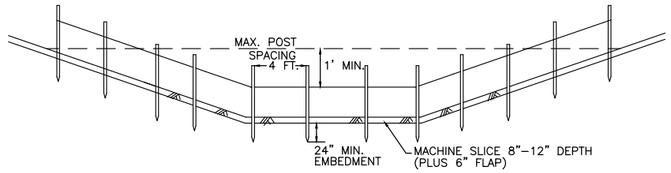


BIO–ROLL BLANKET AND/OR BIO–ROLL DITCH CHECK



NOTES:
1. FILTER FABRIC SHALL BE PLACED UNDER ROCK TO STOP MIGRATION OF MUD THROUGH ROCK.
2. ENTRANCE MUST BE REGULARLY MAINTAINED TO PREVENT SEDIMENTATION ON PUBLIC ROADWAYS. FUGITIVE ROCK WILL BE REMOVED FROM ADJACENT ROADWAYS DAILY OR MORE FREQUENTLY AS NECESSARY.

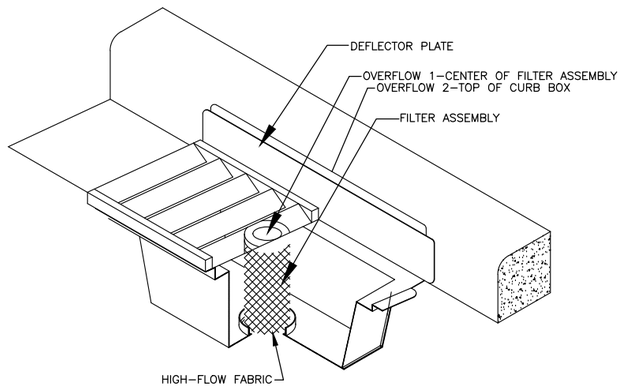
EROSION CONTROL PROTECTION AT CONSTRUCTION ACCESS



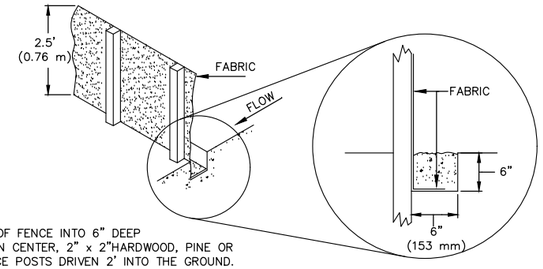
SPACING OF CHECKS:
SPACING (FT) = HEIGHT OF CHECK (FT) X 100 / DITCH GRADE (%)

NOTE:
REMOVE SEDIMENT OR REPLACE FENCE WHEN SEDIMENT REACHES 1/3 HEIGHT OF FENCE

SILT FENCE DITCH CHECK



CATCH BASIN INLET PROTECTION



NOTES:
1. PLACE BOTTOM EDGE OF FENCE INTO 6" DEEP
2. POSTS SHALL BE 4' ON CENTER, 2" x 2"HARDWOOD, PINE OR STANDARD STEEL FENCE POSTS DRIVEN 2' INTO THE GROUND.

ALTERNATE PERIMETER CONTROL METHODS, INCLUDING TOPSOIL BERMS WILL FOLLOW MNDOT SPECIFICATIONS INCLUDING:

TOPSOIL
TOPSOIL EXCAVATION MATERIAL PER 2105, TRAPEZOID SHAPE WITH 7 FT. BASE WIDTH, MIN. HEIGHT 2 FT., AND 2:1 (V:H) SIDE SLOPES.

EROSION CONTROL FENCE
(MACHINE SLICED)

NOT TO SCALE

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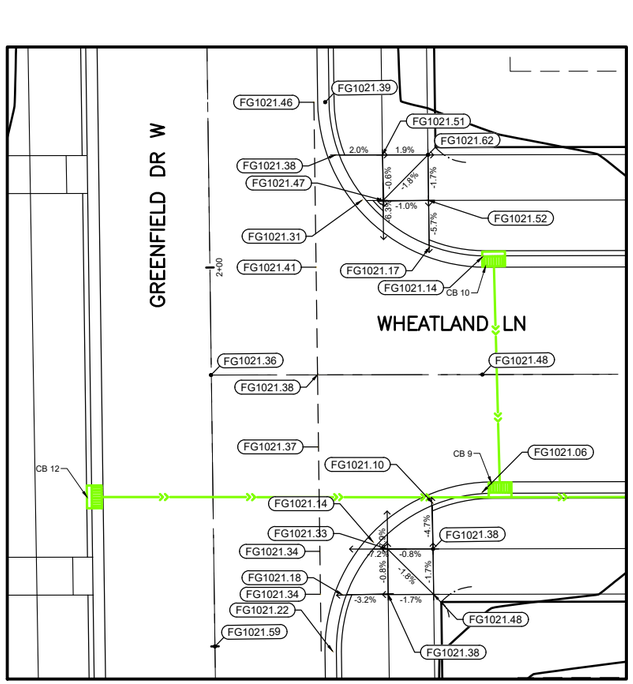
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Date: 5/14/26
DWG: 23–259

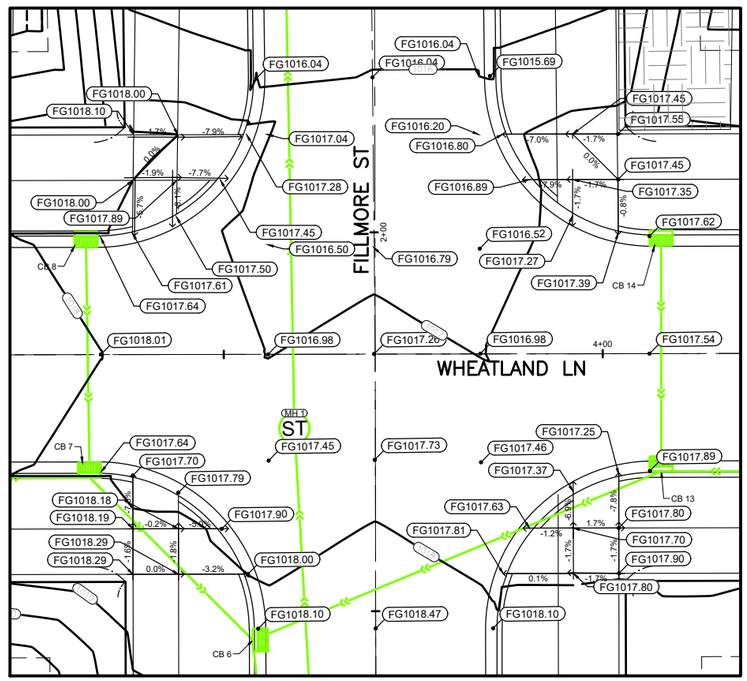
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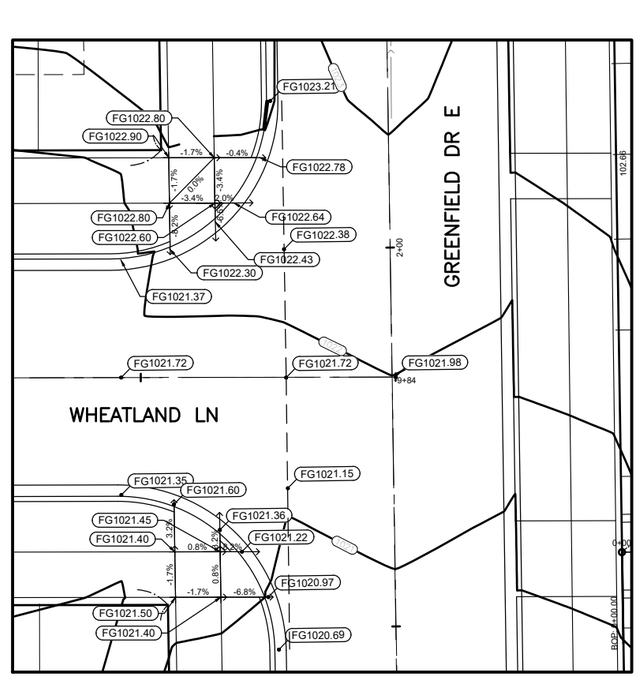
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
SWPPP DETAILS

SHEET 4 OF 24







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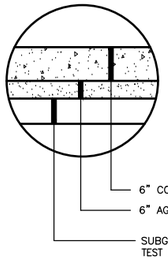
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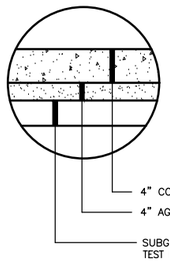
John H. Schulte V
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
TYPICAL SECTION & DETAILS

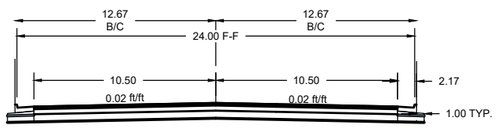
SHEET 5 OF 24



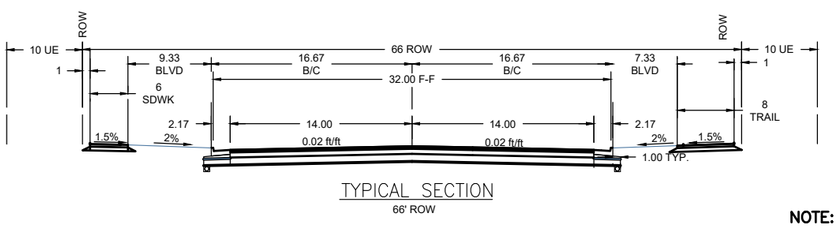
DRIVEWAY SECTION AT SIDEWALK



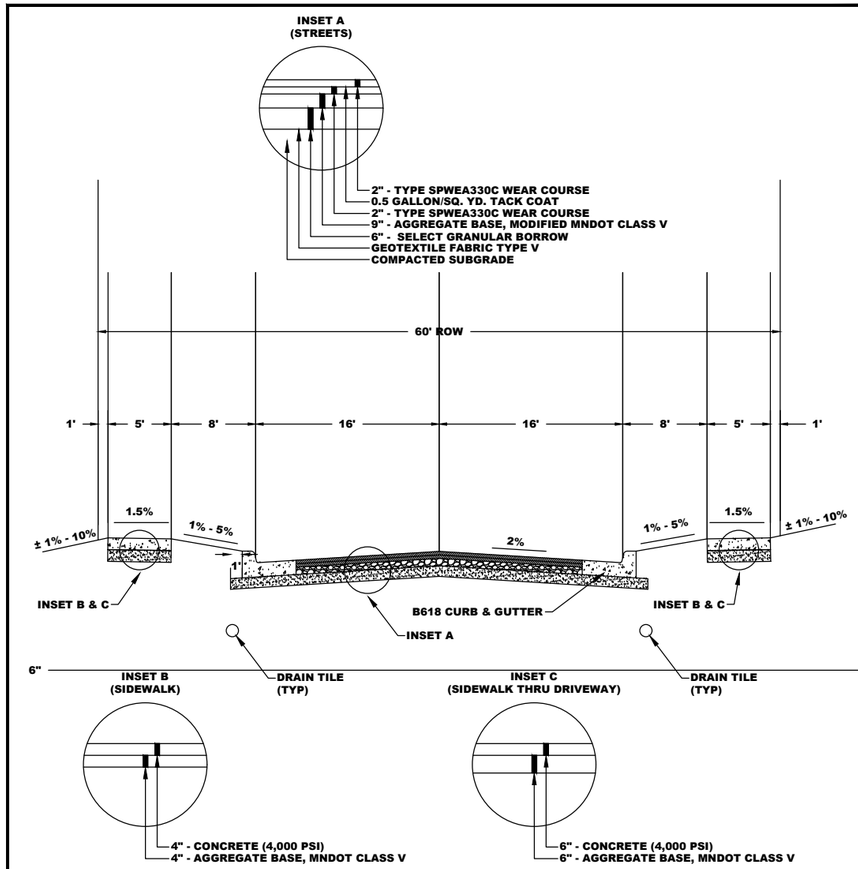
CONCRETE WALK SECTION



TYPICAL SECTION
PRIVATE ROAD



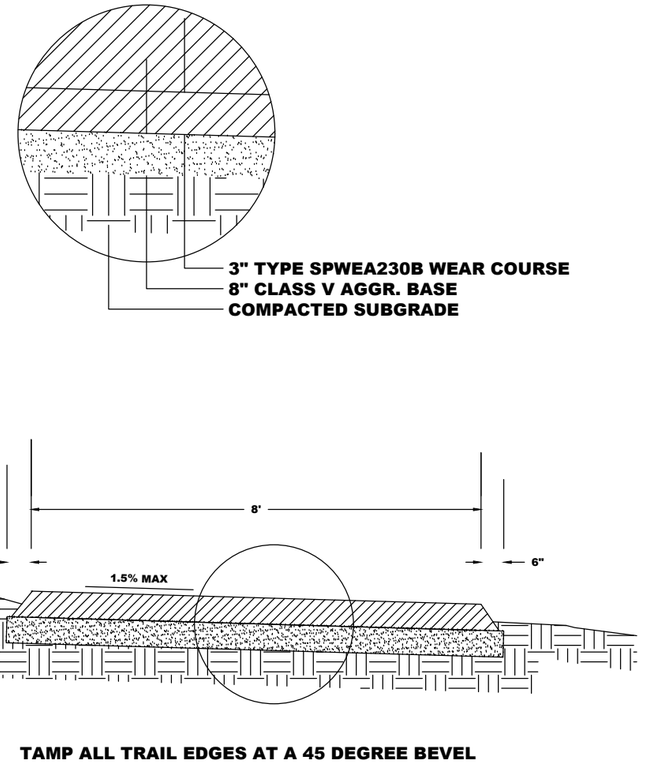
TYPICAL SECTION
66' ROW



NOTES:
1. SIDEWALK MAY BE ELIMINATED ON ONE OR BOTH SIDES OF THE STREET IN SOME AREAS.
2. SUBGRADE MUST BE APPROVED BY THE CITY ENGINEER.
3. SEE PROJECT PLANS AND SPECIFICATIONS FOR STREET WIDTH AND STREET SECTION.
4. TYPICAL SECTION TO BE CONFIRMED WITH SITE SPECIFIC GEOTECHNICAL REPORT.

DRAWN BY: B.D.H. | NOT TO SCALE | UPDATED: 2025

	ENGINEERING DIVISION	**PLATE NO: STR-5** **TYPICAL STREET SECTION**



TAMP ALL TRAIL EDGES AT A 45 DEGREE BEVEL

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	ENGINEERING DIVISION	**PLATE NO: STR-9** **BITUMINOUS PATHWAY**

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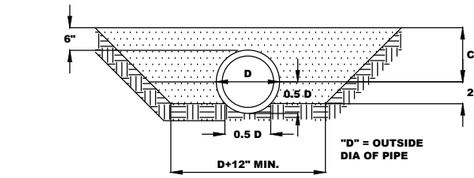
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 6 OF 24



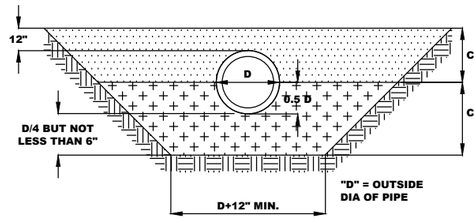
COMPACTED BACKFILL

2000# CONCRETE

LOAD FACTOR 2.3

CLASS A

CONCRETE BACKFILL TO 0.5 OF OUTSIDE DIAMETER WITH SHAPED BEDDING



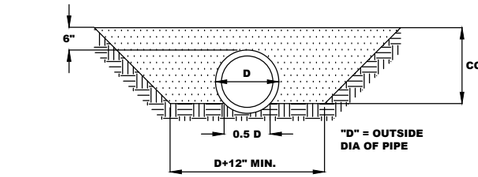
COMPACTED BACKFILL

COARSE FILTER AGGREGATE MNDOT SPEC 3149H

LOAD FACTOR 2.3

CLASS B

HAND SHAPED FROM ANGULAR BEDDING MATERIAL

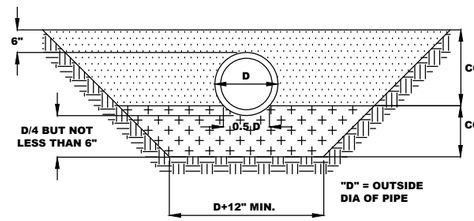


COMPACTED BACKFILL

LOAD FACTOR 1.5

CLASS C - 1

HAND SHAPED FROM FIRM UNDISTURBED SOIL



COMPACTED BACKFILL

COARSE FILTER AGGREGATE MNDOT SPEC 3149H

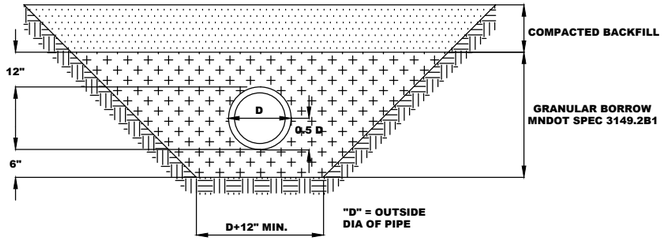
LOAD FACTOR 1.5

CLASS C - 2

HAND SHAPED FROM ANGULAR BEDDING MATERIAL

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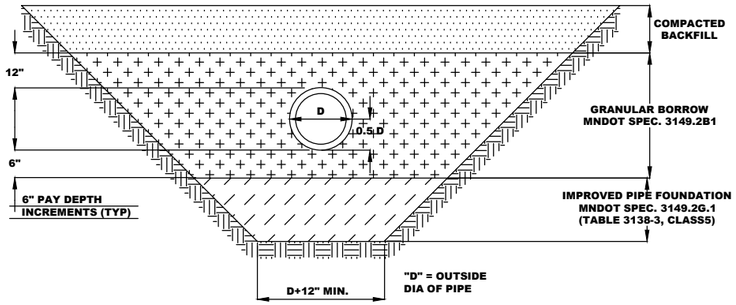
	ENGINEERING DIVISION	**PLATE NO: BED-1** **BEDDING METHODS FOR RCP OR DIP**



COMPACTED BACKFILL

GRANULAR BORROW MNDOT SPEC 3149.2B1

PIPE FOUNDATION & BEDDING IN GOOD SOILS



COMPACTED BACKFILL

GRANULAR BORROW MNDOT SPEC. 3149.2B1

IMPROVED PIPE FOUNDATION MNDOT SPEC. 3149.2G.1 (TABLE 3138-3, CLASS5)

PIPE FOUNDATION & BEDDING IN POOR SOILS

DRAWN BY: B.D.H. NOT TO SCALE UPDATED: 2025

	ENGINEERING DIVISION	**PLATE NO: BED-2** **BEDDING METHODS FOR PVC**

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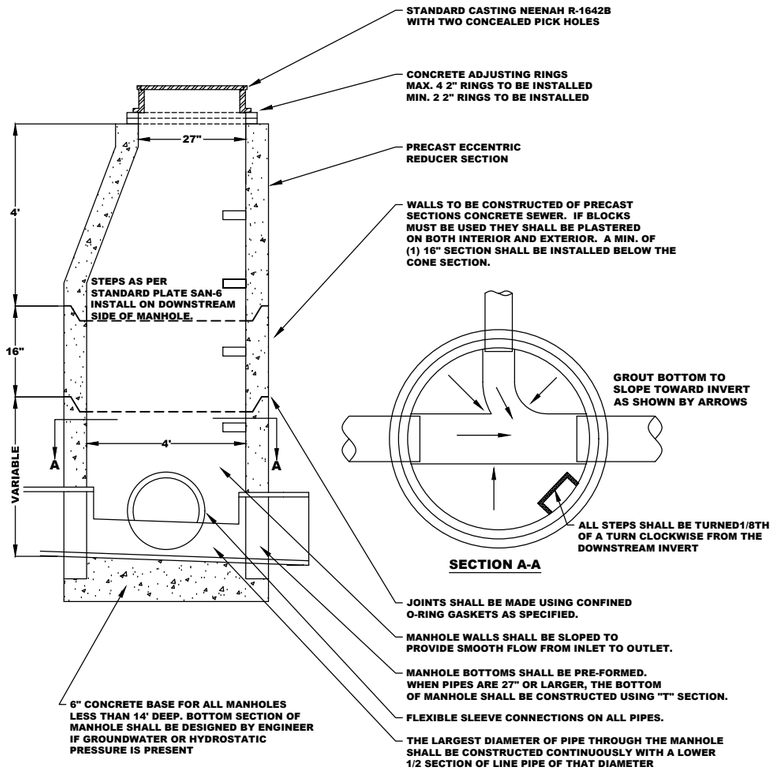
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License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 7 OF 24

NOTES:
1. MATERIALS USED SHALL CONFORM TO SANITARY AND STORM SEWER SECTION OF THESE SPECIFICATIONS.
2. REDUCER SECTION TO BE PRECAST ECCENTRIC TYPE WITH ON SIDE FACE RELATIVE TO MAINLINE THRU MANHOLE.
3. STANDARD CASTING SHALL BE IDENTIFIED AS EITHER "SANITARY SEWER" OR "STORM SEWER", BY IMPRINTING THOSE WORDS ON THE COVER IN LETTERS TWO (2) INCHES IN HEIGHT.

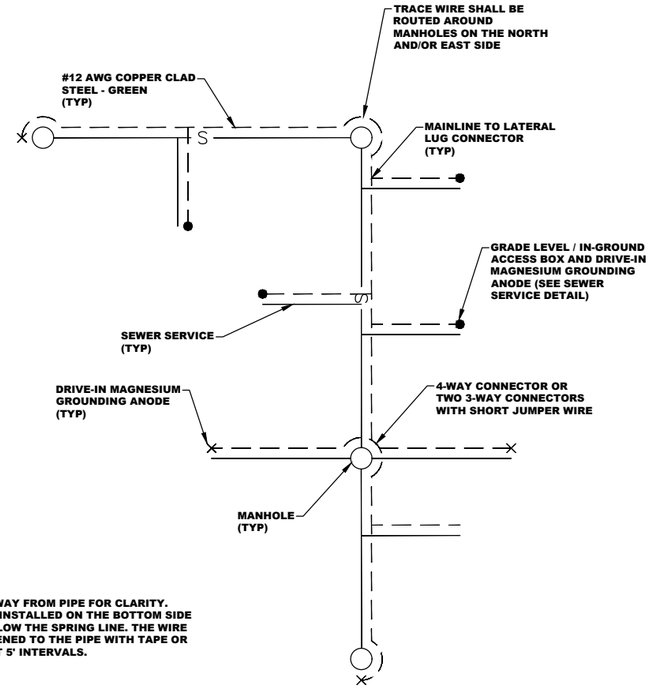


DRAWN BY: B.D.H. | NOT TO SCALE | UPDATED: 2025

ENGINEERING DIVISION

PLATE NO: SAN-1

STANDARD MANHOLE



NOTES:
1. WIRE SHOWN AWAY FROM PIPE FOR CLARITY. WIRE SHALL BE INSTALLED ON THE BOTTOM SIDE OF THE PIPE BELOW THE SPRING LINE. THE WIRE SHALL BE FASTENED TO THE PIPE WITH TAPE OR PLASTIC TIES AT 5' INTERVALS.

TRACE WIRE PLAN (SEWER)

DRAWN BY: B.D.H. | NOT TO SCALE | UPDATED: 2025

ENGINEERING DIVISION

PLATE NO: SER-8

TRACE WIRE SAMPLE SEWER PLAN

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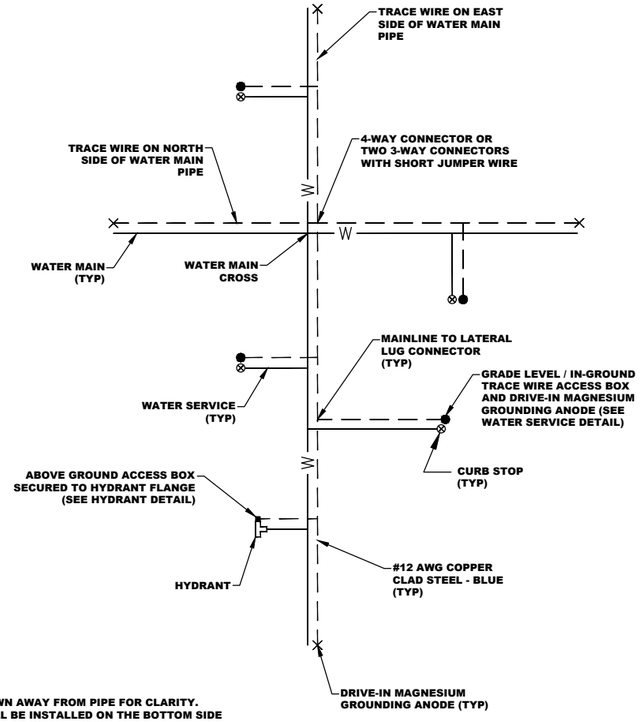
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DRAWN: JHS5
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 8 OF 24

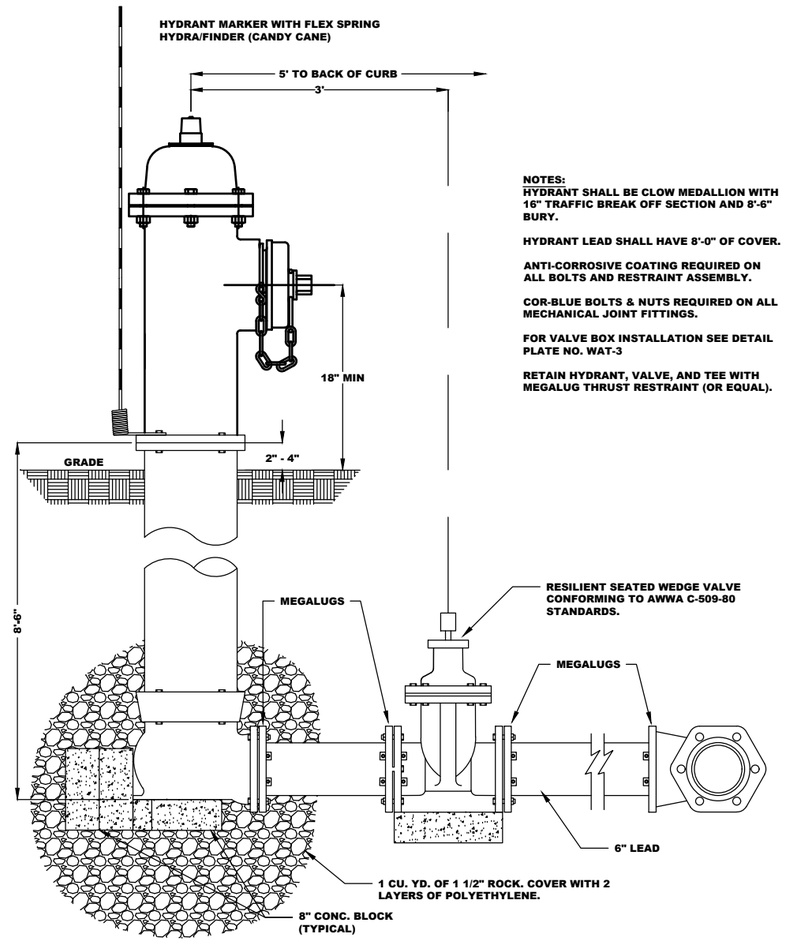


NOTES:
1. WIRE SHOWN AWAY FROM PIPE FOR CLARITY. WIRE SHALL BE INSTALLED ON THE BOTTOM SIDE OF THE PIPE BELOW THE SPRING LINE. THE WIRE SHALL BE FASTENED TO THE PIPE WITH TAPE OR PLASTIC TIES AT 5' INTERVALS.

TRACE WIRE PLAN (WATER)

DRAWN BY: B.D.H. | NOT TO SCALE | UPDATED: 2025

	ENGINEERING DIVISION	**PLATE NO: SER-9** **TRACE WIRE SAMPLE WATER PLAN**



NOTES:
HYDRANT SHALL BE CLOW MEDALLION WITH 16" TRAFFIC BREAK OFF SECTION AND 8'-6" BURY.

HYDRANT LEAD SHALL HAVE 8'-0" OF COVER.

ANTI-CORROSIVE COATING REQUIRED ON ALL BOLTS AND RESTRAINT ASSEMBLY.

COR-BLUE BOLTS & NUTS REQUIRED ON ALL MECHANICAL JOINT FITTINGS.

FOR VALVE BOX INSTALLATION SEE DETAIL PLATE NO. WAT-3

RETAIN HYDRANT, VALVE, AND TEE WITH MEGALUG THRUST RESTRAINT (OR EQUAL).

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	ENGINEERING DIVISION	**PLATE NO: WAT-2** **HYDRANT INSTALLATION**

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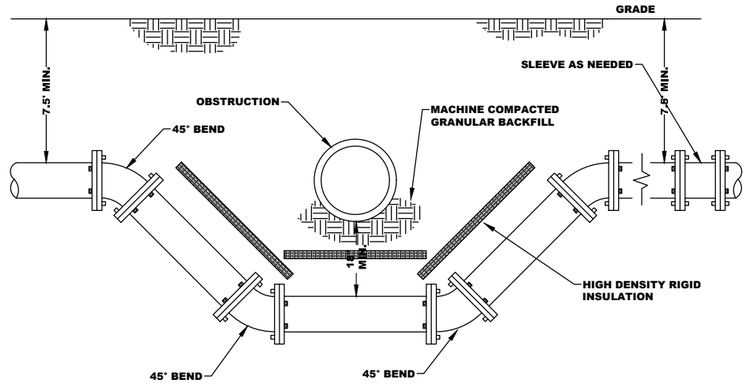
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 9 OF 24



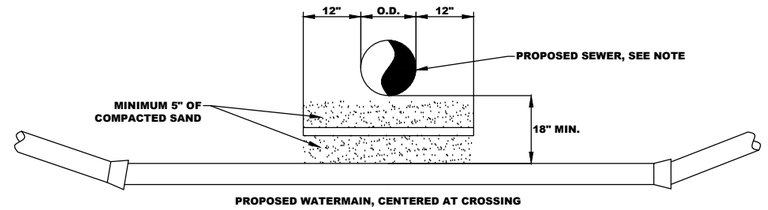
NOTES:
1. USE MEGALUG THRUST RESTRAINTS ON ALL FITTINGS
2. ON NEW CONSTRUCTION: RESTRAIN A MINIMUM OF TWO PIPE JOINTS (40LF) LEFT AND RIGHT OF THE OFFSET PIPING
3. SEE PLATE NO. WAT-1 TO DETERMINE THE REQUIRED CONCRETE THRUST BLOCKING
4. CORE-BLUE BOLTS & NUTS REQUIRED ON ALL MECHANICAL JOINT FITTINGS

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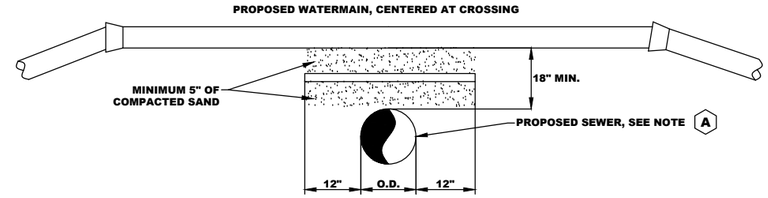
ENGINEERING DIVISION

PLATE NO: WAT-5

WATERMAIN OFFSET



WATERMAIN UNDER SEWER



WATERMAIN OVER SEWER

(A) INSTALL ONE LENGTH OF WATERMAIN PIPE, WITH THE APPROPRIATE MATERIAL ADAPTORS, CENTERED AT CROSSING.

NOTE: WHEN WATERMAIN COVER IS LESS THAN 7.5', INSTALL PIPE UNDER SANITARY SEWER.

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ENGINEERING DIVISION

PLATE NO: WAT-6

WATERMAIN AND SEWER CROSSING

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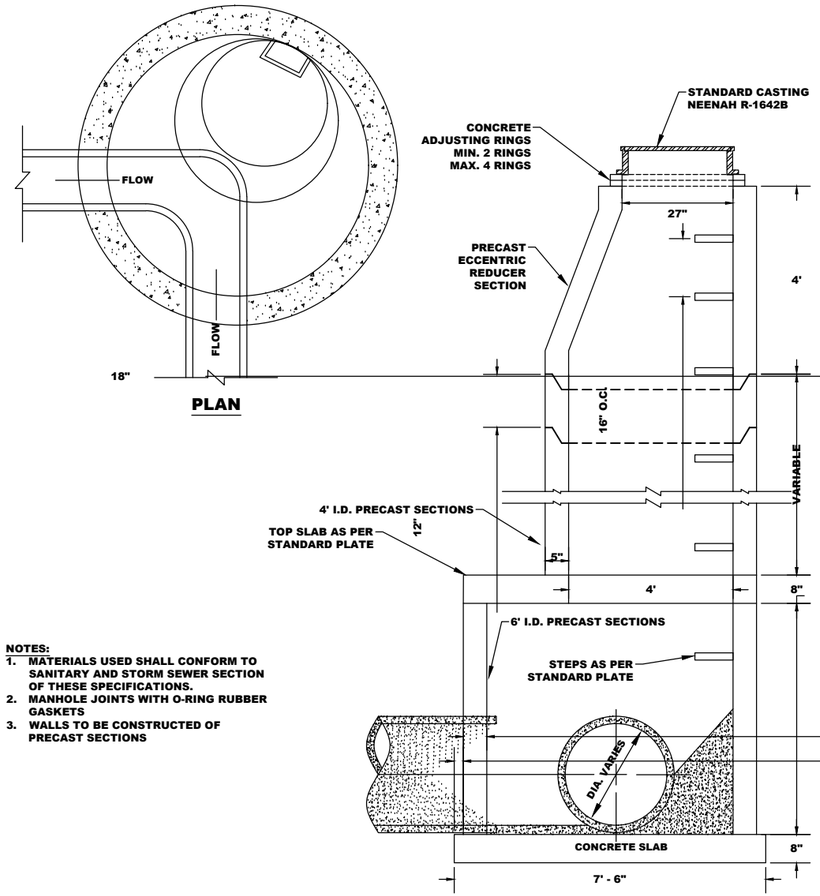
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License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 10 OF 24



NOTES:

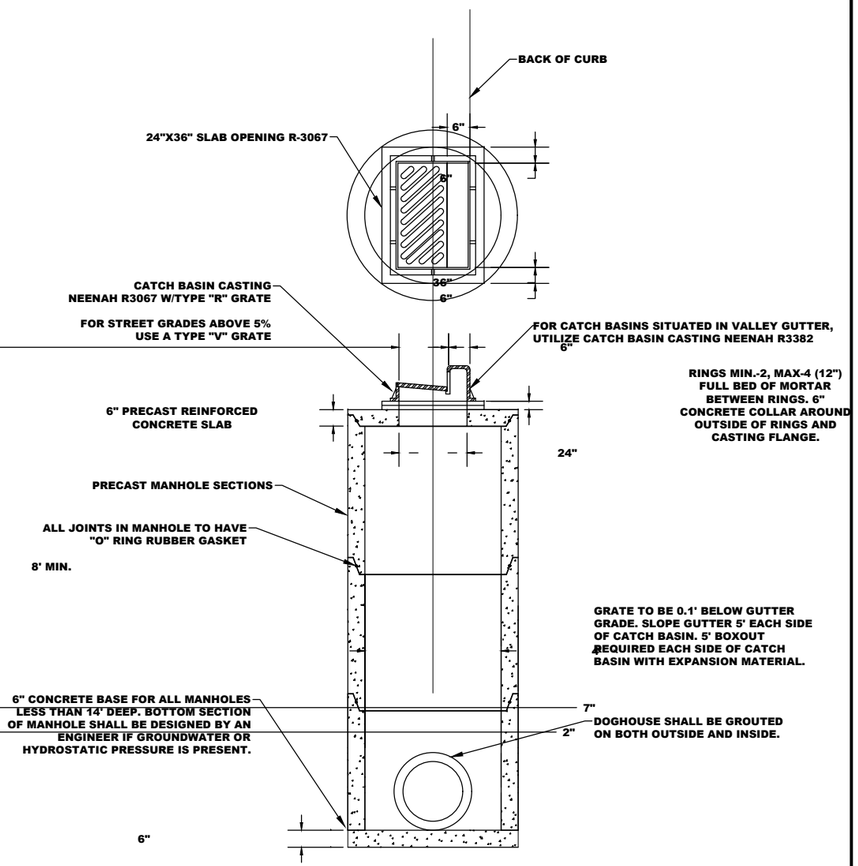
1. MATERIALS USED SHALL CONFORM TO SANITARY AND STORM SEWER SECTION OF THESE SPECIFICATIONS.
2. MANHOLE JOINTS WITH O-RING RUBBER GASKETS
3. WALLS TO BE CONSTRUCTED OF PRECAST SECTIONS

DRAWN BY: B.D.H. NOT TO SCALE UPDATED: 2025

ENGINEERING DIVISION

PLATE NO: STM-1

TOP SLAB MANHOLE 48" DIAMETER RISER SECTION



DRAWN BY: B.D.H. NOT TO SCALE UPDATED: 2025

ENGINEERING DIVISION

PLATE NO: STM-2

CATCH BASIN MANHOLE

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Date: 5/14/26
DWG: 23-259

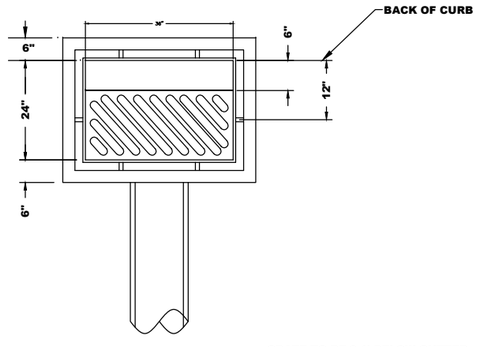
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

John H. Schulte V
License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 11 OF 24

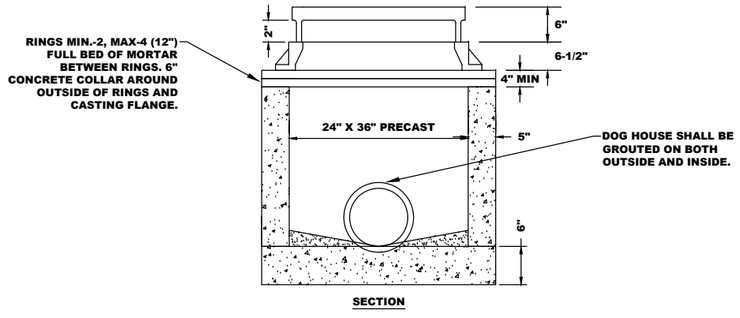
NOTES:
1. PROVIDE INVERTS FOR 4" PE TILE 30" BELOW T.C. WHERE NEEDED.
2. LOCATIONS TO BE VERIFIED DURING SHOP DRAWING REVIEW.



PLAN

CATCH BASIN CASTING: NEENAH R-3067 OR EQUAL, WITH TYPE "R" GRATE FOR STREET GRADES UP TO 5%. STREET GRADES 5% OR GREATER, USE A TYPE "V" GRATE.

GRATE TO BE 0.1' BELOW GUTTER GRADE. SLOPE GUTTER 5' EACH SIDE OF CATCH BASIN. 5' BOXOUT REQUIRED EACH SIDE OF CATCH BASIN WITH EXPANSION MATERIAL.

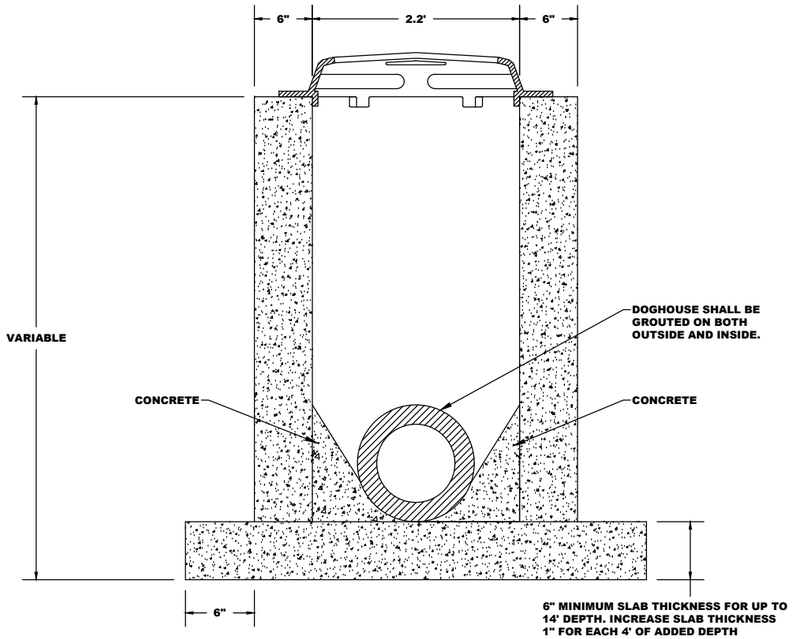


SECTION

DRAWN BY: B.D.H. NOT TO SCALE UPDATED: 2025

	ENGINEERING DEPARTMENT	**PLATE NO: STM-3** **DRAINAGE STRUCTURE DESIGN SPECIAL**

USE BEHIVE GRATE W/FRAME
NEENAH NO. R-4342 OR APPROVED EQUAL



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	ENGINEERING DIVISION	**PLATE NO: STM-4** **CATCH BASIN WITH BEEHIVE STYLE CASTING**

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NOT TO SCALE

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

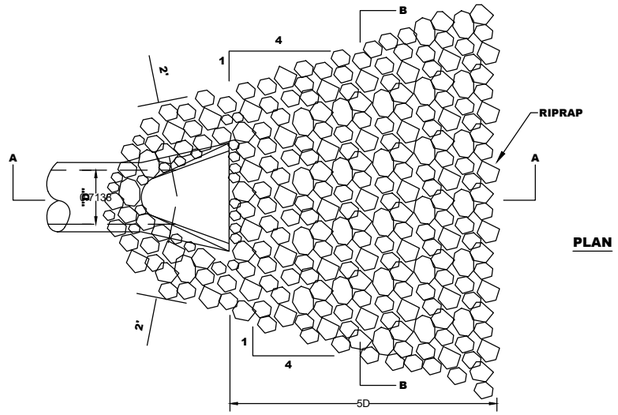
JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: BJJ
Date: 5/14/26
DWG: 23-259

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John H. Schulte V
License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 12 OF 24



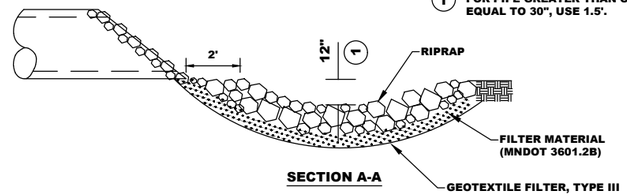
PLAN

RIP RAP AND FILTER BLANKET REQUIRMENTS

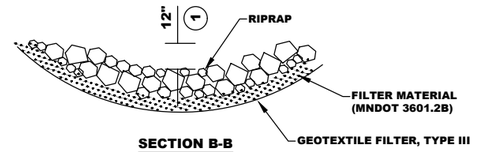
PIPE "D"	RIPRAP	FILTER BLANKET (MNDOT 3733)
12" TO 24"	8 TO 12 C.Y. CL.2	8 TO 12 S.Y., TYPE III
27" TO 33"	14 TO 20 C.Y. CL.3	14 TO 20 S.Y., TYPE IV
36" TO 48"	23 TO 38 C.Y. CL.3	23 TO 38 S.Y., TYPE IV
54" AND UP	62 C.Y. AND UP CL.4	40 S.Y. AND UP, TYPE IV

(ONE C.Y. = APPROX. 2,800 LBS.)

(1) FOR PIPE GREATER THAN OR EQUAL TO 30", USE 1.5'.



SECTION A-A



SECTION B-B

DRAWN BY: B.D.H. NOT TO SCALE UPDATED: 2025

	ENGINEERING DIVISION	PLATE NO: STM-9 RIPRAP AT OUTLETS

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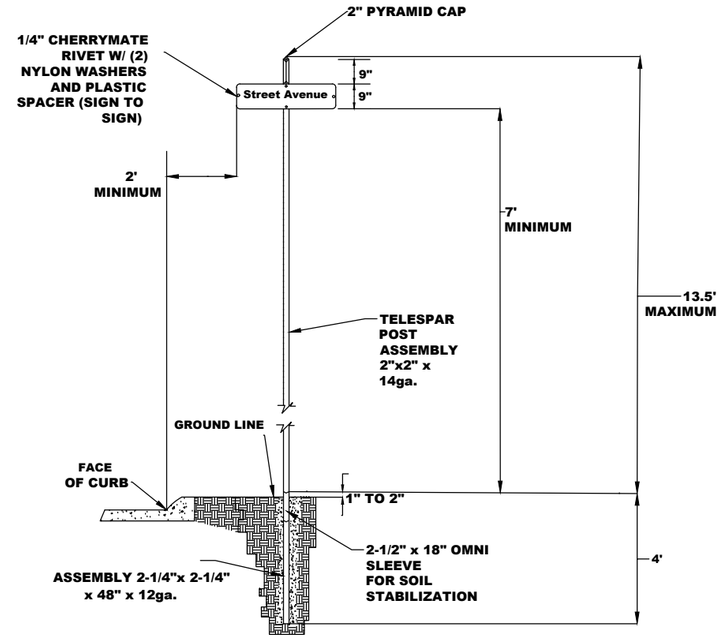
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 13 OF 24



STREET SIGN SPECIFICATIONS

MATERIAL

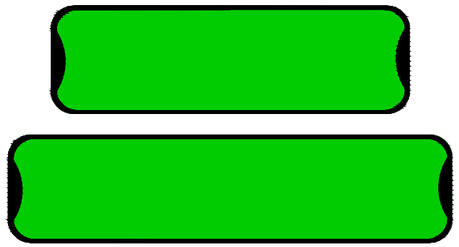
-TELESPAR QUICK PUNCH 10' AND 12' POST
-48" x 2 1/4" x 2 1/4" x 12ga. ANCHOR ASSEMBLY
-2 1/2" x 2 1/2" x 18" x 12ga. OMNI SLEEVE AT ALL STREET BLADE INSTALLATIONS
-12' x 2" x 2" x 14ga. POST AT ALL STOP AND STREET BLADE INSTALLATIONS
-STREET BLADE: 2 7/16" HOLE PUNCHES ABOUT 1" FROM EDGE OF SIGN FOR TELESPAR POST AND CENTER ENDS FOR CHERRYMATE RIVET
-STREET BLADES ALUMINUM .080 9" HIGH WITH HIP GREEN FILM WITH WHITE TEXT, 6" LETTERS AND NUMBERS STARTING WITH CAPITAL LETTER AND THEN LOWER CASE
-ALL POSTS CAPPED WITH 2" PYRAMID AND TELESPAR HARDWARE TO BE USED
-TELESRAR POST ASSEMBLY SHOULD BE USED ONLY FOR STREET NAME SIGN POST INSTALLATION, OR SURFACE-MOUNT INSTALLATION (I.E CONCRETE MEDIAN) WITH APPLICABLE KLEEN BREAK ASSEMBLY. ALL SIGN INSTALLATIONS THAT DO NOT INCLUDE STREET NAME SIGNS SHALL BE INSTALLED ON FLAT-BLACK CHANNEL POSTS.
-ANY SIGN TYPE INSTALLED ON CONCRETE SURFACE = SQUARE TELESPAR POST INSTALLATION WITH KLEEN BREAK ASSEMBLY

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ENGINEERING DIVISION

PLATE NO: STR-11

STREET NAME SIGN POST DETAIL



SHIP TO: NORTHFIELD

SERIES MAY BE MODIFIED TO B SERIES TO KEEP BLADES AT MAX 48"

Spec: 9XL, S/F, HIP, 080, WG, E450, E450, 6", UL
City: [redacted] Plate size: 9"

[X] SEND ART FOR APPROVAL

Reflective Sheeting	Type	Plate Length
[ ] Engineer Grade	[X] Single face	[X] Minimum Length 24 Inches
[X] Hi-Intensity	[ ] Double Face	[X] Maximum Length 48 Inches

Size	Punching	Logo
[ ] 6" Flat .080	[ ] None	[ ] Yes
[X] 9" Flat .080	[ ] E-Series	[ ] Right Side of Plate
[ ] 12" Flat	[X] Telespar (2-7/16" Holes, 2-5/16" holes, 1/2" FE)	[ ] Left Side of Plate
[ ] 9" Extruded	[ ] Other:	[X] No

Border	Letter Size		Letter Format
[ ] None	[ ] All 4"	[ ] 4" W/2" Superscript	[ ] Upper Case
[X] E-Series	[ ] All 6"	[ ] 5" W/2-1/2" Superscript	[X] Upper/Lower Case
[ ] 3/8" Border	[ ] 4" W/2" Suf/Pre	[X] 6" W/3" PS	
[ ] Arrows	[ ] 6" W/3" Suf/Pre	[ ] Other: (Specify Below)	
	[ ] 5" W/2-1/2" Suf/Pre		

Letter Series	Letter Color	Background Color	
[ ] B Series	[X] White	[ ] White	[ ] Brown
[X] C Series	[ ] Black	[X] Green	Other
[ ] Other	[ ] Other	[X] Blue (Private Streets)	[ ]

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ENGINEERING DIVISION

PLATE NO: STR-16

STANDARD STREET SIGN

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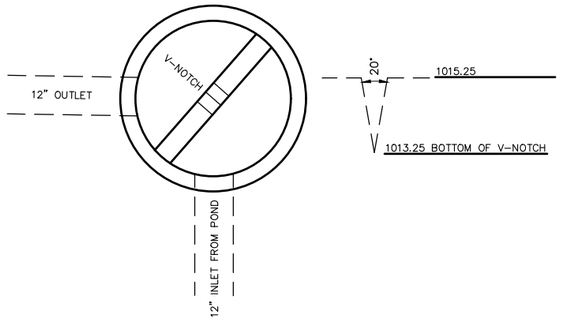
JONES HAUGH SMITH Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

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License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 14 OF 24

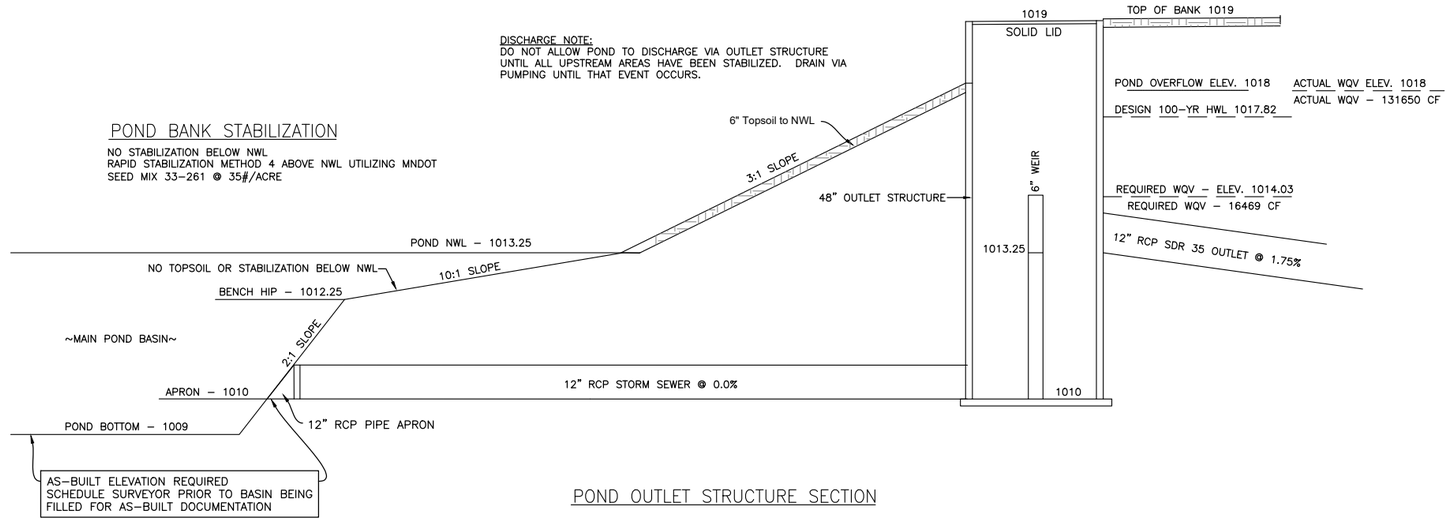


V-NOTCH WEIR OUTLET STRUCTURE PLAN

DISCHARGE NOTE:
DO NOT ALLOW POND TO DISCHARGE VIA OUTLET STRUCTURE UNTIL ALL UPSTREAM AREAS HAVE BEEN STABILIZED. DRAIN VIA PUMPING UNTIL THAT EVENT OCCURS.

POND BANK STABILIZATION

NO STABILIZATION BELOW NWL
RAPID STABILIZATION METHOD 4 ABOVE NWL UTILIZING MNDOT SEED MIX 33-261 @ 35#/ACRE



POND OUTLET STRUCTURE SECTION

New Sanitary Structure Table			
Structure Name	Structure Details	HEIGHT	SUMP/INV
MH A	RIM = 1021.32 SUMP = 1010.46 INV IN S= 1010.56 INV IN E= 1010.66 INV OUT N= 1010.46	10.86	1010.46
MH B	RIM = 1022.68 SUMP = 1011.58 INV IN S= 1011.68 INV OUT N= 1011.58	11.10	1011.58
MH C	RIM = 1022.72 SUMP = 1012.52 INV OUT W= 1012.52 INV OUT E= 1012.52	10.20	1012.52
MH D	RIM = 1017.26 SUMP = 1005.45 INV IN S= 1007.45 INV IN W= 1006.45 INV IN E= 1006.45 INV OUT N= 1005.45	11.81	1005.45
MH E	RIM = 1022.81 SUMP = 1012.89 INV IN S= 1013.09 INV OUT N= 1012.89	9.92	1012.89
MH F	RIM = 1020.35 SUMP = 1009.05 INV IN E= 1009.15 INV OUT W= 1009.05	11.30	1009.05
MH G	RIM = 1021.99 SUMP = 1003.61 INV IN S= 1003.71 INV OUT N= 1003.61 INV OUT W= 1010.79	18.38	1003.61
MH H	RIM = 1013.20 SUMP = 1004.25 INV IN S= 1004.35 INV OUT N= 1004.25	8.95	1004.25

PHASE 2 UTILITY CONSTRUCTION

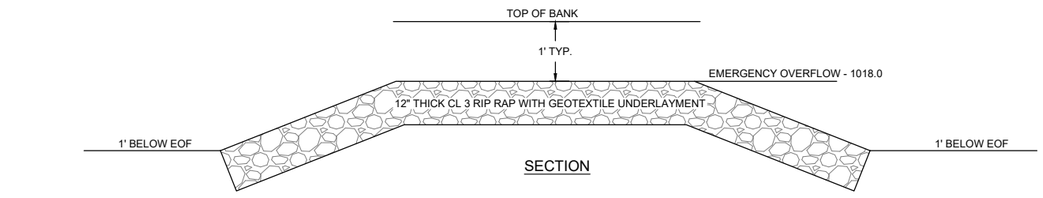
W STS Structure Table				
Structure Name	Design	Structure Details	HEIGHT	SUMP/INV
CB 6	4022-48	RIM = 1018.50 SUMP = 1009.78 INV IN NW= 1013.78 INV IN E= 1013.78 INV OUT S= 1013.78	8.72	1009.78
CB 7	4022-48	RIM = 1018.18 SUMP = 1013.90 INV IN W= 1013.93 INV IN N= 1013.90 INV OUT SE= 1013.93	4.28	1013.90
CB 8	SD-1	RIM = 1018.19 SUMP = 1014.10 INV OUT S= 1014.10	4.09	1014.10
CB 9	4022-48	RIM = 1021.63 SUMP = 1014.90 INV IN W= 1015.33 INV IN N= 1014.90 INV OUT E= 1015.18	6.73	1014.90
CB 10	SD-1	RIM = 1021.62 SUMP = 1016.40 INV OUT S= 1016.40	5.22	1016.40
CB 12	SD-1	RIM = 1021.55 SUMP = 1017.57 INV OUT E= 1017.57	3.98	1017.57
CB 13	4022-48	RIM = 1017.64 SUMP = 1014.40 INV IN N= 1014.40 INV IN E= 1014.40 INV OUT W= 1014.40	3.24	1014.40
CB 14	SD-1	RIM = 1017.66 SUMP = 1014.60 INV OUT S= 1014.60	3.06	1014.60
CB 15	SD-1	RIM = 1019.69 SUMP = 1015.10 INV IN N= 1015.69 INV OUT W= 1015.69	4.59	1015.10
CB 16	SD-1	RIM = 1019.67 SUMP = 1015.30 INV OUT S= 1015.80	4.37	1015.30
FES 4	24" FES	RIM = 1015.46 SUMP = 1013.25 INV IN W= 1013.25	2.21	1013.25
MH 5	4020-48	RIM = 1021.40 SUMP = 1013.48 INV IN N= 1013.48 INV OUT E= 1013.48	7.92	1013.48

PHASE 2 UTILITY CONSTRUCTION

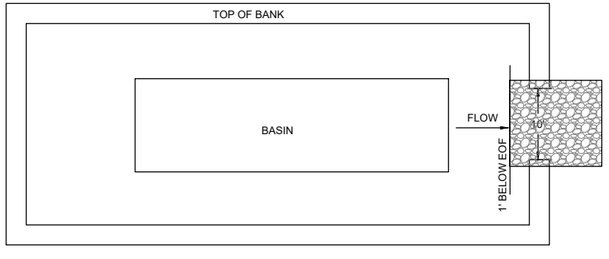
E STS Structure Table				
Structure Name	Design	Structure Details	HEIGHT	SUMP/INV
CB 18	SD-1	RIM = 1016.80 SUMP = 1009.30 INV IN E= 1013.40 INV OUT W= 1013.30	7.50	1009.30
CB 19	SD-1	RIM = 1016.79 SUMP = 1012.27 INV OUT W= 1013.60	4.52	1012.27
FES 17	15" FES	RIM = 1009.98 SUMP = ??? INV IN E= 1013.25	1014.01	???

PHASE 2 UTILITY CONSTRUCTION

POND OUTLET Structure Table				
Structure Name	Design	Structure Details	HEIGHT	SUMP/INV
EX MH	Unknown Dia	RIM = 1011.16 SUMP = 1003.80 INV IN S= 1003.80	7.36	1003.80
MH 1	4020-48	RIM = 1017.38 SUMP = 1006.49 INV IN S= 1006.49 INV OUT N= 1006.49	10.89	1006.49
MH 3	4020-48	RIM = 1020.69 SUMP = 1009.12 INV IN E= 1009.12 INV OUT N= 1009.12	11.57	1009.12
OS	SPECIAL - 60"	RIM = 1019.00 SUMP = 1013.25 INV OUT W= 1013.25	5.75	1013.25



SECTION



PLAN

RIP RAP EMERGENCY OVERFLOW

NOT TO SCALE

REV.	BY	DATE	REVISION DESCRIPTION
1	JHS5	4/14/26	ADD POND OUTLET STRUCTURE TABLE

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: BJV
Date: 5/14/26
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAILS

SHEET 15 OF 24

EARTHWORK NOTES:

1. CONTRACTOR TO FURNISH ON SITE GEOTECHNICAL CONSULTING ENGINEER AS REQUIRED.
2. SOIL CORRECTIONS UNDER THE PROPOSED CONCRETE & ASPHALTIC PAVEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, REMOVAL OF ALL TOPSOIL AND VISIBLY ORGANIC FILL MATERIAL.
3. CONTRACTOR TO FURNISH ON SITE GEOTECHNICAL CONSULTING ENGINEER TO COORDINATE SOIL CORRECTIONS UNDER PAVEMENTS.
4. THE SITE SHALL BE GRADED TO THE CONTOURS SHOWN AND TO PROVIDE THE DRAINAGE PATTERN SHOWN.
5. GRADE ALL AREAS TO DRAIN.
6. THE ENGINEER MAY ORDER ADJUSTMENTS TO THE GRADES SHOWN ON THE PLAN TO ENSURE PROPER OR BETTER DRAINAGE OR UTILITY COVERAGE AS WORK INCIDENTAL TO THE CONTRACT.

TURF ESTABLISHMENT

1. PROVIDE A MINIMUM OF 6" OF TOPSOIL OVER ALL AREAS DESIGNATED TO RECEIVE TURF.
2. STABILIZE ALL OTHER DISTURBED AREAS OF THE SITE NOT SHOWN TO RECEIVE SPECIAL TREATMENT ON THIS PLAN IN ACCORDANCE WITH THE LANDSCAPE PLAN OF IF NOT SHOWN, WITH HYDROSEED MIXTURE AS MNDOT RAPID STABILIZATION METHOD 3 WITH:
   SEED MIX 25-131 @ 100 LB/ACRE,
   FERTILIZER 22-5-10 @ 300 LBS/ACRE
   TYPE 1 HYDRAULIC SOIL STABILIZER

WINTER STABILIZATION

IN THE EVENT THAT FINAL STABILIZATION OF THE SITE HAS NOT OCCURRED PRIOR TO WINTER CONDITIONS, THE FOLLOWING ACTIVITIES WILL OCCUR:

1. STABILIZE ALL AREAS DESIGNATED TO RECEIVE TURF WITH SODDING OR SEED MIX 22-112 @ 40 LB/ACRE WITH SEED MIX 21-112 (WINTER WHEAT) @ 100 LB/ACRE, AND TYPE 1 MULCH FROZEN TO GROUND WITH WATER
2. SPOT CHECK AND STABILIZE ALL AREAS ALREADY STABILIZED WITH THE ABOVE

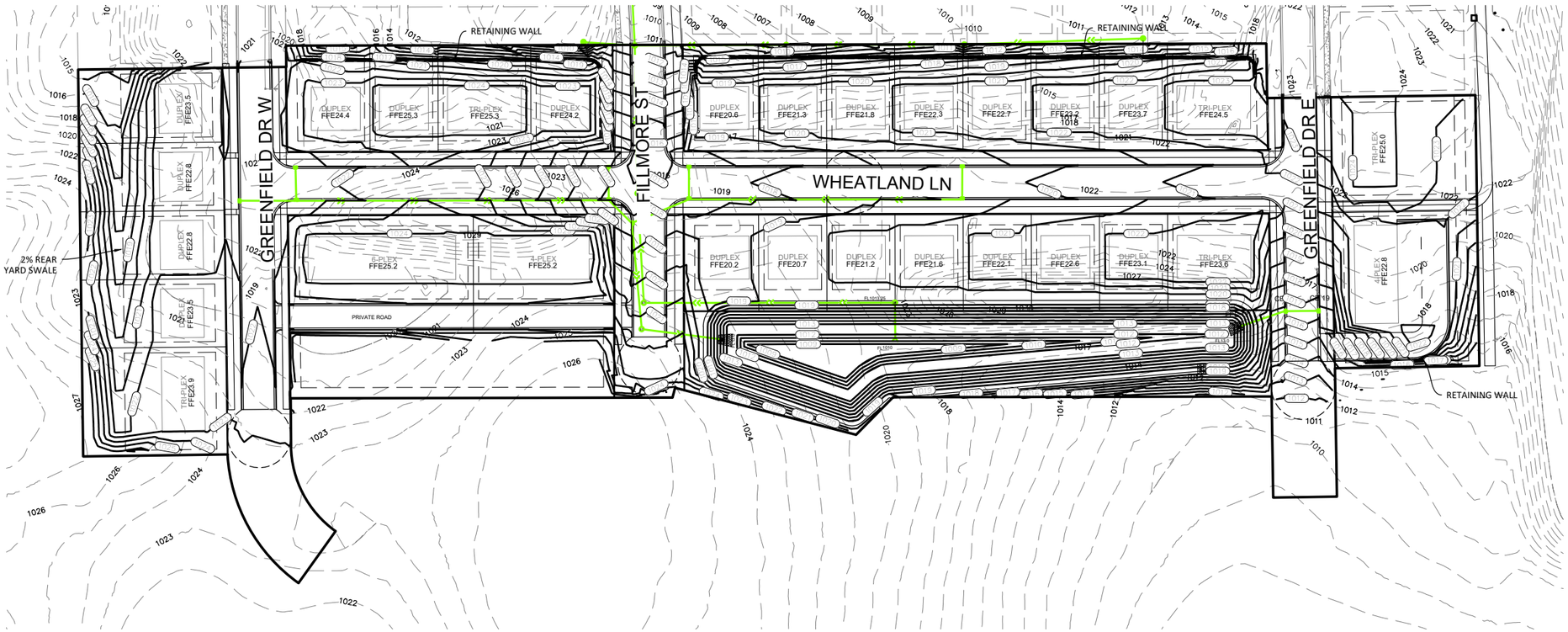
KEYNOTES

(1) CONTOURS SHOWN INCLUDE A 1' HOLD-DOWN FOR STRUCTURE PADS

LEGEND

—848— EXISTING ELEVATION CONTOUR LINE

—848— PROPOSED ELEVATION CONTOUR LINE



60 0 60
HORIZ. SCALE FEET

DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

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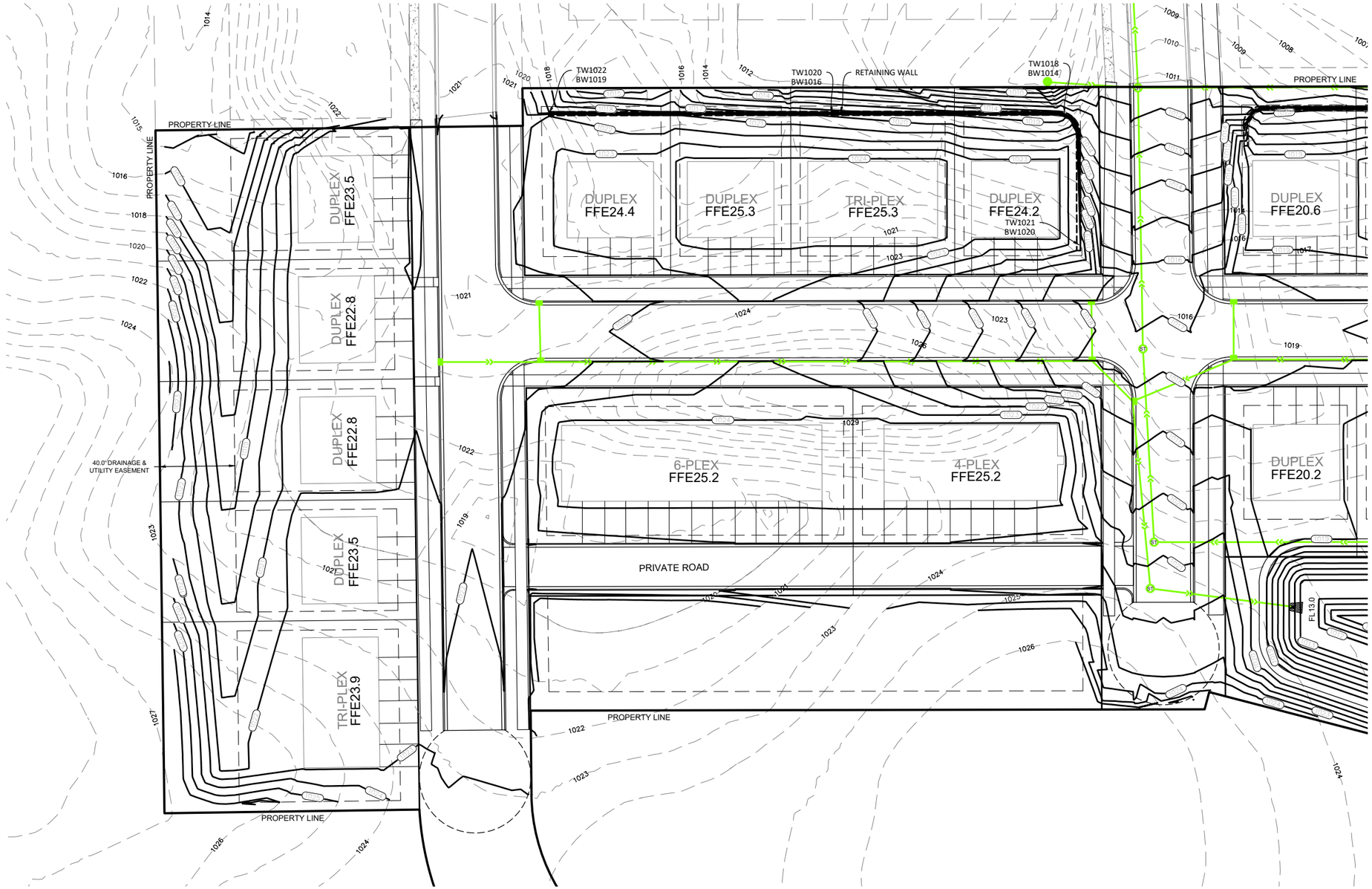
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
OVERALL GRADING PLAN

SHEET 16 OF 24



LEGEND

—848— EXISTING ELEVATION CONTOUR LINE

—848— PROPOSED ELEVATION CONTOUR LINE

30 0 30
HORIZ. SCALE FEET

DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

REV.	BY	DATE	REVISION DESCRIPTION
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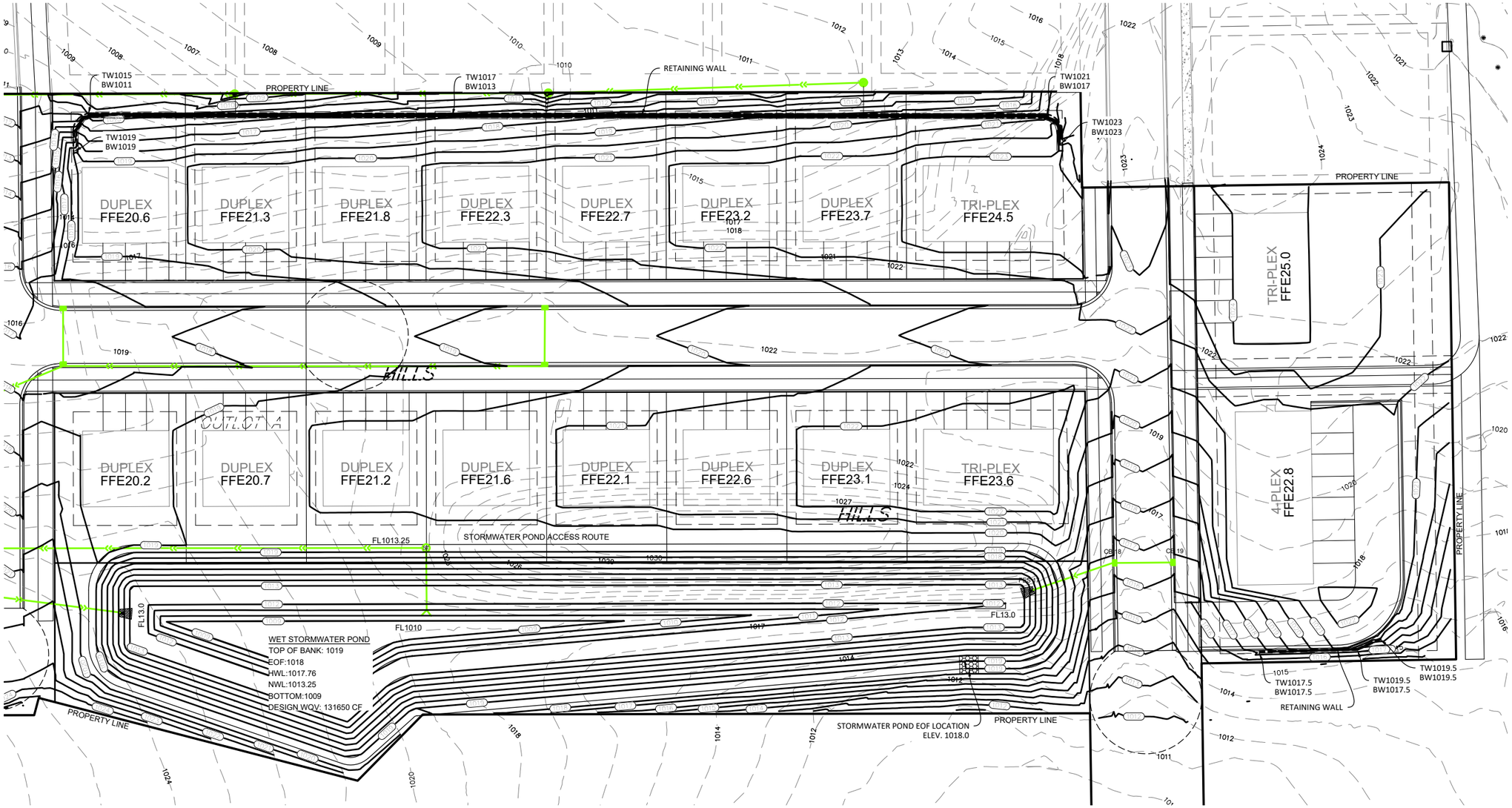
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SCHROM CONSTRUCTION
OUTLOT A HARVEST HILLS
DETAIL GRADING PLAN

SHEET 17 OF 24



LEGEND

848 EXISTING ELEVATION CONTOUR LINE

848 PROPOSED ELEVATION CONTOUR LINE

30 0 30
HORIZ. SCALE FEET

DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

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-	-	-	-

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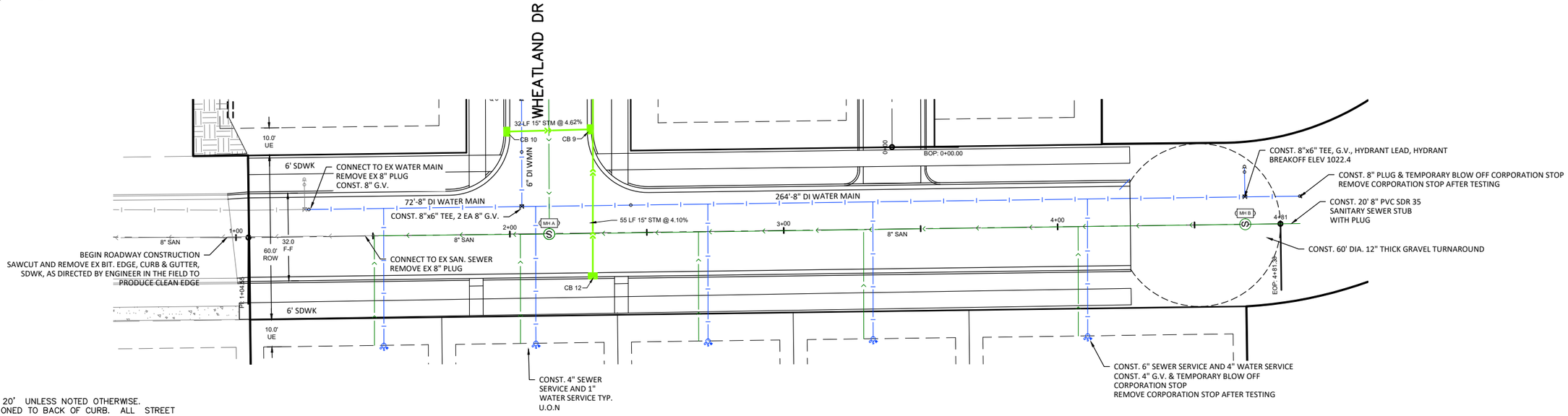
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OUTLOT A HARVEST HILLS
DETAIL GRADING PLAN

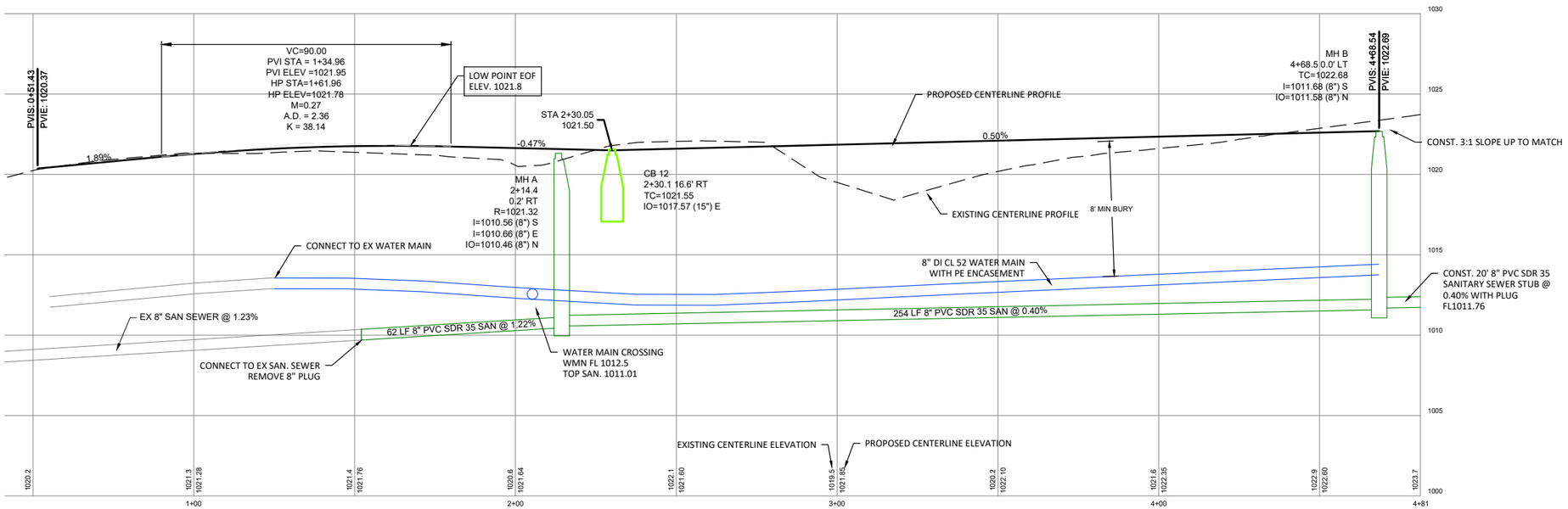
SHEET 18 OF 24

GREENFIELD DR WEST



NOTES:
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PROPOSED CONSTRUCTION



20 0 20 HORIZ. SCALE FEET

4 0 4 VERT. SCALE FEET

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: SAT
DATE: 5/14/26
FILE NO: 23-259

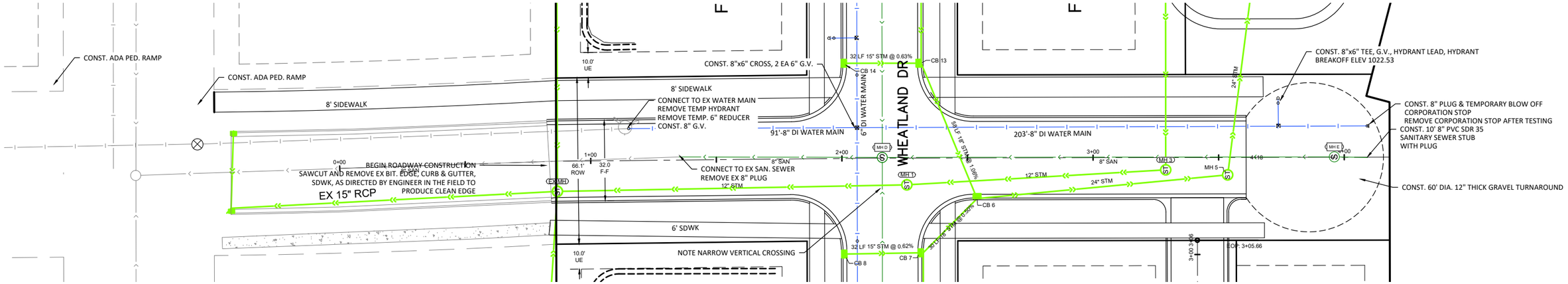
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer Under the laws of the State of Minnesota.

John H. Schulte V
License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
GREENFIELD DR W PLAN AND PROFILE

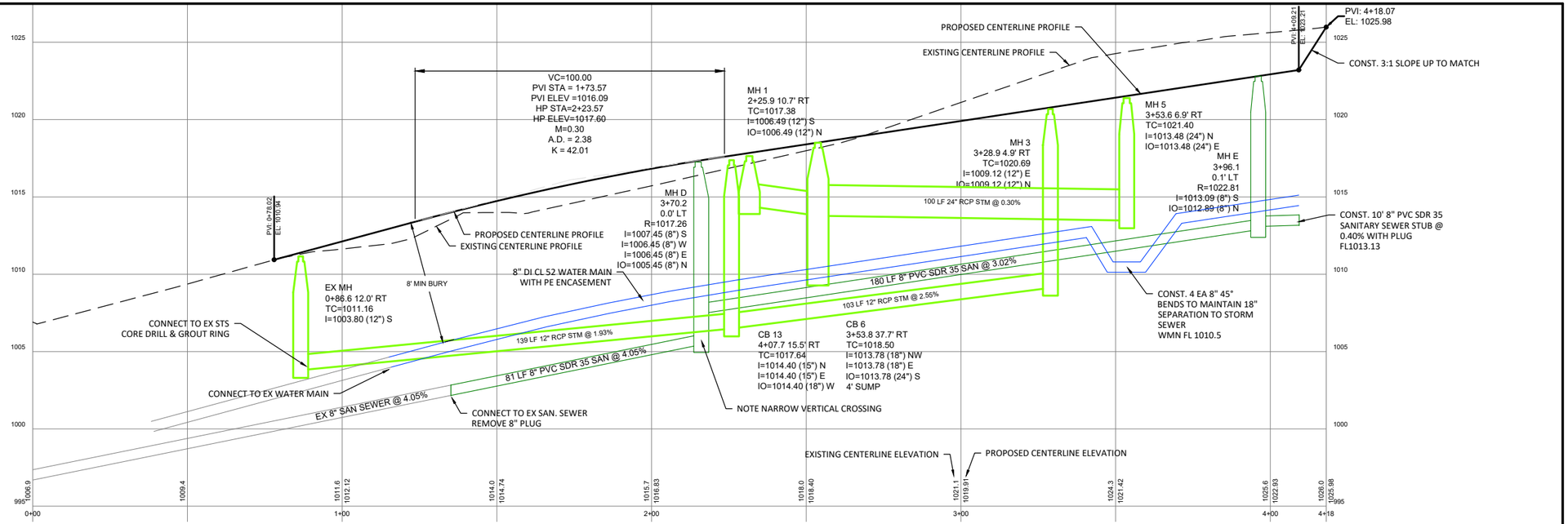
SHEET 19 OF 24

FILLMORE STREET



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PROPOSED CONSTRUCTION



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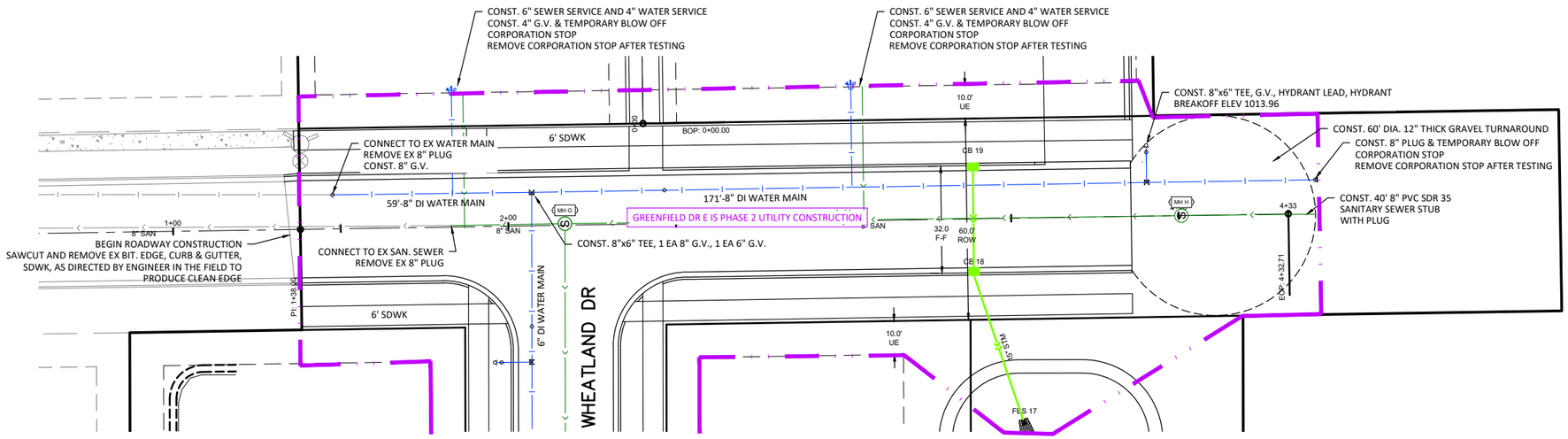
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
FILLMORE STREET PLAN AND PROFILE

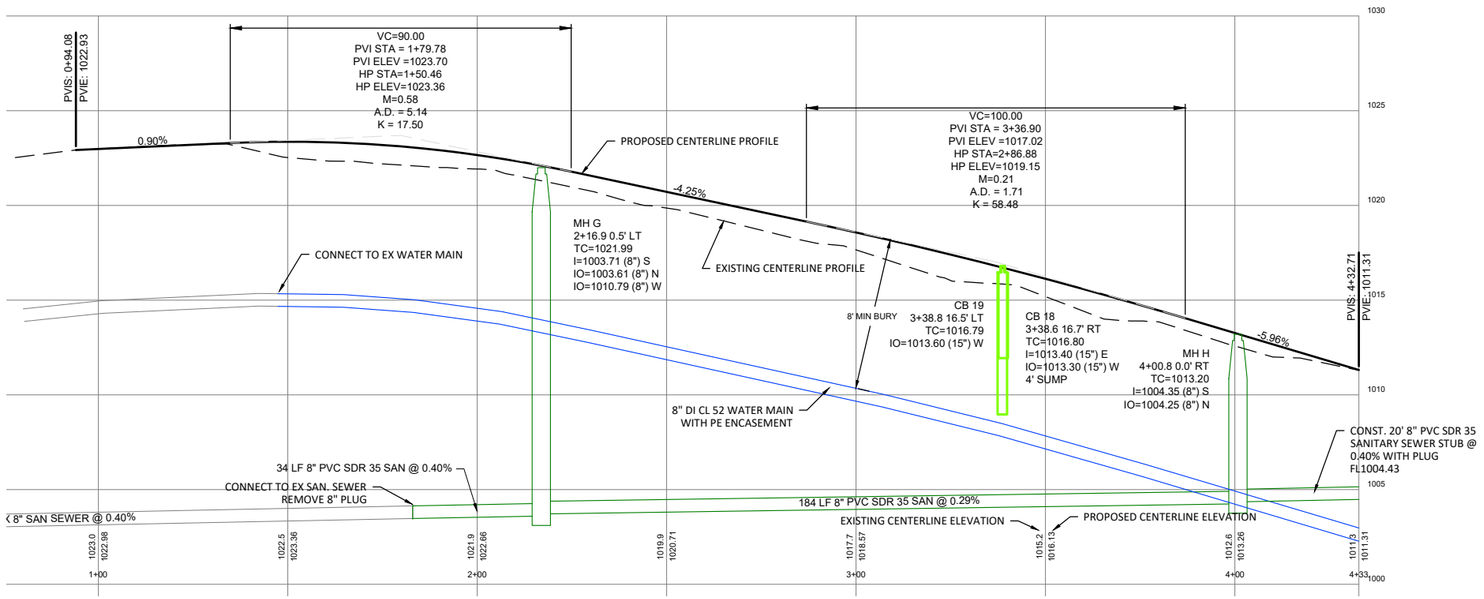
SHEET 20 OF 24

GREENFIELD DR EAST



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PROPOSED CONSTRUCTION



20 0 20
HORIZ. SCALE FEET

4 0 4
VERT. SCALE FEET

BENCHMARK:

TNFH SOUTH END OF EXISTING GREENFIELD DR W
ELEVATION 1024.62

REV.	BY	DATE	REVISION DESCRIPTION
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JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED:	JHS5
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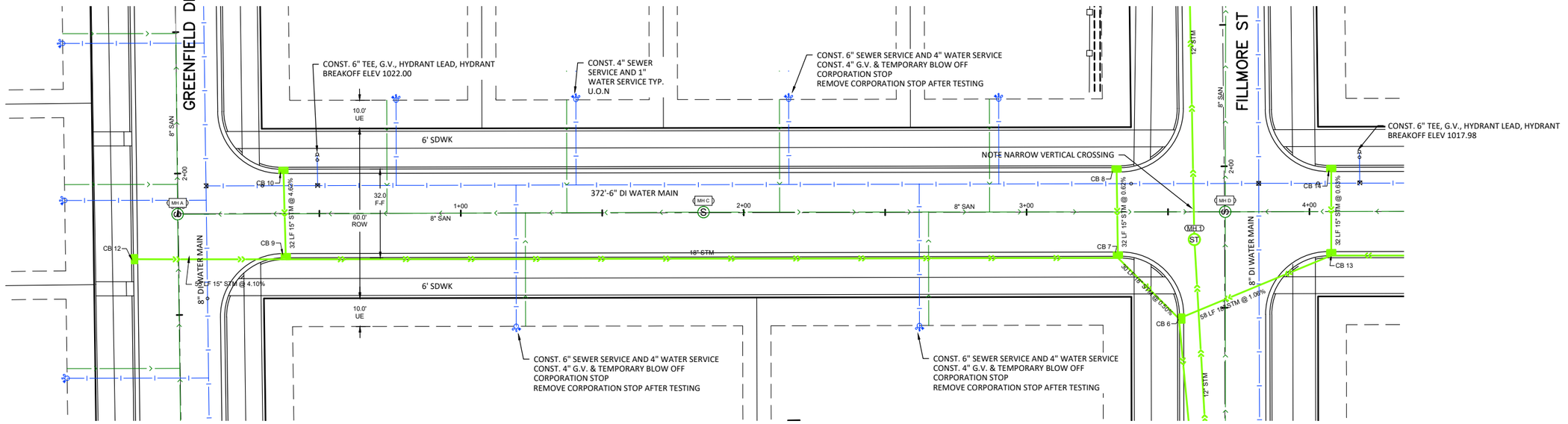
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John H. Schulte V
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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
GREENFIELD DR E PLAN AND PROFILE

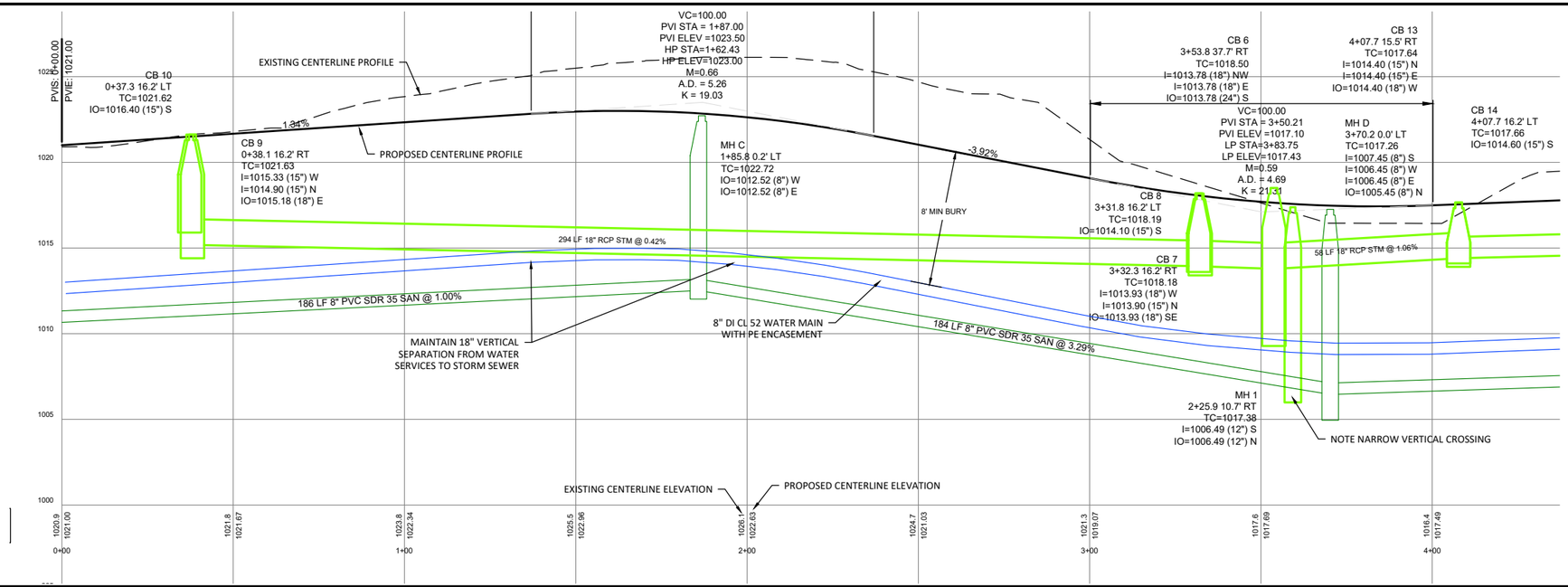
SHEET 21 OF 24

WHEATLAND LN



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BENCHMARK:

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-	-	-	-

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

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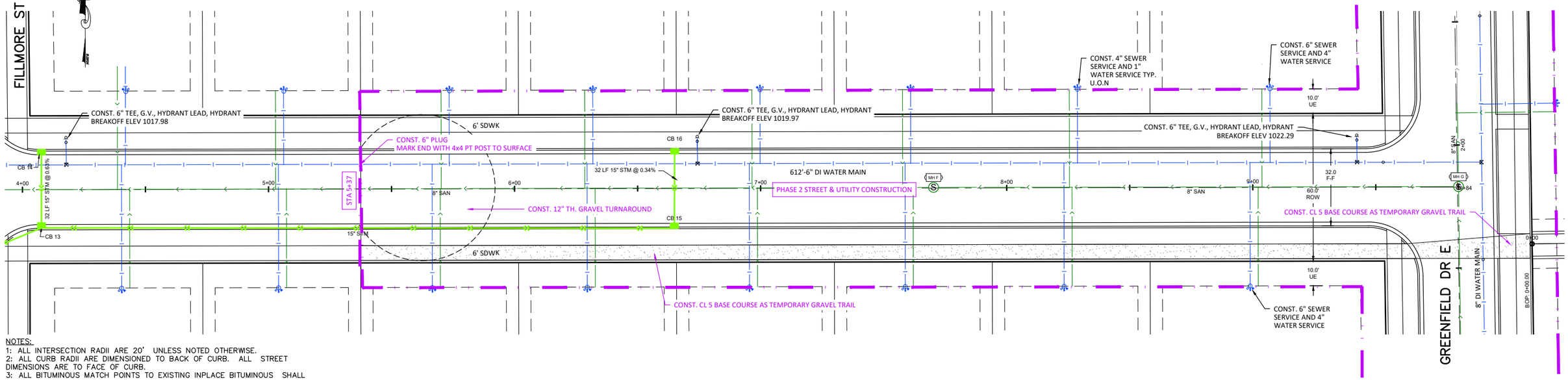
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John H. Schulte V
License No. 44639 Date: 5/14/26

HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
WHEATLAND DR PLAN AND PROFILE

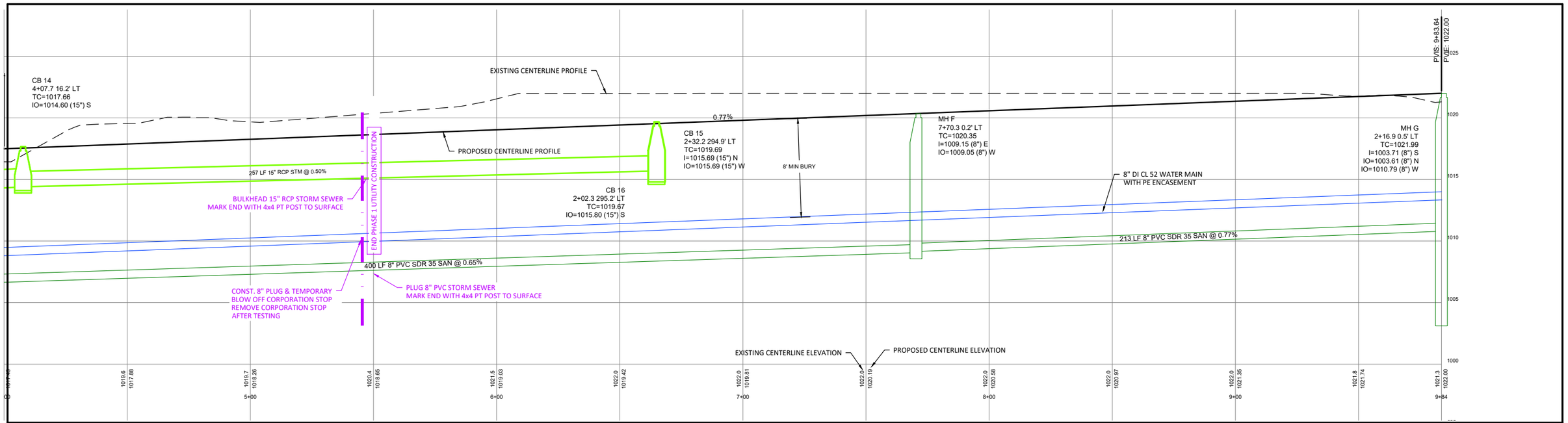
SHEET 22 OF 24

WHEATLAND LN



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4 0 4 VERT. SCALE FEET

BENCHMARK:

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REV.	BY	DATE	REVISION DESCRIPTION
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JONES HAUGH SMITH
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415 West North Street Owatonna, MN 507-451-4598

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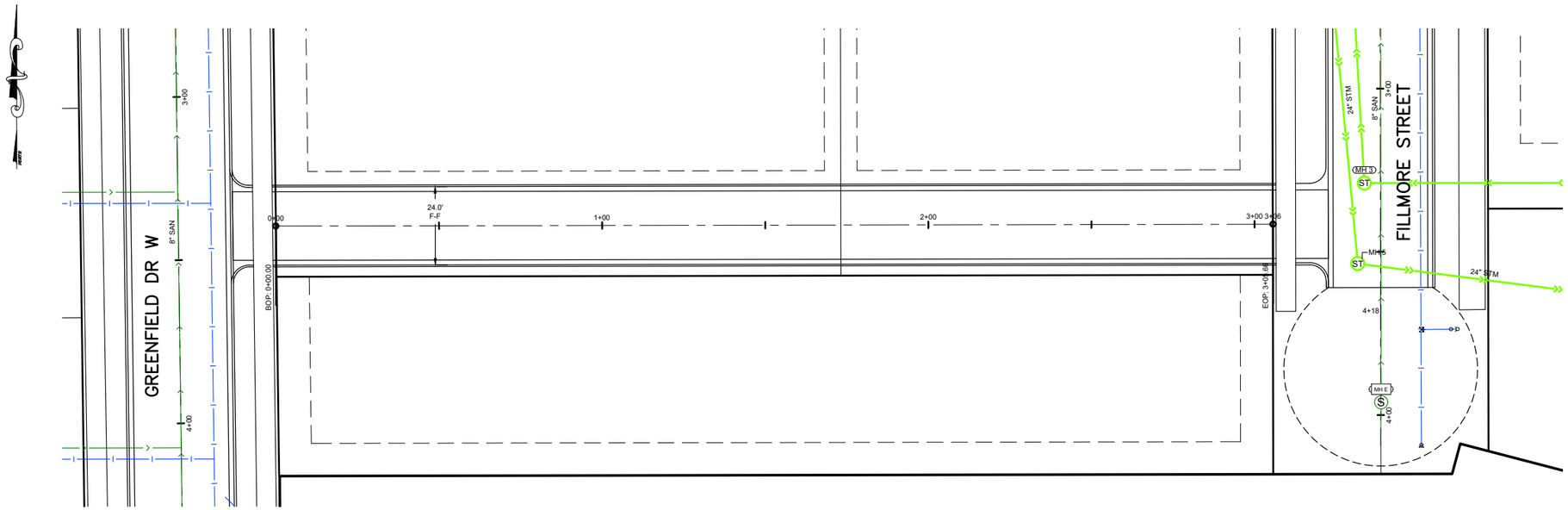
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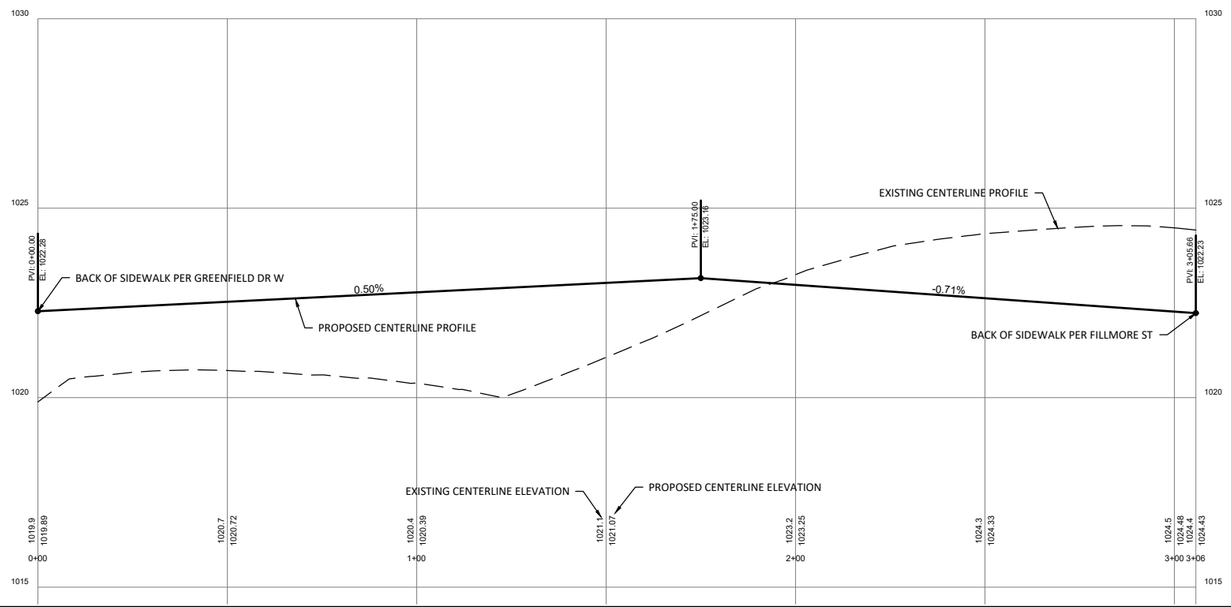
HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
WHEATLAND DR PLAN AND PROFILE

SHEET 23 OF 24

PRIVATE ROAD



PROPOSED CONSTRUCTION



20 0 20
HORIZ. SCALE FEET

4 0 4
VERT. SCALE FEET

BENCHMARK:

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HARVEST HILLS SECOND ADDITION
SCHROM CONSTRUCTION
2026 CONSTRUCTION
PRIVATE ROAD PLAN AND PROFILE

SHEET 24 OF 24

File #: Res. 2026-076, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council
City Administrator

From: Scott Wopata, Community Development Director
David Bennett, Public Works Director/City Engineer

Consideration of the Development Agreement Resolution for Harvest Hills Second Addition.

Action Requested:
The Northfield City Council is asked to consider a resolution approving the development agreement for Harvest Hills 2nd Addition with conditions, which were approved as part of the preliminary plat.

Summary Report:
Harvest Hills Townhomes, LLC has applied for a final plat to create Phase One of Harvest Hills Second Addition, on a parcel situated on the south side of Northfield and west of Northfield Middle School. The parcel is 10.30 acres and proposes creating 15 lots with 38 units and 3 outlots which will be part of the planned second phase. The parcel is zoned N2-B: Neighborhood General 2. This first phase consists of 22 duplex units, 6 tri-plex units, 4 four-plex units and 6 six-plex units.

The developer has applied for Tax Increment Financing (TIF) and the City Council will be considering a TIF agreement on July 21, 2026. As part of the TIF requirement, the developer will ensure that 20% of the units are affordable at 50% AMI. Additionally, the developer has met the City's Sustainable Building Policy.

City Council and neighbors have requested additional consideration for pedestrian and vehicle traffic in the adjacent neighborhood. While these improvements are not related to the final plat or development agreement, staff are presenting the suggested improvements concurrently on July 21, 2026.

On April 16, Planning Commission held a public hearing for the preliminary plat. During that same meeting, the preliminary plat was recommended to be brought to City Council. City Council approved the preliminary plat on May 5.

Per City Council Resolution 2026-050 (approval of the preliminary plat) the following summary of items were incorporated into the final plat and development agreement:

- Preliminary plat extension of 5 years (see Section 5 of the development agreement);
- A phase specific erosion and sediment control plan (see Section 16);
- Park dedication requirements (see Section 20);
- Trail connection to Northfield Middle School and along Fillmore St. and trail easement (see Section 27);

As a condition of final plat approval, a development agreement must be prepared and submitted as part of the final plat application.

The city council shall consider the following in the review of a final plat. Criteria (a), (b) and (d) below must be met and criterion (c) shall be considered. Criteria B is the development agreement and is attached for approval..

(a) Construction drawings have been submitted to, reviewed, and approved by the city engineer;
- Construction drawings have been submitted to, reviewed and approved by the city engineer. They are attached to the final plat staff report.

(b) A development agreement must have been prepared and submitted as part of the final plat application;
- The development agreement is prepared and attached to this staff report for approval.

(c) Whether the final plat is in substantial compliance with the approved preliminary plat and any conditions on the preliminary plat approval, and whether any changes of note were reported to the city council; and
- The final plat is substantially similar to what was approved as part of the preliminary plat. The conditions in the resolution approving the preliminary plat have been incorporated into the final plat and development agreement.

(d) The final plat must comply with all other applicable standards in this LDC and state law including Minn. Stat., Ch. 505 as applicable.
- The final plat complies with the Land Development Code and Minnesota State Statute 505 Plats; Coordinates; Surveys.

Recommendation:
Staff recommends approval of the development agreement.

City Plans & Policies Relevance:
Approving the development agreement for Harvest Hills Second Addition is a step forward in adding more housing to Northfield. The project targets some of the City's main strategic goals, increasing the housing stock with housing that is affordable, more dense and more sustainable.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
The applicant is prepared to begin grading and site work for phase one immediately.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-

APPROVING A FINAL PLAT FOR HARVEST HILLS SECOND ADDITION

WHEREAS, Schrom Construction, Inc (the "Developer" or "Applicant") has submitted an application for Final Plat approval for Harvest Hils Section Addition, which subject property is legally described in Exhibit A and owned by Schrom Real Estate Holdings, LLC, the Co-Applicant; and

WHEREAS, the above-mentioned final plat is attached hereto as Exhibit B (the "Final Plat"); and

WHEREAS, the City Council of the City of Northfield may hear requests for Final Plat approval pursuant to Northfield City Code, Chapter 34, Sec. 8.5.12, which provides that a Final Plat must conform to the approved Preliminary Plat and any required modifications as determined through the Preliminary Plat process; and

WHEREAS, pursuant to Northfield City Code, Chapter 34, Section 8.5.12(D)(2), the City Council shall consider the following criteria in the review of a final plat. Criteria (a), (b), and (d) must be met, and (c) shall be considered:

(a) Construction drawings have been submitted to, reviewed and approved by the city engineer;
(b) A development agreement must have been prepared and submitted as part of the final plat application;
(c) Whether the final plat is in substantial compliance with the approved preliminary plat and any conditions on the preliminary plat approval, and whether any changes of note were reported to the city council; and
(d) The final plat must comply with all other applicable standards in this LDC and state law including Minn. Stat., Ch. 505 as applicable; and

WHEREAS, the Planning Commission considered the Applicant's request for a Preliminary Plat for Harvest Hills Second Addition (the "Preliminary Plat") at a duly noticed Public Hearing, which took place on April 16, 2026; and

WHEREAS, the Planning Commission on April 16, 2026 recommended approval to the City Council by a 7-0 vote; and

WHEREAS, the City Council of the City of Northfield considered and approved the

Preliminary Plat of Harvest Hills Second Addition with conditions at its regular City Council meeting held on May 5, 2026, Resolution No. 2026-050, which resolution is incorporated herein by reference; and

WHEREAS, a Development Agreement has been prepared between the City of Northfield and the Applicant, which outlines the responsibilities of the Applicant and the City of Northfield to install certain required street and infrastructure improvements necessary to support the development, and the same will be brought to the City Council for consideration of approval; and

WHEREAS, the City Council of the City of Northfield has reviewed the proposed Final Plat for compliance with the Land Development Code, the Preliminary Plat and conditions, and the statutes of the State of Minnesota at its duly noticed meeting held July 21, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT, the Final Plat of Harvest Hills Second Addition is hereby approved upon the property legally described in Exhibit A and as the Final Plat is depicted in Exhibit B, subject to the following conditions:

1. The Final Plat shall comply with the provisions of all state statutes and standard procedures for platting in Rice County.

2. Pursuant to Northfield City Code, Chapter 34, Section 8.5.12(D)(4), the Final Plat shall be recorded with the County Recorder or Registrar of Titles and evidence of such recording shall be provided to the City within six months of the date of this Resolution. No changes, erasures, modifications or revisions shall be made in the Final Plat after approval has been given by the City Council and endorsed by the Mayor and City Clerk in writing on the Final Plat. If the Final Plat is not timely recorded with the appropriate county, the City Council shall revoke the Final Plat.

3. Within six months of the date of this Resolution and prior to commencement of any construction on the subject property the Applicant must enter into a Development Agreement with the City for the installation of all required improvements, and the Applicant must provide the security required therein. Execution of the required Development Agreement and documents related thereto are a condition precedent to City execution of the Final Plat

4. The Applicant shall be responsible for and pay all fees, including recording fees.

PASSED by the City Council of the City of Northfield on this 21st day of July, 2026.

ATTEST

_____ _____

City Clerk Mayor

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES
____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

Outlot A, HARVEST HILLS, Rice County, Minnesota.

EXHIBIT B

FINAL PLAT

(reserved for recording information)

DEVELOPMENT AGREEMENT

(Developer Installed Improvements)

HARVEST HILLS SECOND

AGREEMENT (the "Agreement") dated _____, 2026, by and between the **CITY OF NORTHFIELD**, a municipal corporation under the laws of the State of Minnesota, with its principal office located at 801 Washington Street, Northfield, MN 55057-2565 (the "City"); and Harvest Hills Townhomes, LLC, a limited liability company under the laws of the State of Minnesota, with its principal office located at 1116 N. Riverfront Drive, Mankato, MN 56001 (the "Developer"); (collectively the "parties").

RECITALS

WHEREAS, the Developer is the fee owner of a parcel of real property located in the City of Northfield, Rice County, Minnesota, with Parcel Identification (PID) No. 2212426022, which is legally described in Exhibit A, which is attached hereto and incorporated herein by reference, (the "Development Property"); and

WHEREAS, the Developer has requested and received approval by the City of a Final Plat for Harvest Hills Second Addition (referred to herein as the "plat"); and

WHEREAS, the Developer proposes a project consisting of fifteen (15) lots and three (3) outlots and associated public improvements on the Development Property, including but not limited to street improvements, sanitary sewer, water main, stormwater management facilities, sidewalk and trails, grading and erosion control facilities and other improvements (the "Project"); and

WHEREAS**,** the Developer and the City, desire to enter into this Agreement in satisfaction of applicable City requirements and to set out the undertakings and obligations of each party from this point

forward with respect to the Project and with respect to the City Approval Process, all as required by the City's Code of Ordinances (the "Code").

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each does hereby covenant and agree with the other as follows:

1. **REQUEST FOR PLAT APPROVAL.** The Developer has sought and received Final Plat approval for Harvest Hills Second Addition (referred to in this Agreement as the "plat"). The platted land is situated in the County of Rice, State of Minnesota. The Developer is seeking to develop a portion of the plat, the Development Property, for the purpose stated above.
2. **CONDITIONS OF PLAT APPROVAL.** The City has approved the plat on the condition that the Developer enter into this Agreement, furnishes the security required by it, records the plat with the County Recorder or Registrar of Titles within 60 days after the City Council approves the Final Plat, and submits evidence of recording the plat to the City within 60 days after the date of recording.
3. **RIGHT TO PROCEED/CONDITIONS PRECEDENT.** Unless separate written approval has been given by the City, within the Development Property, the Developer may not grade or otherwise disturb the earth, remove trees, construct sewer lines, water lines, streets, utilities, public or private improvements, or any buildings within the Development Property until all of the following conditions have been satisfied:
    a. This Agreement has been fully executed by both parties and filed with the City Clerk. This Agreement shall be recorded by the Developer within 60 days following execution hereof;
    b. The necessary security has been received by the City;
    c. The plat has been recorded with the County Recorder's Office;
    d. The site plan for the project on the Development Property and the plans and specifications for the Improvements related thereto have been approved and signed by the City Engineer with such conditions as required by the City Code;
    e. The construction plans and other such plans as required by the City have been approved and signed by the City Engineer;

f. The general warranty deed for Outlot B of the plat granted from the Developer to the City as attached hereto and incorporated herein by reference as Exhibit E, has been fully executed and recorded with a copy filed with the City Clerk;

g. The easement agreement for the temporary trail connection and right-of-way / cul de sac easement over Outlot C of the plat granted from the Developer to the City as attached hereto and incorporated herein by reference as Exhibit F, has been fully executed and recorded with a copy filed with the City Clerk;

h. A certificate of public liability and property damage insurance as described in this Agreement has been filed with the City Clerk; and

i. The City Engineer has issued a letter that all conditions have been satisfied and that the Developer may proceed.

4. **FURTHER SUBDIVISION.** The City may refuse to approve further subdivision within the plat if the Developer has breached this Agreement and the breach has not been remedied. If the plat is a phase of a multi-phased preliminary plat, the City may refuse to approve final plats of subsequent phases if the Developer has breached this Agreement and the breach has not been remedied. Development of subsequent phases may not proceed until Development Agreements for such phases are approved by the City and executed by the parties. Sanitary sewer and water area charges referred to in this Agreement are not being imposed on outlots, if any, in the plat that are designated in an approved preliminary plat for future subdivision into lots and blocks. Such charges will be calculated and imposed when the outlots are final platted into lots and blocks.

5. **PRELIMINARY PLAT STATUS.** If the plat is a phase of a multi-phased preliminary plat, the preliminary plat approval for all phases not final platted shall lapse and be void unless final platted into lots and blocks, not outlots, within five (5) years after preliminary plat approval.

6. **CHANGES IN OFFICIAL CONTROLS.** For two (2) years from the date of this Agreement, no amendments to the City's Comprehensive Plan or official controls shall apply to or affect the use, development density, lot size, lot layout or dedications of the approved final plat unless required by

state or federal law or agreed to in writing by the City and the Developer. Thereafter, notwithstanding anything in this Agreement to the contrary, to the full extent permitted by state law, the City may require that any future development of the Development Property comply with any amendments to the City's Comprehensive Plan, official controls, platting or dedication requirements enacted after the date of this Agreement.

7. **DEVELOPMENT PLANS.** The plat shall be developed in accordance with the following plans where applicable. The plans shall not be attached to this Agreement. If the plans vary from the written terms of this Agreement, the written terms shall control. The plans are:

    a. Plan A - Plat

    b. Plan B - Final Grading, Drainage and Erosion Control Plan

    c. Plan C - Final Construction Plans and Specifications for Public Improvements

    d. Plan D - Traffic Signing and Control Plan (for construction and final development)

    e. Plan E - Stormwater Pollution Prevention Plan

    f. Plan F - Wetland mitigation plan (if applicable)

    g. Plan G - Landscape Plan

    h. Plan H - Utility Plan

    The foregoing plans and specifications shall be prepared by a competent registered professional engineer engaged by the Developer and shall be subject to the City's review and approval. The required Improvements below shall be installed in accordance with the City approved plans for such improvements and the policies, rules, regulations, standards and ordinances of the City. No work shall commence on the Project or the required Improvements until the Developer obtains a building permit for the Project and the Improvements and pays all costs and fees required in connection with the procurement of the building permit.

8. **IMPROVEMENTS.**

    a. The Developer shall construct and install, at its sole cost and expense and subject to the terms and conditions contained herein, the following public or private improvements (the

"public improvements" or "Improvements") in compliance with City approved plans and specifications prepared in accordance with all policies, rules, regulations, standards, specifications and ordinances of the City and as shown on the final construction plans and summarized below:

i. Streets
ii. Sanitary Sewer
iii. Watermain
iv. Surface Water Facilities (pipe, ponds, rain gardens, and similar improvements)
v. Grading, Drainage and Erosion Control
vi. Sidewalks/Trails
vii. Street Lighting
viii. Utilities (gas, electric, cable, telephone, etc.)
ix. Street Signs and Traffic Control Signs
x. Landscaping Required by the Zoning Ordinance (Street trees and tree preservation)
xi. Wetland Mitigation and Buffers
xii. Surveying and Monuments Required by Minnesota Statutes
xiii. Miscellaneous Facilities or other elements defined by the guiding documents.

b. The Improvements shall be constructed and installed in accordance with the latest versions in place at the time of this Agreement of the City Code, zoning ordinance and subdivision regulations, City standard specifications for utilities and street construction, and the City's engineering guidelines and standard detail plates, as applicable. The Developer shall submit plans and specifications that have been prepared by a competent registered professional engineer to the City for approval by the City Engineer. The City will provide field inspection and soil testing personnel, at the Developers expense, to assure an acceptable level of quality control for the construction of all public improvements and certify that the construction work meets the City's requirements, specifications, standards

and approved plans. In addition, the Developer's engineer will be required to certify that the construction work meets the approved City requirements, specifications, and standards as a condition of City acceptance and provide record drawings for all Improvements. The Developer, its contractors and subcontractors, shall follow all instructions received from the City's inspectors and City Engineer to the extent applicable to comply with the approved plans and specifications, or applicable City Code or statutes for which the City inspectors have jurisdiction. The Developer's engineer shall provide for on-site project management. The Developer's engineer is responsible for design changes and contract administration between the Developer and the Developer's contractor. As required by the City, the Developer or its engineer shall schedule a pre-construction meeting at a mutually agreeable time at City Hall, or another location acceptable to the City, with all parties concerned, including the City staff, to review the program for the construction work.

c. All labor and work shall be done and performed in a good and workmanlike manner and in conformance with the approved plans and specifications. No deviations from the approved plans and specifications will be permitted unless approved in writing by the City Engineer, which approval shall not be unreasonably withheld. The Developer agrees to furnish to the City a list of contractors being considered for retention by the Developer for the performance of the work required by this Agreement. If applicable, the contractor(s) shall have experience in the installation of municipal water and sanitary sewer mains; shall demonstrate the successful completion of at least three such installations and municipal acceptance thereof; and shall be able to obtain the requisite performance and payment bonds for the purchase and installation of the minimum Improvements required hereby. The Developer shall not do any work or furnish any materials not covered by the plans and specifications and special conditions of this Agreement, for which reimbursement is expected from the City, unless such work is first ordered in writing by the City Engineer as provided in the plans and specifications.

d. The Developer shall replace or repair any damage or destruction to any property or improvements located on County or City land or in County or City streets, boulevards and rights-of-way, or adjacent private property not owned by Developer, caused by Developer, or its contractors and subcontractors, during the construction of the required Improvements and the Project. Any contaminated soils encountered during the construction of the Improvements and development on the Development Property shall be addressed as set forth in a Response Action Plan to be approved by the Minnesota Pollution Control Agency (MPCA) or other applicable agency having jurisdiction.

e. The Developer shall be solely responsible for the costs of constructing the required Improvements. The costs of constructing the Improvements shall include the actual construction costs, the actual engineering, administration and any legal costs related thereto, and all other costs relating to the construction of the Improvements. The engineering, administration and legal costs shall include the actual outside construction engineering assistance costs and the legal costs.

f. If this Agreement is terminated for any reason the City shall have no obligation to construct the Project or Improvements.

9. **CITY ENGINEERING ADMINISTRATION AND CONSTRUCTION OBSERVATION.** The Developer shall pay a fee for in-house engineering administration. City engineering administration will include monitoring of construction observation, consultation with Developer and the Developer's engineer on status or problems regarding the Project, coordination for final inspection and acceptance, Project monitoring during the warranty period, and processing of requests for reduction in security. Fees for administration services shall be:

ESTIMATED COST OF PROPOSED IMPROVEMENTS	CITY ADMINISTRATIVE COST
Up to $150,000	3.0 percent (Minimum $500.00)
$150,000 to $300,000	2.5 percent

Over $300,000	2.0 percent

The Developer shall also deposit seven percent (7%) of the estimated construction cost to pay for construction observation and geotechnical testing performed by the City's in-house engineering staff or consulting engineer. This deposit is estimated to be $77,616.00. If the City's costs exceed the deposit, the Developer agrees to reimburse the City within 30 days of billing. Should the costs be less than the amount of the deposit, upon completion of the Improvement's, the amount of the remaining deposit shall be returned to the Developer. The Developer shall deposit the full construction observation fees with the City prior to the final plat being recorded. No construction of public improvements will be authorized until the construction observation fees have been paid to the City.

10. **CONTRACTORS/SUBCONTRACTORS.** City Council members, City employees, and City Planning Commission members, and corporations, partnerships, and other entities in which such individuals have greater than a 25% ownership interest or in which they are an officer or director may not act as contractors or subcontractors for the public improvements identified in this Agreement.
11. **PERMITS.** The Developer shall obtain or require its contractors and subcontractors to obtain all necessary and required permits for the Project from the Minnesota Pollution Control Agency (MPCA), Minnesota Department of Health (MDOH), and all other agencies and governmental authorities with jurisdiction over the Project and the Improvements before proceeding with construction of the Project and the Improvements. Copies of these permits shall be provided to the City Engineer, and may include but are not limited to the following:

    - Minnesota Department of Health for Watermains
    - MN/DOT for State Highway Access
    - County Road Access and Work in County Road Right-of-Way
    - NPDES Permit for Stormwater Management
    - MPCA for Sanitary Sewer Extensions/Connections and Hazardous Material Removal and Disposal
    - Wetlands permits as applicable

- DNR for Dewatering
- City of Northfield for Building Permits

The Developer or its engineer shall schedule a pre-construction meeting for the required Improvements with all the parties concerned, including City staff, to review the program for the construction work.

12. **TIME OF PERFORMANCE.** Except as otherwise provided in this Agreement, the Developer shall install all required improvements and other work required by this Agreement by November 1, 2026, with the exception of the final wear course of asphalt on streets. The final wear course on streets shall be installed between May 15th and October 1st the first summer after the base layer of asphalt has been in place one freeze thaw cycle. Any deficiencies in the base, asphalt, curb or other improvements in the judgment of the City Engineer must be repaired by the Developer at its own cost prior to final paving. The Developer may, however, request an extension of time from the City. If an extension is granted, it shall be conditioned upon updating the security posted by the Developer to reflect cost increases and the extended completion date. Final wear course placement outside of this time frame must have the written approval of the City Engineer.
13. **LICENSE.** The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the Property to perform all work and inspections deemed appropriate by the City in conjunction with this Agreement, the Project and Improvements and plat development, as applicable. The license shall expire upon the acceptance by the City of the Improvements. The City shall thereafter have the right to enter the Property to perform inspections as authorized by City Code.
14. **CONSTRUCTION ACCESS.** Construction traffic access and egress for grading, public utility construction, and street construction is restricted to access the subdivision via Fillmore Street and Grant Drive. No construction traffic is permitted on the adjacent local streets other than identified herein.
15. **GRADING PLAN.** The Development Property shall be graded in accordance with the approved grading development and erosion control plan. The plan shall conform to City of Northfield

requirements and specifications, City Code and applicable law. Within sixty (60) days after completion of the grading, the Developer shall provide the City with a certificate of survey/"record" grading plan certified by a registered land surveyor or engineer that all ponds, swales, and ditches have been constructed on public easements or land owned by the City. The certificate of survey/"record" plan shall include field verified elevations of the following: a) cross sections of ponds; b) location and elevations along all swales, wetlands, wetland mitigation areas if any, ditches, locations and dimensions of borrow areas/stockpiles; c) lot corner elevations and building/house pads, d) top and bottom of retaining walls, and e) all lots with house footings placed on fill have been monitored and constructed to meet or exceed FHA/HUD 79G specifications. The Developer shall furnish the City Engineer satisfactory proof of payment for the site grading work and shall submit a certificate of survey (as constructed survey) of the Development Property after site grading is complete. Final lot grades shall be shown on the as constructed survey. Final grading shall substantially comply with the approved grading plan.

16. **EROSION AND SEDIMENT CONTROL.** Prior to initiating site grading, the erosion and sediment control plan shall be implemented by the Developer and inspected and approved by the City Engineer. The Erosion Control Plan and Storm Water Pollution Prevention Plan (SWPPP) shall be implemented by the Developer and inspected and approved by the City Engineer. Erosion and sediment control practices must comply with the Minnesota Pollution Control Agency's (MPCA) Best Management Practices and applicable MPCA NPDES permit requirements for construction activities and the Developer's SWPPP. The City may impose reasonably necessary additional erosion and sediment control requirements. All areas disturbed by the excavation and backfilling operations shall be reseeded within 48 hours after the completion of the work or in an area that is inactive for more than fourteen (14) days unless authorized and approved by the City Engineer. Except as otherwise provided in the erosion and sediment control plan, seed shall be in accordance with the City's current seeding specifications, if any, which may include certified oat seed to provide a temporary ground cover as rapidly as possible. All seeded areas shall be fertilized, mulched, and disc

anchored, and watered as necessary for seed retention. The parties recognize that time is of the essence in controlling erosion. If the Developer does not comply with the erosion control plan and schedule or supplementary instructions received from the City Engineer, the City may take such action as it deems appropriate to control erosion. The City will endeavor to notify the Developer in advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurred for such work, the City may draw down the letter of credit or any other security required herein to pay any costs. No development, utility or street construction will be allowed and no building permits will be issued unless the plat and Project plans for the Development Property, as applicable, are in full compliance with the approved erosion control plan.

17. **STREET MAINTENANCE DURING CONSTRUCTION AND SIDEWALKS.** The Developer shall be responsible for all street maintenance until the streets are accepted by the City. Warning signs shall be placed when hazards develop in streets to prevent the public from traveling on same and directing attention to detours. If and when streets become impassable, such streets shall be barricaded and closed. In the event residences are occupied prior to completing streets, the Developer shall maintain a smooth surface and provide proper surface drainage. The Developer shall be responsible for keeping streets within and without the subdivision swept clean of dirt and debris that may spill or wash onto the street from Developer’s operation. The Developer may request, in writing, that the City keep the streets open during the winter months by plowing snow from the streets prior to final acceptance of said streets. The City shall not be responsible for repairing the streets because of snow plowing operations. Providing snow plowing service does not constitute final acceptance of the streets by the City. The Developer shall contract for street cleaning as necessary to sweep within and immediately adjacent to the development. The streets shall include Fillmore Street and Grant Drive_ and those portions of Roosevelt Drive, as determined by the City Engineer. A copy of this contract shall be approved by the City before grading is started, and shall remain in full force and effect until all construction within the Project is

completed. When directed to do so by the City, the Developer shall have all streets cleaned of accumulated debris, dirt, and mud. Concrete sidewalks shall be constructed along Fillmore Street, Greenfield Drive East, Greenfield Drive West, and Wheatland Drive after the concrete curb and gutter and bituminous base course have been placed. Any sidewalk damaged (severely cracked, broken or spalled) shall be replaced by the Developer at no cost to the City. City staff shall identify those sections of sidewalk to be replaced.

18. **OWNERSHIP OF IMPROVEMENTS.** Upon completion of the work and construction required by this Agreement and acceptance of Improvements by the City, the Improvements lying within public easements and public rights-of-way shall become City property without further notice or action upon completion and City acceptance thereof. Prior to acceptance of the Improvements by the City, the Developer must furnish the following affidavits:

    a. Contractor's Certificate;

    b. Engineer's Certificate;

    c. Land Surveyor's Certificate; and

    d. Developer's Certificate;

    certifying that all construction has been completed in accordance with the terms of this Agreement. The requisite forms will be furnished by the City of Northfield and are attached hereto as Exhibit B. Upon receipt of the required affidavits, the City Engineer will accept the completed public improvements. Within sixty (60) days after the completion of the Improvements, the Developer shall supply the City with a complete set of reproducible "record" plans, an electronic file of the "record" plans in a format acceptable to the City Engineer (e.g., AutoCAD format, DWG or a .DXF file), and two complete sets of hard copy "record" plans, all prepared in accordance with City standards. Upon receipt of these documents, and the warranty documents specified in this Agreement, the City Engineer will certify acceptance of the completed public improvements.

19. **PARK DEDICATION.** The Developer shall pay a cash contribution of $15,575 in satisfaction of the City's park dedication requirements for the first phase. The park dedication fees for Outlot C

Harvest Hills Second Addition will be collected at the time of the Final Plat for Outlot C. The park dedication fee calculation is based on the Estimated Fair Market Value (EFMV) of the Development Property as indicated in the records of the County Assessor's Office that is equivalent to ten (10) Percent of the gross area of the Development Property subdivided (EFMV x 10%). The park dedication fee is calculated as shown in the table below.

Park Cash-In-Lieu Requirements		
8 or More Units Per Net Acre = 10% Cash in-lieu		
2026 Estimated Market Value of Land (All 10.3 Acres)	$	246,800.00
Phase 1 - EMV 6.5 acres/10.3 Acres	$	155,747.57
10% Cash-in-Lieu	**$**	**15,575.00**

20. **SANITARY SEWER AND WATER TRUNK UTILITY CHARGES.** The Developer is subject to sanitary sewer and water access/availability area charges for the Development Property. The sanitary sewer and water access/availability area charges are as follows:

    a. Sanitary Sewer Availability Charge: The developer shall pay a sanitary sewer availability charge of $93,348.00. The area charge is based on the number of units in the final plat and is calculated as follows: 30 units x $2,593.00/unit = $77,790.00 and 25% credit on affordable unit is calculated 8 units x $1,944.75/unit = $15,558.00.

    b. Water Availability Charge: The Developer shall pay a watermain availability charge of $40,788.00. The access charge is based on the number of units in the final plat and is calculated as follows: 30 units x $1,133.00/unit = $33,990.00 and 25% credit on affordable unit is calculated 8 units x $849.75/unit = $6,798.00.

    The Developer shall pay the above sanitary sewer and water availability charges at the time of final plat approval.

21. **SANITARY SEWER, STORM SEWER AND WATERMAIN.** The Developer shall install or contract for the installation of all public improvements in the Project related to sanitary sewer,

storm sewer and watermains, as required by the City in accordance with those plans approved by the City Engineer.

22. **TRAFFIC CONTROL AND STREET NAME SIGNS.** Any street name signs, stop signs, or other directional and safety signs required by the City shall be purchased and installed by the Developer per City standards at the Developer's expense.

23. **WETLAND MITIGATION.** No wetland mitigation is planned for the site. The Developer is responsible for any undisclosed mitigation on the land, and will be required to submit any necessary security should subsequent wetlands be identified.

24. **BUILDING PERMITS/CERTIFICATES OF OCCUPANCY.**

    a. Grading, curb and gutter, sidewalk and one lift of asphalt shall be installed on all public and private streets and drives prior to issuance of any building permits, adjacent to these lots. No Certificate of Occupancy will be issued until the grading, curbing, sidewalk and one lift of asphalt is installed in accordance with approved plans on all public streets and private drives. In addition, no Certificates of Occupancy shall be issued for any buildings until the sewer and water has been installed and tested to the satisfaction of the City Engineer, which shall not constitute final acceptance of the sewer and water utilities.

        i. In lieu of the foregoing provision, if the proposed public improvements are under construction but not yet completed and accepted by the City, the Developer shall provide a cross section depicting the entire right-of-way of public street extending through the first floor elevation of the building for which a building permit is requested. This first floor elevation shall be considered official for building construction purposes. Any deviation from this elevation shall first be reviewed and approved by the Building Official and the City Engineer prior to commencing construction of applied building permit.

    b. Breach of the terms of this Agreement by the Developer, including nonpayment of billings from the City within 30 days of the date of an invoice from the City to the Developer, shall

be grounds for denial of building permits, including lots sold to third parties, and the halting of all work in the plat or on the Development Property.

c. If building permits are issued prior to the acceptance of public improvements, the Developer assumes all liability and costs resulting in delays in completion of public improvements and damage to public improvements caused by the City, Developer, their contractors, subcontractors, materialmen, employees, agents, or third parties. No certificates of occupancy and no sewer and water connection permits may be issued and no one may occupy a building for which a building permit is issued on either a temporary or permanent basis until the streets and sidewalks needed for access have been paved with a bituminous surface and the utilities are accepted by the City Engineer.

25. **UNDERGROUND UTILITIES – PRIVATE.** This section covers those smaller private utilities such as gas, electric, phone, cable, etc.

a. The Developer is responsible for the cost of installing all private utilities of any nature or kind whatsoever.

b. The Developer shall contact the utility companies to coordinate the installation of the utilities. Private utilities shall not be installed until the curb and gutter are completed and backfilled, as applicable. All utilities shall be installed underground or as otherwise approved in writing by the City Engineer.

c. The City Engineer must approve of the final location for all private utilities. Joint trenching of the utilities is strongly encouraged. All utilities must be located in public rights-of-way or within drainage and utility easements.

d. If any conditions set forth in this Agreement conflict with the City's utility franchise agreements, the franchise agreements shall in all cases prevail.

26. **RESPONSIBILITY FOR COSTS.**

a. Except as otherwise specified herein, the Developer shall pay all costs incurred by it and the City in conjunction with this Agreement, the approval of the Plat, the grading and

development of the Development Property and the construction of the Improvements required by this Agreement, including but not limited to, all costs of persons and entities doing work or furnishing skills, tools, machinery, equipment and materials; insurance premiums; legal, planning and engineering fees; the preparation and recording of this Agreement and all easements and other documents relating to the Plat and the Development Property, as applicable; all Response Action Plans, traffic studies, environmental assessments and/or engineering and other studies and reports; all permits and approvals; and all City's costs incurred pertaining to the inspection and monitoring of the work performed in connection with approval and acceptance of the plat, the Project and the construction of the Improvements and the other work done and improvements constructed on the Development Property or otherwise related to the Project.

b. The City shall not be obligated to pay Developer or any of its agents or contractors for any costs incurred in connection with the construction of the Improvements or the development of the Development Property. Developer agrees to defend, indemnify, and hold the City and its mayor, council members, employees, agents and contractors harmless from any and all claims of whatever kind or nature and for all costs, damages or expenses which the City may pay or incur in consequence of such claims, including reasonable attorneys' fees, which may arise as a result of Plat approval, the Project, this Agreement, the construction of the Improvements (except for the negligence or intentional misconduct of the City with respect to the construction of the Improvements), the development of the Development Property or the acts of Developer, and its employees, agents, contractors or subcontractors, in relationship thereto.

c. The Developer hereby covenants and agrees that Developer will not permit or allow any mechanic's or materialman's liens to be placed on the City's interest in any property that is the subject of the Project or this Agreement during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on the City's

interest, the Developer shall take all steps necessary to see that it is removed within thirty (30) business days of its being filed; provided, however, that the Developer may contest any such lien provided the Developer first posts a surety bond, in favor of and insuring the City, in an amount equal to 125% of the amount of any such lien.

d. The Developer shall reimburse the City for reasonable costs incurred in the enforcement of this Agreement, including engineering and attorneys' fees.

e. The Developer shall pay, or cause to be paid when due, and in any event before any penalty is attached, all special assessments referred to in this Agreement. This is a personal obligation of the Developer and shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

f. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Agreement within 30 days of the date of the City's invoice to Developer. If Developer fails to pay a required bill, then after providing the Developer with at least fifteen (15) days prior written notice, the City may draw on the Security or alternatively declare the same an event of default, and the City may thereafter assess and certify such unpaid charges to the County Auditor for collection in like manner with property taxes on the Development Property, or the City may take any other actions as may be available under this Agreement, at law, or in equity. Bills not paid within sixty (60) days shall accrue interest at the rate of eight percent (8%) per year.

g. In addition to the charges and special assessments referred to herein, other charges and special assessments may be imposed such as but not limited to sewer availability charges ("SAC"), City water connection ("WAC") charges, City sewer connection charges, City storm water connection charges, building permit fees and plat review fees, which shall be paid by Developer.

27. **SPECIAL PROVISIONS.** The following special provisions shall apply:

a. Implementation of any other recommendations listed by the City Council or City Engineer as follows:

i. Stormwater Facilities**.** In order to provide stormwater management and control, to meet the City's stormwater permitting requirements, City Code and state law and regulations, as applicable, and to promote the water quality and volume control to the City's stormwater system and water bodies, the Developer shall construct and complete stormwater facilities on Outlot B of the plat all in accordance with City approved plans and specifications for the same, at the Developer's cost and expense. The Developer shall grant and record a general warranty deed, in the form provided in Exhibit E, in favor of the City of Northfield for such Outlot B of the recorded plat and shall do so commensurate with recording the plat. The signed deed shall be accompanied by a mortgagee's consent in the event the Development Property is encumbered by a mortgage.

ii. The Developer shall construct and complete a trail connection to the Northfield Middle School and a trail on the east side of Fillmore St. to connect to a future trail to connect to Tyler Park on Outlot C of the plat all in accordance with City approved plans and specifications for the same. These trails will be partially completed during phase one of the Project with temporary trail segments on Outlot C of the plat, the phase two portion of the Project on the Development Property. Prior to development of phase two of the Project, the trail segments, as constructed by the Developer at the Developer's expense, will remain in place for use and enjoyment by the general public. The City will following construction thereof by the Developer operate and maintain the trail segments and the final trail once the same is constructed by the Developer at the Developer's expense and in accordance with City approved plans and specification for the same. Part of the

phase two section of the trail will be constructed on Northfield Middle School property.

iii. The Development Property owner shall grant a trail easement to the City for the above-mentioned trail segments as provided in Paragraph 27.a.ii herein above that will remain in place and in effect on Outlot C of the plat until a permanent easement for the same is included in the final plat of Outlot C for phase two of the Project and said final plat on Outlot C for phase two of the Project is properly recorded. The required easement agreement shall be for both the above-mentioned trail segments on Outlot C of the plat as provided in Paragraph 27.a.ii herein above and also for a right-of-way easement as referred to in Paragraph 27.a.iv herein below (collectively the "Easement Agreement" or "Easement Area").

iv. Subject to the requirements and process in Paragraph 27.a.iii and v herein, the Development Property owner shall grant a right-of-way easement to the City on Oulot C of the plat within the Easement Area substantially in the form attached hereto and incorporated herein by reference as Exhibit F for the turnaround / cul de sac on the east end of Wheatland Lane. The Developer shall construct the same at the Developer's expense all in accordance with plans and specifications approved by the City. . The City will following construction thereof by the Developer operate and maintain the same.

v. The Easement Agreement shall be granted by the owner of the Development Property to the City and shall be substantially in the form attached hereto and incorporated herein by reference as Exhibit F containing the Easement Area on Outlot C of the plat for the above-stated collective purposes. The Easement Agreement shall be fully executed to be binding on the Development Property owner, and their successors and assigns, and recorded on the Development Property with a recorded copy filed with the City Clerk. The Easement Agreement

shall be executed commensurate with this Agreement, and the City will not sign the Final Plat for phase one of the Project on the Development Property until the City Clerk receives the executed Easement Agreement from the Development Property owner for subsequent execution by the City. The Easement Agreement shall after being fully executed be recorded by the Developer commensurate with the filing of the fully executed Final Plat for phase one of the Project.

vi. The Developer shall have all required MPCA stormwater permits approved prior to beginning any installation of public improvements.

b. The Developer shall post a $4,500.00 security for the final placement of interior subdivision iron monuments at property corners. The security was calculated as follows: 15 lots at $300.00 per lot. The security will be held by the City until the Developer's land surveyor certifies that all irons have been set following site grading and utility and street construction. In addition, the certificate of survey must also include a certification that all irons for a specific lot have either been found or set prior to the issuance of a building permit for that lot.

c. The Developer shall be responsible for the cost of street light installation consistent with a street lighting plan approved by the City Engineer. The estimated amount for this street light installation is $7,500.00 and consists of 3 Street lights.

d. The Developer must obtain a sign permit from the City Planner prior to installation of any subdivision identification signs.

e. Individual homes must comply with the overall grading plan for the site. Each individual building permit will be reviewed for compliance with the overall grading plan and is subject to review and approval of the City Engineer.

f. Utility hook-ups are subject to review and approval by the City Engineer.

g. The Developer must obtain approval of a Site Plan as provided by current City Code and complete the required plan review and approval thereof, as applicable.

h. The Developer shall meet the requirements of Northfield's Sustainable Building Policy for all buildings constructed through an alternative pathway as approved by the Sustainability Coordinator.

28. **MISCELLANEOUS.**

a. The Developer may not assign this Agreement without the written permission of the City Council, which consent shall not be unreasonably withheld, delayed or conditioned. The Developer's obligation hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of the Development Property.

b. As applicable, in compliance with the Response Action Plan approved by the MPCA for the Development Property, the Developer shall remove and properly dispose of any environmental contamination within the Development Property.

c. Retaining walls that require a building permit shall be constructed in accordance with plans and specifications prepared by a structural or geotechnical engineer licensed by the State of Minnesota. Following construction, a certification signed by the design engineer shall be filed with the City Engineer evidencing that the retaining wall was constructed in accordance with the approved plans and specifications. All retaining walls identified on the development plans or by special conditions referred to in this Agreement shall be constructed before any other building permit is issued for a lot on which a retaining wall is required to be built.

d. Appropriate legal documents regarding Homeowner Association documents, covenants and restrictions, as applicable, shall be filed with the City Clerk with the Final Plat.

e. Developer shall take out and maintain or cause to be taken out and maintained until six (6) months after the Project is completed and the City has accepted the public improvements, liability and property damage insurance covering bodily injury, including death, and claims for property damage which may arise out of Developer's work or the work of its subcontractors or by one directly or indirectly employed by any of them. Limits for bodily

injury and death shall be not less than $500,000 for one person and $1,500,000 for each occurrence; limits for property damage shall be not less than $1,000,000 for each occurrence. The City shall be named as an additional insured on the policy, and the Developer shall file with the City a certificate evidencing coverage prior to the City authorizing the commencement of work on the public and private improvements specified in this Agreement. The certificate shall provide that the City must be given thirty (30) days advance written notice of the cancellation of the insurance.

f. Third parties shall have no recourse against the City or Developer under this Agreement.

g. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Agreement is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Agreement.

h. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

i. This Agreement shall run with the land and shall be binding upon Developer and its successors and assigns.

j. This Agreement will be recorded against the title to the Development Property within 60 days following execution hereof.

k. The Developer covenants with the City, its successors and assigns, that the Developer is well seized in fee title of the Development Property and/or has obtained consents to this Agreement, in the form attached hereto, from all parties who have an interest in the Development Property; that there are no unrecorded interests in the Development Property; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

l. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.

m. The Developer agrees to comply with all local, state and federal laws, ordinances and regulations applicable to the development of the Development Property and Improvements.

n. The City's approval of the final plat or this Agreement does not include approval of building permits for any structures to be constructed within the Development Property. The Developer must submit and the City approve building plans prior to the issuance of building permits for structures within the Development Property.

29. **DEVELOPER'S DEFAULT.** In the event of default by the Developer as to any of the work to be performed by it hereunder or the failure to comply with all terms and conditions of this Agreement, which is not cured within thirty (30) days after written notice thereof to the Developer from the City, the City may, at its option, take one or more of the following actions:

a. Perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer, except in an emergency as determined by the City, is first given notice of the work in default, not less than forty-eight (48) hours in advance. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part for collection with the property taxes on the Development Property;

b. Obtain an order from a court of competent jurisdiction requiring Developer to perform its obligations pursuant to the terms and provisions of this Agreement;

c. Obtain an order from a court of competent jurisdiction enjoining the continuation of an event of default;

d. Halt all development work and construction of improvements until such time as the event of default is cured;

e. Withhold the issuance of a building permit or permits or certificates of occupancy and/or prohibit the occupancy of any structure(s) for which permits have been issued until the event of default has been cured;

f. Draw upon and utilize the Security to cover the City's costs to correct the default, the costs to complete any unfinished Project Improvements and/or the costs to enforce this Agreement; or

g. Exercise any other remedies which may be available to it at law or in equity.

In addition to the remedies and amounts payable set forth or permitted above, upon the occurrence of an event of default by Developer, the Developer shall pay to the City all fees and expenses, including reasonable attorneys fees, incurred by the City as a result of the event of default, whether or not a lawsuit or other action is formally taken.

30. **WARRANTY.** The Developer warrants all Improvements required to be constructed by it pursuant to this Agreement against poor material and faulty workmanship. The warranty period for streets and utilities is two (2) years and shall commence following completion and final written acceptance of the work by the City Engineer. The required warranty period for sod, trees, and landscaping is two growing seasons following installation. The Developer shall post a security in the form of either a) a warranty/maintenance bond for 100% of the cost of the Improvements, or b) a letter of credit or cash escrow for 25% of the amount of the original cost of the Improvements as warranty for the Improvements prior to the City authorizing the commencement of work on the public and private Improvements specified in this Agreement. The retainage from the Project securities identified in this Agreement may also be used to pay for warranty work. The City standard specifications for utilities and street construction identify the procedures for final acceptance of streets and utilities.

31. **SUMMARY OF SECURITY REQUIREMENTS.** To guarantee compliance with the terms of this Agreement, payment of special assessments, payment of the costs of all public improvements,

and construction of all public improvements, the Developer shall furnish the City, at the time of final plat approval or approval of this Development Agreement, as applicable, with either a letter of credit or cash escrow or a combination of cash escrow and a letter of credit, as determined by the City, for 125% of the estimated Improvement costs, in the form attached hereto as Exhibits C and D, as applicable, or a City approved alternate form, from a bank (the "Security") for $1,396,509.00. The amount of the Security was calculated as follows:

CONSTRUCTION COSTS:	
Streets	$389,351.00
Sanitary Sewer	$106,702.00
Watermain	$253,826.00
Surface Water Facilities (pipe, ponds, grading, erosion control.)	$147,162.00
Storm Sewer	$177,762.00
Street Lighting	$7,500.00
Street Signs and Traffic Control Signs	$2,000.00
Landscaping	$20,000.00
Monuments	$4,500.00
TOTAL ESTIMATED CONSTRUCTION COST	**$ 1,108,803.00**
SECURITY ADD-ON	**x 125%**
TOTAL PROJECT SECURITIES REQUIRED:	**$ 1,386,004.00**

This breakdown is for historical reference; it is not a restriction on the use of the Security. The bank shall be subject to the approval of the City Administrator. The Security may be in the form of annually renewable letters of credit. Individual Security instruments may be for shorter terms provided they are replaced at least thirty (30) days prior to their expiration. The City may draw down the Security, without notice, for any violation of the terms of this Agreement or if the Security is allowed to lapse prior to the end of the required term by presenting the bank/escrow agent with a written demand or an affidavit signed by the City Administrator or the City Administrator's

designee attesting to the City's right to draw down and receive funds under the Security. If the required Improvements are not completed at least thirty (30) days prior to the expiration of the Security, the City may also draw the Security down. If the Security is drawn down, the proceeds shall be used to cure the default. Upon receipt of proof satisfactory to the City Engineer that work has been completed and financial obligations to the City have been satisfied, with City Engineer approval, the Security may be reduced from time to time by ninety percent (90%) of the financial obligations that have been satisfied. Ten percent (10%) of the amounts certified by the Developer's engineer shall be retained as Security until: a) all Improvements have been completed, b) iron monuments for lot corners have been installed, c) all financial obligations to the City have been satisfied, d) the required "record" plans have been received by the City, e) a warranty security is provided as specified herein above, f) the public improvements are accepted by the City Engineer, and g) if required by the City Administrator or Code, a title insurance policy indicating that the improvements are free and clear of any and all liens and encumbrances. The City standard specifications for utilities and street construction outline procedures for Security reductions, and reductions in the Letter of Credit, cash escrow or a combination thereof, shall be considered only after underground utilities are tested and found to be satisfactory and again after the base bituminous layer has been placed.

32. **SUMMARY OF CASH REQUIREMENTS.** The following is a summary of the cash requirements under this Agreement which must be furnished at the time of final plat approval or approval of this Agreement, as applicable. The Developer shall not proceed with any Improvements until these cash requirements have been paid to the City:

Park Dedication	$15,575.00
Street Light Operating Fee	$1,308.00
City Engineering Construction Observation (7%)	$77,616.00
City Engineering Administration (2%)	$22,176.00
City Legal Expenses (0.5%)	$5,544.00
Sanitary Sewer Availability Charge	$93,348.00
Water Availability Charge	$40,788.00

TOTAL CASH REQUIREMENTS	**$256,355.00**

33. **NOTICES.** Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address: 1116 N Riverfront Drive Mankato, MN 56001. Notices to the City shall be in writing and shall be either hand delivered to the City Administrator, or mailed to the City by certified mail in care of the City Administrator at the following address: Northfield City Hall, 801 Washington Street, Northfield, MN 55057-2565.

34. **CONSTRUCTION MANAGEMENT.** During construction of the Improvements and the Project, the Developer and its contractors and subcontractors shall minimize impacts from construction on the surrounding neighborhood, as follows:

    a. Definition of Construction Area. The limits of the Project Area shall be as shown in the City approved Grading, Drainage and Erosion Control Plan and shall be demarcated with construction fencing approved by the City Engineer. Any grading, construction or other work outside this area requires approval by the City Engineer and the affected property owner.

    b. Parking and Storage of Materials. Adequate on-site parking for construction vehicles and workers must be provided or provisions must be made to have workers park off site and be shuttled to the Project Area. No fill, excavating material or construction materials shall be stored in the public right-of-way.

    c. Hours of Construction. Hours of construction, including moving of equipment shall be limited to the hours between 7 a.m. and 9 p.m. on weekdays and 7 a.m. and 5 p.m. on weekends or as otherwise provided in City Code.

    d. Site Maintenance. Developer shall ensure that its contractor maintains a clean work site. Measures shall be taken to prevent debris, refuse or other materials from leaving the site. Construction debris and other refuse generated from the Project shall be removed from the site in a timely fashion and/or upon the request by the City Engineer. After Developer has

received at least forty-eight (48) hour verbal notice, the City may complete or contract to complete the site maintenance work at Developer's expense.

e. Project Identification Signage. Project identification signs shall comply with City Code.

35. **EXPIRATION OF AGREEMENT.** This Agreement shall remain in effect until such time as the Developer shall have fully performed all of its duties and obligations under this Agreement. Upon the written request of the Developer and upon the adoption of a resolution by the City Council finding that the Developer has fully complied with all the terms of this Agreement and finding that the Developer has completed performance of all Developer's duties mandated by this Agreement, the City shall issue to the Developer on behalf of the City an appropriate Certificate of Compliance/Completion. Upon issuance of the Certificate of Compliance/Completion by the City, this Agreement shall terminate.

36. **TERMINATION; CONDITIONS PRECEDENT.**

a. If Developer fails to: a) acquire fee simple title to all of the Development Property, and b) record this Agreement and the Plat in the office of the Rice County Recorder, as applicable and as provided herein, within one (1) year after approval of the Final Plat or this Agreement, as applicable, by the City Council, this Agreement shall terminate and the approval of the Plat shall be null and void, subject to the following:

i. All costs, fees and other amounts previously paid to the City in connection with the Plat, the Project Improvements, this Agreement and the Project shall belong to and be retained by the City;

ii. The obligations of the Developer for costs incurred shall survive such termination and continue with respect to unpaid costs, fees and expenses incurred prior to such termination;

iii. The indemnifications of Developer shall survive and continue after such termination; and

iv. The parties shall be released from all other obligations and liabilities under this Agreement not specified above.

b. The City shall have no obligation to construct the Improvements and Developer shall have no right to construct the Improvements or construct the Project on the Development Property unless the Developer acquires fee simple title to the Development Property and records this Agreement and the Plat in the office of the Rice County Recorder as required herein within one (1) year after approval of the final Plat by the City Council.

c. Building permits may be issued prior to Closing, but any such permits issued prior to Closing are hereby issued and no work shall be performed on the Development Property and the construction of the Improvements shall not be commenced, subject to Developer providing evidence satisfactory to the City that the Plat and this Development Agreement have been duly recorded with the Rice County Recorder and that Developer has acquired fee simple title to the Development Property.

d. In the event of the termination of this Agreement, the parties agree, if requested by the other party, to execute and deliver to the other party a written termination acknowledgment in a form reasonably satisfactory to both parties.

e. Developer's right to construct the Improvements is contingent upon obtaining a building permit from the City following submission of a complete and valid application for same. Nothing contained in this Agreement shall be construed to contain a covenant, either express or implied, for Developer to close on its purchase of the Development Property, commence the development of the Development Property as set forth herein, or sell or lease homes constructed and located on the Development Property.

37. **ADOPTED BY REFERENCE.** The provisions of the City's Code, Chapter 34 are hereby adopted by reference in their entirety, unless specifically excepted, modified, or varied by the terms of this Agreement, or by the final plat as approved by the City, as applicable. In the event that a provision of this Agreement is inconsistent with or in conflict with the City's Code, the City Code shall govern.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

DEVELOPER:

HARVEST HILLS TOWNHOMES, LLC

BY: _____
Troy M. Schrom, Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Troy M. Schrom the President of Harvest Hills Townhomes, LLC, a Minnesota limited liability company, on behalf of the corporation and pursuant to the authority granted by its Board of Directors.

_____
NOTARY PUBLIC

CITY OF NORTHFIELD

BY: _____
Erica Zweifel, Its Mayor

(SEAL)

AND _____
Lynette Peterson, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Erica Zweifel and by Lynette Peterson, the Mayor and City Clerk of the City of Northfield, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

_____
NOTARY PUBLIC

THIS INSTRUMENT WAS DRAFTED BY:

City of Northfield
Community Development Department
Northfield City Hall
801 Washington Street
Northfield, MN 55057
507-645-8833

MORTGAGEE CONSENT
TO
DEVELOPMENT AGREEMENT

_____, which holds a mortgage on the subject Development Property, the development of which is governed by the foregoing Development Agreement, agrees that the Development Agreement shall remain in full force and effect even if it forecloses on its mortgage.

Dated this _____ day of _____, 20_____.

_____

_____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2_____, by _____.

_____
NOTARY PUBLIC

THIS INSTRUMENT WAS DRAFTED BY:

City of Northfield
Community Development Department
Northfield City Hall
801 Washington Street
Northfield, MN 55057
507-645-8833

EXHIBIT A
TO
DEVELOPMENT AGREEMENT

Legal Description of Development Property Being Final Platted as Harvest Hills Second Addition

Outlot A, all in Harvest Hills, in the City of Northfield, Rice County, Minnesota.

EXHIBIT B
TO
DEVELOPMENT AGREEMENT

AFFADAVITS

Pursuant to the Development Agreement, prior to acceptance of the improvements by the City, the Developer must complete and furnish the following affidavits:

- Contractor's Certificate;
- Engineer's Certificate;
- Land Surveyor's Certificate; and
- Developer's Certificate;

in substantially the form provided herein, certifying that all construction has been completed in accordance with the terms of the Development Agreement.

CONTRACTOR'S CERTIFICATE OF COMPLIANCE

Project: _____

I/we, the undersigned, certify that the construction of those certain improvements (the "Project") required to be made by _____ (the "Developer") pursuant to that certain Development Agreement (the "Agreement") dated _____, 20___, by and between the City of Northfield (the "City") and the Developer, are complete and have been completed all in accordance with the provisions of the Agreement, and that the Project improvement work substantially conforms to the approved plans for the required improvements for the above-referenced Project and in accordance with the City Code (Chapter _____), City standard specifications for utilities and street construction, and the City's engineering standard specifications

I/we certify that the required improvements are free from all defects in material and workmanship from the date of acceptance thereof by the City, that the Contractor agrees to remedy all defects arising within the warranty period at the Developer's expense, and that the Contractor is now and will remain in compliance with the Warranty/Maintenance Guarantee required by Northfield City Code, Chapter ____, section _____ for the required periods stated therein.

This affidavit is made for the purpose of inducing City of Northfield to accept the Project improvements made as part of the Project for public ownership thereof in accordance with the Agreement.

DEVELOPER'S CONTRACTOR:

_____

BY: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____. the _____of _____, a Minnesota _____, on behalf of _____.

.

_____
Notary Public

ENGINEER'S CERTIFICATE OF COMPLIANCE

Project: _____

I/we, the undersigned, based upon site observation, certify that those certain improvements (the "Project") required to be made by _____ (the "Developer") pursuant to that certain Development Agreement (the "Agreement") dated _____, 20___, by and between the City of Northfield (the "City") and the Developer, appear to have been completed in accordance with the provisions of the Agreement and, to the best of our knowledge, the Project improvement work substantially conforms to the approved plans for the required improvements for the above-referenced Project and in accordance with the City Code (Chapter ____), City standard specifications for utilities and street construction, and the City's engineering standard specifications.

This affidavit is made for the purpose of inducing City of Northfield to accept the Project improvements made as part of the Project for public ownership thereof in accordance with the Agreement.

DEVELOPER'S ENGINEER:

_____

BY: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____. the _____ of _____, a Minnesota _____, on behalf of _____.

.

_____
Notary Public

SURVEYOR'S CERTIFICATE

THE UNDERSIGNED is a Registered Land Surveyor. The plat of Harvest Hills Second Addition was graded in accordance with the grading plan approved by the City for the plat prepared by _____dated _____. The undersigned certifies that the "record" grading plan dated _____ is accurate and was prepared by the undersigned or under the undersigned's direction. The record grading plan includes field verified elevations of the following: a) cross sections of ponds; b) location and elevations along all swales, wetlands, wetland mitigation areas if any, ditches, locations and dimensions of borrow areas/stockpiles; and c) lot corner elevations and house pads. All lots with house footings placed on fill have been monitored and constructed to meet or exceed FHA/HUD 79G specifications.

Dated: _____.

_____
REGISTERED LAND SURVEYOR

Registration No. _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____.

_____
Notary Public

DEVELOPER'S CERTIFICATE OF COMPLIANCE

Project: _____

I/we, the undersigned, certify that the construction of those certain improvements (the "Project") required to be made by _____ (the "Developer") pursuant to that certain Development Agreement (the "Agreement") dated _____, 20___, by and between the City of Northfield (the "City") and the Developer, are complete and have been completed all in accordance with the provisions of the Agreement, that the Developer has complied to date with all requirements set forth in the Agreement, and that the work under the above named Project including all appurtenances thereto has been completed in accordance with the City Code (Chapter ____), City standard specifications for utilities and street construction, and the City's engineering standard specifications.

I/we further certify that all charges or bills for labor or services performed or materials furnished, and other charges by the subcontractors for the required Project improvements have been paid in full and in accordance with the terms of that/those contract(s).

I/we further certify that the required Project improvements are free and clear of any and all liens and encumbrances; that no notice of intention to claim liens is outstanding, and that no suits are pending by reason of the Project.

I/we finally certify that the required improvements are free from all defects in material and workmanship from the date of acceptance thereof by the City, that the Developer agrees to remedy all defects arising within the warranty period at the Developer's expense, and that the Developer is now and will remain in compliance with the Warranty/Maintenance Guarantee required by Northfield City Code, Chapter ____, section _____ for the required periods stated therein.

This affidavit is made for the purpose of inducing City of Northfield to accept the Project improvements made as part of the Project for public ownership thereof in accordance with the Agreement.

DEVELOPER:

_____

BY: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____. _____ of _____, a Minnesota _____, on behalf of _____.

_____
Notary Public

EXHIBIT C
TO
DEVELOPMENT AGREEMENT

IRREVOCABLE LETTER OF CREDIT

No. _____
Date: _____

TO: City of Northfield
801 Washington Street
Northfield, MN 55057

Dear Sir or Madam:

We hereby issue, for the account of Harvest Hills Townhomes, LLC and in your favor, our Irrevocable Letter of Credit in the amount of $_____, available to you by your draft drawn on sight on the undersigned bank.

The draft must:

a) Bear the clause, "Drawn under Letter of Credit No. _____, dated _____, 2_____, of (Name of Bank)____";

b) Be signed by the Mayor or City Administrator of the City of Northfield.

c) Be presented for payment at ___(Address of Bank)___, on or before 4:00 p.m. on November 30, 2_____.

This Letter of Credit shall automatically renew for successive one-year terms unless, at least forty-five (45) days prior to the next annual renewal date (which shall be November 30 of each year), the Bank delivers written notice to the Northfield City Administrator that it intends to modify the terms of, or cancel, this Letter of Credit. Written notice is effective if sent by certified mail, postage prepaid, and deposited in the U.S. Mail, at least forty-five (45) days prior to the next annual renewal date addressed as follows: Northfield City Administrator, Northfield City Hall, 3400 Northfield Boulevard, Northfield, MN 55447, and is actually received by the City Administrator at least thirty (30) days prior to the renewal date.

This Letter of Credit sets forth in full our understanding which shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement, whether or not referred to herein.

This Letter of Credit is not assignable. This is not a Notation Letter of Credit. More than one draw may be made under this Letter of Credit.

This Letter of Credit shall be governed by the most recent revision of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600.

We hereby agree that a draft drawn under and in compliance with this Letter of Credit shall be duly honored upon presentation.

BY: _____

_____Its_____

EXHIBIT D
TO
DEVELOPMENT AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement ("Escrow Agreement") is made and entered into this _____ day of _____, 20____, by and between the CITY OF NORTHFIELD, a Minnesota municipal corporation (the "City"), whose address is 801 Washington Street, Northfield, MN 55057; Harvest Hills Townhomes, LLC, a Minnesota limited liability company (the "Developer"), whose address is 1116 N Riverfront Drive Mankato, MN 56001; and _____ [*Insert Name of the Bank*] (the "Bank" or "Escrow Agent"), as Escrow Agent in connection with the development of a _____ [*Insert Type of Development*] known as Harvest Hills Second Addition [*Insert Name of the Project*] (the "Project") located at _____ [*Insert Full Address of Project*], Northfield, Rice County, Minnesota.

RECITALS

WHEREAS, the Developer has received final plat approval from the City for the development of the Project as set forth on the final plat entitled "Harvest Hills Second Addition", dated _____, 20____, (the "Final Plat"); and

WHEREAS, as a condition of Final Plat approval, the Developer and City have also entered into that certain Development Agreement, dated _____, 20____, (the "Development Agreement"); and

WHEREAS, the Developer pursuant to Northfield City Code, the Development Agreement, Final Plat and other City approvals, at its own expense, is required to complete the construction of certain public improvements (the "Improvements" or "work") as part of the Project; and

WHEREAS the Parties to this Escrow Agreement wish to establish a mechanism to secure the obligations of the Developer for the work as set forth above and to provide the City a financial guarantee to assure the satisfactory completion of the required Improvements; and

WHEREAS, pursuant to Northfield City Code and the Development Agreement, the Developer must provide security for construction of the required Improvements and an Escrow Account is a permissible form of security; and

WHEREAS, the Developer desires to provide the required Improvements and has established an Escrow Account with the Bank for such purpose; and

WHEREAS, the Bank executes this Escrow Agreement solely in the capacity of Escrow Agent.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the Parties contained herein, each does hereby covenant and agree with the others as follows:

1. Incorporation of Recitals and Documents. The recitals set forth above are acknowledged by the Parties to be true and correct and are hereby incorporated herein by reference. The following documents referred to in this Escrow Agreement are hereby made a part hereof by reference:

    a. Development Agreement;
    b. Final Plat; and
    c. Northfield City Code, Chapter 34.

2. Escrow Account/Funds Amount. To guarantee compliance with the terms of the Development Agreement, the Developer has established an Escrow Account with the Bank and agrees to deposit cash escrow funds in U.S. Dollars into the established Escrow Account with the Bank in that amount required by the Development

Agreement, which is $_____ (the "security"). The security shall be deposited into the established Escrow Account prior to or at the time of Final Plat approval. The Developer shall obtain a letter from the Bank addressed to the City acknowledging Developer's creation of the required Escrow Account in the name of the City as surety deposit for the Project and verifying that the Developer has deposited the cash escrow funds in the amount of the security required in the Development Agreement. The Developer shall submit the Bank's letter to the City prior to or at the time of Final Plat Approval.

3. Disbursements from Escrow Account.

   a. The City agrees that the Escrow Account funds on deposit with the Bank shall be deposited in an interest bearing account and shall only be disbursed and used as payment for the required Improvements pursuant to the process and requirements contained in the Development Agreement and this Escrow Agreement. All interest shall accrue to the Developer at such times as the Bank pays interest, but shall remain in Trust with the Bank.

   b. The deposit of the Escrow Account funds by the Developer will be made to ensure that Developer funds are available to the City for withdrawal by the City in the event it becomes necessary for the City, in the City's judgment, to withdraw the funds in order to complete satisfactory construction of the required Improvements in accordance with the Development Agreement.

   c. The Escrow Account funds shall not be used or pledged by the Developer for any other purpose during the period the Escrow Account is in effect. Upon satisfactory completion of the required public Improvements, as shall be determined by the City Engineer or his designee in writing, money in the Escrow Account, plus any accrued interest, shall be released to the Developer in accordance with the requirements contained in the Development Agreement taking into consideration the required warranty period.

   d. In the judgment of the City, in the event the Developer defaults as the same is defined in the Development Agreement, or otherwise fails to comply with the terms of the Development Agreement, or otherwise fails to complete the required public Improvements to the satisfaction of the City Engineer in accordance with the terms of the Development Agreement and City approved plans and specifications, upon notice by the City to the Bank, the Escrow Account Funds shall be immediately, without further action, paid over to the City, in the amount requisitioned by the City, for use by the City in completion of the required public Improvements and/or to reimburse the City for any costs or expenses incurred by the City therefore.

   e. The City will also promptly submit to the Developer a copy of such notice as it files with the Bank. The consent of the Developer to payments by the Bank to the City shall not be required or solicited. The Bank shall incur no liability to the Developer on account of making such payment to the City, nor shall the Bank be required to inquire into the propriety of any claim by the City of default on the part of the Developer or into the use of such funds by the City in completing such Improvements. The Bank shall not refuse or delay to make such payments to the City when requested by the City by an appropriate notice, and the Developer will not interfere with, object to or otherwise hinder such payments by the Bank to the City.

   f. Any work to be performed by the City pursuant hereto shall be let on a contractual basis as required by governing law, or on a time and material basis or shall be performed by the City with its own personnel and equipment or shall be accomplished in such a manner as in the judgment of the City shall accomplish the work expeditiously and economically.

   g. The City shall be the sole beneficiary of the Escrow Account and shall have sole power to draw upon funds from the Escrow Account in accordance with the terms of the Development Agreement and this Escrow Agreement.

   h. Nothing herein shall relieve the Developer from the obligation to pay any additional costs, if actual costs exceed the above-stated cost. Nothing herein shall relieve the Developer from the obligation to

pay any additional costs, if actual costs exceed the amount retained in the Escrow Account, after the time of completion.

i. All disbursements under this Escrow Agreement from the Escrow Account shall be made by and through the Escrow Agent in accordance with the terms of the Development Agreement and this Escrow Agreement.

j. If monies are released by the Bank to the City pursuant to this Escrow Agreement and it shall later develop that a portion of the released monies are surplus to the City's needs, any such surplus shall be returned by the City to the Bank to be held and distributed by the Bank pursuant to the terms of the Development Agreement and this Escrow Agreement.

k. In the event that the Developer furnishes the City with an Irrevocable Letter of Credit, in a form and substance satisfactory to the City, as replacement security for the funds escrowed hereunder, and the City concludes that it is beneficial to the City to do so, the City may release all or a portion of the funds escrowed by this Escrow Agreement and accept the Irrevocable Letter of Credit, provided the Bank reconfirms, in writing its commitment to the terms and conditions contained herein.

4. Bank as Escrow Agent.

a. As Escrow Agent hereunder, the Bank, acting in such capacity, shall have no duties or responsibilities except for those expressly set forth herein.

b. The Parties agree that the Escrow Agent shall be a financial institution or title company licensed and registered to operate in the State of Minnesota and shall be acceptable to the City.

c. The Developer shall indemnify and hold harmless the Bank against any loss, damage or liability, including, without limitation, attorney's fees which may be incurred by the Bank in connection with this Escrow Agreement, except any such loss, damage or liability incurred by reason of the negligence or willful misconduct of the Bank. It is further understood by the Developer that if, as the result of any disagreement between it and any other party or adverse demands and claims being made by it or anyone else upon the Bank, or if the Bank otherwise shall become involved in litigation with respect to this Escrow Agreement, the Developer agrees that it shall reimburse the Bank on demand for all costs and expenses, including, without limitation, attorney's fees, the Bank shall incur or be compelled to pay by reason of such dispute or litigation, including reasonable compensation for time expended in connection with any such dispute or litigation.

d. The Developer shall indemnify and hold harmless the City against any claim, loss, damage or liability, including, without limitation, attorney's fees, which may be incurred by or brought against the City in connection with this Escrow Agreement, except any such loss, damage or liability incurred by reason of the negligence or willful misconduct of the City.

e. All indemnification obligations shall survive termination, expiration or cancellation of this Escrow Agreement.

f. The Bank, acting as such, shall not be liable to anyone by reason of an error or judgment, a mistake of law or fact, or for any act done or step taken or omitted in good faith, and this provision shall survive the termination of this Escrow Agreement.

g. At the time the last of the escrowed funds are released and disbursed by the Bank in accordance with this Escrow Agreement, the Bank shall be discharged from any obligation under this Escrow Agreement.

h. In accordance with the provisions above, the Bank may rely upon and shall be protected in acting upon any statement, instrument, opinion, notice, request, order, approval or document believed by the Bank to be genuine and to have been signed or presented by the proper party or parties.

i. The Escrow Agent shall keep records of all requests and transactions made from the Escrow Account, which records may be inspected by the Developer and the City Engineer, respectively, immediately upon request by either Party to the Escrow Agent.

j. The Developer is responsible for all costs and fees payable to the Escrow Agent for service rendered by the Bank in accordance with this Escrow Agreement.

5. Substitution or Resignation of Bank. The Bank reserves the right to withdraw from this Escrow Agreement and cease serving as Escrow Agent hereunder at any time by giving thirty (30) days written notice thereof to the Developer and City. Upon notice of resignation by the Bank, the Developer agrees to find within ten (10) days of such notice a replacement Escrow Agent acceptable to the City. The Bank agrees to deliver the escrowed funds then held by the Bank to such replacement escrow holder and notify all parties hereto. The Bank shall thereupon be released from any and all responsibility or liability to the Parties hereto. If the Developer fails to appoint a replacement escrow agent within such ten (10) day period, the Bank shall petition any court having jurisdiction for the appointment of a successor escrow agent or for instructions as to the disposition of the documents and moneys held by it under this Escrow Agreement. In any event such court appoints a successor escrow agent, the Bank shall deliver the escrowed funds then held pursuant to this Escrow Agreement, and all records and other documents held by it under this Escrow Agreement, upon payment of all fees and expense reimbursements due to the Bank, to such successor escrow agent and the Bank shall thereby be released from any and all responsibility or liability to the Parties hereto. Pending such appointment or instructions, the Bank shall continue to be bound by the terms of this Escrow Agreement.

6. Notices. Any notice provided for or permitted under this Escrow Agreement, unless otherwise provided herein, will be treated as having been received (a) when delivered personally, (b) when sent by confirmed facsimile or (c) three (3) days following when sent by certified mail, to the party to be notified, at the address set forth below, or at such other place of which the other party has been notified in accordance with the provisions of this paragraph (except that the Escrow Agent shall not be bound by or required to act upon any notice unless and until actually received by it).

a. If to the Developer, at:

_____
_____
_____
_____

b. If to the City, at:

_____
_____
_____
_____

c. If to the Escrow Agent, at:

_____
_____
_____
_____

Such notice will be treated as having been received upon actual receipt if actual receipt occurs earlier than as provided in clauses (a) through (c) hereof. Notwithstanding the foregoing, no notice to the Escrow Agent shall be deemed given to or received by the Escrow Agent unless delivered to an officer of the Escrow Agent having responsibility under this Agreement.

7. Termination. This Escrow Agreement shall terminate and be of no force or effect upon the completion of the terms and conditions contained herein and completion of the retained security requirements (retainage) contained in the Development Agreement; provided however, that the security requirements for the warranty period required in the Development Agreement are otherwise provided for in a manner acceptable to the City and in accordance with the Development Agreement. Subject to the retainage requirements contained in the Development Agreement, in the event that the security requirements for the warranty period required in the Development Agreement are not otherwise provided for in an alternate manner acceptable to the City, this Escrow Agreement shall not terminate until the expiration of the required warranty period, except that the amount of the security remaining in the Escrow Account for the warranty period shall be as provided in the Development Agreement.

8. General Terms.

   a. Voluntary and Knowing Action. The parties, by executing this Agreement, state that they have carefully read this Escrow Agreement and understand fully the contents thereof; that in executing this Escrow Agreement they voluntarily accept all terms described in this Escrow Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

   b. Authorized Signatories. The parties each represent and warrant to the other that (1) the persons signing this Escrow Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Escrow Agreement against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

   c. Successors and Assigns. This Escrow Agreement may not be assigned by the Developer or Bank without the prior written consent of the City. This Escrow Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No other person has any rights, interest, or claims hereunder or is entitled to any benefits under or on account of this Escrow Agreement as a third-party beneficiary or otherwise.

   d. Modifications/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, and signed by authorized representative of the parties.

   e. Governing Law. This Escrow Agreement shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of this Escrow Agreement without regard to its choice of law or conflict of laws principles.

   f. Data Practices. The parties acknowledge that this Escrow Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

   g. No Waiver. Nothing in this Escrow Agreement shall be construed to waive any immunities or limitations to which the City is entitled under Minn. Stat. Chapter 466 or otherwise. No waiver by any party to this Escrow Agreement of any condition or of any breach of any provision of this Escrow Agreement will be effective unless in writing. No waiver by any party of any such condition or breach, in any one instance, will be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained in this Escrow Agreement.

   h. Entire Agreement. These terms and conditions constitute the entire agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Escrow Agreement.

   i. Headings and Captions. Headings and captions contained in this Escrow Agreement are for

convenience only and are not intended to alter any of the provisions of this agreement and shall not be used for the interpretation of the validity of the agreement or any provision hereof.

j. Cooperation. The parties hereto agree to cooperate with one another in the performance of their respective obligations and responsibilities set forth in this Escrow Agreement. The parties further agree to execute and deliver such other and additional documents and instruments as may be reasonably necessary to accomplish the purposes of this Escrow Agreement.

k. No joint venture or partnership. The parties hereto agree that they will be independent contractors in performing their respective obligations under this Escrow Agreement. This Escrow Agreement is not intended to create nor does it create, a relationship of partners or joint ventures between the parties hereto.

l. Severability. The invalidity or unenforceability of any provision of this Escrow Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Escrow Agreement shall be construed and enforced as if the agreement did not contain that particular provision to the extent of its invalidity or unenforceability.

m. Force Majeure. Escrow Agent shall not be liable to the undersigned for any loss or damage arising out of any acts of God, strikes, equipment, or transmission failure, war, terrorism, or any other act or circumstance beyond the reasonable control of Escrow Agent.

n. Compliance with Laws. The parties hereto shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to the subject matter hereof.

o. Non-Discrimination. The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set forth herein.

p. Execution. This Escrow Agreement may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any party to the counterpart shall be deemed a signature to the Agreement, and may be appended to, any other counterpart, facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing party.

(Remainder of page left intentionally blank.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

DEVELOPER:
HARVEST HILLS TOWNHOMES, LLC

By: _____
Troy M. Schrom, It President

CITY: CITY OF NORTHFIELD

By: _____
Erica Zweifel, Its: Mayor

By: _____
Lynette Peterson, Its: City Clerk

BANK/ESCROW AGENT: _____
_____

By: _____
_____, It _____

ACKNOWLEDGMENT OF DEVELOPER

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Troy M. Schrom the President of Harvest Hills Townhomes, LLC a Minnesota limited liability company, on behalf of the corporation and pursuant to the authority granted by its Board of Directors.

_____
NOTARY PUBLIC

ACKNOWLEDGMENT OF CITY

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Erica Zweifel and by Lynette Peterson, the Mayor and City Clerk of the City of Northfield, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

_____
NOTARY PUBLIC

ACKNOWLEDGMENT OF BANK

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____ the _____ of _____, a _____ *[e.g., corporation, limited liability company, limited liability partnership]* under the laws of the State of _____ *[Minnesota]*, on behalf of the _____ and pursuant to the authority granted by its _____ *[e.g., board of directors]*.

_____
NOTARY PUBLIC

EXHIBIT E
TO
DEVELOPMENT AGREEMENT

WARRANTY DEED

(Top 3 inches reserved for recording data)

WARRANTY DEED
Business Entity to Business Entity

eCRV number: _____
DEED TAX DUE: $ _____ DATE: _____, 2026

FOR VALUABLE CONSIDERATION, **Harvest Hills Townhomes, LLC**, a limited liability company under the laws of the State of Minnesota ("**Grantor**"), hereby conveys and warrants to the **City of Northfield**, a municipal corporation under the laws of the State of Minnesota ("**Grantee**"), real property in Rice County, Minnesota, legally described as follows:

See Exhibit A, which is attached hereto and incorporated herein by reference,

Check here if all or part of the described real property is Registered (Torrens) ☐

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions: **None.**

The total consideration for this transfer is $3,000 or less.

Check applicable box:
☒ The Seller certifies that the Seller does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: **[**_____**]**.)
☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate

Grantor

Harvest Hills Townhomes, LLC

By: _____
Troy M. Schrom
Its President

State of Minnesota, County of _____

This instrument was acknowledged before me on _____, 20___, by Troy M. Schrom, as the President of Harvest Hills Townhomes, LLC, Grantor.

(Stamp)

_____
(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103-2122
651-225-8840

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

City of Northfield
City Administrator
801 Washington St
Northfield, MN 55057

EXHIBIT A TO WARRANTY DEED

LEGAL DESCRIPTION

Outlot B, Harvest Hills Second Addition, Rice County, Minnesota.

EXHIBIT F
TO
DEVELOPMENT AGREEMENT

EASEMENT AGREEMENT

(Do not write in the space above. Reserved for recording/transfer data)

PUBLIC RIGHT-OF-WAY AND TRAIL EASEMENT

This Agreement is made this _____ day of _____, 20_____, by and between Harvest Hills Townhomes, LLC, a limited liability company under the laws of the State of Minnesota, 1116 N. Riverfront Drive, Mankato, Minnesota 56001, referred to hereinafter as "Grantor," and the City of Northfield, Minnesota, a municipal corporation under the laws of the State of Minnesota, 801 Washington Street, Northfield, Minnesota 55057, referred to hereinafter as "Grantee" or "City"; (collectively referred to herein as the "parties").

AGREEMENT

Pursuant to that certain Development Agreement, Harvest Hills Second, dated _____, 2026 (the "Development Agreement") by and between the Grantee and Grantor (the "Developer"), and in consideration of the good and valuable consideration contained therein, the receipt and sufficiency of which is hereby acknowledged, the Grantor and Grantee do hereby agree as follows:

1. The undersigned Grantor hereby grants and conveys to the Grantee a public Easement for public right-of-way and trail purposes (the "Easement"), over, under and across that part of the tract of land legally described on Exhibit A, which is attached hereto and incorporated herein by reference, in the City of Northfield, Rice County, Minnesota; which Easement is legally described on Exhibit B, which is attached hereto and incorporated by reference (the "Easement Area").

2. The terms of the Development Agreement are incorporated herein by reference.

3. Pursuant to the Development Agreement, the Grantor grants the Developer a license to construct and complete a trail connection in the Easement Area to the Northfield Middle School and a trail in the Easement Area on the east side of Fillmore St. to connect to a future trail to connect to Tyler Park. These trails will be partially completed during phase one of development Project in the Easement Area with trail segments on the phase two portion of the Development Property within the Easement Area. The City will following construction thereof by the Developer operate and maintain the trail segments.

4. Pursuant to the Development Agreement, the Developer shall additionally construct and complete a turnaround / cul de sac on the east end of Wheatland Lane in the Easement Area all in accordance

with City approved plans and specifications for the same. The City will following construction thereof by the Developer operate and maintain the turnaround / cul de sac on the east end of Wheatland Lane.

5. The foregoing public improvements are collectively hereinafter referred to as the "City Improvements".

6. The City Improvements will remain in place within the Easement Area for use and enjoyment by the general public.

7. This Easement shall commence on the date first above written and remain in place and in effect until a permanent easement for the same is included in a final plat for phase two of the development Project and said final plat for phase two of the development Project is properly recorded containing a permanent easement in favor to the City for right-of-way and trail purposes containing the City Improvements or such other improvements as the City required as part of the final plat for phase two of the development Project.

8. The Easement Area described above is depicted on Exhibit C, which is attached hereto and incorporated herein by reference.

9. The Grantor states and hereby covenants that the Grantor is the lawful owner of the above-described real property, is lawfully seized and possessed of said real property, and that the Grantor has good and lawful right to grant the Easement described herein.

10. The Grantee shall have the right to construct, excavate, grade, inspect, install, remove, demolish, operate, maintain, place, replace, reconstruct, improve, enlarge and repair, as it may find reasonably necessary the City Improvements, and such other improvements appurtenant thereto, in the Easement Area described herein.

11. The Grantee shall have the right, at its sole cost and expense, to conduct such activities in the Easement Area, as are reasonably necessary to exercise Grantee's rights herein. The Grantee and its employees, agents, permitees and licensees shall have the right of ingress and egress to and from the Easement Area, including but not limited to ingress and egress for equipment, materials, supplies and vehicles, at all times and without notice to Grantor, by such route, in the judgment of the Grantee, as shall occasion the least practical damage and inconvenience to the Grantor.

12. The Grantee shall have the right to trim, remove and keep the Easement Area clear of all buildings, structures, roots, shrubbery, trees, bushes, undergrowth and all other obstructions that may interfere with or endanger the Grantee's exercise of any of the rights pursuant to this Easement.

13. The Grantor shall not erect, construct or locate in the Easement Area any new structure or object that was not in existence on the date of this Easement, which would prevent the Grantee's reasonable access to the Easement Area or prevent the public's full enjoyment of the rights granted hereunder, without the written consent of the Grantee.

14. The Grantee shall defend, indemnify and hold harmless Grantor from and against claims and demands for, or litigation with respect to, all damages which may arise out of or be caused by the

Grantee's work or the City Improvements within the Easement Area and the public's use thereof. The indemnification provision herein shall not apply to the negligence or intentional misconduct of Grantor.

15. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

16. This Easement shall be recorded as soon as practicable following its execution with the understanding that the Grantee has complete and absolute sole ownership, use and control of the City Improvements constructed in the Easement Area, and such other improvements appurtenant thereto, in accordance with the grant of rights conveyed herein.

17. Grantor and Grantee agree to correct any legal descriptions contained herein if there is a mistake discovered, including any mistakes or discrepancies revealed by an accurate survey of the property identified herein, and to accordingly replace the corresponding corrected exhibit herein, as applicable.

18. This Agreement shall be governed by and construed under the laws of the State of Minnesota without reference to its conflict of laws principles.

19. Any notice or other communication required or permitted under this instrument must be in writing and may be given by personal delivery, by being deposited with any nationally recognized overnight carrier that routinely issues receipts, or by being deposited with the United States Postal Service, postage prepaid, certified mail, addressed to the party for whom it is intended at its address set forth above. Any such notice shall be deemed delivered upon (but not until) receipt or refusal of receipt. Either party may change its address for notices by giving 10 days prior written notice of such change to the other party in a manner set forth above.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have hereunto executed this document the day and year first above written.

GRANTOR:

HARVEST HILLS TOWNHOMES, LLC

By: _____
Troy M. Schrom, Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by Troy M. Schrom the President of Harvest Hills Townhomes, LLC, a limited liability company under the laws of the State of Minnesota, Grantor.

_____
Notary Public

GRANTEE:

CITY OF NORTHFIELD, MINNESOTA

By: _____
Erica Zweifel, Its Mayor

ATTEST:

By: _____
Lynette Peterson, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____day of _____, 20_____, by Erica Zweifel as Mayor and Lynette Peterson as City Clerk on behalf of the City of Northfield, a municipal corporation under the laws of the State of Minnesota, Grantee.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN 55103-2122
651-225-8840

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

The real property referenced in this Easement is legally described as follows:

LEGAL DESCRIPTION:

EXHIBIT B

LEGAL DESCRIPTION OF EASEMENT

LEGAL DESCRIPTION:

EXHIBIT C

DEPICTION OF PERMANENT EASEMENT

Sustainable Building Policy Compliance Plan

I. Purpose

The Developer has requested Tax Increment Financing ("TIF") assistance from the City of Northfield in connection with the Harvest Hills Second Addition Project in Northfield, Minnesota (the "Project").

Since the Project is receiving Financial Assistance through TIF, the Project is subject to the City of Northfield Sustainable Building Policy ("SBP"). Compliance with the SBP is a condition of receiving such Financial Assistance.

The SBP requires applicable projects to pursue certification under an eligible Sustainable Building Rating System and to meet applicable Northfield Green Requirements. It further allows for flexibility in applying alternative compliance approaches and equivalent performance pathways when necessary to support feasible implementation consistent with the intent of the policy.

II. Approved Alternative Compliance Pathway

The Developer shall complete the requirements identified herein and provide the documentation specified in this Plan. Compliance with this Plan shall be determined based upon satisfaction of the approved Alternative Compliance Pathway set forth below.

III. Sustainable Building Policy Requirements

a. Sustainable Building Rating System

The Project shall utilize ENERGY STAR Version 3.1 and EPA Indoor airPLUS as its Sustainable Building Rating System.

The Developer shall complete the applicable certification and verification processes and provide the City with documentation demonstrating achievement of ENERGY STAR Version 3.1 certification and EPA Indoor airPLUS certification.

b. Northfield Green Requirements

i. Predicted Greenhouse Gas Emissions

The Developer shall provide a greenhouse gas emissions calculation utilizing the RESNET HERS Carbon Index add-on. The greenhouse gas emissions results shall be reported to the City using the final HERS Carbon Index score and any associated carbon emissions metrics generated through the RESNET rating process.

ii. Energy Efficiency Standard

For Phase One of the Project, the City acknowledges the energy efficiency standard will be met by the Sustainable Building Rating System (see above).

For Phase Two of the Project, the Developer shall comply with the most current version of the SBP in effect at the time of Phase Two review and shall coordinate with the Sustainability Coordinator regarding applicable requirements and compliance measures.

iii. Renewable Energy Standard

The Project is not required to be designed or constructed as Solar Ready, nor is the Developer required to provide documentation demonstrating Solar Ready compliance, for Phase One of the Project.

Nothing in this provision shall be construed to waive, limit, or otherwise restrict the City's authority to apply Solar Ready design requirements or equivalent measures to any subsequent phase of development, redevelopment, or substantial modification of the Project. Any such future requirements shall be determined in accordance with the applicable City policies, standards, and guidelines in effect at the time of review for the applicable phase.

IV. Required Documentation

Prior to issuance of a Certificate of Occupancy, or at such other time approved by the City, the Developer shall provide:

- A final ENERGY STAR Version 3.1 certification report or verification summary demonstrating that the Project has achieved ENERGY STAR Version 3.1 certification;
- A final EPA Indoor airPLUS certification report or verification summary demonstrating that the Project has achieved EPA Indoor airPLUS certification;
- A greenhouse gas emissions calculation based on predicted energy use, prepared using the RESNET HERS Carbon Index add-on, and reported to the City using the final HERS Carbon Index score and any associated carbon emissions metrics generated through the RESNET rating process;

File #: Res. 2026-077, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and Members of Council

From: Scott Wopata, Community Development Director
Emery John, Program Associate

Consideration of a Resolution Approving Tax Increment Financing (TIF) Assistance Agreement for Harvest Hills Second Addition.

Action Requested:
Consideration of a Resolution Approving Tax Increment Financing (TIF) Assistance Agreement for Harvest Hills Second Addition.

Summary Report:
Harvest Hills Townhomes, LLC has applied for a final plat to create Phase One of Harvest Hills Second Addition, on a parcel situated on the south side of Northfield and west of Northfield Middle School. The parcel is 10.30 acres and proposes creating 15 lots with 38 units and 3 outlots which will be part of the planned second phase. This first phase consists of 22 duplex units, 6 tri-plex units, 4 four-plex units and 6 six-plex units.

The final plat and development agreement have been presented in separate resolutions. The developer is requesting Tax Increment Financing (TIF) from the City of Northfield to make this project financially feasible. Without TIF, the project is not feasible.

80% of the units (30 units) are market rate and estimated to rent for approximately $2,400/month; affordable for households around 80% of the area median income (AMI) or $93k annual household income for a family of 5.

20% of the units (8 units) will adhere to the TIF statute of affordability and are estimated to rent for approximately $1,700/month; affordable for households at 50% of the Area Median Income as defined by the Department of Housing and Urban Development for Rice County. This would be considered affordable for a household with annual income of approximately $60k for a family of 5.

The development includes pedestrian and biking infrastructure improvements. This will provide improved access and connectivity to the Middle School and trail systems directly adjacent.

The total amount of TIF assistance provided for this project is $1,915,000 over 20 years. The full amount of incremental (increased) tax available for all phases of Harvest Hills is forecasted to be $10,507,797 over 26 years. This was determined in the TIF Plan reviewed and approved by Council on May 19, 2026. The actual amount of TIF assistance provided was calculated for the specific costs in Phase 1 and sized based on the minimal amount needed to make the project financially feasible while incorporating affordability and

sustainability requirements. Phase 1 will construct 38 out of 71 units, or 54%. The associated Phase 1 TIF amount is only $1,915,000 out of $10,507,797, or 19%.

The structure of the TIF note is “pay-as-you-go", with the developer covering all upfront costs. There is one true-up clause to ensure any reduction or savings in total development costs are shared between the City and the developer if over $100,000.

Recommendation:
Staff recommend approval of the resolution

City Plans & Policies Relevance:
The Council reviewed multiple policies related to this development when approving and adopting the TIF Plan associated with this development on May 19, 2026:

- Business Subsidy Policy (9.03)
- Tax Increment Policy (9.01)

These two policies overwhelmingly support a TIF Agreement for Harvest Hills. While there are many alignments between the project and these policies, most notable is the focus on affordable and workforce housing. Additionally, the project is implementing sustainability measures in compliance with the Sustainable Building Policy (8.06).

This development meets the Northfield 2045 plan in many ways including, but not limited to:

The planned development is in a mixed-use residential zone on the Future Land Use map Figure 4 (56)

The TIF plan triggers the City’s Sustainable Building Policy, which aligns to Chapter 3: Access: Strategy 6: Design for resiliency and sustainability; Action 2: “Encourage the use of energy-efficient mechanical systems and building products and/or the use of building designs and materials that reduce lifecycle carbon and reliance on non-local energy sources in rehabilitation and new construction to decrease building operation costs and impacts on the environment” (77)

The added bike access to the middle school and school buildings aligns with Chapter 3: Access: Strategy 5: Design for safe access, by connecting school district trails to neighborhood streets.

Chapter 4: Sustainable Economic Future Strategy 8: Build more housing (104), and Strategy 10: “Create programs to support affordable and sustainable homes and neighborhoods. (106).

Additionally, this project is aligned with the adopted Strategic Plan of the City of Northfield Strategy #2: Increase Housing Availability, target to add 50 multi-family homes annually through 12/2028.

This proposed development also exceeds the goals of the strategic plan by ensuring the affordability of 20% of the proposed units.

Alternative Options:
Council may choose not to execute the TIF Assistance Agreement.

Financial Impacts:

- Council approved a TIF Plan on May 19, 2026 establishing the maximum increment amount of $10,507,797 over the maximum 26 years for all phases of Harvest Hills.
- The attached TIF Agreement commits $1,915,000 over 20 years to Phase 1.
- TIF Funding Structure: “Pay-as-you-go.” The Developer will incur all upfront costs and be reimbursed over time. This ameliorates any risk being taken on by the City.

Tentative Timelines:

- April 16 - Planning Commission motion and review
- April 21 - Housing Redevelopment Authority motion and review
- May 5 - City Council action on Harvest Hills preliminary plat
- May 19 - City Council public hearing on establishment of TIF district; consideration of resolution adopting TIF plans and approving TIF district
- July 21 - City Council considers the TIF Financial Agreement, Development Agreement, and Final plat
- August/September 2026 - Construction of Phase 1 begins

CITY OF NORTHFIELD
COUNTIES OF DAKOTA AND RICE
STATE OF MINNESOTA

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A TIF ASSISTANCE AGREEMENT (HARVEST HILLS TOWNHOMES PROJECT)

WHEREAS, the City of Northfield, Minnesota (the "City"), has reviewed a proposal by Harvest Hills Townhomes, LLC., a limited liability company (the "Developer"), to develop and construct on certain real property within the City (the "Development Property") an approximately 38-unit affordable multifamily townhome rental housing development and all related amenities and improvements to be constructed, owned, and operated by the Developer (the "Project");

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.134, as amended (the "Municipal Development Act"), the City has undertaken a program to promote the development and redevelopment of land which is underutilized or characterized by blight within the City, and in connection therewith created the Master Development District, as expanded (the "Development District") and adopted a Development Program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (the "TIF Act"), the City has created, within the Development District, the Harvest Hills Tax Increment Financing District (a housing district) qualified as a housing tax increment financing district (the "TIF District") and has adopted a tax increment financing plan therefor (the "TIF Plan") which provides for the use of tax increment financing in connection with the Project;

WHEREAS, there has been prepared and presented to the City Council for its consideration a certain TIF Assistance Agreement, between the City and the Developer stating the Developer's responsibilities and the terms and conditions the City's assistance with financing certain costs of the Project (the "TIF Agreement");

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Northfield, Minnesota (the "City Council"), as follows:

Section 1. Approval of TIF Agreement.

1.01. The City Council hereby approves the TIF Agreement in substantially the form presented to the City Council, together with any related documents necessary in connection therewith, including but not limited to any documents, exhibits, certifications or consents referenced in or attached to the TIF Agreement including without limitation the TIF Note and the Declaration of Restrictive Covenants (both as defined in the TIF Agreement) and consents to collateral assignments necessary to secure financing for the Project (collectively, the "Development Documents"), and hereby authorizes the Mayor and City Administrator to negotiate

the final terms thereof and, in their discretion and at such time, if any, as they may deem appropriate, to execute the same on behalf of the City, and to carry out, on behalf of the City, the City's obligations thereunder.

1.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein.

1.03. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents, including without limitation the issuance of the TIF Note thereunder, when all conditions precedent thereto have been satisfied.

1.04. The City Council hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

Adopted this 21st day of July, 2026.

ATTEST:

_____ _____

City Clerk Mayor

VOTE: ___ ZWEIFEL ___ SOKUP ___ HOLMES ___ NESS
____ PETERSON WHITE ___ DAHLEN ___ BEUMER

TIF ASSISTANCE AGREEMENT

BETWEEN

CITY OF NORTHFIELD, MINNESOTA

AND

HARVEST HILLS TOWNHOMES, LLC

This document drafted by:
Kutak Rock, LLP
60 South Sixth Street
Suite 3400
Minneapolis, Minnesota 55402

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TIF ASSISTANCE AGREEMENT

THIS AGREEMENT, made as of the [__] day of [____], 2026, by and between the City of Northfield (the "City"), a municipal corporation and political subdivision under the laws of the State of Minnesota, and Harvest Hills Townhomes, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Sections 469.124 through 469.134, as amended (the "Municipal Development Act"), the City has undertaken a program to promote the development and redevelopment of land which is underutilized or characterized by blight within the City, and in connection therewith created the Master Development District (the "Development District") and adopted a Development Program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (the "TIF Act"), the City has created, within the Development District, the Harvest Hills Tax Increment Financing District (a housing district) qualified as a housing tax increment financing district (the "TIF District"), the legal description of which is attached hereto as **Exhibit A**, and has adopted a tax increment financing plan therefor approved by the City Council of the City on May 19, 2026 (the "TIF Plan") which provides for the use of tax increment financing in connection with certain development within the Development District and TIF District; and

WHEREAS, the Developer proposes the development of the property in the TIF District and construction of an approximately 38-unit multifamily townhome housing development, and all related amenities and improvements, to be constructed, owned and operated by the Developer on property within the TIF District and associated infrastructure (the "Project"); and

WHEREAS, the Developer has requested that the City use tax increment financing to assist the Developer with certain costs thereof in order to fill the gap between the Total Development Costs (as hereinafter defined) and the funds available to pay such costs;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Administrative Costs has the meaning set forth in Section 3.4;

Agreement means this TIF Assistance Agreement, as the same may be from time to time modified, amended or supplemented;

Architect means [Architect name], a _____ as the architect for the Project;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

Certificate of Completion means a Certificate of Completion with respect to the Project executed by the City pursuant to Section 3.8, in substantially the form set forth in Exhibit F attached hereto;

City means the City of Northfield, Minnesota;

Completion Date means the date on which the Certificate of Completion with respect to the Project is executed by the City pursuant to pursuant to Section 3.8;

Construction Costs means the capital costs of the construction of the Project, including the costs of labor and materials; construction management and supervision expenses; insurance and payment or performance bond premiums; architectural and engineering fees and expenses; property taxes; usual and customary fees or costs payable to the City or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); the developer fee; and all other costs chargeable to the capital account of the Project under generally accepted accounting principles;

Construction Documents means the following documents, all of which shall be in form and substance reasonably acceptable to the City: (a) evidence satisfactory to the City showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Project; (b) a copy of the executed standard form of agreement between owner and architect for architectural services for the Project, if any, and (c) a copy of the executed General Contractor's contract for the Project, if any;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Project, which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City;

County means Rice County, Minnesota;

Declaration means the Declaration of Restrictive Covenants in substantially the form attached hereto as **Exhibit E**;

Developer means Harvest Hills Townhomes, LLC, a Minnesota limited liability company, and its authorized successors and assigns;

Design Drawings means the floor plans, renderings, elevations and material specifications for the Project prepared by the Architect;

Development Contract means the Development Agreement (Developer Installed Improvements) Harvest Hills Second, dated as of the date hereof, between the City and the Developer in connection with the construction of the Project and related public infrastructure;

Development Property means the real property legally described in **Exhibit B** attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Final Payment Date means the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note has been paid in full; or (ii) February 1, 2048; or (iii) any earlier date this Agreement or the TIF Note is terminated or cancelled in accordance with the terms hereof or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act;

General Contractor means Schrom Construction, Inc., a Minnesota corporation as the general contractor for the Project;

Payment Date means August 1, 2028 and each February 1 and August 1 thereafter to and including the Final Payment Date; provided, that if any such Payment Date should not be a Business Day, the Payment Date shall be the next succeeding Business Day;

Permitted Encumbrances means those encumbrances set forth in **Exhibit F**;

Pledged Tax Increments means for any six month period, 95% of the Tax Increments received by the City since the previous Payment Date;

Project means the construction of an approximately 38-unit affordable multifamily townhome rental housing development and all related amenities and improvements to be constructed, owned and operated by the Developer on the Development Property and associated infrastructure;

Public Development Costs means the Public Development Costs of the Project identified on **Exhibit C** attached hereto and any other cost incurred by the Developer, or its assigns, that the City determines is eligible for reimbursement with Pledged Tax Increments;

Qualified Project Period has the meaning as defined in the Declaration;

Reimbursement Amount means the lesser of (i) $1,915,000 or (ii) the Public Development Costs actually incurred and paid by the Developer, or (iii) the amount determined pursuant to Section 3.2(10);

Site Plan means the site plan prepared for the Development Property approved by the City;

State means the State of Minnesota;

Tax Increments means the tax increments derived from the Development Property and the improvements thereon which have been received, and are permitted to be retained, by the City in accordance with the TIF Act including, without limitation, Minnesota Statutes, Section 469.177; Section 469.176, subdivision 4h; and Section 469.175, subdivision 1a, as the same may be amended from time to time; provided that the term "Tax Increments" shall specifically not include any amounts of tax increment generated by the TIF District which pursuant to the applicable terms of the TIF Act (as it may exist or be amended from time to time) may be required to be paid to or reserved for the State, the County, or any other entity or official; for purposes of this definition, "derived from the Development Property and the improvements thereon" means the portion of Tax Increments actually received by the City from the TIF District determined by the City, in its sole determination, to have been derived from the Development Property;

Termination Date means the Final Payment Date;

TIF Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

TIF District means the Harvest Hills Tax Increment Financing District (a housing district) consisting of the property legally described in **Exhibit A** attached hereto, which was established as a housing district under the TIF Act;

TIF Note means the Taxable Tax Increment Revenue Note (Harvest Hills Townhomes Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, a form of which is attached hereto as **Exhibit D**;

TIF Plan means the tax increment financing plan approved for the TIF District;

Total Development Costs means all Construction Costs and any other costs of the development of the Project to be incurred by the Developer as set forth in **Exhibit H**; and

Unavoidable Delays means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, lockouts or other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, acts of any federal, state or local governmental unit (other than the City in properly exercising its rights under this Agreement) which directly result in delays, war, invasion, rebellion, revolution, insurrection, riots or civil war, or unavailability or shortage of supply of construction materials or construction labor, other than by reason of non-payment of costs of the same.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The City has taken the actions necessary to establish the TIF District as a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program and the TIF Plan.

(4) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(5) No member of the City Council, or officer of the City, has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council, or officer of the City, benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

Section 2.2. Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company duly and validly organized and existing in good standing under the laws of the State, and has power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any provision of the laws of the State.

(2) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(3) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(4) The Developer understands that the City may subsidize or encourage the development of other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the

terms of this Agreement, and that the City has informed the Developer that development of the Development Property will not be favored over the development of other properties

(5) No member of the City Council, or officer of the City, has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council, or officer of the City, benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Total Development Costs and Public Costs.

(1) The Developer's estimate of the Total Development Costs of the Project and sources of revenue to pay such costs are set forth in **Exhibit H** attached hereto.

(2) Based on the Developer's representation that the Total Development Costs for the Project are approximately $12,874,476, that the sources of revenue available to pay such costs, excluding the tax increment assistance contemplated herein, is $10,959,476, and that the Developer is unable to obtain additional private financing for the estimated Total Development Costs, the City has agreed to provide tax increment financing subject to the terms and conditions as hereinafter set forth. At the request of the City, the Developer must provide the City copies of all executed financing documents related to financing the Total Development Costs of the Project.

(3) The parties agree that the Public Development Costs to be incurred by the Developer are essential to the successful completion of the Project. The Developer anticipates that the Public Development Costs for the Project which are identified on **Exhibit C** attached hereto will be at least $1,915,000.

(4) As of January 2, 2028, the estimated market value of the Development Property, as improved, is expected to be at least $10,792,000.

(5) The Developer has acquired or has entered into a purchase agreement pursuant to which it will acquire fee title to the Development Property, and will cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, and all local, state and federal laws and regulations including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations.

(6) The Developer shall, in a timely manner, comply with all requirements necessary to obtain, or cause to be obtained, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the construction and operation of the Project.

(7) The Total Development Costs shall be paid by the Developer, and the City shall reimburse the Developer for the Public Development Costs in the Reimbursement Amount solely through the issuance of the TIF Note as provided herein.

Section 3.2. TIF Note.

(1) The TIF Note will be originally issued to the Developer, as provided in Section 3.2(2), in a principal amount equal to the Reimbursement Amount and shall be dated as of its date of issuance. The principal of the TIF Note and interest thereon shall be payable on a pay-as-you-go basis solely from the Pledged Tax Increments as provided below.

(2) The TIF Note shall be issued, in substantially the form attached hereto as **Exhibit D** and interest will commence to accrue on the TIF Note only if: (A) the Developer shall have submitted written proof and other documentation as may be reasonably satisfactory to the City of the exact nature and amount of the Public Development Costs incurred by the Developer, together with such other information or documentation as may be reasonably necessary and satisfactory to the City to enable the City to substantiate the Developer's tax increment expenditures for Public Development Costs in accordance with Exhibit C attached hereto and/or to comply with its tax increment reporting obligations to the Commissioner of Revenue, the Office of the State Auditor or other applicable official; (B) the City shall have received evidence that the Declaration has been recorded against the Development Property; (C) the Developer shall have obtained from the City a certificate of occupancy for all residential units in the Project and a Certificate of Completion as provided in this Agreement; (D) the Developer shall have paid all of the City's Administrative Costs required to have been paid as of such date in accordance with Section 3.4 hereof; (E) the Developer is in material compliance with each term or provision of this Agreement and the Development Contract required to have been satisfied as of such date; (F) the Development Contract has been executed by the Developer in a form acceptable to the City; and (G) the Developer has submitted the final sources and uses for the Project in accordance with Section 3.2(10). The documentation provided in accordance with Section 3.2(2)(A) shall include specific invoices for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer's payment thereof.

(3) Subject to the provisions thereof, the TIF Note shall bear simple, non-compounding interest at the rate equal to the lesser of 6.00% per annum or the rate per annum on the Developer's construction financing for the Project. Interest shall be computed on the basis of a 360 day year consisting of twelve 30-day months. Principal and interest on the TIF Note will be payable on each Payment Date; however, the sole source of funds required to be used for payment of the City's obligations under this Section and correspondingly under the TIF Note shall be the Pledged Tax Increments received in the 6-month period preceding each Payment Date. On each Payment Date the Pledged Tax Increment shall be credited against the accrued interest then due on the TIF Note and then applied to reduce the principal. In the event the Pledged Tax Increments are not sufficient to pay the accrued interest, the unpaid accrued interest shall be carried forward without interest. All Tax Increments in excess of the Pledged Tax Increments necessary to pay the principal and accrued interest on the TIF Note are not subject to this Agreement, and the City retains full discretion as to any authorized application thereof. To the extent that the Pledged Tax Increments are insufficient through the Final Payment Date, to pay all amounts otherwise due on the TIF Note, said unpaid amounts shall then cease to be any debt or obligation of the City whatsoever.

(4) No interest will accrue during any period in which payments have been suspended pursuant to Section 4.2.

(5) Any interest accruing on Pledged Tax Increments held by the City pending payment to the Developer on the TIF Note shall accrue to the account of the TIF District.

(6) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Pledged Tax Increments shall be used to pay the principal of and interest on the TIF Note.

(7) The City's obligation to make payments on the TIF Note on any Payment Date is subject to Section 3.12(3) and shall be conditioned upon the requirement that (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, (B) this Agreement shall not have been terminated pursuant to Section 4.2, and (C) all conditions set forth in Section 3.2(2) have been satisfied as of such date.

(8) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as actually executed, in substantially the form set forth in **Exhibit D**. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note is pursuant and subject to the terms of this Agreement.

(9) In accordance with Section 469.1763, Subdivision 3 of the TIF Act, conditions for delivery of the TIF Note must be met within 5 years after the date of certification of the TIF District by the County. If the conditions are not satisfied by such date, the City has no further obligations under this Section 3.2.

(10) The financial assistance to the Developer under this Agreement is based on certain assumptions regarding likely costs and expenses associated with constructing the Project. The City and Developer agree that the Developer's representations of the Total Development Costs will be reviewed at the time of completion of construction of the Project. Upon submitting the request for the Certificate of Completion under Section 3.8, the Developer shall submit the final sources and uses for the Project in the form set forth in **Exhibit H** based on actual Total Development Costs as incurred and documented. If the actual Total Development Costs at completion decrease by more than $100,000 below the amount shown in **Exhibit H**, the Reimbursement Amount will be reduced by 50% of the amount of the decrease in the Total Development Costs which exceeds $100,000.

Section 3.3. Income Restrictions. The Developer hereby represents, covenants and agrees as follows:

(1) The Project is intended for occupancy by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts; and

(2) No more than 20% of the square footage of any building of the Project financed with the proceeds of the TIF Note will consist of commercial, retail or other non-residential uses; and

(3) In accordance with the Declaration, commencing on the Completion Date and continuing until the end of the Qualified Project Period (as defined in the Declaration), at least 20% (i.e. at least 8) of the residential units shall be occupied by or available for rent to persons whose income does not exceed 50% of the area-wide median family income for the standard

metropolitan statistical area which includes Northfield, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("Median Income"); and

(4) The Developer will provide the City an annual certification in the form attached as **Exhibit C** to the Declaration (the "Compliance Certificate") evidencing compliance with the requirements of paragraph (3) above, and, if requested by the City, the income verifications from tenants used to meet such requirements. The annual certification shall also include the vacancy rate for the preceding calendar year. The annual certification shall be provided on or before July 1 of each year commencing July 1, 2028, and shall cover the preceding calendar year.

(5) The provisions of this Section 3.3 shall be incorporated into the Declaration in substantially the form attached as **Exhibit E**, and recorded against the Development Property prior to the issuance of the TIF Note.

Section 3.4. Developer to Pay City's Fees and Expenses. The Developer will pay all of the City's reasonable Administrative Costs (as defined below) and must pay such costs to the City within 30 days after receipt of a written invoice from the City describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City together with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the City, all attributable to or incurred in connection with the establishment of the TIF District and the TIF Plan and review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and review and approvals of other documents and agreements in connection with the Project. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. The parties agree and understand that Developer deposited with the City $_____ toward payment of the City's Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the City will deliver written notice to Developer setting forth any additional fees and expenses, together with suitable billings, receipts or other evidence of the amount and nature of the fees and expenses, and Developer agrees to pay all fees and expenses within 30 days of City's written request. Any unused amount of such deposit shall be returned to the Developer.

Section 3.5. Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability

Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances").

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

Section 3.6. Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer will deliver to the City the Construction Plans, Construction Documents and a sworn construction cost statement certified by the Developer and the General Contractor (the "Sworn Construction Cost Statement") all in form and substance reasonably acceptable to the City. The Construction Plans for the Project shall be consistent with the Development Program, this Agreement, and all applicable State and local laws and regulations, the City's Sustainable Building Policy, and the Site Plan and Design Drawings previously submitted to the City. In addition, the Construction Plans will include the sustainable building design measures required for the Project as further detailed in Section 3.13 hereof. The City's building official and the City Administrator, on behalf of the City shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. Approval of the Construction Plans by the City's building official and the City Administrator on behalf of the City may be withheld unless: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Development Program and the TIF Plan; (iii) the Construction Plans comply with the Site Plan and Design Drawings; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit the Construction Plans to the City for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. If the City has not rejected the Construction Plans in writing within 30 calendar days of submission, such Construction Plans shall automatically be deemed approved by the City but only if the Construction Plans provided to the City are complete and final and meet all requirements necessary for the City to issue a building permit.

(2) No changes shall be made to the Construction Plans for the Project without the City's prior written approval, unless the aggregate of such changes do not increase or decrease the Total Development Costs by more than 10%. No changes which materially alter (a) the Project's Site Plan, (b) exterior appearance, (c) construction quality, (d) exterior materials included in the final Design Drawings and Construction Plans, or (e) the sustainable building design measures required for the Project as further detailed in Section 3.13 hereof shall be made without the City's prior written consent. The approval of the City will not be unreasonably withheld, conditioned or delayed. If an amendment or prior written approval from the City is necessary with respect to a change in the Construction Plans, if the City has not rejected such amendment in writing within 30 calendar days of submission of such amendment, the amendment to Construction Plans shall automatically be deemed approved by the City but only if such amendment provided to the City is

complete and final and meets all requirements necessary for the City to issue a building permit or determine compliance with an applicable building permit.

(3) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City does not constitute a representation or warranty by the City that the Construction Plans or the Project comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City will not constitute a waiver of an Event of Default. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department.

Section 3.7. Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by August 31, 2026 and shall substantially complete the Project by December 31, 2027. Notwithstanding the foregoing, failure of the Developer to commence construction or substantially complete the Project shall not be an Event of Default hereunder unless the Developer fails to commence construction of the Project by December 31, 2026 or the Developer fails to obtain a certificate of occupancy for the Project by June 1, 2028. The Project will be constructed by the Developer on the Development Property in conformity with the Construction Plans approved by the City. Prior to completion, upon the request of the City, and subject to applicable safety rules, the Developer will provide the City reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Project, the Developer will deliver progress reports to the City from time to time as reasonably requested by the City.

Section 3.8. Certificate of Completion. The Developer shall notify the City when construction of the Project has been substantially completed. The City shall, within 20 days after such notification, conduct any inspections of the Project it deems necessary in order to determine whether the Project has been constructed in substantial conformity with the approved Construction Plans. If the City determines that the Project has not been constructed in substantial conformity with the approved Construction Plans, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with this Agreement and the approved Construction Plans and Developer shall have a reasonable period of time to remedy such deficiencies. The City shall re-inspect the Project within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether the Project has been constructed in substantial conformity with this Agreement and the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that the Project has been constructed in substantial conformity with the approved Construction Plans, the City will furnish to the Developer a Certificate of Completion substantially in the form attached hereto as **Exhibit G** certifying the completion of the Project. The Certificate of Completion issued for the Project shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Project. The issuance of a Certificate of Completion under this Agreement shall not be construed to relieve the Developer of any inspection or approval required

by any City department in connection with the construction, completion or occupancy of the Project nor shall it relieve the Developer of any other obligations under this Agreement.

Section 3.9. Encumbrance of the Development Property. Until the Final Payment Date, without the prior written consent of the City, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Project, and an allowance for contingencies) including without limitation regulatory agreements and land use restriction agreements in connection with such financings; provided, however, this provision shall not be considered a waiver of the requirements of Section 5.3 with respect to any Transfer of the TIF Note in connection with any such financing or refinancing nor shall anything contained in this Section prohibit the Developer from making transfers in accordance with Section 5.3. The City hereby consents to any mortgages securing the Developer's construction financing for the Project and to the succession of the mortgagee thereunder (or any assignee of the mortgagee) or any purchasers at or after foreclosure thereof, by the successful bidder at the sale, to title to the Development Property, and to any other Permitted Encumbrances set forth in **Exhibit F**; provided, however, this provision shall not be considered a waiver of the requirements of Section 5.3 with respect to any Transfer of the TIF Note in connection with any such mortgage. Notwithstanding the foregoing, the TIF Note shall be terminated by the City in the event that any mortgagee (or any assignee of the mortgagee) or any purchasers at or after foreclosure thereof, by the successful bidder at the sale, to the title to the Development Property, terminates the Declaration, in accordance with its terms, or does not otherwise comply with the Declaration.

Section 3.10. Business Subsidy Act. The subsidy granted to the Developer pursuant to this Agreement is assistance for housing and therefore the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 do not apply. No portion of the tax increment assistance shall be used to construct any commercial space.

Section 3.11. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Project through reimbursement of Public Development Costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer acknowledges that this obligation creates a contractual right on behalf of the City through the Termination Date to sue the Developer or its successors and assigns, to collect delinquent real estate taxes related to the Development Property and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the City is the prevailing party, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 3.12. Review of Taxes.

(1) The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. Other than "4d(1)" classification as provided in the following paragraph, the Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law.

(2) In the event the Developer obtains designation of the Development Property as low income rental property classified as "4d(1)" under Minnesota Statutes, Section 273.13, subdivision 25, the Developer expressly agrees and acknowledges that the City will issue the TIF Note, or require the Developer to exchange the TIF Note for a replacement TIF Note if previously issued, in a principal amount determined based on revised projections of Pledged Tax Increments as calculated by the City or its tax increment financing consultant, taking into account the reduced present value of Tax Increments resulting from the change in classification and any payments previously made under the TIF Note. Notwithstanding the date the City determines the adjusted principal amount of the TIF Note, such adjustment will date back to the date on which any such change in classification affects Pledged Tax Increments.

(3) The Developer shall notify the City within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Payment Date, any Tax Appeal is then pending, the City will withhold the Pledged Tax Increment until such Tax Appeal is fully resolved. The City will release any withheld amount for payment of the TIF Note to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of Pledged Tax Increment is finalized as determined by the City.

Section 3.13. City's Sustainable Building Policy. The Developer agrees to comply with the City's Sustainable Building Policy, in the form revised and adopted by the City Council on March 3, 2026, as Resolution 2026-028. The Developer's plan to comply with this policy has been approved by the City and will be enforced in accordance with the Development Contract.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes assessed with respect to the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to commence construction of the Project by December 31, 2026, and to proceed with due diligence to substantially complete the construction of the Project pursuant to the terms, conditions and limitations of this Agreement and obtain a certificate of occupancy from the City by June 1, 2028.

(3) Failure of the Developer to observe or perform any other material covenant, condition, obligation or agreement on its part to be observed or performed under the Declaration, the Development Contract, or this Agreement, including, without limitation, compliance with the requirements set forth in Section 3.3 hereof.

(4) If, prior to the Completion Date, the Developer shall

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 90 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 90 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Notwithstanding anything to the contrary set forth in this Agreement the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer.

Section 4.2. Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of 30 days' written notice to the Developer, but only if the Event of Default has not been cured within said 30 days; provided that if such Event of Default cannot be reasonably cured within the 30 day period, and the Developer has provided assurances reasonably satisfactory to the City that it is proceeding with due diligence to cure such default, such 30 day cure period shall be extended for a period deemed reasonably necessary by the City to effect the cure, but in any event not to exceed 180 days:

(1) The City may suspend its performance under this Agreement and the TIF Note until such default is cured or the City determines that it has received assurances from the Developer, deemed reasonably adequate by the City, that the Developer will cure its default and continue its performance under this Agreement. Interest on the TIF Note shall not accrue during the period of any suspension of payment.

(2) The City may terminate this Agreement and/or cancel the TIF Note.

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Notwithstanding anything to the contrary set forth in this Agreement the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5. Indemnification of City.

(1) The Developer releases from and covenants and agrees that the City, and its governing bodies' members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, or any other loss, cost expense, or penalty, except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties or willful breach by the City of its obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition,

construction, installation, ownership, and operation of the Project; including, without limitation, any pecuniary loss or penalty (including interest thereon at the rate of 5% per annum from the date such loss is incurred or penalty is paid by the City) as a result of the Project failing to cause the TIF District to qualify as a "housing district" under Section 469.174, Subdivision 11, of the Act, or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, subd. 4d.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City, as the case may be.

Section 4.6. Reimbursement of Attorneys' Fees. If an Event of Default referred to in Section 4.1 occurs, and the City shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will within 30 days reimburse the City for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

ARTICLE V

ADDITIONAL PROVISIONS

Section 5.1. Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as an affordable multifamily townhome rental housing development in accordance with this Agreement and the Declaration until the end of the Qualified Project Period.

Section 5.2. Reports. The Developer shall provide the City reports in a timely manner with such information about the Project as the City may reasonably request for purposes of satisfying any reporting requirements imposed by law on the City.

Section 5.3. Limitations on Transfer and Assignment.

(1) Except as provided in Sections 3.9 and 5.3(4), the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the TIF Note, or the Development Property or the Project, or any interest therein, without the express written approval of the City, which consent will not be unreasonably withheld, conditioned or delayed. The City shall, within 20 days after such a written request for approval of a Transfer, deliver a written statement to the Developer indicating whether the Transfer is approved or specifying the additional conditions to be satisfied in accordance with Section 5.3(2). The provisions of this Section 5.3 apply to all subsequent Transfers by authorized transferees;

(2) The City shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Project, or the TIF Note in connection therewith, which approval will not be unreasonably withheld, conditioned or delayed, that:

(a) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer;

(b) Any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City have expressly assumed any of the remaining obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject;

(c) There shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by City, its approval shall be indicated to the Developer in writing;

(d) Any proposed transferee of the TIF Note shall (i) execute and deliver to the City the Acknowledgment Regarding TIF Note in the form included in **Exhibit 2** to the TIF Note and (ii) surrender the TIF Note to the City either in exchange for a new fully registered note or for transfer of the TIF Note on the registration records for the TIF Note maintained by the City;

(e) The Developer and its transferees shall comply with such other conditions as are necessary in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(f) In the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Project, from any of its obligations with respect thereto.

(3) The Developer agrees to pay all reasonable legal fees and expenses of the City, including fees of the City Attorney's office and outside counsel retained by the City to review the documents submitted to the City in connection with any Transfer.

(4) Nothing contained in this Section shall prohibit the Developer from (i) entering into leases with tenants in the ordinary course of business, or (ii) entering into easements or other agreements necessary for the operation of the Project.

Section 5.4. Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 5.5. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the Developer is addressed to or delivered personally to:

Harvest Hills Townhomes, LLC
704 Parkway Avenue, Minnesota
Eagle Lake, Minnesota 56024
Attn: Troy Schrom

With copies to: _____

(b) in the case of the City is addressed to or delivered personally to the City at:

City of Northfield, Minnesota
801 Washington Street
Northfield, Minnesota 55057
Attn: City Administrator

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 5.7. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 5.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.9. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 5.10. Term; Termination. Except as provided in the Declaration, and unless this Agreement is terminated earlier in accordance with its terms this Agreement shall terminate on the Termination Date. After the Termination Date, if requested by the Developer, the City will provide a termination certificate as to the Developer's obligations hereunder.

Section 5.11. Provisions Surviving Rescission, Expiration or Termination. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 5.12. Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 5.13. Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

Section 5.14. Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota, and the Developer agrees that all legal actions initiated by the Developer or City with respect to or arising from any provision

contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Rice County, District Court and shall not be removed therefrom to any other federal or state court.

Section 5.15. Interpretation; Concurrence. The language in this Agreement shall be construed simply according to its generally understood meaning, and not strictly for or against any party and no interpretation shall be affected by which party drafted any part of this Agreement. By executing this Agreement, the parties acknowledge that they (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf, and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF NORTHFIELD, MINNESOTA

By _____
Its Mayor

By _____
Its Administrator

This is a signature page to the TIF Assistance Agreement.

HARVEST HILLS TOWNHOMES, LLC a Minnesota limited liability company

By: _____
Name: _____
Its: _____

This is a signature page to the TIF Assistance Agreement.

EXHIBIT A

DESCRIPTION OF TIF DISTRICT

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described below.

A portion of Outlot A, Harvest Hills, Rice County, Minnesota (PID: 22.12.4.26.022) to be replatted as:

[insert legal description]

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

A portion of Outlot A, Harvest Hills, Rice County, Minnesota (PID: 22.12.4.26.022) to be replatted as:

[insert legal description]

EXHIBIT C

PUBLIC DEVELOPMENT COSTS

Land acquisition (up to 53.4% of the cost of the property in the TIF District)

Site grading and improvements (up to 53.4% of such cost in the TIF District)

Street and trail improvements (up to 53.4% of such cost in the TIF District)

Underground and above ground utilities (up to 53.4% of such cost in the TIF District)

Any additional sitework, soil correction, public infrastructure, permits, fees or other public improvement costs eligible for reimbursement under the TIF Act which are directly attributable to the affordable rental housing Project on the Development Property

EXHIBIT D

FORM OF TAXABLE TIF NOTE

No. R-1 [**$1,915,000**]

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTIES OF RICE AND DAKOTA
CITY NORTHFIELD, MINNESOTA
TAXABLE TAX INCREMENT REVENUE NOTE
(HARVEST HILLS TOWNHOMES PROJECT)

_____, 20___

The City of Northfield, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Harvest Hills Townhomes, LLC, a Minnesota limited liability company or its registered assigns (the "Registered Owner"), the principal amount of [**_____ and 00/100 Dollars ($1,915,000)**], but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain TIF Assistance Agreement, dated as of [_____], 2026, as the same may be amended from time to time (the "TIF Assistance Agreement"), by and between the City and Harvest Hills Townhomes, LLC. (the "Developer"). Unless otherwise defined herein or unless context requires otherwise, undefined terms used herein shall have the meanings set forth in the TIF Assistance Agreement.

This Note shall bear simple, non-compounding interest at the rate equal to the lesser of 6.00% per annum or the rate per annum on the Developer's construction financing for the Project; provided that no interest shall accrue on this Note during any period that an Event of Default has occurred, and such Event of Default is continuing, under the TIF Assistance Agreement and City has exercised its remedy under the TIF Assistance Agreement to suspend payment on the Note. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The amounts due under this Note shall be payable on August 1, 2028 and on each February 1 and August 1 thereafter to and including the earlier of the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note has been paid in full; or (ii) February 1, 2048; or (iii) any earlier date the TIF Assistance Agreement or this Note is cancelled in accordance with the terms of the TIF Assistance Agreement or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act (the "Final Payment Date") or, if the first should not be a Business Day (as defined in the TIF Assistance Agreement) the next succeeding Business Day (collectively, the "Payment Dates"). On each Payment Date, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day preceding such Payment Date an amount equal to 95% of the Tax Increments (as hereinafter defined) received by the City during the 6-month period preceding such

Payment Date ("Pledged Tax Increments"). "Tax Increments" are the tax increments derived from the Development Property (as defined in the TIF Assistance Agreement) and the improvements thereon which have been received and are permitted to be retained by the City in accordance with the Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "TIF Act") including, without limitation, Minnesota Statutes, Section 469. 469.177; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time. Payments on this Note shall be payable solely from the Pledged Tax Increments. All payments made by the City under this Note shall first be applied to accrued interest and then to principal. If Pledged Tax Increments are insufficient to pay any accrued interest due, such unpaid interest shall be carried forward without interest.

This Note shall terminate and be of no further force and effect following the Final Payment Date defined above, or any date upon which the City shall have terminated the TIF Assistance Agreement under Section 4.2 thereof or on the date that all principal and interest payable hereunder shall have been or deemed paid in full, whichever occurs earliest. This Note may be prepaid in whole or in part at any time without penalty.

The City makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the City and some of those factors are listed on the attached **Exhibit 1**. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the City under this Note are subject to these and other factors.

The City's payment obligations hereunder shall be subject to adjustment pursuant to Section 3.12(3) of the TIF Agreement and are further subject to the conditions that (i) no Event of Default under Section 4.1 of the TIF Assistance Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, including without limitation failure to obtain the Compliance Certificate in accordance with Section 3.3 of the TIF Assistance Agreement and deliver the Declaration (as defined therein), and (ii) the TIF Assistance Agreement shall not have been terminated pursuant to Section 4.2 of the TIF Agreement, and (iii) all conditions set forth in Section 3.2(2) of the TIF Assistance Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 4.2 of the TIF Assistance Agreement and said Event of Default shall thereafter have been cured in accordance with such Section 4.2. If pursuant to the occurrence of an Event of Default under the TIF Assistance Agreement the City elects, in accordance with the TIF Assistance Agreement to cancel and rescind the TIF Assistance Agreement and/or this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the TIF Assistance Agreement, for a fuller statement of the rights and obligations of the City to pay the principal of this Note and the interest thereon, and said provisions are hereby incorporated into this Note as though set out in full herein.

THIS NOTE IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS NOTE IS NOT A GENERAL OBLIGATION OF THE

CITY, AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE AND NO PROPERTY OR OTHER ASSET OF THE CITY, SAVE AND EXCEPT THE ABOVE-REFERENCED PLEDGED TAX INCREMENTS, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the TIF Act.

This Note may be assigned only as provided in Section 5.3 of the TIF Assistance Agreement and subject to the assignee executing and delivering to the City the Acknowledgment Regarding TIF Note in the form included in **Exhibit 2**. Additionally, in order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records maintained by the City for the Note. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Northfield, Minnesota by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be issued on and dated as of the date first written above.

CITY OF NORTHFIELD, MINNESOTA

By_____
Its Mayor

By_____
Its City Administrator

Signature Page for Tax Increment Revenue Note (Harvest Hills Townhomes Project)

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was, as of the latest date listed below, registered in the name of the last Registered Owner noted below on the books kept by the undersigned for such purposes and any prior registrations are null and void as of such date.

NAME AND ADDRESS OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF CITY FINANCE DIRECTOR
Harvest Hills Townhomes, LLC. 704 Parkway Avenue, Minnesota Eagle Lake, Minnesota 56024 Attn: Troy Schrom	_____, 20__	_____
_____ _____ _____ _____ _____ _____ _____ _____	_____, 20__	_____
	_____, 20__	_____

Exhibit 1
to Taxable TIF Note

RISK FACTORS

Risk factors on the amount of Tax Increments that may actually be received by the City include but are not limited to the following:

1. Value of Project. If the contemplated Project (as defined in the TIF Assistance Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to

"compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Rice County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Affordable Housing Declaration. The TIF District will cease to qualify as a housing tax increment financing district and the TIF Note will terminate if the Project ceases to be operated in accordance with the Declaration required by and defined in the TIF Assistance Agreement defined in the attached Note.

Exhibit 2
to Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

The undersigned, _____ a _____ ("Note Holder"), hereby certifies and acknowledges that:

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the "Loan") [to/for the benefit] of] Harvest Hills Townhomes, LLC. (the "Developer") [secured in part by] the Taxable Tax Increment Revenue Note (Harvest Hills Townhomes Project), a pay-as-you-go tax increment revenue note (the "Note") in the original principal amount of up to [$1,915,000] [dated _____, 20___ of]/[to be] issued by the City of Northfield, Minnesota (the "City") in accordance with that certain TIF Assistance Agreement between the City and the Developer dated _____, 2026 ("TIF Assistance Agreement").

B. The Note Holder has had the opportunity to ask questions of and receive from the Developer all information and documents concerning the Note as it requested, and has had access to any additional information the Note Holder thought necessary to verify the accuracy of the information received. In determining to [acquire the Note]/[make the Loan], the Note Holder has made its own determinations and has not relied on the City or information provided by the City.

C. The Note Holder represents and warrants that:

1. The Note Holder is acquiring [the Note]/[an interest in the Note as collateral for the Loan] for investment and for its own account, and without any view to resale or other distribution.

2. The Note Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [the Note]/[an interest in the Note as collateral for the Loan].

3. The Note Holder understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Note Holder is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

5. The Note Holder is [a bank or other financial institution] / [the owner of the property from which the tax increments which are pledged to the Note are generated].

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the City. The Note Holder acknowledges that the City has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay,

in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the City. The Note Holder understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

E. The Note Holder understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the "Project") in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called "original net tax capacity". There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Project. If the contemplated Project constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Project is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that

involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to "compress" the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the "excess" or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered "excess" tax increment and is distributed by Rice County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. Affordable Housing Declaration. The TIF District will cease to qualify as a housing tax increment financing district and the TIF Note will terminate if the Project ceases to be operated in accordance with the Declaration required by and defined in the TIF Assistance Agreement defined below.

F. The Note Holder acknowledges that the Note was issued pursuant to the TIF Assistance Agreement , and that the City has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the TIF Assistance Agreement.

G. The Note Holder acknowledges that the City makes no representation about the tax treatment of, or tax consequences from, the Note Holder's acquisition of [the Note]/[an interest in the Note as collateral for the Loan].

WITNESS our hand this ___ day of _____, 20__.

Note Holder:

_____
By _____
Name: _____
Its _____

EXHIBIT E

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, dated _____, 2026 (the "Declaration"), by HARVEST HILLS TOWNHOMES, LLC, a Minnesota limited liability company (the "Developer"), is given for the benefit of the CITY OF NORTHFIELD, MINNESOTA, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota (the "City").

RECITALS

WHEREAS, the City and the Developer entered into that certain TIF Assistance Agreement, dated [_____], 2026, (the "TIF Agreement"); and

WHEREAS, pursuant to the TIF Agreement, the Developer is obligated to cause construction of an approximately 38-unit affordable multifamily townhome rental housing development, and all related amenities and improvements (the "Project") on the property described in **EXHIBIT A** hereto (the "Property"), and to cause compliance with certain affordability covenants described in Section 3.3 of the TIF Agreement; and

WHEREAS, Section 3.3 of the TIF Agreement requires that the Developer cause to be executed an instrument in recordable form substantially reflecting the covenants set forth in Section 3.3 of the TIF Agreement; and

WHEREAS, the Developer intends, declares, and covenants that the restrictive covenants set forth herein will be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for the term described herein, and are not merely personal covenants of the Developer; and

WHEREAS, capitalized terms in this Declaration have the meaning provided in the TIF Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Developer agrees as follows:

1. Term of Restrictions.

(a) Occupancy Restrictions. The term of the Occupancy Restrictions set forth in Section 3 of this Declaration will commence on the date a certificate of occupancy is received from the City for all residential units on the Property and continue through the Termination Date defined below (the "Qualified Project Period").

(b) Termination of Declaration. This Declaration shall terminate on December 31 of the year in which the TIF District is terminated in accordance with the TIF Act which is expected to be December 31, 2053, unless earlier terminated in accordance with the following paragraph.

In addition, in the event of foreclosure or transfer of title by deed in lieu of foreclosure, upon completion of the foreclosure and expiration of the applicable redemption period, or recording of a deed in lieu of foreclosure, any mortgagee (or any assignee of the mortgagee) or any purchasers at or after foreclosure thereof, by the successful bidder at the sale, to the title to the Development Property, may terminate this Declaration, by providing written notice to the City and by filing a termination document in the applicable real property records in Rice County, and thereafter this Declaration shall be of no further force and effect; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of this Declaration as the result of the foreclosure, or the delivery of a deed in lieu of foreclosure, or a similar event, the Developer or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal income tax purposes.

Each of the events set forth in the first two paragraphs of this Section 1(b) are referred to individually and collectively herein as the "Termination Date". The Developer acknowledges, on behalf of itself and its successors and assigns that, upon any termination of this Declaration prior to the payment in full of the TIF Note, the City will terminate the TIF Note.

(c) Removal from Real Estate Records. After the Termination Date of this Declaration, the City will, upon request by the Developer or its assigns, file any document appropriate to remove this Declaration from the real estate records of Rice County, Minnesota.

2. Project Restrictions.

(a) The Developer represents, warrants, and covenants that:

(i) All leases of residential units to Qualifying Tenants (as defined in Section 3(a)(i) hereof) will contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(a)(ii) hereof); and

(2) Agrees that the family income at the time the lease is executed will be deemed a substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests for income and other information relevant to determining low or moderate income status from the Developer or the City, and that the lessee's failure or refusal to comply with a request for information with respect thereto will be deemed a violation of a substantial obligation of the lessee's tenancy.

(b) The Developer will permit any duly authorized representative of the City to inspect the books and records of the Developer pertaining to the income of Qualifying Tenants residing in the Project.

3. Occupancy Restrictions. The Developer represents, warrants, and covenants that:

(a) Qualifying Tenants. Throughout the Qualified Project Period, at least 20% (i.e. at least 8) of the residential units will be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. "Qualifying Tenants" means those persons and families who are determined from time to time by the Developer to have combined adjusted income that does not exceed 50% of the median income for the standard metropolitan statistical area which includes Northfield, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size (the "Median Income") for the applicable calendar year. For purposes of this definition, the occupants of a residential unit will not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are "students," as defined in Section 152(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or family is of low or moderate income will be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds 140% of the Median Income, the next available residential unit (determined in accordance with the Code and applicable regulations) (the "Next Available Unit Rule") must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the residential unit will not continue to be treated as a Qualifying Unit.

(b) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Developer a Certification of Tenant Eligibility substantially in the form attached as **EXHIBIT B** hereto, or in any other form as may be approved by the City (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to having a qualifying low or moderate income. In addition, the Qualifying Tenant will be required to provide whatever other information, documents, or certifications are deemed necessary by the City to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof. Eligibility Certifications will be maintained on file by the Developer until the later of (i) December 31, 2055 or (ii) two years after the date the TIF District is terminated in accordance with the TIF Act with respect to each Qualifying Tenant who resides in a residential unit or resided therein during the Qualified Project Period.

(c) Lease. The form of lease to be utilized by the Developer in renting any residential units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(d) Annual Report. The Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to the City on or before July 1 of each year, a certificate substantially in the form of **EXHIBIT C** hereto, executed by the Developer, (a) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the percentage of the residential units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding

the date of the certificate; (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) stating, that to the best knowledge of the person executing the certificate after due inquiry, all the residential units were rented or available for rental on a continuous basis during the year to members of the general public and that the Developer was not otherwise in default under this Declaration during the year.

(e) Notice of Non-Compliance. The Developer will immediately notify the City if at any time during the term of this Declaration fewer dwelling units in the Project than the percentage set forth in Section 3(a) above are occupied or available for occupancy as required by the terms of this Declaration.

4. Transfer Restrictions. Except as provided in Section 1(b) above, the Developer covenants and agrees that the Developer will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the City, all duties and obligations of the Developer under this Declaration, including this Section 4, in the event of a subsequent Transfer by the transferee prior to expiration of the Occupancy Restrictions provided herein (the "Assumption Agreement"). The Developer will deliver the Assumption Agreement to the City prior to the Transfer.

5. Enforcement.

(a) The Developer will permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Developer regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Developer will submit any other information, documents or certifications requested by the City which the City deems reasonably necessary to substantiate the Developer's continuing compliance with the provisions specified in this Declaration.

(c) The Developer acknowledges that the primary purpose for requiring compliance by the Developer with the restrictions provided in this Declaration is to ensure compliance of the property with the housing affordability covenants set forth in Section 3.3 of the TIF Agreement, and by reason thereof, the Developer, in consideration for assistance provided by the City under the TIF Agreement that makes possible the construction of the Project (as defined in the TIF Agreement) on the Property, hereby agrees and consents that the City will be entitled, after the giving of 30 days' written notice to the Developer, but only if the breach has not been cured within said 30 days, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Developer of its obligations under this Declaration in a state court of competent jurisdiction. The Developer hereby further specifically acknowledges that the City cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Developer understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the City may exercise any remedy available to it under Article IV of the TIF Agreement in accordance with the terms thereof.

6. Indemnification. The Developer hereby indemnifies, and agrees to defend and hold harmless, the City from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Developer to comply with the terms of this Declaration, or on account of any representation or warranty of the Developer contained herein being untrue.

7. Agent of the City. The City will have the right to appoint an agent to carry out any of its duties and obligations hereunder, and will inform the Developer of any agency appointment by written notice.

8. Severability. The invalidity of any clause, part or provision of this Declaration will not affect the validity of the remaining portions thereof.

9. Notices. All notices to be given pursuant to this Declaration must be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to any other place as a party may from time to time designate in writing. The Developer and the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications are sent. The initial addresses for notices and other communications are as follows:

To the City:

City of Northfield, Minnesota
801 Washington Street
Northfield, Minnesota 55057
Attn: City Administrator

To the Developer: Harvest Hills Townhomes, LLC
704 Parkway Avenue, Minnesota
Eagle Lake, Minnesota 56024
Attn: Troy Schrom

With copies to: _____

10. Governing Law. This Declaration is governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

11. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Developer to enforce the provisions of this Declaration, the Developer agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the City in connection with the action.

12. Declaration Binding. This Declaration and the covenants contained herein will run with the real property comprising the Project and will bind the Developer and its successors and assigns and all subsequent owners of the Project or any interest therein, and the benefits will inure to the City and its successors and assigns until the Termination Date of this Declaration as provided in Section 1(b) hereof.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Restrictive Covenants to be signed by its respective duly authorized representatives, as of the day and year first written above.

HARVEST HILLS TOWNHOMES, LLC.

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, 2026, by _____, the _____ of Harvest Hills Townhomes, LLC, a Minnesota limited liability company.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
KUTAK ROCK, LLP (JSB)
60 South Sixth Street
Suite 3400
Minneapolis, Minnesota 55402

This Declaration is acknowledged and consented to by:

CITY OF NORTHFIELD, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____, 2026, by _____, the Mayor of the City of Northfield, Minnesota a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said municipality.

_____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____, 2026, by _____, the City Administrator of the City of Northfield, Minnesota, a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said municipality.

_____
Notary Public

EXHIBIT A TO DECLARATION OF RESTRICTIVE COVENANTS

Legal Description

A portion of Outlot A, Harvest Hills, Rice County, Minnesota (PID: 22.12.4.26.022) to be replatted as:

[insert legal description]

EXHIBIT B TO DECLARATION OF RESTRICTIVE COVENANTS

Certification of Tenant Eligibility

TENANT INCOME CERTIFICATION ☐ Initial Certification ☐ Recertification ☐ Other _____	Effective Date: _____ Move-in Date: _____ (MM/DD/YY): _____

PART I. DEVELOPMENT DATA		
Property Name: Harvest Hills Apartments Address: _____, Northfield, Minnesota	County: Rice Unit Number: _____	BIN #: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION						
HH Br #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Br #	(A) Employment or Wages	(B) Soc. Security / Pensions	(C) Public Assistance	(D) Other Income
TOTAL	$	$	$	$
Add totals from (A) through (D) above			TOTAL INCOME (E):	$

PART IV. INCOME FROM ASSETS				
HH Mbr#	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
		TOTALS:	$	$
Enter Column (H) Total if over $5,000 $_____ x Passbook Rate 2.00 % = (J) Imputed Income				$
Enter the greater of the total column I, or J: imputed income TOTAL INCOME FROM ASSETS (K)				$
(L) Total Annual Household Income from all sources [Add (E) + (K)]				$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____	_____	_____	_____
Signature	(Date)	Signature	(Date)
_____	_____	_____	_____
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES From Item (L) on page 1 $

Household Meets Income Restriction at:
☐ 60% ☐ 50%
☐ 40% ☐ 30%
☐ ___%

RECERTIFICATION ONLY:
Current Income Limit x 140%
$ _____
Household income exceeds 140% at recertification:
☐ Yes ☐ No

Current Income Limit per Family Size: $ _____

Household Income at Move-in
$_____

Household Size at Move-in:
_____

PART VI. RENT

Not Applicable

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL-TIME STUDENTS?

☐ yes ☐ no

If yes, enter student explanation** (also attach documentation)

Enter 1-4

Student explanation:

1. TANF assistance
2. Job training program
3. Single parent/dependent child
4. Married/joint return*****

***Exception for married/joint return is the only exception available for units necessary to qualify tax-exempt bonds.**

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification

a. Tax Credit ☐ b. HOME ☐ c. Tax Exempt ☐ d. AHDP ☐ e. _____ ☐
(Name of Program)

See Part V above.

Income Status	*Income Status*	*Income Status*	*Income Status*
☐ ≤ 50% AMGI	☐ 50% AMGI	☐ ≤ 50% AMGI	☐ _____
☐ ≤ 60% AMGI	☐ 60% AMGI	☐ ≤ 80% AMGI	☐ _____
☐ ≤ 80% AMGI	☐ 80% AMGI	☐ ≤ 0I **	☐ ≤ 0I **
☐ ≤ 0I **	☐ 0I **		

** Upon recertification, household was determined over income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER / REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible Declaration of Restrictive Covenants, to live in a unit in this Project.

_____ _____

SIGNATURE OF OWNER / REPRESENTATIVE DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I – Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the unit number.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II – Household Composition

List all occupants of the unit. State each household member's relationship to the head of the household by using one of the following coded definitions:

H	Head of household	S	Spouse
A	Adult co-tenant	O	Other family member
C	Child	F	Foster child
L	Live-in caretaker	N	None of the above

Enter the date of birth, student status, and Social Security number or alien registration number for each occupant.

If there are more than seven occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III – Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the 12 months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.)
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D) above. Enter this amount.

Part IV – Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the 12 months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).

TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than $5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K) Enter the Greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income from All Sources Add (E) and (K) and enter the total

EXHIBIT C TO DECLARATION OF RESTRICTIVE COVENANTS

Certificate of
Continuing Program Compliance

Date: _____

The following information with respect to the Project located at _____, Northfield, Minnesota (the "Project"), is being provided by Harvest Hills Townhomes, LLC (the "Owner") to the City of Northfield, Minnesota (the "City"), pursuant to that certain Declaration of Restrictive Covenants, dated [_____], 2026 (the "Declaration"), with respect to the Project:

(A) The total number of residential units which are available for occupancy is 38. The total number of these units occupied is _____.

(B) The vacancy rate at the Project in the last 12 months is ___%.

(C) The following residential units which are included in (B) above, have been re-designated as residential units for Qualifying Tenants since _____, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by "Qualifying Tenants," as the term is defined in the Declaration based on the information set forth below (for a total of 5 units):

	Unit Number	Last Name of Tenant	Number of Persons Residing in the Unit	Number of Bedrooms	Total Adjusted Gross Income	Date of Initial Occupancy	Date Vacated and Held for Qualifying Tenants, if Applicable
1							
2							
3							
4							
5							

(E) The Owner has obtained a "Certification of Tenant Eligibility," in the form provided as **EXHIBIT B** to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent "Certification of Tenant Eligibility" for each Tenant named in (D) above who signed such a Certification since _____, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner.

(F) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least 12 months.

(G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any "Certification of Tenant Eligibility" obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The following transfers or other changes in ownership of the Project or any interest therein have occurred in the last 12 months: [None] or [describe_____]

(I) To the best knowledge of the person executing this certificate after due inquiry, all the residential units were rented or available for rental on a continuous basis during the year to members of the general public.

(J) The Owner certifies that as of the date hereof ___% of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(K) The Project is in continuing compliance with the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on _____, 20__.

HARVEST HILLS TOWNHOMES, LLC

By: _____
Its: _____

EXHIBIT F

PERMITTED ENCUMBRANCES

1. Taxes and installments of special assessments not yet due and payable.

2. Drainage and utility easement approved by the City for the benefit of the Development Project.

3. Common Interest Community Number, [If applicable]

4. Mortgage to [Construction Lender], as the construction lender for the Project.

EXHIBIT G

CERTIFICATE OF COMPLETION OF PROJECT

_____, 20___

WHEREAS, the CITY OF NORTHFIELD, MINNESOTA, a municipal corporation under the laws of the State of Minnesota (the "City"), and Harvest Hills Townhomes, LLC, a Minnesota limited liability company (the "Developer") have entered into a TIF Assistance Agreement (the "TIF Assistance Agreement"), dated [_____], 2026; and

WHEREAS, the TIF Assistance Agreement requires the Developer to construct a Project (as that term is defined in the TIF Assistance Agreement);

WHEREAS, the Developer has constructed the Project in a manner deemed sufficient by the City to permit the execution of this certification in accordance with Section 3.8 of the TIF Assistance Agreement;

NOW, THEREFORE, this is to certify that the Developer has constructed the Project in accordance with the TIF Assistance Agreement. The remaining covenants of the Developer under the TIF Assistance Agreement are not intended to run with title to the Development Property or bind successors in title to the Development Property.

The City has, as of the date and year first above written, set its hand hereon.

CITY OF NORTHFIELD, MINNESOTA

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, the City Administrator of the City of Northfield, Minnesota, a municipal corporation and existing under the laws of the State of Minnesota, on behalf of said City.

_____
Notary Public

EXHIBIT H
PROJECT SOURCES AND USES

Phase 1 - 38-unit townhome development

ESTIMATED SOURCES OF FUNDS	Amount	Pct.	Per Unit
First Mortgage	9,200,000	71%	242,105
Equity	3,674,476	29%	96,697
TOTAL SOURCES	**12,874,476**	**100%**	**338,802**

ESTIMATED USES OF FUNDS	Amount	Pct.	Per Unit
Land Acquisition	1,000,000	8%	26,316
Construction Costs / Contingency	8,393,974	65%	220,894
Infrastructure Improvements	1,400,000	11%	36,842
Grading & Excavation	785,000	6%	20,658
Soil Testing	9,500	0%	250
Sitework	78,850	1%	2,075
Permits/Fees	412,528	3%	10,856
Professional Services	248,674	2%	6,544
Financing and Construction Interest Costs	545,950	4%	14,367
TOTAL PROJECT COSTS	**12,874,476**	**100%**	**338,802**

9.03 BUSINESS SUBSIDY POLICY
ECONOMIC DEVELOPMENT AUTHORITY
Enabling Legislation: M2000-09
Date Adopted: 01/03/00
Revised: 12/05/17, 06/24/24

PURPOSE, AUTHORITY AND LIMITATIONS

This policy is adopted for purposes of the Business Subsidies Act (the "Act"), Minnesota Statutes, Sections 116J.993 through 116J.995. Terms used in this Policy are intended to have the same meanings as if used in the Act, and this Policy shall apply only with respect to "subsidies" as defined by the Act if and to the extent required thereby. The City has adopted this policy and these criteria after a public hearing in accordance with the governing statutes. A copy of this Policy shall be submitted to the Department of Employment and Economic Development (DEED) along with the first annual Business Subsidy report.

For the purposes of this policy document, the term "City" includes the Northfield City Council, City employees, consultants and agents, the Northfield Economic Development Authority (EDA), the Northfield Housing and Redevelopment Authority (HRA), and other City advisory boards and commissions.

The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting all or any portion of the policy criteria contained herein does not mean or guarantee the award of business assistance by the City to any project. Approval or denial of one project is also not intended to set precedence for approval or denial of another project. The City reserves the right, in its sole judgment and discretion, to approve or deny business assistance to a project based on the merits of the project and the overall benefit of the project to the community, using this policy and the criteria contained herein as the means of measuring overall benefit.

Any applicant who is not in good standing with the City, with regard to any licenses, fees, property taxes, or other specific City charges, will not be considered for business subsidies. All requests for business assistance must comply with the Act and applicable law. Any amendments or modifications to the Act shall amend or modify

the terms and definitions of this policy and criteria without any further actions of the City.

BUSINESS SUBSIDY PUBLIC PURPOSE, PRIORITIES, GOALS AND OBJECTIVES

The City and the EDA maintain several policy documents which speak to the general goals and objectives for the provision of public assistance for private development or redevelopment activities. These documents include, but are not limited to, the current Strategic Plan for Economic Development and the Comprehensive Land Use Plan.

The purposes, priorities, goals and objectives in providing a business subsidy to assist private development under this policy include, but are limited to, achieving the following:

- To redevelop blighted or under-utilized areas of the City.
- To create additional job opportunities within the City.
- To retain local jobs in the City, where job loss is specific and demonstrable.
- To enhance the economic diversity of the City and to provide essential products and services within the City.
- To enhance economic growth and opportunity in the City.
- To increase the City's tax base.
- To create opportunities for affordable and workforce housing and/or a diversification of housing stock available within the City.
- To target assistance to businesses that demonstrate a clear and ongoing commitment to the community.

Because projects vary greatly in structure and public benefit derived, each project will be considered on its own merits. Subject to the clause below regarding governing body discretion, consideration will be given to projects providing public benefits in one or more of the following categories:

- The creation of new jobs/increase in total payroll. In the case of new job creation, new jobs must pay a wage that total at least the rate of 150-percent

of the current Federal poverty level for a family of four. Preference will be given to higher paying jobs that also provide benefits such as health care coverage.
- Redevelopment projects that result in the stabilization of business districts or neighborhoods by elimination of blighting conditions.
- Projects that result in the development of affordable senior or workforce housing.
- Projects that provide opportunities for cross-sector synergy to occur.
- Projects that enhance the Northfield workforce by retaining graduates of the Northfield Public School system, St. Olaf College, and Carleton College.
- Projects that result in greater building efficiencies.
- Quality of Life based on business/projects. Those businesses/entities that provide a desirable good or service and address an unmet demand in the community will be considered. New job wage requirements will apply to any new jobs created.

If a particular project does not involve the creation of jobs, but is nonetheless found to meet another public purpose of the City, it may be considered without any specific job wage goals, as permitted by Minnesota Statutes. This public purpose has to be something other than an increase to the City's tax base. Other measurable, specific and tangible goals must be established.

The governing body must retain the right in its discretion to approve projects and subsidies, which may vary from the principles and criteria of this Policy. The burden will be on the applicant to demonstrate, to the satisfaction of the City, that the public benefit justifies the requested subsidy and deviation from this Policy. The Act permits the City to deviate from this Policy by documenting in writing the reason(s) for the deviation and attaching a copy of the document to the City's next annual report to DEED.

BUSINESS SUBSIDY CONSIDERATION AND AGREEMENT

A business must submit a written request/application to the City for a Business Subsidy or other financial assistance. If the requested assistance is not tax increment

financing or tax abatement, which have their own specific application process, the business must submit information as found in the Business Subsidy Application for any request for financial assistance from the City. The City may request additional financial information as the City deems appropriate or necessary in its discretion to process the application.

A Business Subsidy of $150,000 or more requires a public hearing with at least 10 days' notice in the local newspaper. A public hearing for another purpose such as tax increment financing or abatement may be combined with the Business Subsidy hearing. A copy of the draft Business Subsidy agreement must be on file with the City.

In all cases of Business Subsidy, where the subsidy is equal to or greater than the threshold prescribed in Minnesota Statutes, a subsidy agreement will be entered into between the City and the recipient. This agreement will comply with the requirements of Minn. Stat. § 116J.994, subd. 3, and delineate, among other required provisions, the subsidy structure and amount, as well as the expected public benefit. The agreement will include provisions for repayment and other resolution options if the expected public benefit is not achieved. Upon completion of the project, the actual costs of the elements of the project eligible for the business subsidy will be verified. All business subsidies will be subject to the criteria outlined in Minnesota Statutes, Sections 116J.933 through 116J.955, except those subsidies as exempted by the same.

Business Subsidies in the form of grants must be structured as forgivable loans. For other types of Business Subsidies, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient.

The City shall monitor the progress by the recipient in achieving the goals contained in the business subsidy agreement, and the recipient shall cooperate in all respects in meeting the reporting requirements contained in Minn. Stat. § 116J.994, subd. 7.

9.01 TAX INCREMENT POLICY
ECONOMIC DEVELOPMENT AUTHORITY
Enabling Legislation: M1987-436
Date Adopted: 12/21/87
Revised: 04/19/22, 06/24/24

PURPOSE

The purpose of this policy is to establish the City's position as it relates to the use of tax increment financing for private and public development. This policy shall be used as a guide in processing and reviewing applications requesting tax increment assistance.

The fundamental purpose of tax increment in Northfield is to encourage desirable development or redevelopment that would not otherwise occur *but for* the assistance provided. The City shall have the option of amending or waiving sections of this policy when appropriate.

STATUTORY LIMITATIONS

In accordance with the tax increment policy, tax increment financing requests must comply with applicable state statutes. The City is governed by the limitations established in the Minnesota Tax Increment Financing Act (M.S. § 4.69.174-496.1791, as amended) for all districts created after August 1, 1979.

DEFINITIONS

The following definitions are used in the Minnesota Tax Increment Financing Act (*M.S.* § 4.69.174 469.1791, as amended). They are defined here for tax increment project discussion purposes.

Tax Increment financing (TIF) is a financing tool meant to support local economic development, redevelopment, and housing development that would not otherwise occur without assistance. As its name suggests, TIF uses the incremental property taxes, or "tax increments," generated by the increased taxable value of a new development to help finance qualifying costs. TIF is not a tax reduction; taxes are paid on the full taxable value. The original taxable value continues to be part of the tax base that supports the tax levies of the city, county, school district, and other taxing jurisdictions. The new, additional value from development activity is "captured" from

the tax base for the duration of the TIF district. After the TIF district is terminated, or "decertified," the captured value becomes part of the tax base.

Redevelopment area means a depressed area within the territorial boundaries of any municipality or group of municipalities of the state reasonably defined by the local or area redevelopment agency wherein critical conditions of unemployment, underdevelopment, economic depression, depletion of natural resources, or widespread reliance on public assistance are found to exist by the municipality or municipalities.

Redevelopment projects includes the acquisition of land, stabilizing unstable soils when infill is required, demolition, infrastructure improvements and ponds or other environmental infrastructure.

Tax increment financing district means a contiguous or noncontiguous geographic area within a project delineated in the in the tax increment financing plan, as provided by section 469.175, subdivision I, for the purpose of financing redevelopment, housing or economic development in municipalities through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

Economic development district means a type of tax increment financing district that consists of any project, or portions of a project, which the authority finds to be in the public interest because:

1. it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or
2. it will result in increased employment in the state; or
3. it will result in preservation and enhancement of the tax base of the state.

Redevelopment districts are intended to correct negative land value where the costs of acquisition, demolition, infrastructure and environment cleanup exceed the value of the land. Redevelopment districts are limited to "blighted" areas. Minnesota law specifies criteria for blight determination: 70% of the parcels in the district must

be occupied by buildings, streets, utilities or improvement and more than 50% of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

Renewal and renovation district means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that:

1. 70 percent of the area of the district must be occupied by buildings, streets, utilities, or other improvements;
2. 20% of the buildings are structurally substandard; and
3. 30% of the other buildings require substantial renovation or clearance.

Housing district means a type of tax increment financing district which consists of a project intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts.

Soils condition district means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that the following conditions exist:

1. The presence of hazardous substances, pollution, or contaminants requires removal or remedial action for use;
2. The estimated cost of the proposed removal and remedial action exceeds the fair market value of the land before completion of the preparation.

Increment is the increase or difference between the property tax on a parcel of land prior to development and the property taxes after development is complete. By

State law increment is also considered as "tax increment revenues," "revenue derived from tax increment," and other similar terms for a district also include:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under section 469.177;
2. The proceeds from the sale or lease of property, tangible or intangible, purchased by the authority with tax increments;
3. Repayments of loans or other advances made by the authority with tax increments; and
4. Interest or other investment earnings on or from tax increments.

ELIGIBLE USES FOR TAX INCREMENT FINANCING

Due to limited resources, high priority will be given to priority development or redevelopment sites. As a matter of adopted policy, the City will consider using tax increment financing to assist private and public developments only in those circumstances in which the proposed private projects meet one or more of the following uses:

1. To redevelop blighted or under-utilized areas of the community;
2. To accelerate the development or redevelopment on sites which would not be developed without this assistance on blighted or under-utilized property; or
3. To meet the following housing-related uses:
    a. To provide a diversity of housing adjacent to the downtown area;
    b. To provide a variety of housing ownership alternatives and housing choices within the City;
    c. To promote affordable housing for low-or-moderate-income individuals within the City, generally 80% of the Dakota County median income as adjusted for family size and pursuant to State statute; or
    d. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading in existing housing stock in residential areas.
4. To remove blight and encourage redevelopment in the commercial and industrial areas of the City in order to encourage high levels of property maintenance and private reinvestment in those areas;

5. To increase the commercial/industrial tax base of the City in order to ensure the City's long-term ability to provide adequate services for its residents while lessening the reliance on residential property tax;
6. To retain local jobs, increase the local job base, and provide diversity in the job base (See 9.03 Business Subsidy Policy);
7. To increase the local business and job opportunities;
8. To provide adequate short-term business and shopper parking, and resident parking;
9. To encourage additional unsubsidized private development in the area, either directly or through secondary "spin-off" development;
10. To promote the potential future usage of a public transit system light/commuter rail line through maximizing the development potential of parcels adjacent to the system stations;
11. To offset increased costs of redevelopment, over the above those costs that a developer would incur in normal urban and suburban development such as brownfield development or increased costs for blight removal and demolition;
12. To meet other uses of public policy, as adopted by the Council from time to time, including promotion of quality urban design, quality architectural design, energy conservation.

TAX INCREMENT PROJECT APPROVAL CRITERIA

All new projects approved by the City shall meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer.

1. The tax increment financing assistance shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.
2. The project should meet one or more of the above adopted tax increment eligible uses as stated above in Section 4, "Eligible Uses for Tax Increment Financing".

3. The project must be in accordance with the Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be able to be approved by the City subsequent to the tax increment approval. Tax increment approval will be subject to the approval of the necessary land use approvals.
4. Tax increment financing assistance will not be provided to projects that have the financial feasibility to proceed without the benefit of tax increment financing. The developer shall provide the City with a project financial pro-forma and a development budget at the time of application. In effect, tax increment financing assistance will not be provided solely to broaden a developer's profit margins on a project.
5. Prior to approval of a tax increment financing plan, the developer shall provide any required market and financial feasibility studies, appraisals, soil boring information for the project, and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting.
6. To ensure cash flows are adequate, projects receiving tax increment financing assistance should normally have a 1.2:1 debt service coverage ratio (a ratio of funds projected to be available to funds required for debt service).
7. The developer should provide adequate financial guarantees to ensure the repayment of the tax increment financing subsidy. These may include, but are not limited to, assessment agreements, letters of credit, etc.
8. Any developer requesting tax increment financing assistance should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. The developer shall submit a list of qualifications and references.
9. The developer should retain ownership of the project at least long enough to complete the project, to stabilize its occupancy, to establish the project management, and to insure repayment of the tax increment financing.
10. The level of tax increment financing funding should be reduced to the lowest possible level by maximizing the use of private debt and equity financing first, and then using other funding sources or income-producing vehicles that can be

structured into the project financing, prior to using additional tax increment financing funding.

11. Tax increment assistance will be provided upon receipt of taxes by the City, otherwise referred to as the pay-as-you-go method whenever possible. Requests for upfront financing will be discouraged.

The applicant, the proposed project, and its application process shall comply with State Statutes, 469.175, regarding the use of tax increment financing. All consultants representing the applicant shall be separate and independent from the City. All materials and applications supplied by the applicant or its consultants shall become the property of the City. No assurances of approvals are implied or possible through the application or review process.

The City shall be reimbursed by the applicant for all costs incurred by the City in the preparation and review of the proposal. The applicant shall deposit with the City a non-refundable administrative/application fee as requested by the City Council. Prior to final approval of the tax subsidy, the City Finance Director shall certify any additional costs not covered by the administrative or application fees, which shall be paid to the City prior to final approvals by the City. No construction shall be done prior to final approval of the tax increment subsidy plan.

The City reserves the right to deny any application for financing at any stage of the tax increment review or hearings prior to the adoption of the final approval authorizing the issuance of the loan. The City reserves the right to select a third party to assist in the management of the tax subsidy process.

Proposals shall include a description of all direct and indirect service and improvement costs to the City, School District and County caused by this project.

TAX INCREMENT PROJECT EVALUATION CRITERIA

The fact that a given proposal meets the Approval Criteria in Section 5, “Tax Increment Project Approval Criteria”, does not mean that it is entitled to funding

under this policy, but rather that the City is in a position to proceed with evaluations of various tax increment financing proposals, using uniform standards whenever possible.

The following are the evaluation criteria that will be used by the City:

1. All tax increment financing proposals should optimize the private development potential of a site within site plan review criteria.
2. The developer shall demonstrate that the project is not financially feasible *but for* the tax increment financing provided.
3. All tax increment financing proposals should obtain the highest possible private-to-public financial investment ratio. The Council establishes a benchmark ratio of a minimum of 4 parts private and other funding to 1 part tax increment funding for industrial and commercial projects. Housing, redevelopment and mixed-use projects shall be reviewed on an individual basis.
4. All City assisted projects will follow the Northfield Business Subsidy Policy (9.03) as required by the State of Minnesota Statutes, Sections 1 16J.993 through 1 16J.995 and as established by Northfield City Council.
5. Housing Projects will target a portion of increment to create housing for families at or below 80% of the area median income level as determined by HUD and as defined in the Northfield Community Development Block Grant Program.

APPLICATION PROCESS FOR TAX INCREMENT FINANCING

1. Complete application submitted with all application fees. Fees will include:
    - A non-refundable application fee of $250.00, and
    - A refundable processing fee of one percent (1%) of request amount will be prorated to cover staff or consultant time if the application is denied by the City or withdrawn by the applicant. The actual cost of searches, credit reports, filing fees and legal fees will be paid directly by the applicant. Fees will be waived if the City of Northfield or City agency serves as the developer.

2. All applicants must demonstrate, through financial projections, that the cash flow of the project is sufficient to cover the proposed debt service. (An independent financial analysis may be conducted for the Economic Development Authority (EDA)/Housing and Redevelopment Authority (HRA).)
3. The EDA/HRA will determine if the financing gap between project revenues and expenditures will be based on the applicant's stated needs and financial condition.
4. City staff reviews the application.
5. Results are submitted to the EDA and/or the HRA for preliminary approval or denial of the proposal.
6. The EDA/HRA must determine that the proposed use of funds meets the appropriate test(s) for eligibility.
7. The EDA and/or HRA will forward a recommendation to the City Council.
8. If preliminary approval is granted by the EDA or the HRA, all necessary notices, resolutions and certificates will be prepared by City staff.
9. The City Council will act on a resolution that identifies conditions upon which an application is approved or findings upon which an application is denied.
10. Public hearing(s) on the proposed project will be held.
11. The City Council grants final approval or denial of the proposal.

STEPS NECESSARY FOR TAX INCREMENT PROCESS

The Tax Increment process is mandated by law. Project schedules will be estimated for the developer by City staff.

Step 1	Application received, Staff reviews for completeness
Step 2	Staff preparation of analysis
Step 3	EDA/HRA review and recommendation
Step 4	City Council approval to call public hearing for housing districts, for all other districts
Step 5	Public hearing held at City Council meeting
Step 6	Council approves or denies TIF request

TAX INCREMENT PROJECT COMPLETION REPORTING

At the time of completion of the TIF project, or soon thereafter, staff shall present a report to City Council that demonstrates that the terms and requirements of the TIF Assistance Agreement have been achieved. The City Council's intent with this reporting requirement by staff is to improve transparency and provide City Council the opportunity to recognize that the terms of the assistance have been met. This reporting policy shall not restrict the execution and delivery of financial assistance pledged within the TIF Assistance Agreement for the intended party.

VISION AND PURPOSE

The Northfield community is dedicated to building a sustainable environment where current and future generations benefit from climate and community resiliency as reflected in the City's Climate Action Plan. In particular, the City recognizes the risks of climate change and has set a goal of being a carbon free city by 2040. Since the built environment is a significant contributor to Northfield's carbon footprint, it is important that new developments are built to minimize emissions and environmental impact during construction as well as the operation of buildings. For developments that seek City funding incentives, it is reasonable that they meet set sustainability requirements in service to those goals. As such, the City of Northfield adopts the following Sustainable Building Policy.

DEFINITIONS

FOR THE PURPOSES OF THIS POLICY, the following words and phrases shall have the following meanings:

- "Coordinator" means the Sustainability Coordinator or their designee.
- "Developer" means the entity, whether public or private, that undertakes New Construction or Major Renovation projects, and to whom the provisions of this policy apply.
- "Facilities" means physical buildings or structures either conditioned or non-conditioned including but not limited to offices, retail stores, parking garages, maintenance buildings, warehouses, apartments, townhomes, single family homes, schools, and park recreational buildings.
- "Financial Assistance" means funds provided for New Construction or Major Renovations projects provided by agreement from the City of Northfield, Northfield Economic Development Authority (EDA), and/or the Northfield Housing and Redevelopment Authority (HRA), including:
    - Tax Increment Financing (TIF)
    - HRA grants and loans, including forgivable loans.
    - EDA grants and loans, including forgivable loans
    - Land write-downs
    - Bonds

- Tax abatement
- Low-income housing tax credits
- MIF
- Conduit-bond financing
- Other funds requiring approval by the City of Northfield, Northfield EDA, and/or Northfield HRA

Notwithstanding the above, Financial Assistance does not include environmental remediation pass-through funds, including but not limited to, Department of Employment and Economic Development (DEED) Cleanup and Investigation Grants.

- "Financial Tier 1" means any combination of Financial Assistance totaling between $150,000 and $300,000.
- -"Financial Tier 2" means any combination of Financial Assistance totaling more than $300,000
- "Major Renovation Project" means renovation work performed on an existing building or portion thereof consisting of at least 10,000 square feet for non-municipal buildings and 2,500 square feet for municipal buildings, and requiring installation of new mechanical, ventilation, or cooling systems, or the replacement of such systems.
- "New Construction Project" means the planning, design, construction and commissioning of a new building, or an addition of at least 10,000 square feet to an existing building if such addition requires installation of new mechanical, ventilation, or cooling systems.
- "Sustainable Building Rating System" means any of the following:
  - LEED; minimum Silver Certified
  - State of Minnesota B3 Guidelines; Certified Compliant
  - Green Communities; Certified
  - MN Green Communities, if receiving MN Housing funds
  - Parksmart (formerly Green Garage Certification); minimum Silver Certified
  - Equivalent substitute standards may be used at the discretion of the Coordinator.

"Northfield Green Requirement" (NGR) means specific measurable standards that New Construction and Major Renovations must meet regardless of sustainable rating system, and which are to be communicated by the Coordinator to the applicant. Beginning March 3, 2026, and continuing through an interim period pending a future revision of the Sustainable Building Policy, the Sustainability Coordinator may approve alternative compliance methods, updated modeling standards, or equivalent performance pathways when strict application of the Northfield Green Requirements would prevent implementation of the policy's intent. The NGR includes the following:

1. Predicted greenhouse gas emissions: Calculated based on predicted energy use, as ascertained through the sustainability rating system modeling, using utility emissions factors and reported to the City in metric tons of CO2e
2. Energy efficiency standard: Projects must comply with one of the listed standards for the appropriate sector:
    a) For residential New Construction and Major Renovation projects:
        1. US Department of Energy Zero Energy Ready Homes or higher within the US Department of Energy's family of standards or;
        2. Passive House Institute US (PHIUS) or;
        3. Passive House standard.
    b) For all commercial New Construction and Major Renovation projects:
        1. Sustainable Buildings 2030 standard through design and operation with a payback period of 15 years or;
        2. Demonstrate an improvement of 50% in the proposed building performance rating compared with the baseline building performance rating. Calculate the baseline building performance according to ANSI/ASHRAE/IESNA Standard 90.1–2010, Appendix G using a simulation model.

3. Renewable energy standard
    a) Conduct economic and technical evaluation of providing 2% of building energy load with on-site renewables;
    b) Install if cost-effective using the B3 Levelized Cost of Energy Analysis.

DIRECTIVES

This policy applies to all of the following new construction and major renovation projects:

- Facilities owned or operated by the City of Northfield or the HRA.
- Facilities of which the City or HRA are, or will become, the sole tenant.
- Facilities within the City of Northfield receiving Financial Assistance given the following:
    - Financial Tier 1 – must comply with the policy, unless the applicant can prove that it is not feasible to comply. Facilities must approach design in a good faith attempt to comply with the policy and complete pro forma to prove when not feasible to comply.
    - Financial Tier 2 – must comply with the policy

This policy applies to projects with development applications received after the policy adoption date.

THE POLICY

- New Construction or Major Renovations to which this Policy applies are required to be certified under an eligible Sustainable Building Rating System at the listed rating level and must meet the standards set forth in the NGR. Applicable versions of Sustainable Rating Systems and NGR standards include the most recent or current iteration of a rating system in existence at the time of Financial Assistance application.
- For any projects to which this Policy applies, compliance must be a condition of receipt of Financial Assistance.

- Buildings will not advance to the next stage of construction or operation, including necessary permit issuance or certificates of occupancy, without demonstrated, ongoing compliance with this Policy.

Adoption Date: May 19, 2026

City of Northfield

Rice County, Minnesota

MODIFICATION TO THE DEVELOPMENT PROGRAM

Master Development District

&

Tax Increment Financing (TIF) Plan

Establishment of Harvest Hills
Tax Increment Financing District
(a housing district)

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

Ehlers
3001 Broadway Street, Suite 320
Minneapolis, Minnesota 55413

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Development Program for Master Development District

FOREWORD

The following text represents a Modification to the Development Program for Master Development District, previously established as a municipal development district of the City in accordance with Minnesota Statutes, Sections 469.124 – 469.134. This modification represents a continuation of the goals and objectives set forth in the Development Program for Master Development District. Generally, the substantive changes include the establishment of the Harvest Hills Tax Increment Financing District.

For further information, a review of the Development Program for Master Development District, is recommended. It is available from the Community Development Director at the City of Northfield. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within the Master Development District.

Tax Increment Financing Plan for the Harvest Hills Tax Increment Financing District

FOREWORD

The City of Northfield (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Harvest Hills Tax Increment Financing District (the "District"), a housing tax increment financing district, located in the Master Development District.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, inclusive, as amended (the "Municipal Development Act"), and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Master Development District (the "Development Program").

STATEMENT OF OBJECTIVES

The District currently consists of one (1) parcel of land and adjacent roads and internal rights-of-way. The District is being created to help facilitate a new townhome mixed-income multifamily rental housing development in the City consisting of approximately 71 units. The City anticipates entering into an agreement with Schrom Construction, or an affiliate, as the developer. The initial phase of 38-units is anticipated to begin in 2026, with plans for a second phase of development to follow. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program.

The activities contemplated in the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Master Development District and the District.

DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District as described in this TIF Plan.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below:

Parcel number	Address	Owner
22.12.4.26.022	NA	Crg Properties

Please also see the map in Appendix B for further information on the location of the District.

The City does not currently intend to acquire any property within the District but reserves the right to acquire and convey (for full value or a discount) such property, or appropriate interests therein including interior and adjacent street rights of way, within the Master Development District as the City may deem to be necessary or desirable to assist in the implementation of the Development Program and TIF Plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan.

Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; and/or carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The Developer has site control of and intends to acquire the property in the District in connection with the construction of the Development.

DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act finds that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761.*

- The District consists of one (1) parcel
- The development will consist of approximately 71-units of multi-family rental housing
- At least 20% of the units will be occupied by persons with incomes less than 50% of area median income
- No more than 20% of the square footage of the building that is receiving assistance from tax increment consists of commercial, retail or other non-residential uses.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111*, *273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the maximum duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2028, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2053, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2025 for taxes payable 2026.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2028) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2026, assuming the request for certification is made before June 30, 2026. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Master Development District, upon completion of the project within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2028. The Project Tax Capacity (PTC) listed is an estimate of values when the project within the District is completed.

Project Tax Capacity (PTC)		
Estimated Development Tax Capacity upon completion	317,106	
Less: Original Net Tax Capacity (ONTC)	3,085	
Estimate of Captured Tax Capacity (CTC)	**314,021**	
x Original Local Tax Rate	146.2270%	Pay 2026
Estimated Annual Tax Increment	**$459,183**	
Percent Retained by the City	100%	

Note: Project Tax Capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District upon the initial completion of both phases of the development is estimated to be $266,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3.* The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	$ 10,007,426
Interest	500,371
TOTAL	**$ 10,507,797**

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by one or more pay-as-you-go TIF notes and/or interfund loans.

Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of $10,507,797. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to help finance site improvement and construction costs necessary to develop approximately 71-units of new mixed-income multifamily rental housing. The City has determined that it will be necessary to provide assistance to the project for certain District costs, as described herein.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Affordable Housing	5,427,426
Administrative Costs (up to 10%)	500,371
PROJECT COSTS TOTAL	**$ 5,927,797**
Interest	4,580,000
PROJECT AND INTEREST COSTS TOTAL	**$ 10,507,797**

The total District project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The City may expend funds for qualified housing activities outside of the District boundaries.

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Estimated Impact on Tax Base

Entity	2025/Pay 2026 Total NTC	CTC upon completion	Percent of CTC to Entity Total
Rice County	110,995,109	314,021	**0.2829%**
City of Northfield	25,504,181	314,021	**1.2313%**
I.S.D. No. 659 (Northfield Schools)	40,480,054	314,021	**0.7757%**

Estimated Impact on Taxes

Entity	Pay 2026 Extension Rate	Percent of Total	CTC	Potential Taxes
Rice County	38.2550%	26.16%	314,021	**$120,129**
City of Northfield	73.3340%	50.15%	314,021	**230,284**
I.S.D. No. 659 (Northfield Schools)	31.2930%	21.40%	314,021	**98,266**
Other	3.3450%	2.29%	314,021	**10,504**
	146.2270%	**100.00%**		**$459,183**

The estimates listed above display the captured tax capacity when all construction and the District is completed. The tax rate used for calculations is the Pay 2026 rate. The total net capacity for the entities listed above are based on Pay 2026 figures. The District will be certified under the Pay 2026 rates.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $10,007,426;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. The property is currently undeveloped land and would be expected to generate few, minor public safety concerns such as trespassing or nuisance activity. With any addition of new residents or businesses, police calls for service will be increased. New developments can improve conditions through increased lighting, regular occupancy and natural surveillance, but also add an increase in traffic and additional overall demands to the public service call load. Based on comparable developments, the City estimates approximately 75-120 additional calls for service annually for various medical, disturbances, welfare checks and general complaints. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities. IT expects modest increases in personnel time and other operating expenses related to fuel, vehicle wear, and equipment usage. These impacts are expected to be manageable within the current operating budget.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction with sprinkler systems and updated fire protection measures. The City estimates approximately 4-5 calls per year, no different from other residential subdivisions within the City. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities, and the development is expected to meet or exceed code requirements for hydrants, water main sizing and roadways.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any external traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are an estimated $172,000 in new costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated $255,232 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $2,141,618;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $2,618,081;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

COUNTY ROAD COSTS

Pursuant to *M.S., Section 469.175, Subd. 1a*, the County Board may require the City to pay for all or part of the cost of county road improvements out of increment revenues if the proposed development to be assisted by tax increment will, in the judgment of the County, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or another county plan.

If the County elects to use increments to improve county roads, it must notify the City within 45 days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the County could claim that tax increment should be used for county roads, even after the public hearing.

ADMINISTRATIVE EXPENSES

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all documented tax increment expenditures of the City, including but not limited to:

(1) amounts paid for services provided by bond counsel, fiscal consultants, and economic development consultants;

(2) allocated expenses and staff time of the authority or municipality for administering a project, including but not limited to preparing the tax increment financing plan, negotiating and preparing agreements, accounting for segregated funds of the district, preparing and submitting required reporting for the district, and reviewing and monitoring compliance with the TIF Act*;*

(3) amounts paid to publish annual disclosures and provide notices under section *M.S. Section 469.175;*

(4) amounts to provide for the usual and customary maintenance and operation of properties purchased with tax increments, including necessary reserves for repairs and the cost of any insurance;

(5) amounts allocated or paid to prepare a development action response plan for a soils condition district or hazardous substance subdistrict; and

(6) amounts used to pay bonds, interfund loans, or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (5).

Administrative expenses and administrative costs do not include:

(1) amounts paid for the purchase of land or buildings;

(2) amounts paid to contractors or others providing materials and services directly connected with the physical development of the real property in the project, including architectural and engineering services and materials and services for demolition, soil correction, and the construction or installation of public improvements;

(3) relocation benefits paid to or services provided for persons residing or businesses located in the project;

(4) amounts paid for property taxes or payments in lieu of taxes; and

(5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S. Section 469.178* or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (4).

This definition does not apply to County administrative expenses or administrative costs referenced under *M.S. Section 469.176, Subd. 4h:*

Tax increments may be used to pay for the County's actual administrative expenses. The County may require payment of those expenses by February 15 of the year after the year in which the expenses are incurred. The amount of these payments is not required to be set forth in the tax increment financing plan for the project. To obtain payment for actual administrative costs, the County Auditor must submit to the authority a record of costs incurred by the county auditor related to administration of the authority's tax increment financing districts.

The County Treasurer shall deduct an amount (currently 0.36 percent) of any increment distributed to the City, and the County Treasurer shall pay the amount deducted to the State Treasurer for deposit in the State General Fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

ANNUAL DISCLOSURE REQUIREMENTS

The City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor (OSA), County Board and County Auditor on or before August 1 of each year. An annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report, the OSA will direct the County Auditor to withhold the distribution of tax increment from the TIF District.

SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects, (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix D.

DISTRICT ADMINISTRATION

Administration of the District will be handled by the Community Development Director.

Appendix A: Project Description and Legal Description

Parcel ID – 2212426022

Outlot A, HARVEST HILLS, Rice County, Minnesota.

Schrom Construction, Inc. has applied for a preliminary plat to develop a 71-unit market rate rental townhome development on a 10.30-acre parcel situated on the south side of Northfield and west of the Northfield Middle School. The development will initiate grading and installation of site improvements and public infrastructure to begin construction of the housing in 2026.

The preliminary plat is planned to include the following mix of residential units:

- Twenty-one (21) Duplex homes - (42 units),
- Five (5) Tri-plex homes (15 units),
- Two (2) Four-plex homes (8 units),
- One (1) Six-plex building (6 units),
- Total Project unit creation is 71

At least 20% of the units in the Development will be reserved for rental to persons whose annual income does not exceed 50% of applicable area median income.

Appendix B: Map of Master Development District and the TIF District

Harvest Hills TIF District

PID 22.12.4.26.022

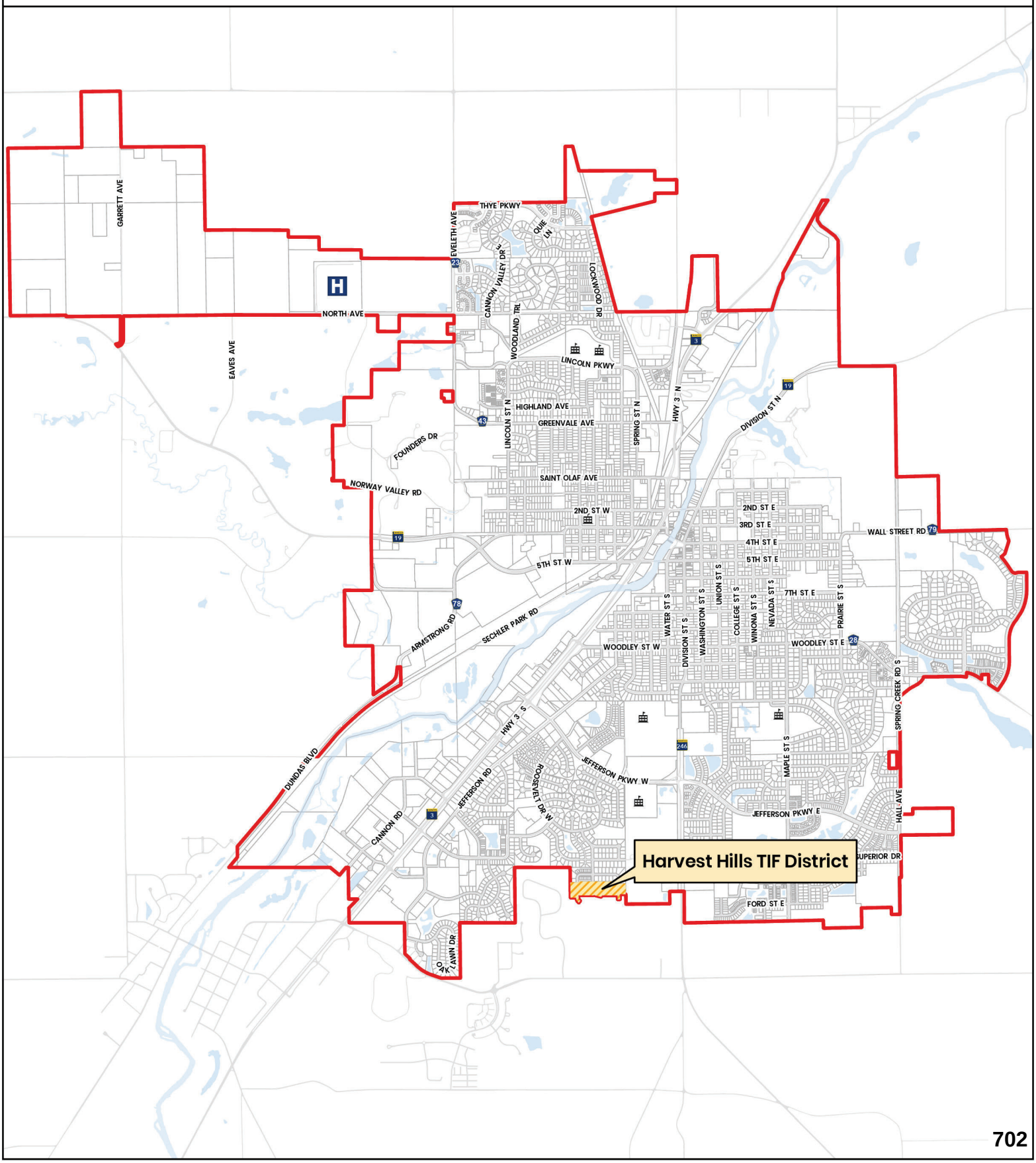
Master Development Area

THE CITY OF NORTHFIELD MINNESOTA ESTD 1855

4/7/2026

0 1,500 3,000 Feet

The boundaries of the Master Development Area are coterminous with the corporate boundaries of the City of Northfield.



Appendix C: Estimated Cash Flow for the District

Harvest Hills Housing (1.00% Assumed Tax Value Appreciation)

City of Northfield, MN

Approximately 71-unit Mixed-Income Rental Townhome Development

ASSUMPTIONS AND RATES

DistrictType:	**Housing**	
District Name/Number:	**TBD**	
County District #:	**TBD**	
First Year Construction or Inflation on Value	**2026**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**1.00%**	
Interest Rate:	**5.85%**	
Present Value Date:	**1-Aug-27**	
First Period Ending	1-Feb-28	
Tax Year District was Certified:	**Pay 2026**	
Cashflow Assumes First Tax Increment For Development:	2028	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2053	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**NA**	
Incremental or Total Fiscal Disparities		
Fiscal Disparities Contribution Ratio		
Fiscal Disparities Metro-Wide Tax Rate		
Maximum/Frozen Local Tax Rate:	146.227%	Pay 2026
Current Local Tax Rate: (Use lesser of Current or Max.)	146.227%	Pay 2026
State-wide Tax Rate (Comm./Ind. only used for total taxes)	28.3130%	Pay 2026
Market Value Tax Rate (Used for total taxes)	0.30535%	Pay 2026

Tax Rates

Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First	$100,000	0.25%
Over	$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First	$500,000	1.00%
Over	$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	22.12.4.26.022	Crg Properties	NA	246,800	0	246,800	100%	246,800	Pay 2026	Rental	3,085	Rental	3,085	1
				246,800	**0**	**246,800**		**246,800**			**3,085**		**3,085**	

Note:

1. **Base values are for pay 2026 based on review of County website on 3.26.2026.**
2. **Located in SD #659.**

Harvest Hills Housing (1.00% Assumed Tax Value Appreciation)

City of Northfield, MN

Approximately 71-unit Mixed-Income Rental Townhome Development

EHLERS PUBLIC FINANCE ADVISORS

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2026	Percentage Completed 2027	Percentage Completed 2028	Percentage Completed 2029	First Year Full Taxes Payable
1	Townhouses	284,000	284,000	30	8,520,000	Rental	106,500	3,550	50%	100%	100%	100%	2029
1	Townhouses	284,000	284,000	8	2,272,000	Rental	28,400	3,550	50%	100%	100%	100%	2029
2	Townhouses	284,000	284,000	26	7,384,000	Rental	92,300	3,550	0%	0%	50%	100%	2031
2	Townhouses	284,000	284,000	7	1,988,000	Rental	24,850	3,550	0%	0%	50%	100%	2031
TOTAL				71	20,164,000		252,050						

Note:

1. Market values are based upon preliminary estimates provided by the County Assessor's office.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Townhouses	106,500	0	106,500	155,732	0	0	26,016	181,748	6,058.25
Townhouses	28,400	0	28,400	41,528	0	0	6,938	48,466	6,058.25
Townhouses	92,300	0	92,300	134,968	0	0	22,547	157,515	6,058.25
Townhouses	24,850	0	24,850	36,337	0	0	6,070	42,408	6,058.25
TOTAL	252,050	0	252,050	368,565	0	0	61,571	430,136	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	430,136
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(61,571)
less Base Value Taxes	(4,511)
Annual Gross TIF	364,054

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Harvest Hills Housing (1.00% Assumed Tax Value Appreciation)

City of Northfield, MN

Approximately 71-unit Mixed-Income Rental Townhome Development

ESTIMATED TAX INCREMENT CASH FLOW

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	Less: State Auditor 0.36%	Less: City Retention 5.0%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				02/01/28
100%	67,450	(3,085)	-	64,365	146.227%	94,119	47,060	(169)	(2,345)	44,546	42,050	0.5	2028	08/01/28
							47,060	(169)	(2,345)	44,546	82,904	1	2028	02/01/29
100%	134,900	(3,085)	-	131,815	146.227%	192,749	96,375	(347)	(4,801)	91,226	164,194	1.5	2029	08/01/29
							96,375	(347)	(4,801)	91,226	243,174	2	2029	02/01/30
100%	194,824	(3,085)	-	191,739	146.227%	280,374	140,187	(505)	(6,984)	132,698	354,793	2.5	2030	08/01/30
							140,187	(505)	(6,984)	132,698	463,241	3	2030	02/01/31
100%	254,761	(3,085)	-	251,676	146.227%	368,019	184,009	(662)	(9,167)	174,180	601,544	3.5	2031	08/01/31
							184,009	(662)	(9,167)	174,180	735,916	4	2031	02/01/32
100%	257,309	(3,085)	-	254,224	146.227%	371,744	185,872	(669)	(9,260)	175,943	867,791	4.5	2032	08/01/32
							185,872	(669)	(9,260)	175,943	995,918	5	2032	02/01/33
100%	259,882	(3,085)	-	256,797	146.227%	375,507	187,753	(676)	(9,354)	177,724	1,121,664	5.5	2033	08/01/33
							187,753	(676)	(9,354)	177,724	1,243,837	6	2033	02/01/34
100%	262,481	(3,085)	-	259,396	146.227%	379,307	189,654	(683)	(9,449)	179,522	1,363,739	6.5	2034	08/01/34
							189,654	(683)	(9,449)	179,522	1,480,233	7	2034	02/01/35
100%	265,106	(3,085)	-	262,021	146.227%	383,145	191,573	(690)	(9,544)	181,339	1,594,562	7.5	2035	08/01/35
							191,573	(690)	(9,544)	181,339	1,705,642	8	2035	02/01/36
100%	267,757	(3,085)	-	264,672	146.227%	387,022	193,511	(697)	(9,641)	183,174	1,814,658	8.5	2036	08/01/36
							193,511	(697)	(9,641)	183,174	1,920,575	9	2036	02/01/37
100%	270,434	(3,085)	-	267,349	146.227%	390,937	195,469	(704)	(9,738)	185,027	2,024,523	9.5	2037	08/01/37
							195,469	(704)	(9,738)	185,027	2,125,517	10	2037	02/01/38
100%	273,139	(3,085)	-	270,054	146.227%	394,892	197,446	(711)	(9,837)	186,898	2,224,633	10.5	2038	08/01/38
							197,446	(711)	(9,837)	186,898	2,320,933	11	2038	02/01/39
100%	275,870	(3,085)	-	272,785	146.227%	398,886	199,443	(718)	(9,936)	188,789	2,415,442	11.5	2039	08/01/39
							199,443	(718)	(9,936)	188,789	2,507,266	12	2039	02/01/40
100%	278,629	(3,085)	-	275,544	146.227%	402,920	201,460	(725)	(10,037)	190,698	2,597,382	12.5	2040	08/01/40
							201,460	(725)	(10,037)	190,698	2,684,937	13	2040	02/01/41
100%	281,415	(3,085)	-	278,330	146.227%	406,994	203,497	(733)	(10,138)	192,626	2,770,864	13.5	2041	08/01/41
							203,497	(733)	(10,138)	192,626	2,854,350	14	2041	02/01/42
100%	284,229	(3,085)	-	281,144	146.227%	411,109	205,554	(740)	(10,241)	194,574	2,936,283	14.5	2042	08/01/42
							205,554	(740)	(10,241)	194,574	3,015,887	15	2042	02/01/43
100%	287,072	(3,085)	-	283,987	146.227%	415,265	207,633	(747)	(10,344)	196,541	3,094,011	15.5	2043	08/01/43
							207,633	(747)	(10,344)	196,541	3,169,915	16	2043	02/01/44
100%	289,942	(3,085)	-	286,857	146.227%	419,463	209,731	(755)	(10,449)	198,528	3,244,407	16.5	2044	08/01/44
							209,731	(755)	(10,449)	198,528	3,316,782	17	2044	02/01/45
100%	292,842	(3,085)	-	289,757	146.227%	423,703	211,851	(763)	(10,554)	200,534	3,387,812	17.5	2045	08/01/45
							211,851	(763)	(10,554)	200,534	3,456,822	18	2045	02/01/46
100%	295,770	(3,085)	-	292,685	146.227%	427,985	213,992	(770)	(10,661)	202,561	3,524,549	18.5	2046	08/01/46
							213,992	(770)	(10,661)	202,561	3,590,352	19	2046	02/01/47
100%	298,728	(3,085)	-	295,643	146.227%	432,310	216,155	(778)	(10,769)	204,608	3,654,930	19.5	2047	08/01/47
							216,155	(778)	(10,769)	204,608	3,717,673	20	2047	02/01/48
100%	301,715	(3,085)	-	298,630	146.227%	436,678	218,339	(786)	(10,878)	206,675	3,779,249	20.5	2048	08/01/48
							218,339	(786)	(10,878)	206,675	3,839,075	21	2048	02/01/49
100%	304,732	(3,085)	-	301,647	146.227%	441,090	220,545	(794)	(10,988)	208,763	3,897,789	21.5	2049	08/01/49
							220,545	(794)	(10,988)	208,763	3,954,833	22	2049	02/01/50
100%	307,780	(3,085)	-	304,695	146.227%	445,546	222,773	(802)	(11,099)	210,872	4,010,817	22.5	2050	08/01/50
							222,773	(802)	(11,099)	210,872	4,065,209	23	2050	02/01/51
100%	310,857	(3,085)	-	307,772	146.227%	450,046	225,023	(810)	(11,211)	213,002	4,118,590	23.5	2051	08/01/51
							225,023	(810)	(11,211)	213,002	4,170,453	24	2051	02/01/52
100%	313,966	(3,085)	-	310,881	146.227%	454,592	227,296	(818)	(11,324)	215,154	4,221,352	24.5	2052	08/01/52
							227,296	(818)	(11,324)	215,154	4,270,804	25	2052	02/01/53
100%	317,106	(3,085)	-	314,021	146.227%	459,183	229,592	(827)	(11,438)	217,327	4,319,336	25.5	2053	08/01/53
							229,592	(827)	(11,438)	217,327	4,366,488	26	2053	02/01/54
	Total						10,043,583	(36,157)	(500,371)	9,507,055				
	Present Value From: 08/01/2027			Present Value Rate:	5.85%		4,612,910	(16,606)	(229,815)	4,366,488				

Appendix D: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Harvest Hills Tax Increment Financing District, as required pursuant to *Minnesota Statutes, (M.S.) Section 469.175, Subdivision 3* are as follows:

1. *Finding that Harvest Hills Tax Increment Financing District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

   Harvest Hills Tax Increment Financing District consists of a project or portions of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, and other similar present or future federal, state, or municipal legislation, or the regulation promulgated under any of those acts. The Developer has represented that at least 20% of the units in the Development will be reserved for rental to persons whose annual income does not exceed 50% of applicable area median income and that no more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

   The proposed Development will result in the construction of low and moderate income housing units which would not otherwise be constructed in the reasonably foreseeable future. The rents for affordable housing projects do not provide a sufficient return on investment to stimulate new development. The Developer has represented that it could not proceed with the Development without tax increment assistance. The Developer has provided the City with its estimated Development proforma outlining project sources and uses as well as projected rent, vacancy, and financing assumptions. City staff and the City's advisors reviewed the information and have determined the Development is not feasible without the proposed assistance due to anticipated rent levels and market returns not supporting the Development costs. Based on the review, the City does not expect that a development of this type would occur in the reasonably foreseeable future but for the use of tax increment assistance.

3. *Finding that the TIF Plan for Harvest Hills Tax Increment Financing District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

   The City consulted with its Planning Commission who reviewed the TIF Plan on April 16, 2026 and found that the TIF Plan conforms to the general development plan of the City. The City Council finds that the proposed project complies with the intended use of the property within the City's Comprehensive Plan and therefore the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Harvest Hills Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Master Development District by private enterprise.*

   Through the implementation of the TIF Plan, the Development proposed to occur within the TIF District is the construction by private enterprise of low and moderate income multi-family housing. The Development will also increase the taxable market valuation of the City. The available multi-family housing in the City will increase by approximately 71 rental units with the completion of the Development and this will help fulfill the need for such housing in the City.

File #: 26-401, **Version:** 1

City Council Meeting Date: July 21, 2026

To: Mayor and City Council

From: Ben Martig, City Administrator

City Administrator's Update.

Summary Report:
Please see the following

- Upcoming Agenda Items List.
  See attachment #1

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

City of Northfield

Upcoming Agenda Items

City Hall
801 Washington Street
Northfield, MN 55057
northfieldmn.gov

City Council

Monday, August 3, 2026

TMP 26-483 Consideration of Summary Publication of Ordinance 1094 Related to the Vacation of the Drainage & Utility Easement within 2420 Bridgewater Ln.

Drafter: Schmidt

Notes: Consent (Dundas detachment)

TMP 26-587 Consideration of Summary Publication of Ordinance XXXX Related to the Vacation of the Utility Easement within 504 & 508 Ivanhoe Ave

Drafter: Hughey

Notes: consent

TMP 26-610 Consider Approving Disbursements totaling $

Drafter: Grant

Notes: consent

TMP 26-612 Consider a motion approving the lower-potency hemp edible retailer application for Holiday Stationstores LLC, dba Circle K #2746060, 100 Water Street South.

Drafter: Peterson

Notes: Consent

TMP 26-614 Consider Approval of Outdoor Dining Permit for Fraternal Order of Eagles Aerie #2242 dba Northfield Eagles #2242.

Drafter: Peterson

Notes: Consent

TMP 26-613 Resolution to Execute an Updated Development Agreement with Manawa, LLC for the Archer.

Drafter: Wopata

Notes: Regular #1 (30 min.)

TMP 26-548 Consider Joint Resolution Requesting Concurrent Detachment from the City of Northfield and Annexation to the City of Dundas of Certain Land Pursuant to Minnesota Statutes Section 414.061.

Drafter: Wopata/Bennett

Notes: consent (Dundas Detachment)

TMP 26-549 Consider a Drainage, Utility, Use & Maintenance Agreement for Property Located as Part of the Dundas Commons Final Plat.

Drafter: Schmidt

Notes: consent (Dundas Detachment)

TMP 26-550 Consideration of Resolution Ordering Preparation of Feasibility Report for the 2027 Reclamation Project.

Drafter: Simonson

Notes: Consent

TMP 26-407 Consider Resolution Accepting Public Improvements and Approving Final Payment for the 2024 College Street and Water Street Areas Reconstruction Project (STRT2024-A77).

Drafter: Simonson

Notes: Consent

Ord. 1094 Consider Second Reading of Ordinance 1094 Vacating a Drainage and Utility Easement within 2420 Bridgewater Ln.

Drafter: Schmidt

Notes: consent (Dundas Detachment)

TMP 26-586 Consider Second Reading of Ordinance XXXX Vacating Drainage and Utility Easements within 504 & 508 Ivanhoe Ave.

Drafter: Hughey

Notes: consent

TMP 26-611 Consider Approval of Residential Curbside Compost/Organic Recycling Program Direction.

Drafter: Martig

Notes: Regular #2 (15 min.)

TMP 26-621 Reports From the Mayor and Council Members.

Drafter: Martig

Notes: update

TMP 25-958 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-770 Consider Approval of July 21, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

Tuesday, August 18, 2026

TMP 26-152 Discuss Safe Streets and Roads for All (SS4A) Planning RFP- Scope of Services.

Drafter: Bennett

Notes: #1 (__ min.)

TMP 26-390 2027-2028 Council Budget Town Hall Meeting.

Drafter: Angelstad

Notes: #2 (__ min.)

Thursday, August 20, 2026

TMP 26-559 Consideration of a Resolution Approving a Final Plat for Harvest Hills Second Addition.

Drafter: Schmidt

Notes: Regular #5 (30 min.); presentation to also include TMP 26-558 (development agreement)

Tuesday, August 25, 2026

TMP 26-571 Public Hearing Related to Resolution for Modified, Amended and Restated Resolution of the Economic Development Authority (EDA).

Drafter: Martig

Notes: Public Hearing #1 (10 min)

TMP 26-524 Consider Motion approving the Sibley Swale Park Improvement Plan.

Drafter: Tussing

Notes: Regular #2 (15 min)

TMP 26-525 Consider Motion approving the Oddfellows Park Improvement Plan.

Drafter: Tussing

Notes: Regular #1 (15 min)

TMP 26-006 Summary Publication Notice for the Text Amendment to Park Dedication Fees.

Drafter: Schmidt

Notes: consent

TMP 26-513 Public Hearing for Wellhead Protection Plan Part 2 Update.

Drafter: Wagner

Notes: Public Hearing #2 (__ min.)

TMP 26-185 Consider Approval of Grant Contract Agreement with the State of Minnesota for Local Housing Trust Fund Grant (2025) in the Amount of $150,000.

Drafter: Hanson

Notes: consent

TMP 26-561 Consider Resolution Establishing Working Group and Approving Related Mayoral Appointments.

Drafter: Martig

Notes: Regular #4 (30 min.)

TMP 26-569 Consider Resolution for Modified, Amended and Restated Resolution of the Economic Development Authority (EDA).

Drafter: Martig

Notes: Immediately following Public Hearing #1

TMP 26-573 Consider First Reading of Ordinance 10XX Amending City Code Chapter 2, Related to City Boards and Commissions (Modification of Boards/Commissions).

Drafter: Martig

Notes: Consent

TMP 26-003 First Reading of Ordinance to Amend Chapter 34: Land Development Code: Article 5. Subdivision of Land. 5.26 Parks, Trails and Open Space Dedication Related to Park & Trail Dedication Fees.

Drafter: Schmidt

Notes: Regular #__ (___ min.)

TMP 26-005 Second Reading of Ordinance to Amend the Text Related to Park & Trail Dedication Fees.

Drafter: Schmidt

Notes: Consent

TMP 26-143 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 26-191 2026 Second Quarter Financial & Investment Updates

Drafter: Angelstad

Notes: consent

TMP 25-771 Consider Approval of August 3, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

TMP 25-772 Consider Approval of August 18, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

Tuesday, September 8, 2026

TMP 25-846 Consider Resolution approving Contract with the State of Minnesota for the Reconstruction of the Mill Towns State Trail in Sechler Park.

Drafter: Bennett

Notes: consent

TMP 26-574 Consider Second Reading of Ordinance 10XX Amending City Code Chapter 2, Related to City Boards and Commissions (Modification of Boards/Commissions).

Drafter: Martig

Notes: consent

TMP 26-575 Consider Motion Approving Summary Publication for Ordinance 10XX Amending City Code Chapter 2, Related to City Boards and Commissions (Modification of Boards/Commissions).

Drafter: Martig

Notes: consent

TMP 26-144 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-960 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-989 Reports From the Mayor and Council Members.

Drafter: Martig

Notes: update

TMP 26-151 Consider Approval of Safe Streets and Roads for All (SS4A) Planning Grant with FHWA.

Drafter: Bennett

Notes: Consent

TMP 25-774 Consider Approval of August 25, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

Tuesday, September 15, 2026

TMP 26-154 Consider an update on Comprehensive Sewer Plan and Comprehensive Water Plan.

Drafter: Wagner

Notes: #1 (__ min.)

TMP 26-391 2027-2028 Budget Worksession.

Tuesday, September 22, 2026

TMP 26-392 Summary Publication of Ordinance No. 1086 Amending Gas Service Franchise Fee.

TMP 26-295 Consider Council Member Roles on Boards and Commissions for 2027-2028.

Drafter: Hoffman

Notes: Regular #__ (15 min.)

TMP 26-406 Approve the proposed 2027 Northfield Area Fire & Rescue Service Budget and Capital Equipment Plan and Related City of Northfield of Fire Department 2027s Contribution.

TMP 26-393 Consider Adoption of Utility Rates for 2027.

Drafter: Wagner

Notes: Consent

TMP 26-394 Consideration of a Preliminary 2027 General Fund Budget and Establishing a Date and Time for the Public Hearing.

TMP 26-395 Consideration of Resolution Adopting a Proposed 2026 Total Tax Levy Payable in 2027, includes HRA & EDA.

TMP 26-179 Consider Approval of Sale of Property at 1600 Riverview Ln by Northfield Hospital + Clinics.

Drafter: Bennett

Notes: #1 Immediately Following Public Hearing #1 (5 min.)

TMP 25-892 Adopt Changes to Fees and Charges.

Drafter: Peterson

Notes: consent

TMP 26-145 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-990 Reports From the Mayor and Council Members.

Drafter: Martig

Notes: update

TMP 26-177 Public Hearing on Sale of Property in at 1600 Riverview Ln (Northfield Hospital + Clinics)

Drafter: Bennett

Notes: Public Hearing #1 (5 min.)

TMP 25-775 Consider Approval of September 8, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

TMP 25-776 Consider Approval of September 15, 2026 City Council Work Session Minutes.

Drafter: Peterson

Notes: consent