City of Northfield

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

Meeting Agenda

Tuesday, June 16, 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. 26-303 Presentation from the Convention and Visitors Bureau.

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. 26-304 Consider Approval of June 2, 2026 City Council Meeting Minutes.

3. 26-305 Consider Approval of June 9, 2026 City Council Work Session Minutes.

4. 26-306 Consider Approving Disbursements totaling $1,891,261.80

5. 26-307 Consideration of Acceptance of the City of Northfield Annual Comprehensive Financial Report for the Year Ended December 31, 2025.

6. 26-308 Consider Approval of Mayoral Board/Commission Youth Appointments.

7. 26-309 Consider Approval of Mayoral Board and Commission Appointments.

8. Res. 2026-057 Consider Resolution Naming Cannon River Regional Park.

9. Res. 2026-063 Consider Resolution Authorizing Application to the Regional Parks and Trail Commission for Designation of Cannon River Regional Park as a Greater MN Regional Park.

10. Res. 2026-058 Consider Resolution providing communication and outreach support with Hiawathaland Transit.

11. 26-311 Consider Ice Rental Agreement with Northfield Public Schools.

12. Res. 2026-059 Consider Resolution Accepting Public Improvements and Approving Final Payment for the Honeylocust Drive East Cannon River Trail Connection Improvements Project (STRT2021-A56).

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

13. 26-312 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.

14. Res. 2026-060 Consider Resolution Providing for the Issuance and Sale of General Obligation Street Reconstruction Bonds, Series 2026B in the Proposed Aggregate Principal Amount of $3,350,000.

15. Res. 2026-061 Consider Resolution Modifying Central Business District Short Term Parking and Handicap Accessible Parking.

16. Res. 2026-062 Consider a Citizen Petition for the Preparation of an Environmental Assessment Worksheet (EAW) to be Completed for the Proposed Harvest Hills Second Addition Development.

ADMINISTRATORS UPDATE

17. 26-314 City Administrator's Update.

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 #: 26-303, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council

From: Ben Martig, City Administrator

Subject:
Presentation from the Convention and Visitors Bureau.

Action Requested:
The Northfield City Council receives a presentation from Jane Bartho, President of the Northfield Area Chamber of Commerce, regarding recent work and future initiatives from the Convention and Visitors Bureau.

Summary Report:
Jane Bartho, President of the Northfield Area Chamber of Commerce, will present regarding recent work and future initiatives from the Convention and Visitors Bureau.

Approval of the 2027 CVB budget by the City Council is required by agreement. This will be on a later agenda.

Alternative Options:
N/A

Financial Impacts:
Funding is provided from the 3% lodging tax collected on all lodging rooms within the City. 95% of the tax collected is used to fund a local convention or tourism bureau for the purpose of marking and promoting the City as a tourist or convention center. The remaining 5% is used by the City for administrative fees. No proceeds of the lodging tax shall be distributed to the Chamber for CVB services until the budget has been approved by the City Council.

Tentative Timelines:
N/A

NORTHFIELD CONVENTION & VISITORS BUREAU

City Council Presentation
June 16th, 2026

VISIT NORTHFIELD
MINNESOTA AT ITS BEST

MISSION

To Market and promote Northfield and enhance the economic vitality of the community by attracting visitors, tour groups, corporate meetings, conferences, retreats, and events to Northfield.

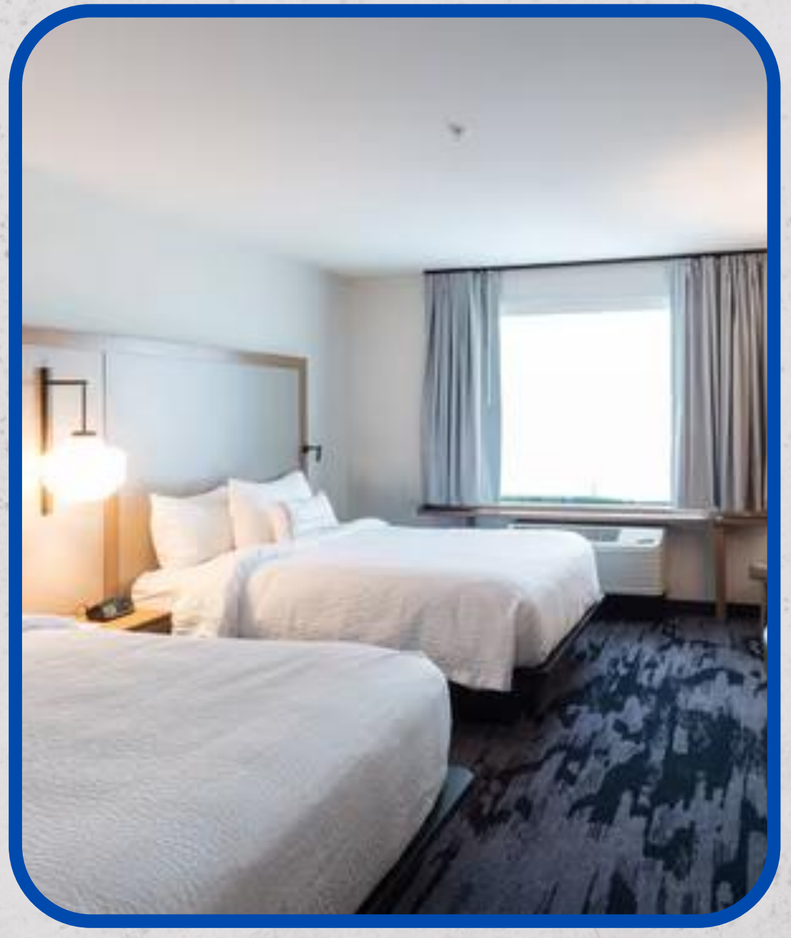
VISION

The Northfield Convention & Visitors Bureau envisions Northfield being a premier tourist destination, retaining and showcasing the values, heritage, culture and natural beauty of Northfield and the surrounding area.

OUR LODGING PROPERTIES

- **41** AmericInn Lodge & Suites
- **54** Country Inn & Suites
- **80** Fairfield Inn & Suites
- **4** Froggy Bottoms River Suites
- **55** Coratel Inn & Suites
- **20** Northfield Extended Stay

253 Total Rooms



BOARD COLLABORATION

City Council Rep
Brad Ness

Hotel Rep
Fairfield Inn & Suites
Jordan Gmur

Friends of Downtown Northfield
Josh Zimmerman

Retail Rep
Joni Karl

Restaurant & Agritourism & Distillery
Mark Schiller

Vintage Band & Music Rep
Dan Bergeson

Northfield History Rep
Mark Thorton

Arts & Culture Rep
Michael Johnson

Marketing Rep
Jackie Johnson

Community Ed & Sports Tourism
Melissa Bernhard

Breweries & Dundas Rep
Tracie Vranich

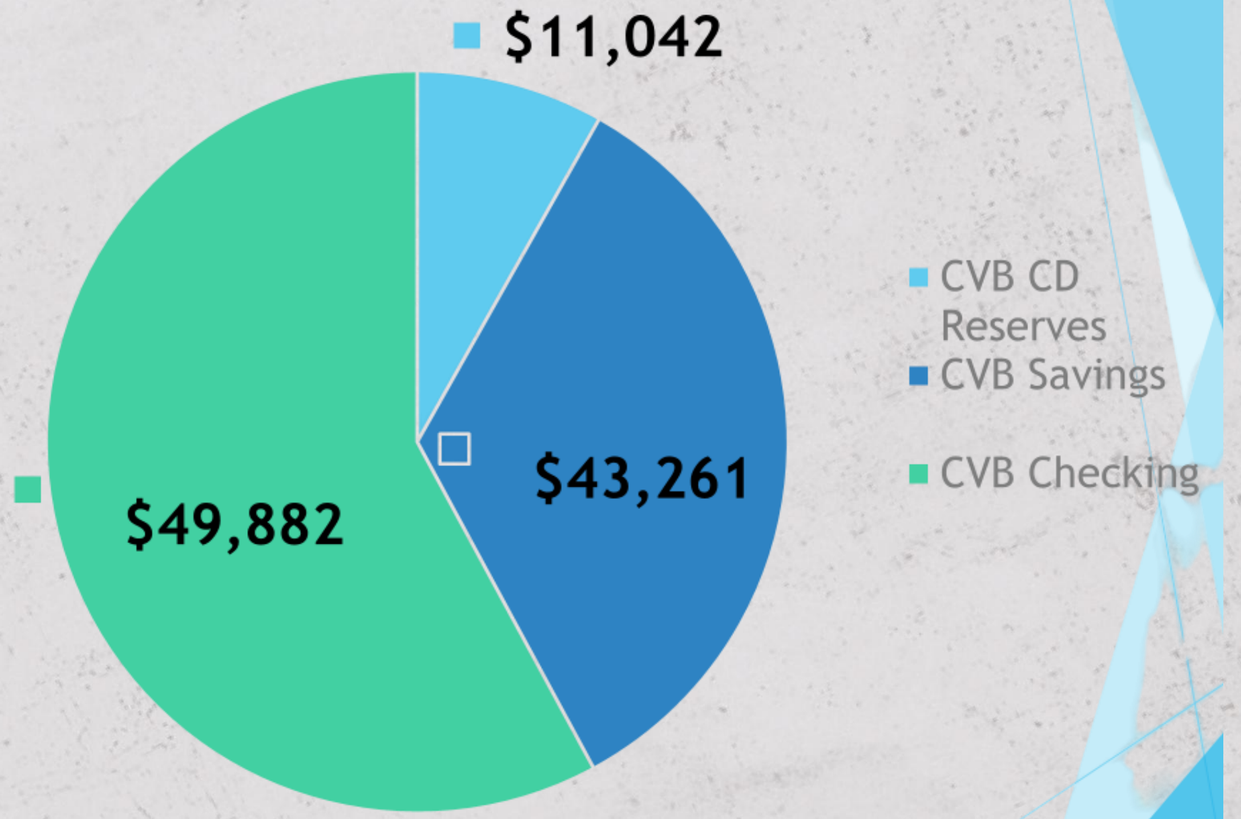
Main Street America

2026-28 STRATEGIC PRIORITIES

Objective	Goals	Strategic Initiatives
Increase Brand Awareness	• Elevate brand by creating more assets • Increase reach by 10% • Send quarterly digital campaigns	• Target out of state, expand reach to South Dakota, Iowa and Wisconsin
Engagement	• Increase emails attained through website • Continue with Social Media engagement & posting • Increase Social Media Followers by 10%	• Test CTA's on website • Create sweepstakes and/or social media take overs
Collaboration	• Get assets from community members • Help business owners understand their customers and share data	• Bring in more community members • Measure visitors • Understand monthly occupancy rates at hotels

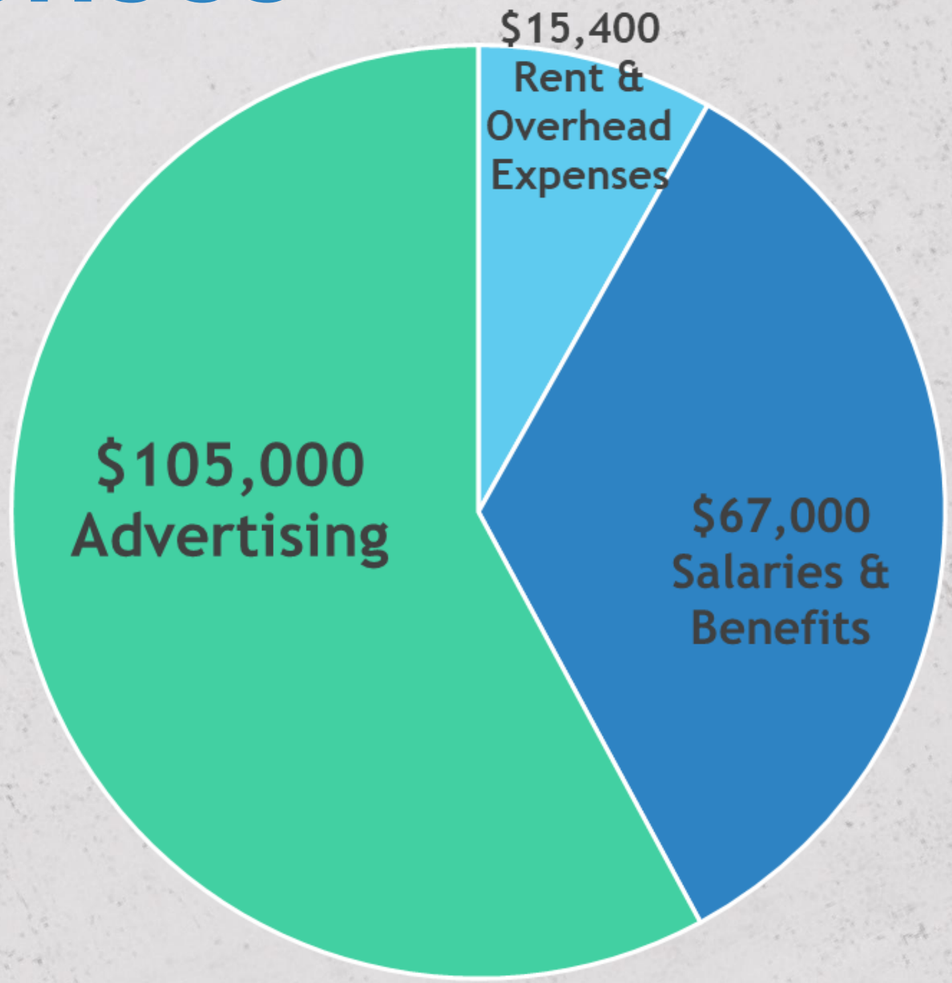
VISIT NORTHFIELD
MINNESOTA AT ITS BEST

Assets as of June 2026



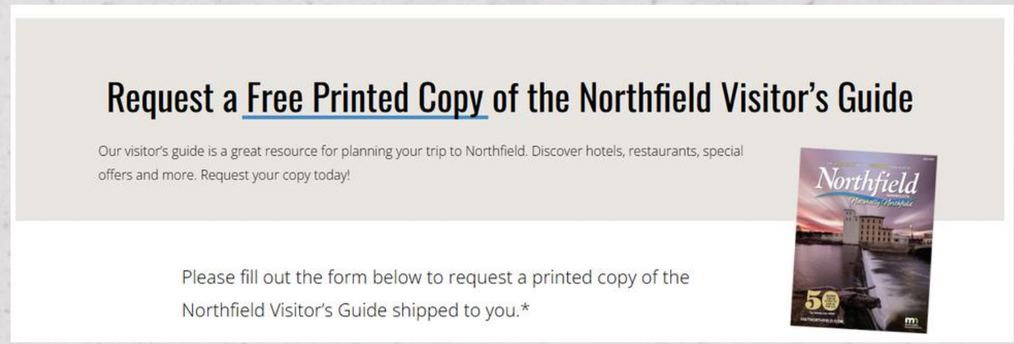
Total = $104,185.00

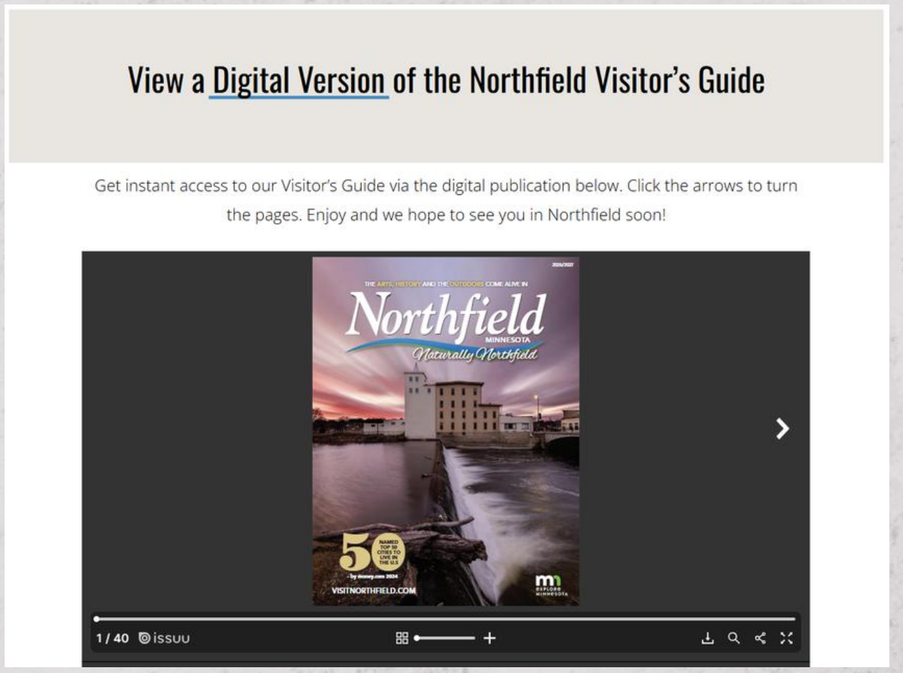
Annual Expenses



VISITOR GUIDE DISTRIBUTION

- More than 5,000 Visitor Guides distributed and mailed in 2026 to date across the nation and throughout the local community.
- Distribution total does not include guides picked up at Northfield's 24/7 Visitor Center, which provides year-round access to visitor information.
- Available in both print and digital formats, making trip-planning resources easily accessible to visitors wherever they are.
- Visitor guide requests generated through the Visit Northfield and Explore Minnesota websites provide valuable visitor leads, including email addresses that are added to our marketing database (13,958 to date).





minnesota tourism matters

FY2025 / CY2024

$24.7 billion in total economic impact for the state

81.6 million
total visitors*

$2.4 billion
state and local taxes generated

$14.7 billion
visitor spend

182,435
jobs supported

Sources: *Longwoods 2024; Tourism Economics 2024

NORTHFIELD HOSPITALITY INDUSTRY WORKFORCE ESTIMATE (2026)

650 - 850
Restaurants, coffee shops, bars, bakeries

500- 700
Retail stores & specialty shops

80 - 120
Hotels & lodging

75- 125
Arts, attractions, recreation & tourism

Total Hospitality/Tourism-Related Workforce

1300-1800

VISIT NORTHFIELD
MINNESOTA AT ITS BEST

NORTHFIELD HOSPITALITY INDUSTRY PAYROLL ESTIMATE (2026)

$24M - $30M
Restaurants, coffee shops, bars, bakeries

$20M- $28M
Retail stores & specialty shops

$3M- $5M
Hotels & lodging

$3M- $5M
Supervisors & Managers

Total Hospitality/Tourism-Related Payroll

$51M - $68M

VISIT NORTHFIELD
MINNESOTA AT ITS BEST

PRINT ADS

- Promotes Northfield through targeted regional and statewide publications, including:
  - Explore Minnesota Travel Guide
  - Minnesota Monthly / Bike Minnesota
  - Mpls.St.Paul Magazine
  - Experience Rochester
  - Steele County Times and others
- Opportunities often include both advertisements and editorial features, providing additional exposure.
- QR codes are incorporated into many placements to drive readers directly to the Northfield CVB website.

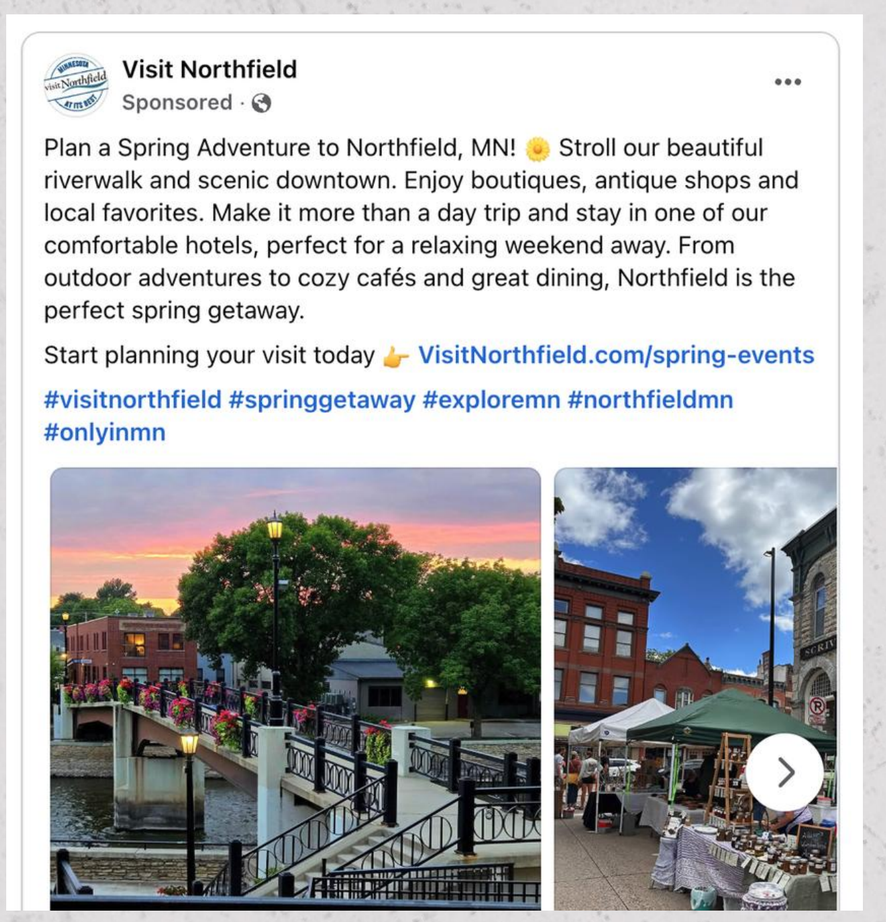
VISIT NORTHFIELD
MINNESOTA AT ITS BEST

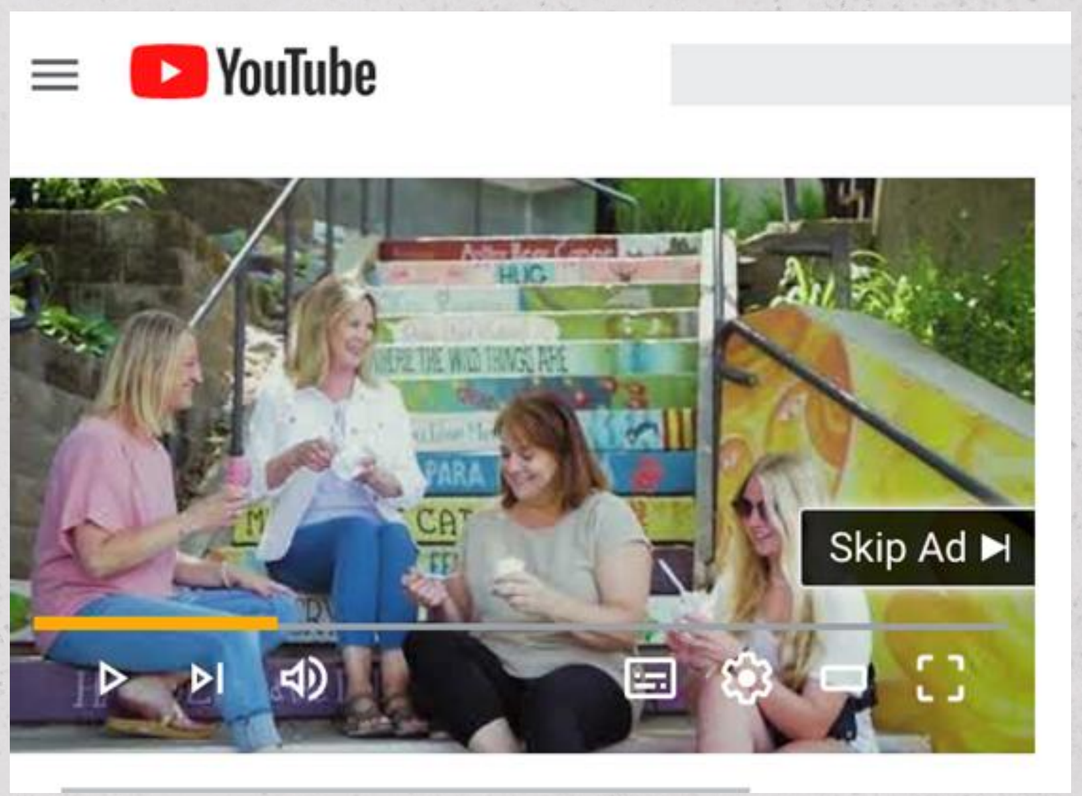
2 MILLION + IMPRESSIONS IN 2025 DIGITAL

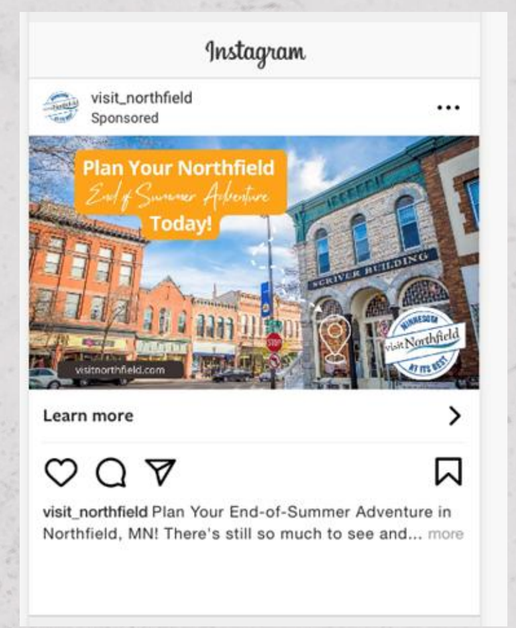
- Digital is where we need to be
- Shifted advertising $ to support our digital marketing strategy
- Proven to be very cost effective and successful
- Website full of relevant, up-to-date information to help visitors plan their trip
- Print ads continue to be important

DIGITAL CAMPAIGNS

Facebook, Instagram and Google Platforms, & YouTube
Seasonal Campaigns Running Quarterly







THE WEBSITE IS A 24/7 MARKETING TOOL

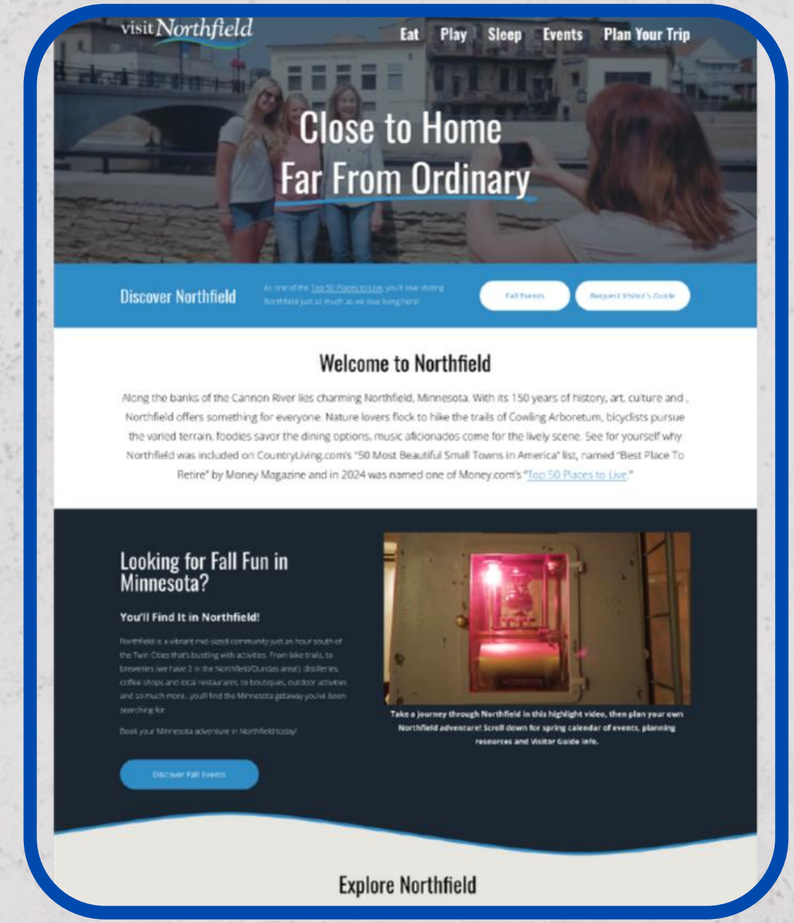
Homepage Updates to easily find content

Visitor Specific Events Calendar

Seasonal Events Pages

More Videos and Images

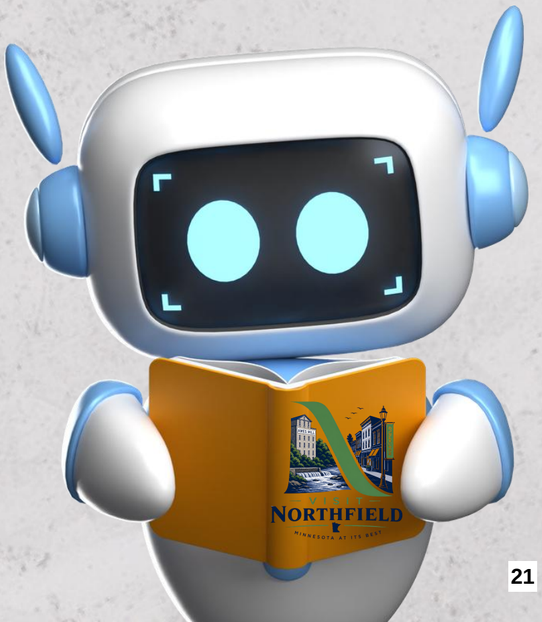
Digital Request a Visitor's Guide



VISIT NORTHFIELD
MINNESOTA AT ITS BEST

HOW AI IS CHANGING CVB MARKETING & DESTINATION VISIBILITY

1. Visitor Behavior Is Shifting
   - Travelers increasingly use AI tools instead of traditional website browsing
2. Visibility Now Depends on “AI Discovery”
   - AI pulls from trusted digital sources
3. Our Website Is Now a “Content Engine”
   - Blogs, event pages, and attraction content act as primary data sources for AI visibility
4. Content Strategy Is More Important Than Ever
   - YouTube content strengthens discoverability across Google + AI summaries



EVENT AMPLIFIER

Website calendar

Socials

Radio Stations

Chamber Eburst

CVB Newlsetter

Entertainment Guide

Welcome Center TV

Kiosks

Explore MN Calendar

Northfield News

Star Tribune - Culture Calendar

APG Newspaper

VISIT NORTHFIELD
MINNESOTA AT ITS BEST

UP & COMING EVENTS

Lutheran Summer Music Academy - June
3rd Annual Jazz Festival - July
Rice County Arts Festival - October
Governor’s Pheasant Hunt Opener - October
2026 NCAA Cross County Championships - November
Runner Friendly Community Designation

VISIT NORTHFIELD
MINNESOTA AT ITS BEST

- Expected to attract visitors, media, sponsors, and state leaders to Northfield.
- Showcases Northfield's hospitality, businesses, and outdoor recreation opportunities.
- Generates statewide exposure and positive media coverage.
- Supports local lodging, dining, retail, and tourism-related spending.
- Highlights the region's conservation, agriculture, and outdoor heritage.
- Engages local volunteers, businesses, landowners, and community partners.
- Creates lasting awareness of Northfield as a destination beyond the event weekend.

MINNESOTA
GOVERNOR'S PHEASANT HUNTING OPENER
Owatonna & Steele County
October 13 & 14, 2023

THANK YOU

QUESTIONS?

VISIT
NORTHFIELD
MINNESOTA AT ITS BEST

File #: 26-304, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk

Consider Approval of June 2, 2026 City Council Meeting Minutes.

Action Requested:
The City Council is asked to consider approval of the June 2, 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, June 2, 2026 | **6:00 PM** | **Council Chambers**

6:00 PM - CITY COUNCIL 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

Also present: City Administrator Ben Martig, Finance Director Brenda Angelstad, City Planner Mikayla Schmidt, Public Works Director/City Engineer David Bennett, Police Chief Jeff Schroepfer, and City Clerk Lynette Peterson. City Attorney Chris Hood appeared via interactive television.

OPEN PUBLIC COMMENT

Lee Runzheimer addressed the Council regarding business expansion in Northfield.

APPROVAL OF AGENDA

Mayor Zweifel noted Supplemental Agenda Background Memoradum No. 1.

A motion was made by Council Member Ness, seconded by Council Member Beumer, 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

PRESENTATIONS

1. 26-280 2025 Annual Police Report brief

Police Chief Jeff Schroepfer presented the 2025 Annual Statistics for the Northfield Police Department including calls for service, traffic stops, traffic citations and accidents, Group A crimes, Group B crimes, DWIs, Mental Health, Staffing, Staffing changes, new squad graphics, interview room remodel, Life saving awards, retirement and notable service.

Schroepfer answered questions from the Council.

2. 26-281 2026 First Quarter Financial & Investment Updates

Finance Director Brenda Angelstad presented the Quarter 1 Financial Report and the

Quarter 1 Investment Report.

CONSENT AGENDA

A motion was made by Council Member Sokup, seconded by Council Member Holmes, 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. 26-282 Consider Approval of May 19, 2026 City Council Meeting Minutes.

4. 26-283 Consider Approving Disbursements totaling $3,776,032.45

5. 26-284 Consideration of Joint Powers Agreement Between Dakota County and the City of Northfield for the Conduct of the Post-Election Review

6. 26-285 Consider Approval of a Temporary Liquor License for Loon Liquors LLC dba Loon Liquor Company for July 16, 2026 for the Friends of Downtown Northfield Third Thursday Event.

7. 26-286 Consider a motion approving the lower-potency hemp edible retailer application for Ziggy's LLC dba Ziggy's, 109 Water Street N.

8. 26-287 Consider a motion approving the lower-potency hemp edible retailer application for Posh Puff LLC dba Posh Puff Tobacco, 2010 Jefferson Road, Suite D.

9. 26-288 Consideration of a Stormwater Maintenance Agreement with Carleton College.

10. 26-289 Consideration of a Stormwater Maintenance Agreement with St. Olaf College.

11. 26-290 Consider Approval of Temporary Construction Easement with JB Dudley for Mill Towns State Trail by Waterford Bridge.

PUBLIC HEARINGS AND RELATED ACTION

12. 26-291 Public Hearing for Ordinance 1094 Vacating a Drainage and Utility Easement within 2420 Bridgewater Ln.

Mayor Zweifel declared the public hearing open at 6:34 p.m. City Planner Mikayla Schmidt presented background on the vacation of a drainage and utility easement at 2420 Bridgewater Lane. Paul Reiland, GM2 Properties, addressed the Council regarding the vacation.

A motion was made by Council Member Sokup, seconded by Council Member Ness, to close the Public Hearing at 6:42 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

13. Ord. 1094 Consider First Reading of Ordinance 1094 Vacating a Drainage and Utility Easement within 2420 Bridgewater Ln.

A motion was made by Council Member Beumer, seconded by Council Member Peterson White, to approve the first reading of Ordinance No. 1094 Vacating a Drainage and Utility Easement within 2420 Bridgewater Lane. 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

14. 26-292 Reports From the Mayor and Council Members.

Council Member Holmes - Planning Commission Meeting; Council Employment Policy Committee Meeting.
Council Member Dahlen - Council Employment Policy Committee Meeting.
Council Member Beumer - Beyond the Yellow Ribbon Memorial Day Picnic.
Council Member Sokup - Pride in the Park on Saturday, June 6.
Council Member Peterson White - Northfield Hospital and Clinic Community Relations Committee Meeting; Hospital Board Meeting.
Council Member Ness - Intergovernmental Meeting at Greenvale Township; NAFRS Board Meeting; Rice County Meeting with State Demographer and State Economist; Council Employment Policy Committee Meeting; Yellow Ribbon Picnic; Chamber of Commerce Hospitality Awards.
Mayor Zweifel - Memorial Day Ceremony; Rice County Meeting with State Demographer and State Economist; Welcome at Pride in the Park on Saturday, June 6; 1st pitch at Carleton's Softball Tournament.

REGULAR AGENDA

15. Res. 2026-056 Consider Resolution Receiving Charter Amendment to Section 4.1 of the City Charter and Calling for a Public Hearing on Charter Amendment Proposed to be Adopted by Ordinance.

City Administrator Ben Martig introduced the item and introduced Charter Commission Chair CC Linstroth. Linstroth gave a brief overview of the amendment. Linstroth introduced Charter Commissioner Scott Jensen who was also present at the meeting.

A motion was made by Council Member Beumer, seconded by Council Member Sokup, to approve Resolution No. 2026-056 Receiving Charter Amendment and Calling for Public Hearing on Charter Amendment Proposed to be Adopted by Ordinance. 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

16. Ord. 1093 Consideration of Second Reading of Ordinance No. 1093 Amending Section 2-66 of City Code Relating to 2027 and 2028 Mayor and City Council Compensation.

City Administrator Ben Martig introduced the item giving background on the Ordinance and the reason for the second reading of this ordinance being on the regular agenda versus the consent agenda. Mayor Zweifel noted Supplemental Agenda Background Memorandum No. 1 regarding this item.

A motion was made by Council Member Peterson White, seconded by Council Member Beumer, to approve the first reading of Ordinance No. 1093 Amending Section 2-66 of City Code Relating to Council Compensation.

A motion was made by Council Member Dahlen, seconded by Council Member Ness, to amend the motion to leave Mayor and Council salaries at the current rate for 2027 and 2028 with no increases. The amended motion failed by the following vote:

Yes: 2 - C. Ness, and C. Dahlen

No: 5 - C. Holmes, C. Sokup, C. Peterson White, C. Beumer, and Mayor Zweifel

The original motion carried by the following vote:

Yes: 5 - C. Holmes, C. Sokup, C. Peterson White, C. Beumer, and Mayor Zweifel

No: 2 - C. Ness, and C. Dahlen

17. 26-293 Consideration of Summary Publication of Ordinance No. 1093 Amending Section 2-66 of City Code Relating to 2027 and 2028 Mayor and City Council Compensation.

City Administrator Ben Martig referenced background information regarding the decrease of salaries if need be.

A motion was made by Council Member Peterson White, seconded by Council Member Holmes, to approve the summary publication of Ordinance No. 1093 Amending Section 2-66 of City Code Relating to 2027 and 2028 Mayor and City Council Compensation. 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

18. 26-294 Discussion of naming of Cannon River Regional Park and Related Preliminary Application for Designation with the Greater Minnesota Regional Parks and Trails Commission.

City Administrator Ben Martig introduced the item giving an overview of the naming of the Cannon River Regional Park. Consultant Bruce Jacobson added information regarding the preliminary application for designation with the Greater Minnesota Regional Parks and Trails Commission. Jacobson presented a drone video of the area.

Martig and Jacobson answered questions from the Council. Council members commented on the proposal.

19. 26-295 Discussion Regarding Early Voting Administration Following Adoption of State Legislation

City Clerk Lynette Peterson presented on recent legislation passed to change early voting for cities from the 46-days to 18-days. City Administrator Ben Martig added additional information. Council discussed both options with support of staying with 46-days for this

election and further review the 18-day option for the 2028 elections.

ADMINISTRATORS UPDATE

20. 26-296 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 8:06 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 #: 26-305, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council
City Administrator

From: Lynette Peterson, City Clerk

Consider Approval of June 9, 2026 City Council Work Session Minutes.

Action Requested:
The City Council is asked to consider approval of the June 9, 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, June 9, 2026 | **6:00 PM** | **Council Chambers**

Work Session

6:00 PM - CITY COUNCIL WORK SESSION AGENDA

CALL TO ORDER

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

Present: 6 - Council Member Brad Ness, Council Member Kathleen Holmes, Council Member Davin Sokup, Council Member Jessica Peterson White, Council Member Peter Dahlen, and Mayor Erica Zweifel

Absent: 1 - Council Member Chad Beumer

Also present: City Administrator Ben Martig, Public Works Director/City Engineer David Bennett, Utilities Manager Justin Wagner, Police Chief Jeff Schroepfer, Library Director Natalie Draper, and Deputy City Clerk/Executive Administrative Assistant Sara Hoffman.

REGULAR AGENDA

1. 26-299 Presentation of the City of Northfield Annual Comprehensive Financial Report for the Year Ended December 31, 2025.

Mayor Zweifel introduced Tom Olinger, Governmental Service Partner, from Abdo. Olinger introduced the item. He summarized the 2025 audit results and findings and provided further details on expenses, revenues, fund and debt services. Olinger congratulated the City on once again receiving the Government Finance Officers Association (GDOA) Certificate of Achievement for Excellence in Financial Reporting (COA).

Councilor Peterson White arrived at 6:02PM.

City Administrator Ben Martig offered additional information.

Olinger answered questions from the Council.

2. 26-300 Review and Discussion of 5-year Capital Improvement Plan (CIP).

Public Works Director/City Engineer David Bennett introduced the item. Bennett outlined utility rates, discussed upcoming utility projects, and detailed proposed street projects from 2027 to 2031.

City Administrator Ben Martig and Utilities Manager Justin Wagner provided additional

information.

Bennett, Martig, and Wagner answered questions from the Council. Council provided feedback on specific areas as requested by staff.

RECESS

Council recessed at 7:22 p.m. Council meeting resumed at 7:31 p.m.

26-300 Review and Discussion of 5-year Capital Improvement Plan (CIP).

Public Works Director David Bennett discussed park improvements and facility improvements. Library Director Natalie Draper discussed library projects, specifically related to a recent grant they received.

Bennett detailed the facilities fund and discussed $3 million in state bonding funding received for the Northfield Community Resource Center (NCRC) building.

City Administrator Ben Martig provided additional information.

Bennett, Martig, and Finance Director Brenda Angelstad answered questions from the Council. Council provided feedback on specific areas as requested by staff.

3. 26-301 Review and Discussion of 5-year Capital Equipment Plan (CEP).

Public Works Director/City Engineer David Bennett detailed fleet vehicle replacements. Police Chief Jeff Schroepfer noted that the Police Department is looking into leasing squad cars.

Bennett and Schroepfer answered questions from the Council.

ADJOURN

A motion was made by Council Member Ness, seconded by Council Member Sokup, to adjourn the meeting at 8:17 p.m. The motion carried by the following vote:

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

File #: 26-306, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council
City Administrator

From: Mary Grant, Accounting Supervisor

Consider Approving Disbursements totaling $1,891,261.80

Action Requested:
The Northfield City Council approves disbursements totaling $1,891,261.80.

Summary Report:

Disbursement Description	Date	Amount
5/29/26 Payroll	05/29/2026	317,832.03
5/29/26 PR Ck's EFT's	05/29/2026	477,604.72
6/05/26 A/P Ck's EFT's	06/05/2026	1,095,825.05
Total		$1,891,261.80

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 05/25/2026 - 05/29/2026

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
05/29/2026	MAIN	141137	GDO LAW - PAYROLL DRAFT	Remittance	22170	0000	480.38
05/29/2026	MAIN	141138	MN CHILD SUPPORT PAYMENT CNTR	Remittance	22170	0000	196.12
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	ECUP26-0002 - PCUP26-0002	22205	0000	913.75
				EMPP26-0002 - PMPP26-0001	22205	0000	168.75
				ECUP26-0002 - PCUP26-0002	22205	0000	53.75
	Check MAIN 4152(A) Total for Fund 101 General Fund						1,136.25
05/29/2026	MAIN	4160(E)	ICMA RETIREMENT TRUST - #303324	Remittance	22143	0000	1,236.31
				Remittance	22149	0000	738.46
	Check MAIN 4160(E) Total for Fund 101 General Fund						1,974.77
05/29/2026	MAIN	4161(E)	IRS - PAYROLL DRAFT	Remittance	22110	0000	46,186.40
				Remittance	22113	0000	21,207.22
				Remittance	22113	0000	21,207.22
				Remittance	22114	0000	6,688.47
				Remittance	22114	0000	6,688.47
	Check MAIN 4161(E) Total for Fund 101 General Fund						101,977.78
05/29/2026	MAIN	4162(E)	MINNESOTA STATE RETIREMENT SYSTEM	Remittance	22144	0000	4,803.78
				Remittance	22147	0000	1,984.25
	Check MAIN 4162(E) Total for Fund 101 General Fund						6,788.03
05/29/2026	MAIN	4163(E)	MN DEPT OF REVENUE	Remittance	22170	0000	150.00
05/29/2026	MAIN	4164(E)	MN DEPT OF REVENUE - PAYROLL DRAFT	Remittance	22112	0000	20,969.25
05/29/2026	MAIN	4165(E)	PERA - DRAFT FROM PAYROLL	Remittance	22140	0000	21,515.99
				Remittance	22140	0000	24,826.17
				Remittance	22140	0000	14,051.59
				Remittance	22140	0000	21,077.44
				Remittance	22140	0000	66.04
				Remittance	22140	0000	66.04
	Check MAIN 4165(E) Total for Fund 101 General Fund						81,603.27
05/29/2026	MAIN	4166(E)	VANTAGEPOINT TRANSFER AGENTS-#7061	Remittance	22148	0000	403.47
Total For Dept: 0000							215,679.32
Dept: 4110 Administration							
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	APR LABOR AND EMPLOYMENT FEES	43304	4110	7,872.50
				GENERL LEGAL SERVICES CIVIL	43304	4110	698.75
				COUNCI LEGAL	43304	4110	3,473.75
				BUILDIN INSPECTION LEGAL	43304	4110	483.75
	Check MAIN 4152(A) Total for Fund 101 General Fund						12,528.75
05/26/2026	MAIN	4157(A)	RISQUAT KARIM	Mileage MCMA conference Brainard	43331	4110	200.10
Total For Dept: 4110							12,728.85
Dept: 4130 Finance							
05/26/2026	MAIN	4146(A)	ABDO, LLP	2025 CERTIFIED AUDIT SERVICES	43301	4130	25,000.00
05/26/2026	MAIN	4156(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	TISSUE, HOOK, MECH PENCIL	42218	4130	71.45

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4130 Finance							
Total For Dept: 4130							25,071.45
Dept: 4150 Human Resources							
05/26/2026	MAIN	4150(A)#	ENGAGE/NCG, INC.	Business cards - CG, KK	42218	4150	72.50
05/26/2026	MAIN	4154(A)	GRACI LEADERSHIP SOLUTIONS LLC	LIBRARY STAFF SUPERVISION TRAINING	43333	4150	1,347.00
Total For Dept: 4150							1,419.50
Dept: 4160 Community Development							
05/26/2026	MAIN	4150(A)#	ENGAGE/NCG, INC.	Business cards - MS	42218	4160	36.25
05/26/2026	MAIN	4158(A)*#	RR LARSON & ASSOCIATES	Radio ads	43300	4160	227.00
Total For Dept: 4160							263.25
Dept: 4190 City Hall Operations							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4190	209.22
				Gas	43380	4190	240.58
	Check MAIN 141140 Total for Fund 101 General Fund						449.80
05/26/2026	MAIN	4156(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	CITY HALL COPY ROOM PAPER	42218	4190	266.44
				HR STACKERS AND X:SERVICES	43302	4190	1,721.92
	Check MAIN 4156(A) Total for Fund 101 General Fund						1,988.36
Total For Dept: 4190							2,438.16
Dept: 4200 Police Administration							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4200	7.71
				Electricity	43381	4200	31.40
				Electricity	43381	4200	72.68
				Gas	43380	4200	68.57
				Gas	43380	4200	504.57
	Check MAIN 141140 Total for Fund 101 General Fund						684.93
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	APR EROP LEGAL FEES	43300	4200	528.75
Total For Dept: 4200							1,213.68
Dept: 4300 Engineering							
05/26/2026	MAIN	4156(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	AVERY WHITE POSTCARDS COMMENT CARDS	42218	4300	51.04
05/26/2026	MAIN	4158(A)*#	RR LARSON & ASSOCIATES	Radio ads	43300	4300	227.00
Total For Dept: 4300							278.04
Dept: 4310 Streets							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4310	210.73
				Gas	43380	4310	467.92
	Check MAIN 141140 Total for Fund 101 General Fund						678.65
05/26/2026	MAIN	4148(A)	CANNON RIVER TREE CARE	CONTRACTED TREE SERVICES	43317	4310	36,762.50
				SHADE TREE GRANT	43317	4310	44,970.00
	Check MAIN 4148(A) Total for Fund 101 General Fund						81,732.50
05/26/2026	MAIN	4149(A)*#	CULLIGAN OF NORTHFIELD	DRINKING WATER	42218	4310	45.60

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4310 Streets							
Total For Dept: 4310							82,456.75
Dept: 4320 Street Lighting							
05/27/2026	MAIN	141139	XCEL ENERGY	04/15/2026 - 05/14/2026 - STREET LIGHTIN	43381	4320	20,303.16
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4320	1,059.15
				Electricity	43381	4320	192.39
				Electricity	43381	4320	103.76
	Check MAIN 141140 Total for Fund 101 General Fund						1,355.30
Total For Dept: 4320							21,658.46
Dept: 4510 Ice Arena							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4510	2,629.09
				Gas	43380	4510	377.36
	Check MAIN 141140 Total for Fund 101 General Fund						3,006.45
Total For Dept: 4510							3,006.45
Dept: 4520 General Parks							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4520	574.74
Total For Dept: 4520							574.74
Dept: 4530 Athletic Facilities							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4530	1,941.53
Total For Dept: 4530							1,941.53
Dept: 4540 Outdoor Pool							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4540	(470.24)
				Gas	43380	4540	76.70
	Check MAIN 141140 Total for Fund 101 General Fund						(393.54)
Total For Dept: 4540							(393.54)
Dept: 4550 Library							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	4550	213.79
				Gas	43380	4550	133.94
	Check MAIN 141140 Total for Fund 101 General Fund						347.73
05/26/2026	MAIN	4150(A)#	ENGAGE/NCG, INC.	Business cards - CS	42218	4550	36.25
05/26/2026	MAIN	4156(A)#	INNOVATIVE OFFICE SOLUTIONS, LLC	NOTE PADS	42218	4550	11.51
Total For Dept: 4550							395.49
Total For Fund: 101							368,732.13
Fund: 211 NCRC							
Dept: 4580 NCRC							
05/26/2026	MAIN	4149(A)*#	CULLIGAN OF NORTHFIELD	SALT - FIFTY NORTH	42220	4580	51.40
Total For Dept: 4580							51.40
Total For Fund: 211							51.40

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	HRA LEGAL	43304	5200	1,612.50
Total For Dept: 5200							1,612.50
Total For Fund: 295							1,612.50
Fund: 426 2025 CAPITAL PROJECTS							
Dept: 4800 Other Services							
05/26/2026	MAIN	4147(A)*#	BOLTON & MENK, INC.	WALL ST RD IMPROVEMENTS PROF SVCS 2/28-3	45520	4800	784.50
				WALL ST RD IMPROVEMENTS PROF SVCS 3/28-4	45520	4800	6,977.50
Check MAIN 4147(A) Total for Fund 426 2025 CAPITAL PROJECTS							7,762.00
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	STRT2022-A70	45520	4800	1,343.75
Total For Dept: 4800							9,105.75
Total For Fund: 426							9,105.75
Fund: 427 2026 CAPITAL PROJECTS							
Dept: 4800 Other Services							
05/26/2026	MAIN	4147(A)*#	BOLTON & MENK, INC.	SPRING ST/FREMOUW AV RAILROAD CROSS IMPR	45520	4800	9,700.50
				2026 M&O/MTST PROF SVCS 3/28-4/24	45520	4800	15,944.00
				SPRING CREEK RD/MTST PROF SVCS 3/28-4/24	45520	4800	497.50
Check MAIN 4147(A) Total for Fund 427 2026 CAPITAL PROJECTS							26,142.00
Total For Dept: 4800							26,142.00
Total For Fund: 427							26,142.00
Fund: 458 MILL TOWN TRAIL WOODLEY TO WATERFORD BRI							
Dept: 4800 Other Services							
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	PARK 2023	45520	4800	56.25
05/26/2026	MAIN	4155(A)	I&S GROUP	MTST FINAL DESIGN/CONSTRUCT PROF SVCS TO	45520	4800	18,619.65
Total For Dept: 4800							18,675.90
Total For Fund: 458							18,675.90
Fund: 601 Water Fund							
Dept: 6000 Water							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	6000	4,947.98
				Gas	43380	6000	411.51
Check MAIN 141140 Total for Fund 601 Water Fund							5,359.49
05/26/2026	MAIN	4151(A)	FERGUSON WATERWORKS #2518	FLANGE KIT	42282	6000	398.13
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	WATR2025 WATER TOWER PROJECT	45520	6000	268.75
05/26/2026	MAIN	4153(A)	GOPHER STATE ONE CALL	APRIL 2026 LOCATES	43320	6000	542.70
05/26/2026	MAIN	4159(A)	USA BLUE BOOK	WATER SAMPLE VIALS	42216	6000	395.30
				CHLORINE SAMPLE PACKETS	42216	6000	304.52
Check MAIN 4159(A) Total for Fund 601 Water Fund							699.82
Total For Dept: 6000							7,268.89

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 601 Water Fund							
Total For Fund: 601							7,268.89
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	6100	27,349.70
				Gas	43380	6100	37.21
	Check MAIN 141140 Total for Fund 602 Sewer Fund						27,386.91
05/26/2026	MAIN	4147(A)*#	BOLTON & MENK, INC.	NFLD/NW AREA SANITARY SEWER PROF SVC MAR	43300	6100	10,143.50
Total For Dept: 6100							37,530.41
Total For Fund: 602							37,530.41
Fund: 603 Garbage Fund							
Dept: 6200 Garbage							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	6200	87.18
Total For Dept: 6200							87.18
Total For Fund: 603							87.18
Fund: 604 Storm Water Drainage							
Dept: 6300 Storm Water Drainage							
05/26/2026	MAIN	4147(A)*#	BOLTON & MENK, INC.	NEIGHBORHOOD FLOODING PROF SVCS 3/28-4/2	45520	6300	8,234.89
05/26/2026	MAIN	4152(A)*#	FLAHERTY & HOOD, P.A.	K45 STRM2025	43300	6300	56.25
Total For Dept: 6300							8,291.14
Total For Fund: 604							8,291.14
Fund: 609 Liquor Store							
Dept: 6410 Liquor Store - Operations							
05/27/2026	MAIN	141140*#	XCEL ENERGY	Electricity	43381	6410	(387.90)
				Gas	43380	6410	116.98
	Check MAIN 141140 Total for Fund 609 Liquor Store						(270.92)
05/26/2026	MAIN	4149(A)*#	CULLIGAN OF NORTHFIELD	DRINKING WATER	42218	6410	79.34
05/26/2026	MAIN	4158(A)*#	RR LARSON & ASSOCIATES	RADIO ADS LIQ APRIL 26	43342	6410	299.00
Total For Dept: 6410							107.42
Total For Fund: 609							107.42
Report Total:							477,604.72

'*'-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 06/01/2026 - 06/05/2026

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 0000 Revenue							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	PREPAID PURCHASE -CREDIT DUE BACK	11530	0000	16.10
06/05/2026	MAIN	141169	ELAN CORPORATE	MAY 2026 ELAN PREPAID PURCHASES	11530	0000	13,936.41
06/05/2026	MAIN	141207#	NORTHFIELD CONVENTION AND VISITORS	LESS 5% ADMIN FEE	31410	0000	(19.96)
				LESS 5% ADMIN FEE	31410	0000	(214.80)
	Check MAIN 141207 Total for Fund 101 General Fund						(234.76)
06/05/2026	MAIN	141223	SCHMIDT HOMES INC	PDSC26-0002 DRIVEWAY/SIDEWALK PERMIT RES	34301	0000	100.00
Total For Dept: 0000							13,817.75
Dept: 4100 Mayor & City Council							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	STAMPS	42218	4100	33.20
Total For Dept: 4100							33.20
Dept: 4110 Administration							
06/05/2026	MAIN	141143	APG MEDIA of SOUTHERN MINNESOTA	PUBLIC HEARING NOTICE	43325	4110	122.80
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	ICMA annual membership	44463	4110	200.00
Total For Dept: 4110							322.80
Dept: 4120 City Clerk							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	SEAL EMBOSSER	42218	4120	41.85
Total For Dept: 4120							41.85
Dept: 4125 Elections							
06/05/2026	MAIN	141219	RICE COUNTY	RICE CO. ELECTION EQUIPMENT	43300	4125	3,430.00
Total For Dept: 4125							3,430.00
Dept: 4150 Human Resources							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	Retirement photo frames	42218	4150	34.56
				Photo retirement - Mahowald	42218	4150	4.82
				Compensation & labor negotiations	43333	4150	150.00
	Check MAIN 141160 Total for Fund 101 General Fund						189.38
06/05/2026	MAIN	141161	COALITION OF GREATER MINNESOTA CIT	Labor and employment - employee conflict	43333	4150	150.00
				Labor & employment webinar	43333	4150	150.00
				Labor & employment webinar - labor law	43333	4150	150.00
	Check MAIN 141161 Total for Fund 101 General Fund						450.00
Total For Dept: 4150							639.38
Dept: 4160 Community Development							
06/05/2026	MAIN	141186*#	HOUSEAL LAVIGNE ASSOCIATES LLC	APRIL 2026 LAND DEVL. CODE UPDATE	43300	4160	2,490.84
06/05/2026	MAIN	141204	NEW HISTORY, INC.	MAY'26 PRESERVATION CONSULTING	43300	4160	3,822.50
Total For Dept: 4160							6,313.34
Dept: 4190 City Hall Operations							
06/05/2026	MAIN	141150#	BERRY COFFEE COMPANY	CITY HALL COFFEE SUPPLIES	42218	4190	138.02
06/05/2026	MAIN	141157*#	CINTAS	MATS AT CITY HALL	43302	4190	57.15

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4190 City Hall Operations							
06/05/2026	MAIN	141158#	CINTAS CORPORATION	FIRST AID RESTOCK AT UTILITY/DMV	43302	4190	76.69
06/05/2026	MAIN	141165*#	CUMMINS SALES & SERVICE	PLANNED MAINTENANCE INSPECTION ON CPG 10	42222	4190	364.12
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	CITY HALL, TRANSIT STATION AND LIBRARY P	42221	4190	2,351.26
06/05/2026	MAIN	141182#	GUTH ELECTRIC, INC	CITY HALL EMERGENCY LIGHTS IN COMM DEVEL	42220	4190	363.15
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	TOOLS/SUPPLIES PURCHASED BY ANDREW PRYTZ	42220	4190	309.34
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42211	4190	619.49
06/05/2026	MAIN	141229*#	SUMMIT COMPANIES	ANNUAL FIRE EXTINGUISHER INSPECTION- CIT	43302	4190	1,691.25
06/05/2026	MAIN	141230#	TWIN CITY HARDWARE	FRONT DOOR HANDICAP ACCESS	43302	4190	6,750.00
Total For Dept: 4190							12,720.47
Dept: 4200 Police Administration							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	VACUUM FILTERS	42218	4200	27.99
				FLASHLIGHTS	42218	4200	292.92
				BATTERIES AND MISC SUPPLIES	42218	4200	103.25
				SLING MOUNT	41115	4200	17.95
	Check MAIN 141142 Total for Fund 101 General Fund						442.11
06/05/2026	MAIN	141150#	BERRY COFFEE COMPANY	PD COFFEE	42218	4200	143.18
06/05/2026	MAIN	141157*#	CINTAS	PD FLOOR MATS	42220	4200	75.99
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	SIGNATURE STAMP	42218	4200	12.83
06/05/2026	MAIN	141165*#	CUMMINS SALES & SERVICE	CREDIT FOR INVOICE E4-260157921	42220	4200	(31.65)
				CREDIT FOR INVOICE E4-260470458	42220	4200	(41.63)
	Check MAIN 141165 Total for Fund 101 General Fund						(73.28)
06/05/2026	MAIN	141167	DOUG'S AUTO SERVICE	LOF SQ #9	42222	4200	83.25
06/05/2026	MAIN	141175	GALLS, INC.	EAR PIECES	41115	4200	159.80
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	POLICE DEPT FEB/MARCH 2026 PLOWING SERVI	42221	4200	1,585.00
06/05/2026	MAIN	141181	GUARDIAN SUPPLY	PANTS TORRES	41115	4200	211.28
				SHIRTS TORRES	41115	4200	129.98
	Check MAIN 141181 Total for Fund 101 General Fund						341.26
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	MISC CLEANING SUPPLIES	42218	4200	33.84
06/05/2026	MAIN	141203	NAPA AUTO PARTS	BATTERY AND CORE DEPOSIT	42222	4200	223.33
				BATTERY CORE RETURN	42222	4200	(18.00)
	Check MAIN 141203 Total for Fund 101 General Fund						205.33
06/05/2026	MAIN	141220	RICE/STEELE 911 CENTER	Emergency Preparedness	42241	4200	5,746.20
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42211	4200	306.99
06/05/2026	MAIN	141228	STREICHER'S	PANTS KLOBE SWAT	41115	4200	148.75
06/05/2026	MAIN	141229*#	SUMMIT COMPANIES	ANNUAL FIRE EXTINGUISHER INSPECTION- POL	42220	4200	2,218.95

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4200 Police Administration							
06/05/2026	MAIN	141231	ULINE	POP UP CONES	42218	4200	176.08
06/05/2026	MAIN	141235	VERIZON WIRELESS	PD CELL PHONES APR 2026	43320	4200	1,865.89
06/05/2026	MAIN	141237*#	WATER SYSTEMS COMPANY	PD WATER QTY 5	42218	4200	43.75
Total For Dept: 4200							13,515.92
Dept: 4240 Building Inspection							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	Conferences/Staff Training	43333	4240	302.50
Total For Dept: 4240							302.50
Dept: 4300 Engineering							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	GIS INTERN OTTERBOX IPHONE & IPAD	42218	4300	82.05
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	GRANDVIEW LODGE APWA CONFERENCE SIMONSON	43331	4300	415.16
				APWA MN CHAPTER SPRING CONFERENCE REGIST	43333	4300	620.99
Check MAIN 141160 Total for Fund 101 General Fund							1,036.15
Total For Dept: 4300							1,118.20
Dept: 4310 Streets							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	TOW STRAP FOR EQUIPMENT	42218	4310	1,238.33
06/05/2026	MAIN	141157*#	CINTAS	RYAN KIEFER UNIFORM	42218	4310	3.41
				MATS AT STREET SHOP	42220	4310	10.24
Check MAIN 141157 Total for Fund 101 General Fund							13.65
06/05/2026	MAIN	141158#	CINTAS CORPORATION	FIRST AID CABINET MONTHLY RESTOCK	42218	4310	89.51
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	TREE CITY STICKERS	42218	4310	6.39
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	CITY LOTS FEB/MARCH 2026 PLOWING SERVICE	43318	4310	3,265.00
06/05/2026	MAIN	141187	I-STATE TRUCK CENTER	WO#5262 #0530 EXHAUST LEAK	42222	4310	4,039.13
06/05/2026	MAIN	141195	KEITH PUMPER PLUMBING & HEATING	FOUNTAIN REPAIR	43315	4310	1,900.80
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	HOSE CLAMPS	42222	4310	11.95
				ITEMS FOR FLOWER BASKETS DOWNTOWN	43315	4310	42.95
				FOUNTAIN REPAIR SUPPLIES	43315	4310	34.94
				LAUNDRY DETERGENT	42218	4310	15.94
				WATER LINE FOR FLOWER BASKETS	43315	4310	137.97
Check MAIN 141200 Total for Fund 101 General Fund							243.75
06/05/2026	MAIN	141205	NORTH AMERICAN TRAILER	PLOW TRUCK BRAKES WO#5262 #0530	42222	4310	711.80
				PLOW TRUCK SLACK ADJUSTER WO#5333 #2305	42222	4310	254.96
				CREDIT ON BATTERY CORES	42222	4310	(55.20)
Check MAIN 141205 Total for Fund 101 General Fund							911.56
06/05/2026	MAIN	141206*#	NORTHFIELD ACE HARDWARE	PED BRIDGE WATER LINE PARTS	43315	4310	11.17
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42218	4310	306.99
Total For Dept: 4310							12,026.28
Dept: 4320 Street Lighting							

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4320 Street Lighting							
06/05/2026	MAIN	141173	FRANEK ELECTRIC, INC.	LOCATE ELECTRIC FOR 6TH AND DIVISION	42228	4320	170.00
				LOCATE ELECTRIC STREET SHOP	42228	4320	170.00
				LOCATE ELECTRIC FOR POLICE DEPT.	42228	4320	230.00
	Check MAIN 141173 Total for Fund 101 General Fund						570.00
06/05/2026	MAIN	141182#	GUTH ELECTRIC, INC	GROUNDING ON SHOWMOBILE	42228	4320	303.00
06/05/2026	MAIN	141239	XCEL ENERGY	276 HILLCREST LN STREET LIGHTING	43381	4320	37.48
Total For Dept: 4320							910.48
Dept: 4330 Facilities							
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	CITY HALL, TRANSIT STATION AND LIBRARY P	42221	4330	2,351.26
Total For Dept: 4330							2,351.26
Dept: 4510 Ice Arena							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	2026 SPRING WORKSHOP JD,TS,DL AND AP	43333	4510	140.00
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	ICE ARENA FEB/MARCH 2026 PLOWING SERVICE	42221	4510	1,175.00
06/05/2026	MAIN	141197#	LAWSON PRODUCTS, INC.	HOSES FOR ZAMBONI WO#5320 #1790	42222	4510	326.50
06/05/2026	MAIN	141216*#	QUALITY REFRIGERATION	COOLER AND ICE MAKER SERVICE AGREEMENT	42222	4510	320.00
Total For Dept: 4510							1,961.50
Dept: 4520 General Parks							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	BAGS FOR DOGGY BAG DISPENSERS	42218	4520	65.00
06/05/2026	MAIN	141197#	LAWSON PRODUCTS, INC.	WO#5326 #6070 MOWER REPAIR	42222	4520	205.19
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	COMMUNITY GARDEN SUPPLIES	42218	4520	399.91
				STORAGE ITEMS FOR COMMUNITY REC SHED	42218	4520	26.77
				RIVERSIDE PAVILION DOOR CLOSERS	42220	4520	109.96
	Check MAIN 141200 Total for Fund 101 General Fund						536.64
06/05/2026	MAIN	141206*#	NORTHFIELD ACE HARDWARE	CLEANING PRODUCTS FOR PARK SHELTERS	42218	4520	24.98
				PARK EQUIPMENT REPAIR	43313	4520	5.98
	Check MAIN 141206 Total for Fund 101 General Fund						30.96
06/05/2026	MAIN	141230#	TWIN CITY HARDWARE	REPLACEMENT OF DAMAGED DOORS AT SECHLER	43313	4520	7,680.00
Total For Dept: 4520							8,517.79
Dept: 4530 Athletic Facilities							
06/05/2026	MAIN	141171	FARMERS MILL AND ELEVATOR, INC	FERTILIZER APPLICATION AT SECHLER AND BA	43300	4530	2,374.80
06/05/2026	MAIN	141202	MULLIGAN'S TREE SERVICE, INC.	IRRIGATION BOX COVERS AT BABCOCK	42214	4530	38.67
Total For Dept: 4530							2,413.47
Dept: 4540 Outdoor Pool							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	REPLACEMENT PUSH BUTTON FOR OUTDOOR DRIN	42220	4540	74.25
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	TOOLS/SUPPLIES POOL/ICE ARENA- TOM SPOON	42218	4540	72.08
				TOOLS/SUPPLIES FOR ICE ARENA AND/OR POOL	42220	4540	37.02
				CLEANING SUPPLIES/TOOLS FOR OLD MEMORIAL	42211	4540	112.68

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4540 Outdoor Pool							
				CLEANING SUPPLIES FOR POOL	42211	4540	61.49
	Check MAIN 141200 Total for Fund 101 General Fund						283.27
06/05/2026	MAIN	141206*#	NORTHFIELD ACE HARDWARE	MISC TOOLS/SUPPLIES FOR FACILITIES	42220	4540	108.24
				WOODCUT CHAIN OIL	42221	4540	99.99
				WOODCUT CHAIN OIL CREDIT MEMO	42221	4540	(74.00)
	Check MAIN 141206 Total for Fund 101 General Fund						134.23
06/05/2026	MAIN	141216*#	QUALITY REFRIGERATION	REFRIGERATOR AND FREEZER MAINTENANCE AGR	42222	4540	220.00
06/05/2026	MAIN	141229*#	SUMMIT COMPANIES	ANNUAL FIRE EXTINGUISHER INSPECTION- POO	42220	4540	111.45
Total For Dept: 4540							823.20
Dept: 4550 Library							
06/05/2026	MAIN	141157*#	CINTAS	RUG RENTAL	42220	4550	10.58
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	LIBRARY MATERIALS GN AND MEDIA	44431	4550	695.34
				HDMI ADAPTER	42218	4550	35.91
				MAGNETS & TAPE	42218	4550	25.94
				LIBRARY MATERIALS NF	44431	4550	49.81
	Check MAIN 141160 Total for Fund 101 General Fund						807.00
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	CITY HALL, TRANSIT STATION AND LIBRARY P	42221	4550	2,351.26
06/05/2026	MAIN	141179*#	GRAPHIC MAILBOX	SUMMER READING SIGN	43342	4550	110.00
06/05/2026	MAIN	141191*#	INGRAM LIBRARY SERVICES	LIBRARY MATERIALS	44431	4550	346.76
				BOOK COVERS	42218	4550	13.20
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	210.56
				BOOK COVERS	42218	4550	5.50
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	294.42
				BOOK COVERS	42218	4550	27.50
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	32.64
				SHIPPING	43321	4550	3.00
				BOOK COVERS	42218	4550	25.30
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	703.47
				LIBRARY MATERIALS	44431	4550	109.45
				BOOK COVERS	42218	4550	4.40
				SHIPPING	43321	4550	9.00
				LIBRARY MATERIALS	44431	4550	274.22
				BOOK COVERS	42218	4550	12.10
				SHIPPING	43321	4550	3.00
				LIBRARY MATERIALS	44431	4550	38.44
				BOOK COVERS	42218	4550	3.30
				SHIPPING	43321	4550	9.00
	Check MAIN 141191 Total for Fund 101 General Fund						2,137.26
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42211	4550	311.70

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 101 General Fund							
Dept: 4550 Library							
06/05/2026	MAIN	141229*#	SUMMIT COMPANIES	ANNUAL FIRE EXTINGUISHER INSPECTION- LIB	42220	4550	413.40
Total For Dept: 4550							6,141.20
Dept: 4900 Other Financing Uses							
06/05/2026	MAIN	141207#	NORTHFIELD CONVENTION AND VISITORS	LODGING TAX-APR'26	44454	4900	399.22
				LODGING TAX-MAR'26	44454	4900	4,296.00
	Check MAIN 141207 Total for Fund 101 General Fund						4,695.22
Total For Dept: 4900							4,695.22
Total For Fund: 101							92,095.81
Fund: 211 NCRC							
Dept: 4580 NCRC							
06/05/2026	MAIN	141174	G & H MANAGEMENT CO.	REPAIRS/MTC AT NCRC	43300	4580	5,958.33
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	NCRC PLOWED LOTS, CLEAR SIDEWALKS AND SA	42221	4580	7,060.00
06/05/2026	MAIN	141190	IMPERIAL BAG & PAPER CO, LLC	HAND SOAP FOR FIFTY NORTH	42211	4580	111.14
06/05/2026	MAIN	141192	JANET D. BREYER	MAY 2026 CLEANING AT NCRC	43306	4580	5,460.00
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	ADLER LAV SRBN AND TOILET FLUSH FOR FIFT	42220	4580	196.99
				PAVER LOCKING SAND HP- FIFTY NORTH	42220	4580	31.99
	Check MAIN 141200 Total for Fund 211 NCRC						228.98
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES FOR FIFTY NORTH	42211	4580	204.71
				CLEANING SUPPLIES FOR FIFTY NORTH	42211	4580	255.75
	Check MAIN 141222 Total for Fund 211 NCRC						460.46
06/05/2026	MAIN	141241	XCEL ENERGY	MAY'26 NCRC GAS	43380	4580	1,637.71
				MAY'26 NCRC ELECTRIC	43381	4580	4,967.68
	Check MAIN 141241 Total for Fund 211 NCRC						6,605.39
Total For Dept: 4580							25,884.30
Dept: 4585 Wellness Center							
06/05/2026	MAIN	141217	RAINBOW INTERNATIONAL OF THE NORTH	GENERAL CLEANING 5/11-5/24/2026 AT FIFTY	43306	4585	2,700.00
Total For Dept: 4585							2,700.00
Total For Fund: 211							28,584.30
Fund: 229 Communications							
Dept: 4180 Communication							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	Descript monthly subscription	43300	4180	35.00
Total For Dept: 4180							35.00
Total For Fund: 229							35.00
Fund: 240 Library Gift Fund							
Dept: 4900 Other Financing Uses							
06/05/2026	MAIN	141154	CENGAGE LEARNING INC	FFNPL GIFT COLLECTIONS LP	43309	4900	31.16
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	FFNPL GIFTS PLA LUNCH	43309	4900	59.47

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 240 Library Gift Fund							
Dept: 4900 Other Financing Uses							
				GIFTS PLA PARKING	43309	4900	15.00
				FFNPL GIFTS PLA MEALS	43309	4900	62.12
	Check MAIN 141160 Total for Fund 240 Library Gift Fund						136.59
06/05/2026	MAIN	141179*#	GRAPHIC MAILBOX	FFNPL OUTREACH- BOOKMOBILE SIGN	43309	4900	109.00
06/05/2026	MAIN	141191*#	INGRAM LIBRARY SERVICES	FFNPL GIFTS COLLECTIONS LP	43309	4900	20.40
				FFNPL GIFTS COLLECTIONS YOUTH	43309	4900	400.32
				FFNPL GIFTS COLLECTIONS	43309	4900	260.44
				FFNPL GIFTS COLLECTIONS LP	43309	4900	18.00
				FFNPL GIFTS COLLECTIONS YOUTH	43309	4900	7.49
				FFNPL GIFTS COLLECTIONS YOUTH	43309	4900	11.51
	Check MAIN 141191 Total for Fund 240 Library Gift Fund						718.16
Total For Dept: 4900							994.91
Total For Fund: 240							994.91
Fund: 242 Scriver Memorial Fund							
Dept: 4900 Other Financing Uses							
06/05/2026	MAIN	141191*#	INGRAM LIBRARY SERVICES	GIFTS- SCRIVER	44431	4900	15.68
Total For Dept: 4900							15.68
Total For Fund: 242							15.68
Fund: 243 LJ Gustafson							
Dept: 4900 Other Financing Uses							
06/05/2026	MAIN	141144	APPLE BOOKS LLC	GIFTS- GUSTAFSON YOUTH MATERIALS	44464	4900	275.50
				GIFTS- GUSTAFSON YOUTH MATERIALS	44464	4900	216.91
	Check MAIN 141144 Total for Fund 243 LJ Gustafson						492.41
Total For Dept: 4900							492.41
Total For Fund: 243							492.41
Fund: 257 Carbon Reduction Fund							
Dept: 4590 Carbon Reduction							
06/05/2026	MAIN	141156	CHARGEPOINT	Replacement latch and toolkit	43300	4590	375.83
Total For Dept: 4590							375.83
Total For Fund: 257							375.83
Fund: 290 EDA							
Dept: 5100 EDA General Operating							
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	MEETING TREATS	43331	5100	49.45
06/05/2026	MAIN	141186*#	HOUSEAL LAVIGNE ASSOCIATES LLC	APRIL 2026 LAND DEVL. CODE UPDATE	43300	5100	2,490.83
06/05/2026	MAIN	141196	LATINO ECONOMIC DEVELOPMENT CENTER	PARTIAL CONTRACT PAYMENT 2026	44917	5100	6,250.00
Total For Dept: 5100							8,790.28
Total For Fund: 290							8,790.28
Fund: 295 HRA							

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 295 HRA							
Dept: 5200 HRA General Operating							
06/05/2026	MAIN	141186*#	HOUSEAL LAVIGNE ASSOCIATES LLC	APRIL 2026 LAND DEVL. CODE UPDATE	43300	5200	2,490.83
Total For Dept: 5200							2,490.83
Dept: 5210 HRA Rental Projects							
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	SNOW REMOVAL201 LINDEN, 706/716 2ND ST.	44464	5210	575.00
Total For Dept: 5210							575.00
Dept: 5220 HRA LMI Housing							
06/05/2026	MAIN	141164	CRAIG JOHNSON	ENERGY EFFICIENCEY REBATE 2026	43309	5220	1,200.00
06/05/2026	MAIN	141166	DAVIDSON, MARY	ENERGY EFFICIENCY REBATE 2026	43309	5220	1,000.00
06/05/2026	MAIN	141170	ERIC JOHNSRUD	ENERGY EFFICIENCY REBATE 2026	43309	5220	1,200.00
Total For Dept: 5220							3,400.00
Total For Fund: 295							6,465.83
Fund: 427 2026 CAPITAL PROJECTS							
Dept: 4800 Other Services							
06/05/2026	MAIN	141232	UNION PACIFIC RAILROAD	FREMOUW AV/2ND ST W PROF SVCS 9/1-11/30/	45520	4800	3,552.14
06/05/2026	MAIN	141240	XCEL ENERGY	NEW STREET LIGHT INSTALL	45520	4800	68,547.58
Total For Dept: 4800							72,099.72
Total For Fund: 427							72,099.72
Fund: 451 Park Fund							
Dept: 4520 General Parks							
06/05/2026	MAIN	141148	BAUER COMPANIES	PARK2026 - DRESDEN HILL PLAYGROUND REMOV	45520	4520	11,430.00
				PARK2025 - RIVERSIDE PLAYGROUND REMOVALS	45520	4520	11,980.00
	Check MAIN 141148 Total for Fund 451 Park Fund						23,410.00
06/05/2026	MAIN	141153*#	BRUCE DAVID JACOBSON	PARK2027-E23-SIBLEY SWALE PARK IMP	45520	4520	3,750.00
				PARK2027-E24-ODDFELLOWS PARK IMP	45520	4520	3,750.00
				CANNON RIVER REGIONAL PARK	45520	4520	2,000.00
				2026 PARK IMPROVEMENT PROJECTS	45520	4520	937.50
				CANNON RIVER REGIONAL PARK, MEMORIAL PAR	45520	4520	2,250.00
	Check MAIN 141153 Total for Fund 451 Park Fund						12,687.50
Total For Dept: 4520							36,097.50
Total For Fund: 451							36,097.50
Fund: 458 MILL TOWN TRAIL WOODLEY TO WATERFORD BRI							
Dept: 4800 Other Services							
06/05/2026	MAIN	141188*#	ICON, LLC	MTST PROJECT PROF SVCS 4/3-5/9	45520	4800	173,734.22
Total For Dept: 4800							173,734.22
Total For Fund: 458							173,734.22
Fund: 459 ICE ARENA CONSTRUCTION							
Dept: 4800 Other Services							

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 459 ICE ARENA CONSTRUCTION							
Dept: 4800 Other Services							
06/05/2026	MAIN	141141	ALL AMERICAN ARENA PRODUCTS	BENCH	45520	4800	12,988.59
06/05/2026	MAIN	141146	B & H PHOTO-VIDEO	Wireless access points for new arena	45520	4800	1,900.05
06/05/2026	MAIN	141201	MICHAEL SWEERE MOSAIC COMPANY LLC	MOSAIC MURAL FOR NEW ICE ARENA	45520	4800	50,000.00
Total For Dept: 4800							64,888.64
Total For Fund: 459							64,888.64
Fund: 601 Water Fund							
Dept: 6000 Water							
06/05/2026	MAIN	141163	CORE & MAIN, LP	CURB BOX PARTS	42218	6000	135.00
06/05/2026	MAIN	141165*#	CUMMINS SALES & SERVICE	CREDIT MEMO FOR CHARGING SALES TAX	42222	6000	(20.75)
06/05/2026	MAIN	141179*#	GRAPHIC MAILBOX	SHIPPING WATER SAMPLE TO MDH	43321	6000	17.09
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	HYDRANT PAINTING SUPPLIES	42218	6000	69.05
06/05/2026	MAIN	141206*#	NORTHFIELD ACE HARDWARE	HOSE FITTING	42218	6000	8.99
06/05/2026	MAIN	141208*#	ON TARGET A & M, INC.	UTILITY BILLS - 2606	42218	6000	171.09
06/05/2026	MAIN	141221	S.M. HENTGES & SONS, INC.	PAY#8 JEFFERSON ST/UTILITY EXTN PROJ PRO	45520	6000	323,806.34
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42218	6000	190.04
06/05/2026	MAIN	141224	SHORT ELLIOT HENDRICKSON, INC	WATR2025-J37 NW WATER TOWER	45520	6000	21,765.22
06/05/2026	MAIN	141233*#	UTILITY CONSULTANTS, INC	WATER TESTING 4/28/2026 SAMPLE DATE	42216	6000	325.19
Total For Dept: 6000							346,467.26
Total For Fund: 601							346,467.26
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	GLOVES AND WIPES	42218	6100	374.53
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	CAPTIVEAIRE SYSTEMS PRETREATMENT HVAC	42222	6100	401.63
				POLY PUMP #2 UGSI CHEMCIAL FEED	42232	6100	5,736.38
Check MAIN 141160 Total for Fund 602 Sewer Fund							6,138.01
06/05/2026	MAIN	141178	GRAINGER	COMPRESSOR OIL	42212	6100	468.12
				SAFETY FALL LANYARD	42218	6100	357.32
				HVAC TRANSMITTER RETURN	42220	6100	(596.29)
Check MAIN 141178 Total for Fund 602 Sewer Fund							229.15
06/05/2026	MAIN	141180	GRAYMONT (WI) LLC	HIGH CALCIUM QUICKLIME	42232	6100	8,894.97
06/05/2026	MAIN	141200*#	MENARD'S -DUNDAS	BLUEDEF 2.5 GAL	42212	6100	61.92
				CAULK FOR BIOSOLIDS PRESS	42232	6100	49.95
				COMPRESSOR AIRLINE PARTS	42222	6100	338.44
Check MAIN 141200 Total for Fund 602 Sewer Fund							450.31
06/05/2026	MAIN	141208*#	ON TARGET A & M, INC.	UTILITY BILLS - 2606	42218	6100	171.09
06/05/2026	MAIN	141212	POLYDYNE INC	CLARIFLOC QTY: 2	42232	6100	7,820.00

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 602 Sewer Fund							
Dept: 6100 Wastewater							
06/05/2026	MAIN	141215	PVS TECHNOLOGIES, INC	BULK FERRIC CHLORIDE SOLUTION	42216	6100	8,958.00
06/05/2026	MAIN	141222*#	SCHILLING SUPPLY COMPANY	CLEANING SUPPLIES	42218	6100	190.04
06/05/2026	MAIN	141233*#	UTILITY CONSULTANTS, INC	CHEMICALS FOR SAMPLE DATES 3.26, 31, 4.1	42216	6100	2,733.44
				DUNDAS CHEMCIAL SAMPLE DATES 3.24,4.1,7,	42216	6100	562.98
	Check MAIN 141233 Total for Fund 602 Sewer Fund						3,296.42
06/05/2026	MAIN	141236	VESSCO, INC	CHEMCIAL PUMP HEAD	42216	6100	906.09
06/05/2026	MAIN	141237*#	WATER SYSTEMS COMPANY	DRINKING WATER QTY: 3	42218	6100	26.25
				MONTHLY MAY DRINKING WATER QTY: 1	42218	6100	4.00
	Check MAIN 141237 Total for Fund 602 Sewer Fund						30.25
06/05/2026	MAIN	141242	XYLEM WATER SOLUTIONS USA, INC	UV LAMP AND BALLAST	42222	6100	14,483.41
Total For Dept: 6100							51,942.27
Total For Fund: 602							51,942.27
Fund: 603 Garbage Fund							
Dept: 6200 Garbage							
06/05/2026	MAIN	141168	DSI - DICK'S SANITATION INC	20 GAL - MAY 2026	43300	6200	1,734.00
				35 GAL - MAY 2026	43300	6200	11,573.60
				64 GAL - MAY 2026	43300	6200	13,294.00
				96 GAL - MAY 2026	43300	6200	4,182.00
				20 GAL - DAK CTY - MAY 2026	43300	6200	183.60
				35 GAL - DAK CTY - MAY 2026	43300	6200	1,074.40
				64 GAL - DAK CTY - MAY 2026	43300	6200	1,666.00
				96 GAL - DAK CTY - MAY 2026	43300	6200	244.80
				DRIVE BY - MAY 2026	43300	6200	401.20
				RECYCLE - DAK CTY - MAY 2026	43300	6200	1,398.00
				YARD WASTE - MAY 2026	43300	6200	1,134.00
	Check MAIN 141168 Total for Fund 603 Garbage Fund						36,885.60
06/05/2026	MAIN	141208*#	ON TARGET A & M, INC.	UTILITY BILLS - 2606	42218	6200	57.03
06/05/2026	MAIN	141225	SHRED RIGHT	Earth Day shred event	43309	6200	2,100.00
Total For Dept: 6200							39,042.63
Total For Fund: 603							39,042.63
Fund: 604 Storm Water Drainage							
Dept: 6300 Storm Water Drainage							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	SW IPAD CASE/IRON TEST STRIPS WATER SAMP	42218	6300	37.29
06/05/2026	MAIN	141147	BARR ENGINEERING	AMES MILL DAM RECONSTRUCT STUDY PROF SVC	43300	6300	5,530.00
06/05/2026	MAIN	141153*#	BRUCE DAVID JACOBSON	K45 AMES MILL DAM REMOVAL/LONG RANGE PLA	43300	6300	1,384.00
06/05/2026	MAIN	141188*#	ICON, LLC	PAY #2 NEIGHBORHOOD FLOODING PROF SVCS T	45520	6300	74,393.45
06/05/2026	MAIN	141198	LMH APPRAISAL INC	APPRAISAL 1300 PARAMEADOW DRIVE FILE #26	43300	6300	1,000.00
06/05/2026	MAIN	141208*#	ON TARGET A & M, INC.	UTILITY BILLS - 2606	42218	6300	57.02

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 604 Storm Water Drainage							
Dept: 6300 Storm Water Drainage							
06/05/2026	MAIN	141213	PRAIRIE RESTORATIONS, INC.	SERVICE INTEGRATED PLANT MANGEMENT GRANT	43300	6300	3,450.00
06/05/2026	MAIN	141218	REGENTS OF UNIVERSITY OF MINNESOTA	SOIL TESTING (3) WLA IMPLEMENTATION PLAN	43300	6300	133.00
Total For Dept: 6300							85,984.76
Total For Fund: 604							85,984.76
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	VARIETY PACK CHIPS	42251	6400	11.48
06/05/2026	MAIN	141145	ARTISAN BEER COMPANY	Beer Purchases	42251	6400	967.45
				Beer Purchases	42251	6400	1,642.95
				THC	42251	6400	499.60
				Misc Taxable Purchases	42251	6400	64.60
				THC	42251	6400	392.00
	Check MAIN 141145 Total for Fund 609 Liquor Store						3,566.60
06/05/2026	MAIN	141149	BELLBOY CORPORATION	Liquor Purchases	42251	6400	1,886.50
				Freight Costs	42259	6400	34.00
				Freight Costs	42259	6400	2.00
				THC	42251	6400	82.00
				Freight Costs	42259	6400	4.44
				Misc Taxable Purchases	42251	6400	93.00
				Liquor Purchases	42251	6400	1,394.45
				Freight Costs	42259	6400	22.50
				Freight Costs	42259	6400	8.00
				THC	42251	6400	444.00
				Freight Costs	42259	6400	2.68
				Misc Non-Taxable Purchases	42251	6400	26.40
	Check MAIN 141149 Total for Fund 609 Liquor Store						3,999.97
06/05/2026	MAIN	141151	BREAKTHRU BEV MN BEER, INC	Misc Taxable Purchases	42251	6400	365.10
				Liquor Purchases	42251	6400	92.46
				Beer Purchases	42251	6400	10,588.70
				Beer Purchases	42251	6400	6,025.95
				Wine Purchases	42251	6400	56.00
				Misc Taxable Purchases	42251	6400	369.10
				Liquor Purchases	42251	6400	383.65
				Beer Purchases	42251	6400	497.00
				Beer Credit	42251	6400	(2.36)
				Beer Credit	42251	6400	(5.40)
				Beer Credit	42251	6400	(14.40)
				Beer Credit	42251	6400	(13.20)
				Liquor Credit	42251	6400	(16.42)
	Check MAIN 141151 Total for Fund 609 Liquor Store						18,326.18
06/05/2026	MAIN	141152	BREAKTHRU BEV MN WINE & SPIRITS	Liquor Purchases	42251	6400	1,023.82
				Wine Purchases	42251	6400	872.00
				Freight Costs	42259	6400	33.00
				Misc Taxable Purchases	42251	6400	45.00
				Liquor Purchases	42251	6400	310.62

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
				Wine Purchases	42251	6400	637.30
				Freight Costs	42259	6400	18.56
	Check MAIN 141152 Total for Fund 609 Liquor Store						2,940.30
06/05/2026	MAIN	141155	CHAPEL BREWING	Beer Purchases	42251	6400	75.00
06/05/2026	MAIN	141162	COLLEGE CITY BEVERAGE, INC.	Liquor Purchases	42251	6400	1,102.10
				Freight Costs	42259	6400	7.00
				Beer Purchases	42251	6400	4,543.35
				Misc Taxable Purchases	42251	6400	343.00
				Liquor Purchases	42251	6400	60.00
				Liquor Purchases	42251	6400	970.00
				Freight Costs	42259	6400	7.00
				Beer Purchases	42251	6400	1,265.50
				Misc Taxable Purchases	42251	6400	144.00
				Liquor Purchases	42251	6400	499.00
				Freight Costs	42259	6400	8.00
				Liquor Purchases	42251	6400	1,365.77
				Wine Purchases	42251	6400	131.25
				Beer Credit	42251	6400	(43.20)
				Liquor Credit	42251	6400	(21.00)
				Beer Credit	42251	6400	(71.13)
	Check MAIN 141162 Total for Fund 609 Liquor Store						10,310.64
06/05/2026	MAIN	141177	GLOBAL RESERVE DISTRIBUTION	THC	42251	6400	440.00
06/05/2026	MAIN	141183	HERMEL WHOLESALE	Freight Costs	42259	6400	8.95
				Misc Taxable Purchases	42251	6400	236.03
				Misc Non-Taxable Purchases	42251	6400	39.35
				Cigarettes Purchases	42251	6400	969.28
				Freight Costs	42259	6400	8.95
				Misc Taxable Purchases	42251	6400	388.87
				Misc Non-Taxable Purchases	42251	6400	39.35
				Cigarettes Purchases	42251	6400	830.26
	Check MAIN 141183 Total for Fund 609 Liquor Store						2,521.04
06/05/2026	MAIN	141184	HOHENSTEIN'S INC	Beer Purchases	42251	6400	131.25
				Liquor Purchases	42251	6400	117.60
				Beer Purchases	42251	6400	171.00
				Liquor Purchases	42251	6400	344.40
	Check MAIN 141184 Total for Fund 609 Liquor Store						764.25
06/05/2026	MAIN	141185	HOME CITY ICE COMPANY	Ice Purchases	42251	6400	40.50
				Freight Costs	42259	6400	6.50
				Ice Purchases	42251	6400	92.34
				Freight Costs	42259	6400	6.50
	Check MAIN 141185 Total for Fund 609 Liquor Store						145.84
06/05/2026	MAIN	141189	IMMINENT BREWING LLC	Beer Purchases	42251	6400	226.80
06/05/2026	MAIN	141193	JOHNSON BROTHERS WHOLESALE	Freight Costs	42259	6400	35.60
				Wine Purchases	42251	6400	1,658.83
				Misc Taxable Purchases	42251	6400	41.50

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
				Freight Costs	42259	6400	40.95
				Liquor Purchases	42251	6400	2,464.20
				Freight Costs	42259	6400	93.60
				Liquor Purchases	42251	6400	2,605.00
				Freight Costs	42259	6400	36.08
				Liquor Purchases	42251	6400	2,597.05
				Freight Costs	42259	6400	15.60
				Wine Purchases	42251	6400	536.00
				Misc Taxable Purchases	42251	6400	74.00
				Freight Costs	42259	6400	1.95
				Wine Purchases	42251	6400	122.50
				Freight Costs	42259	6400	47.78
				Wine Purchases	42251	6400	2,918.00
				Freight Costs	42259	6400	42.90
				Liquor Purchases	42251	6400	1,271.75
				Freight Costs	42259	6400	7.80
				Liquor Purchases	42251	6400	403.86
				Freight Costs	42259	6400	58.50
				Wine Purchases	42251	6400	2,633.58
				Freight CREDIT	42259	6400	(1.55)
				Liquor CREDIT	42251	6400	(25.00)
				Wine CREDIT	42251	6400	(6.00)
				Freight CREDIT	42259	6400	(9.75)
				Wine CREDIT	42251	6400	(213.48)
	Check MAIN 141193 Total for Fund 609 Liquor Store						17,451.25
06/05/2026	MAIN	141194	KEEPSAKE CIDERY	Beer Purchases	42251	6400	681.60
06/05/2026	MAIN	141199	MEGA BEER LLC	Beer Purchases	42251	6400	141.25
06/05/2026	MAIN	141209	OXFORD STREET MERCHANTS	Wine Purchases	42251	6400	216.00
				Freight Costs	42259	6400	5.85
				Wine Purchases	42251	6400	880.00
				Freight Costs	42259	6400	15.60
				Wine Purchases	42251	6400	1,618.50
				Freight Costs	42259	6400	39.16
	Check MAIN 141209 Total for Fund 609 Liquor Store						2,775.11
06/05/2026	MAIN	141210	PAUSTIS & SONS WINE COMPANY	Wine Purchases	42251	6400	1,309.50
				Freight Costs	42259	6400	24.00
				Wine Purchases	42251	6400	1,606.83
				Freight Costs	42259	6400	21.00
				Wine Purchases	42251	6400	1,450.00
				Freight Costs	42259	6400	19.50
	Check MAIN 141210 Total for Fund 609 Liquor Store						4,430.83
06/05/2026	MAIN	141211	PHILLIPS WINE AND SPIRITS,INC.	Liquor Purchases	42251	6400	154.35
				Wine Purchases	42251	6400	465.20
				Freight Costs	42259	6400	27.30
				Misc Taxable Purchases	42251	6400	28.05
				Liquor Purchases	42251	6400	1,833.72
				Freight Costs	42259	6400	29.25

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6400 Liquor Store - Purchases							
				Liquor Purchases	42251	6400	504.68
				Freight Costs	42259	6400	10.08
				Liquor Purchases	42251	6400	102.90
				Wine Purchases	42251	6400	1,816.26
				Freight Costs	42259	6400	51.19
				Misc Taxable Purchases	42251	6400	51.00
	Check MAIN 141211 Total for Fund 609 Liquor Store						5,073.98
06/05/2026	MAIN	141214	PRYES BREWING COMPANY	Beer Purchases	42251	6400	133.00
06/05/2026	MAIN	141226	SMALL LOT WINE & SPIRITS	Wine Purchases	42251	6400	456.00
				Freight Costs	42259	6400	9.00
	Check MAIN 141226 Total for Fund 609 Liquor Store						465.00
06/05/2026	MAIN	141227	SOUTHERN WINE & SPIRITS OF MN, LLC	Liquor Purchases	42251	6400	2,293.75
				Freight Costs	42259	6400	21.10
				Wine Purchases	42251	6400	627.70
				Freight Costs	42259	6400	14.00
				Liquor Purchases	42251	6400	4,105.52
				Freight Costs	42259	6400	51.47
				Freight Costs	42259	6400	9.80
				Liquor Purchases	42251	6400	108.00
				Wine Purchases	42251	6400	1,147.61
				Freight Costs	42259	6400	33.60
	Check MAIN 141227 Total for Fund 609 Liquor Store						8,412.55
06/05/2026	MAIN	141238	WINE COMPANY	Wine Purchases	42251	6400	796.00
				Liquor Purchases	42251	6400	196.00
				Freight Costs	42259	6400	31.40
				Wine Purchases	42251	6400	136.00
				Liquor Purchases	42251	6400	43.00
				Freight Costs	42259	6400	4.35
	Check MAIN 141238 Total for Fund 609 Liquor Store						1,206.75
Total For Dept: 6400							84,099.42
Dept: 6410 Liquor Store - Operations							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	TASTING CUPS	42218	6410	23.61
				TAPE	42218	6410	5.14
				PRICE TAGS	42218	6410	9.65
	Check MAIN 141142 Total for Fund 609 Liquor Store						38.40
06/05/2026	MAIN	141157*#	CINTAS	ENTRY RUGS	42220	6410	40.27
06/05/2026	MAIN	141159	CITY & LAKES DISPOSAL	REFUSE DISPOSAL LIQ JUNE 2026	43389	6410	240.00
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	Promotional Advertising	43342	6410	18.86
06/05/2026	MAIN	141176*#	GERLACH SNOW REMOVAL LAWN & LANDSC	SNOW REMOVAL	42220	6410	285.00
06/05/2026	MAIN	141216*#	QUALITY REFRIGERATION	PREVENTATIVE MAINTENANCE SEMI-ANNUAL	42222	6410	260.00
06/05/2026	MAIN	141229*#	SUMMIT COMPANIES	ANNUAL FIRE EXT INSPECTION	42222	6410	121.20
06/05/2026	MAIN	141234	VAN PAPER COMPANY	Paper Bags	42218	6410	246.35

Check Date	Bank Account	Check #	Payee	Description	Account	Dept	Amount
Fund: 609 Liquor Store							
Dept: 6410 Liquor Store - Operations							
Total For Dept: 6410							1,250.08
Total For Fund: 609							85,349.50
Fund: 701 Information Tech							
Dept: 4140 Information Technology							
06/05/2026	MAIN	141142*#	AMAZON CAPITAL SERVICES	Logitech vertical mice and wrist rests	42218	4140	184.92
06/05/2026	MAIN	141160*#	CITY OF NORTHFIELD	Google Workspace - City	43300	4140	453.60
				ChatGPT - Library	43300	4140	20.00
				ChatGPT - IT	43300	4140	20.00
				Mailchimp - Library	43300	4140	60.00
				Hanwha QND-7012R surveillance camera	42210	4140	159.98
				ChatGPT - Library2	43300	4140	20.00
				VisiCount license renewal - Library	43300	4140	275.00
				ChatGPT - Administration	43300	4140	20.00
	Check MAIN 141160 Total for Fund 701 Information Tech						1,028.58
06/05/2026	MAIN	141172	FETTE ELECTRONICS	ExacqVision Licenses	43300	4140	1,155.00
Total For Dept: 4140							2,368.50
Total For Fund: 701							2,368.50
Report Total:							1,095,825.05

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

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

File #: 26-307, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council

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

Consideration of Acceptance of the City of Northfield Annual Comprehensive Financial Report for the Year Ended December 31, 2025.

Action Requested:
City Council approves a Motion to accept the City of Northfield Annual Comprehensive Financial Report for the Year Ended December 31, 2025.

Summary Report:
The final City of Northfield's Annual Comprehensive Financial Report for the Year Ended December 31, 2025 is attached. Tom Olinger, CPA and Partner of Abdo, presented the audit at the work session on June 9, 2026. There was a question and answer period at that time.

The acceptance by the City Council will complete the audit process for 2025.

Alternative Options:
None recommended.

Financial Impacts:
Not applicable.

Tentative Timelines:
The audit will be submitted to the State by the June 30th deadline.

2025 Financial Statement Audit

City of Northfield

Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators

Audit Results

Auditor's Opinion

unmodified opinion under GAAP

Minnesota Legal Compliance

No instances of noncompliance

AUDIT RESULTS

Fiscal Year 2025 Findings

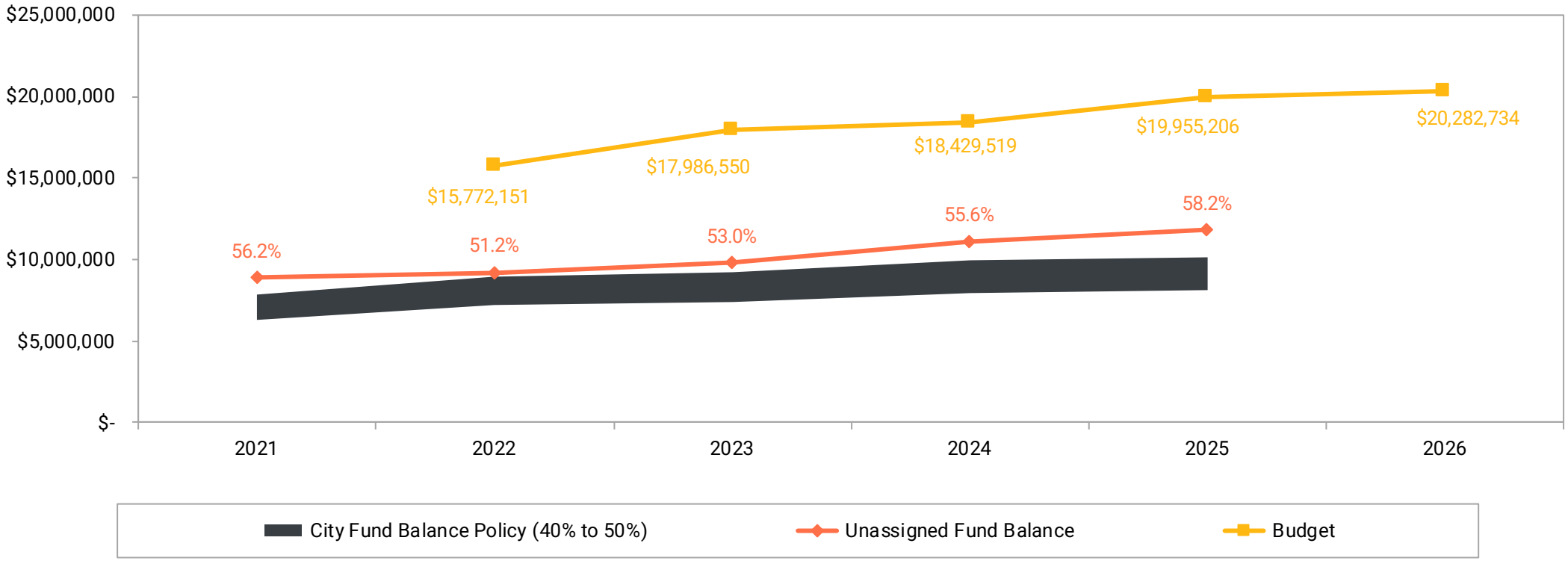
- Preparation of Financial Statements
  - *Internal Control Finding*
- Material Audit Adjustments
  - *Internal Control Finding*

PRIOR YEAR AUDIT RESULTS

Fiscal Year 2024 Findings

- Preparation of Financial Statements
  - *Internal Control Finding*

General Fund Balances



General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 19,459,246	$ 20,098,703	$ 639,457
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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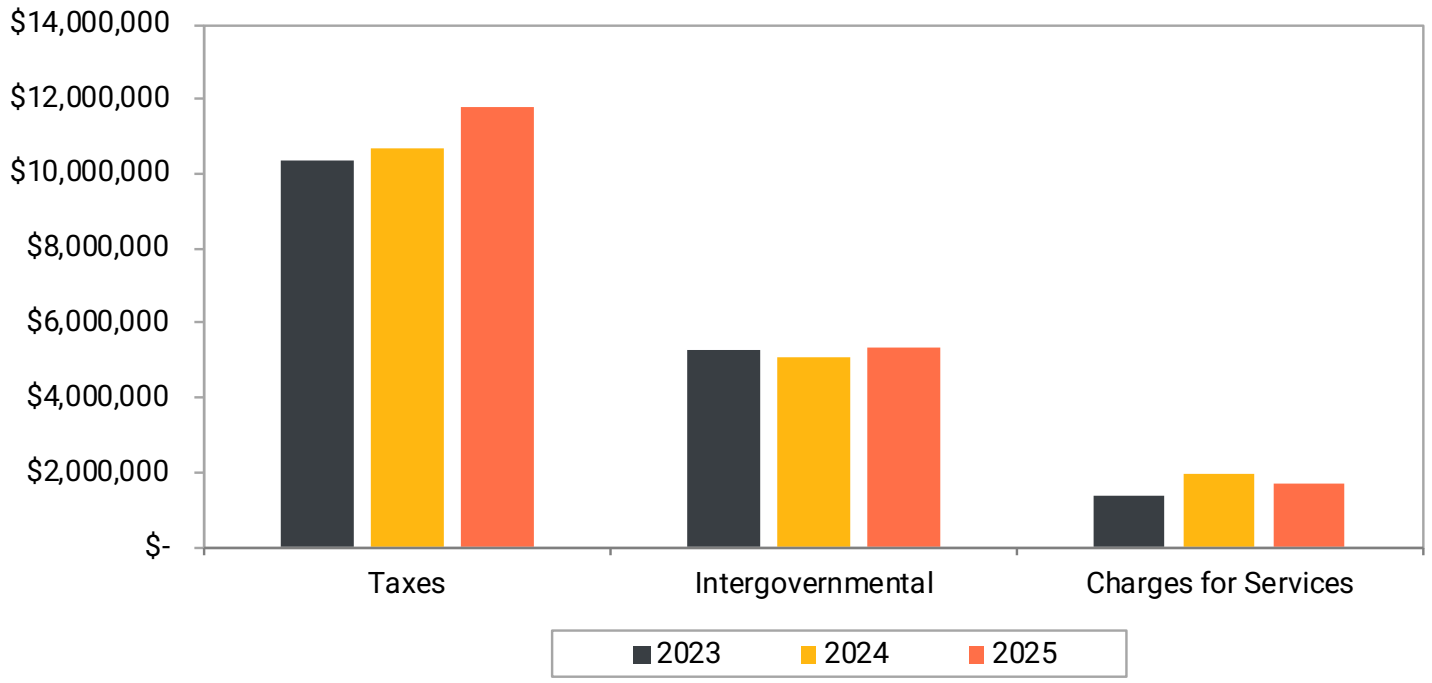
General Fund Revenues by Type



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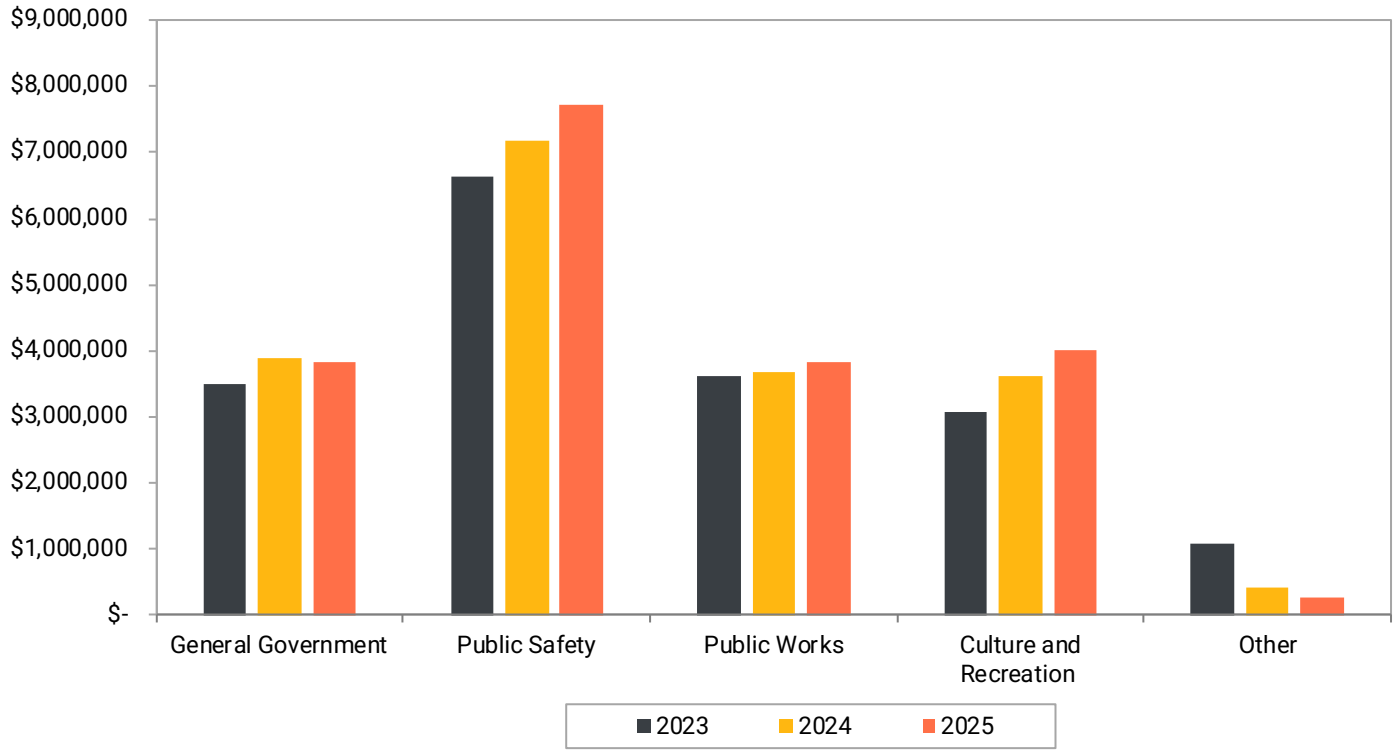
General Fund Expenditures by Type



Special Revenue Fund Balances

Fund	Fund Balances December 31 2025	Fund Balances December 31 2024	Increase (Decrease)
Community Resource Center	$ (60,481)	$ (105,499)	$ 45,018
Motor Vehicle	503,832	403,538	100,294
Communication	179,397	376,775	(197,378)
Library Gift	46,155	43,265	2,890
G.W. Bunday Fund	30,065	28,724	1,341
Scriver Memorial	160,269	153,896	6,373
L.J. Gustafson	30,629	30,250	379
Myrtle Houston Trust	46,834	44,759	2,075
C.C. Cloherty Endowed Book	15,286	14,828	458
Arts and Culture	224,483	262,969	(38,486)
Community Development Block Grant	(14,085)	417	(14,502)
TZD Enforcement Fund	46,845	27,681	19,164
Jefferson Square TIF	25,240	19,641	5,599
Master Development TIF	46,862	44,680	2,182
Utility Franchise Fee	1,371,064	951,108	419,956
Carbon Reduction	291,533	243,628	47,905
Economic Development Authority	2,268,251	2,240,086	28,165
Spring Creek TIF	34,282	30,833	3,449
Aurora TIF	39,034	38,251	783
Washington TIF	25,912	17,034	8,878
Maple Brook TIF	13,663	9,659	4,004
Spring Creek II TIF	3	(1,771)	1,774
Kraewood TIF	7,164	30,357	(23,193)
Archer TIF	(350)	-	(350)
Heritage Lofts Housing	848	-	848
Total	$ 5,332,735	$ 4,905,109	$ 427,626

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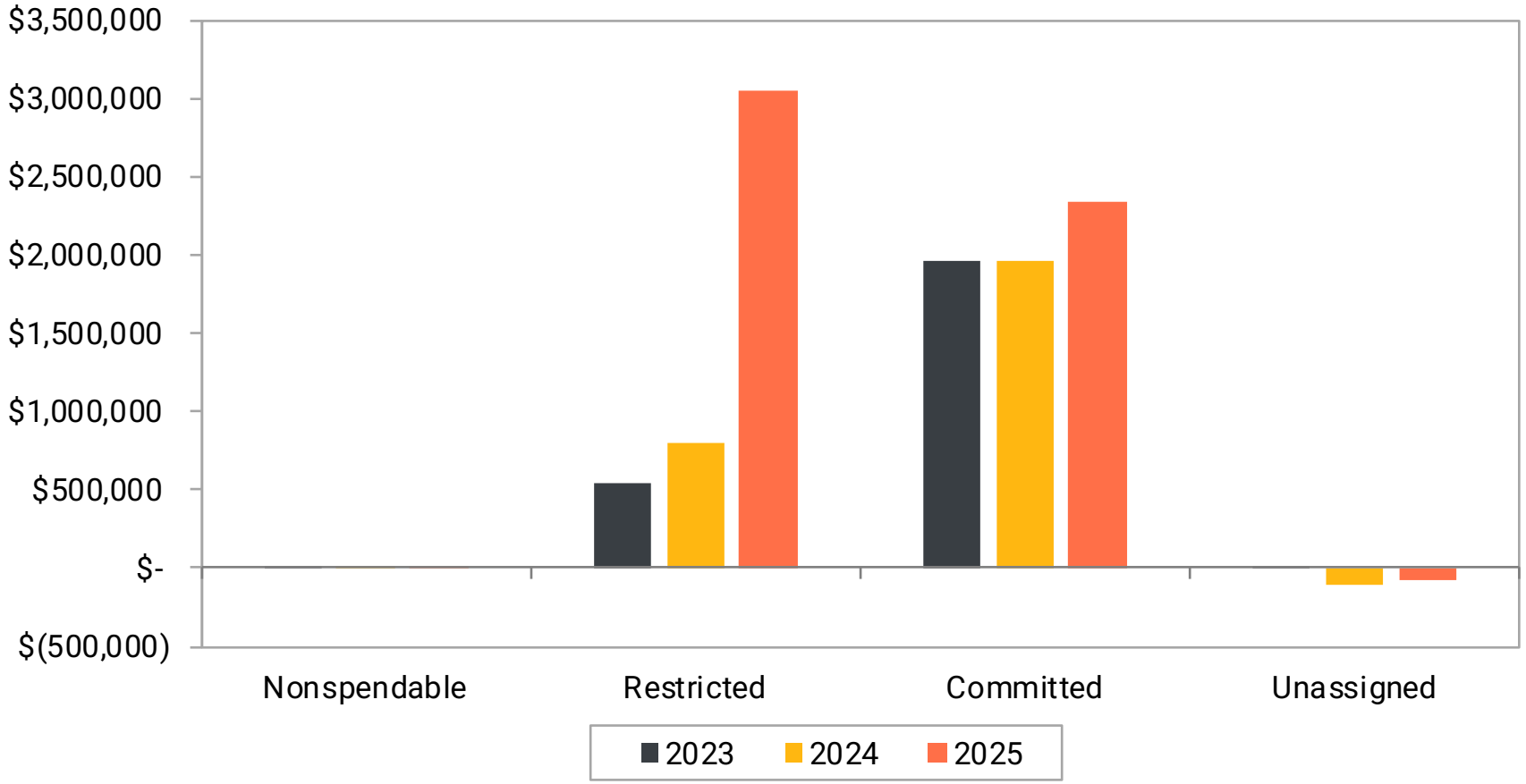
Special Revenue Fund Balances



Capital Project Fund Balances

Fund	Fund Balances December 31 2025	Fund Balances December 31 2024	Increase (Decrease)
Major			
2025 Capital Project Fund	$ (1,094,585)	$ (1,247,732)	$ 153,147
Ice Arena Construction Fund	14,004,036	(215,575)	14,219,611
Nonmajor			
2019 Capital Project Fund	559,718	535,295	24,423
2022 Capital Project Fund	(165,730)	(163,527)	(2,203)
2023 Capital Project Fund	(447)	123,701	(124,148)
2024 Capital Project Fund	207,420	334,791	(127,371)
2026 Capital Project Fund	(526,457)	(153,956)	(372,501)
Park Fund	1,945,167	1,287,691	657,476
City Facilities Fund	692,701	1,180,250	(487,549)
Equipment and Vehicle Replacement Fund	1,666,809	1,454,677	212,132
Hauberg Park	14,985	13,290	1,695
Mill Town Trail	129,766	(8,517)	138,283
5th Street Redevelopment	(1,239,681)	(2,197,119)	957,438
Capital Reserve Fund	986,830	783,250	203,580
Total	$ 17,180,532	$ 1,726,519	$ 15,454,013

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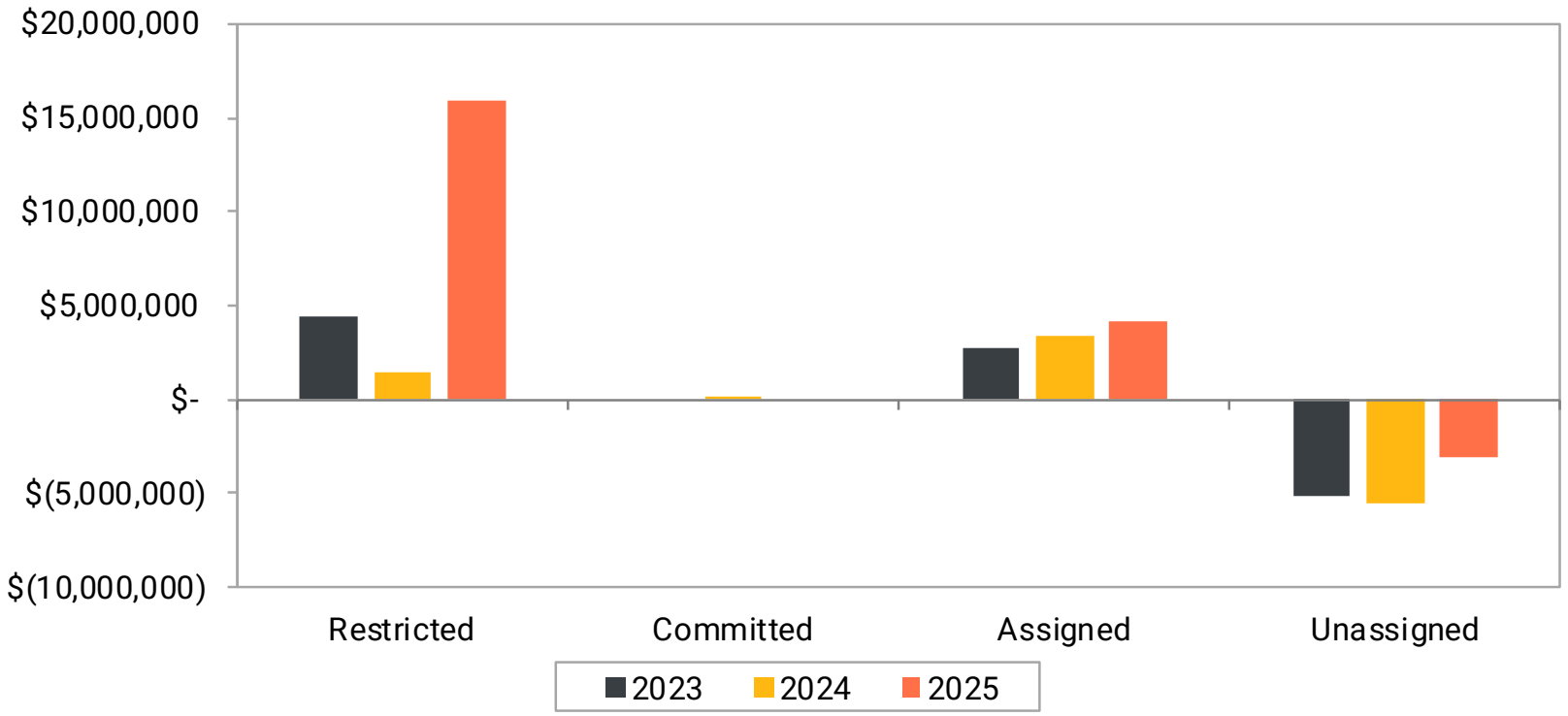
Capital Project Fund Balances



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Housing Redevelopment Authority Fund Balance

Fund	Fund Balances December 31 2025	Fund Balances December 31 2024	Increase (Decrease)
Housing Redevelopment Authority Fund	$ 1,651,725	$ 1,565,460	$ 86,265

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Debt Service

	Description	Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
315	2014A Bonds	$ 37,032	$ 37,478	$ -	Matured
316	2015A Bonds	199,797	202,192	170,000	2026
317	2016C Bonds	224,540	232,572	170,000	2027
318	2017A Bonds	180,346	219,747	285,000	2028
319	2018B Bonds	334,943	374,395	740,000	2029
320	2019A Bonds	333,997	491,627	4,070,000	2030
321	2020A Bonds	1,608,823	1,764,993	2,375,000	2031
322	2021A Bonds	1,112,069	1,657,861	2,920,000	2033
323	2022A Bonds	429,557	430,500	3,585,000	2035
324	2023B Bonds	608,049	609,079	6,885,000	2039
325	2024A Bonds	300,906	301,193	6,935,000	2044
326/426	2025A Bonds	-	-	3,740,000	2041
352	2014A (2006A) Public Project Revenue Refunding Bonds	9,109	9,150	-	Matured
354	2012 COPS Debt	399,145	399,874	-	Matured
359	2022 Equipment Certificates	69,538	69,685	380,000	2031
357	2018A NAFRS Debt Service	438,251	439,494	3,190,000	2039
360	2023B Equipment Certificates	73,112	73,393	290,000	2039
361	2024A Equipment Certifcates	105,479	105,605	1,080,000	2035
355/455	2025A Equipment Certificates	1,866,089	1,869,372	375,000	2041
358	2021 Equipment Certificates	87,439	87,666	220,000	2029
379	2017B Refunding TIF Bonds	396,628	399,175	-	Matured
382	Riverfront TIF Bonds	397,607	398,588	303,575	2033
459	2025B Bonds	16,207,812	16,207,812	21,700,000	2036
	Total	$ 25,420,268	$ 26,381,451	$ 59,413,575	
			Total Remaining Interest Payments	$ 24,019,649	

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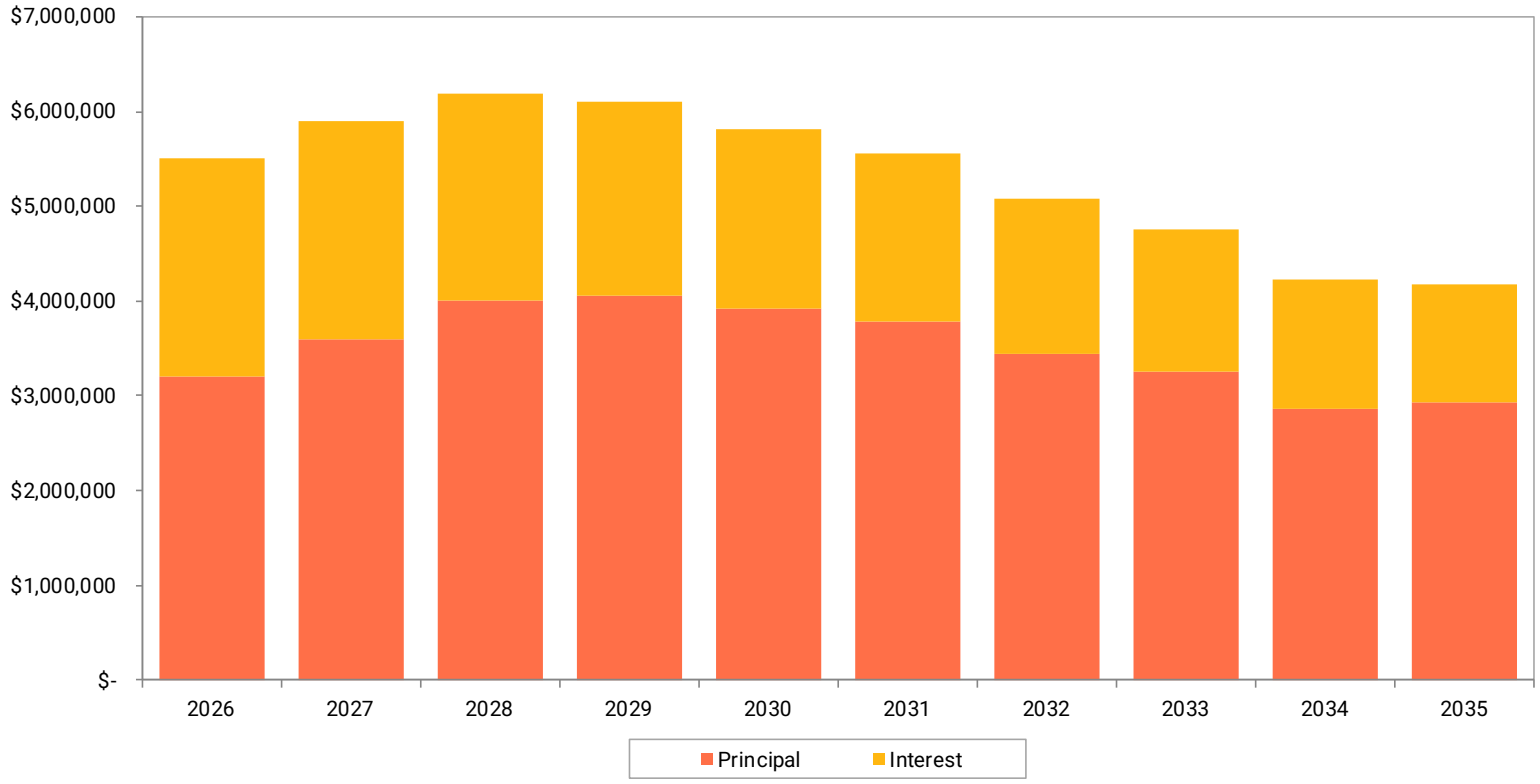
Debt Service



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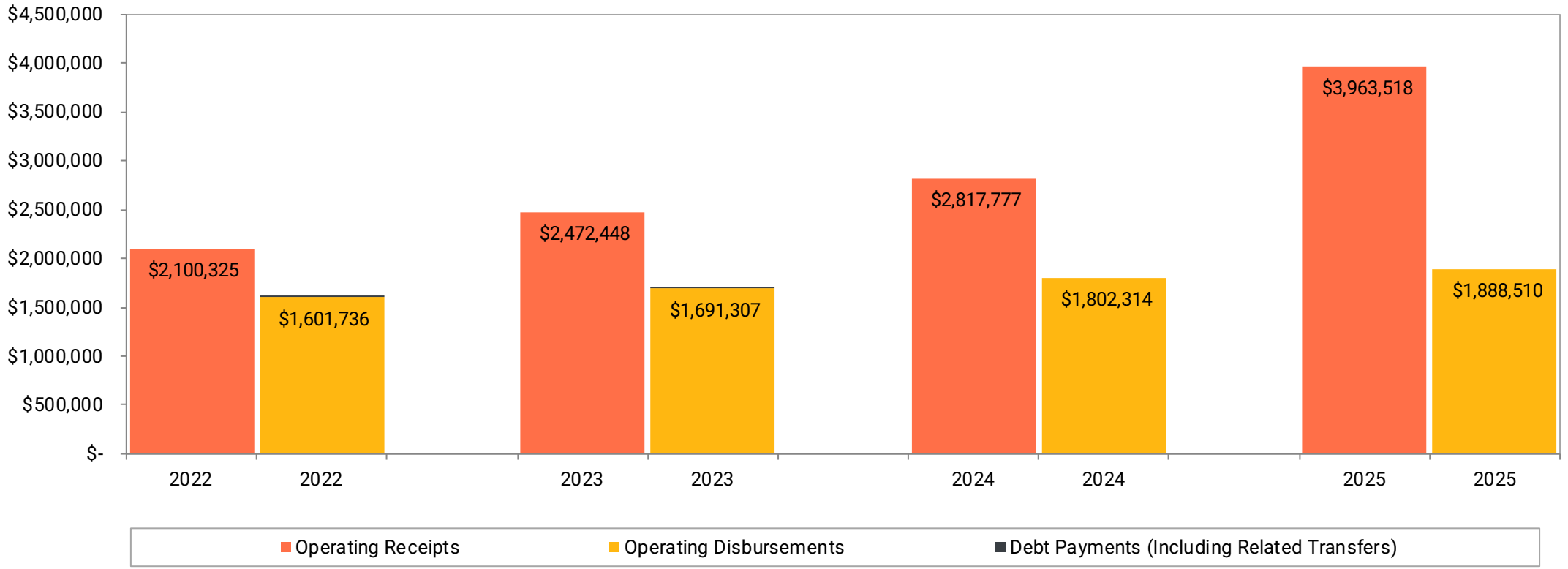
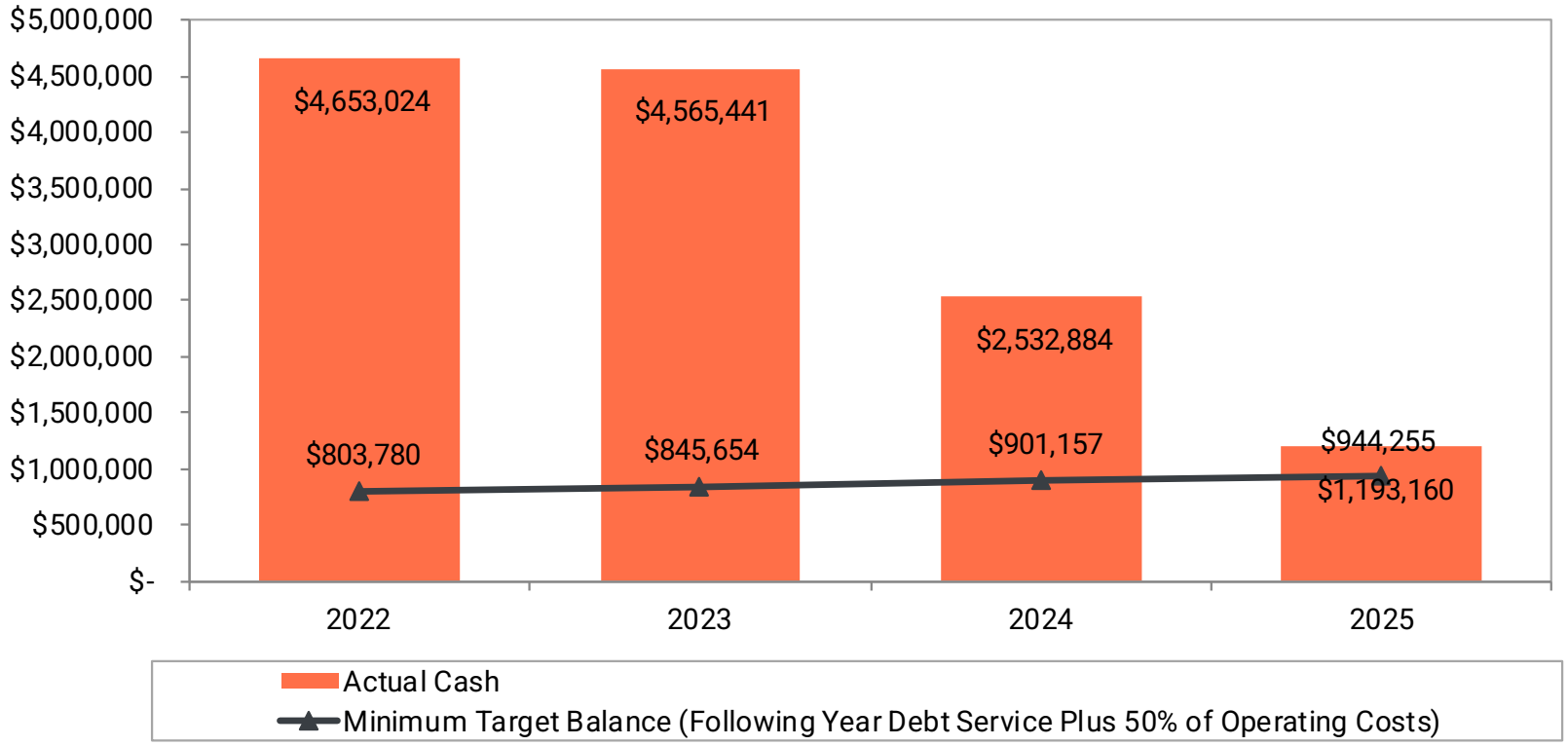
Water Fund

Cash Flows from Operations



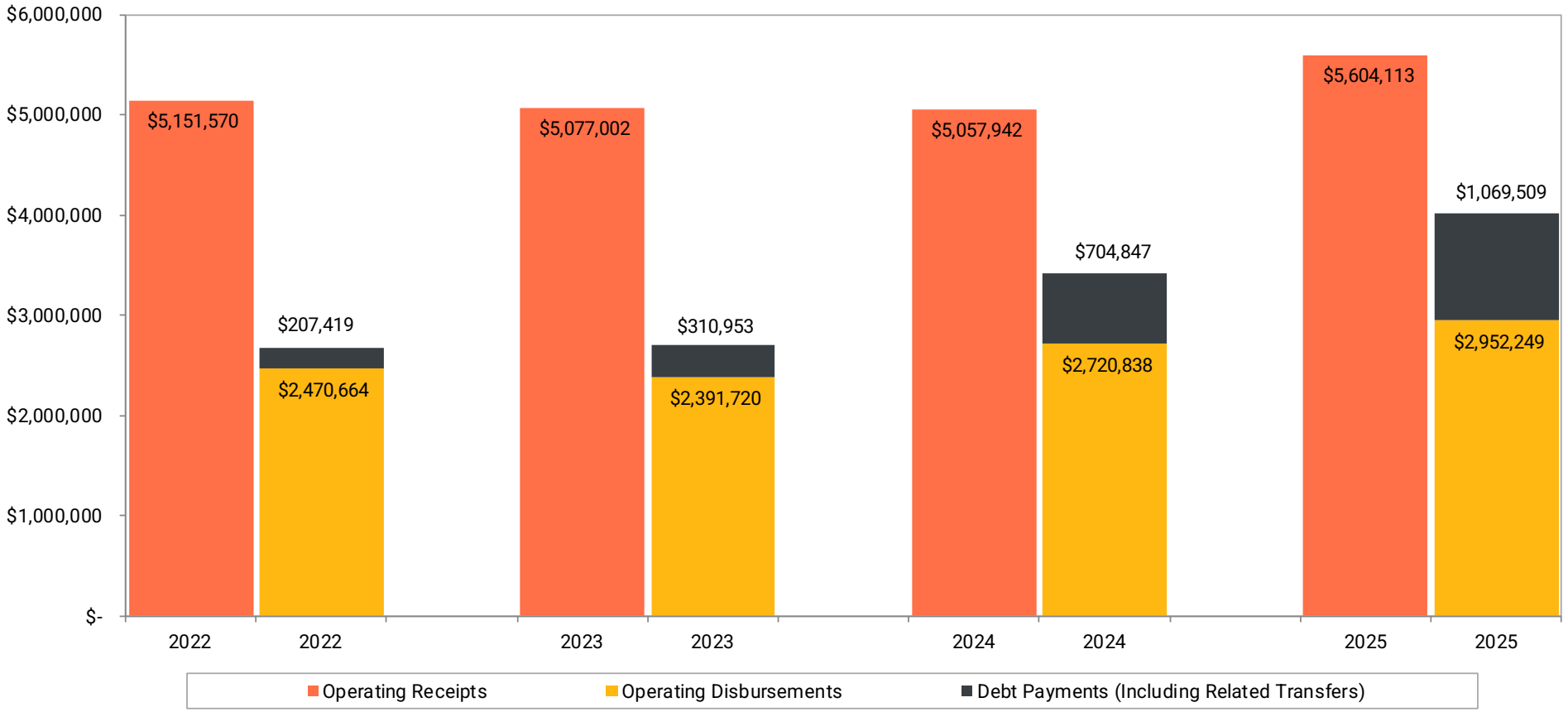
Water Fund

Cash Balance



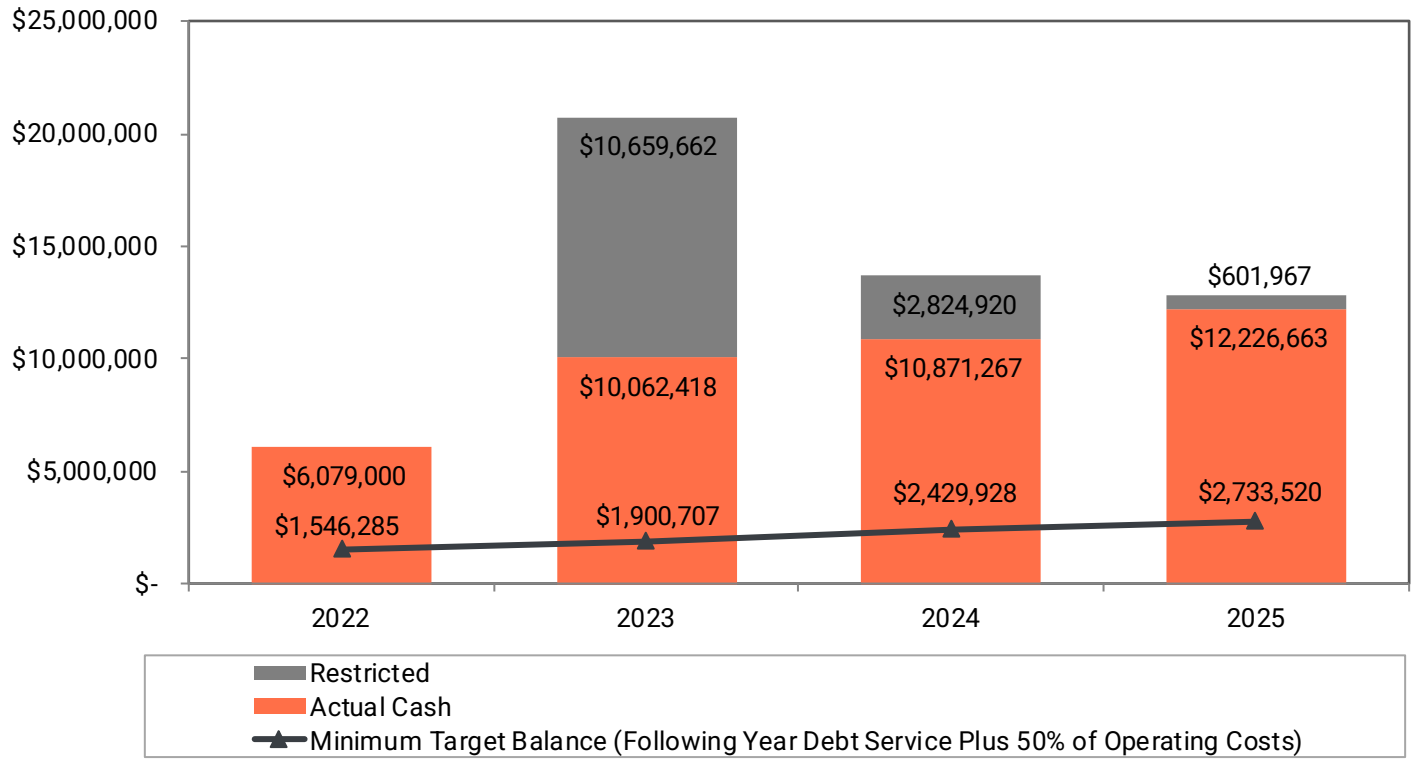
Wastewater Fund

Cash Flows from Operations



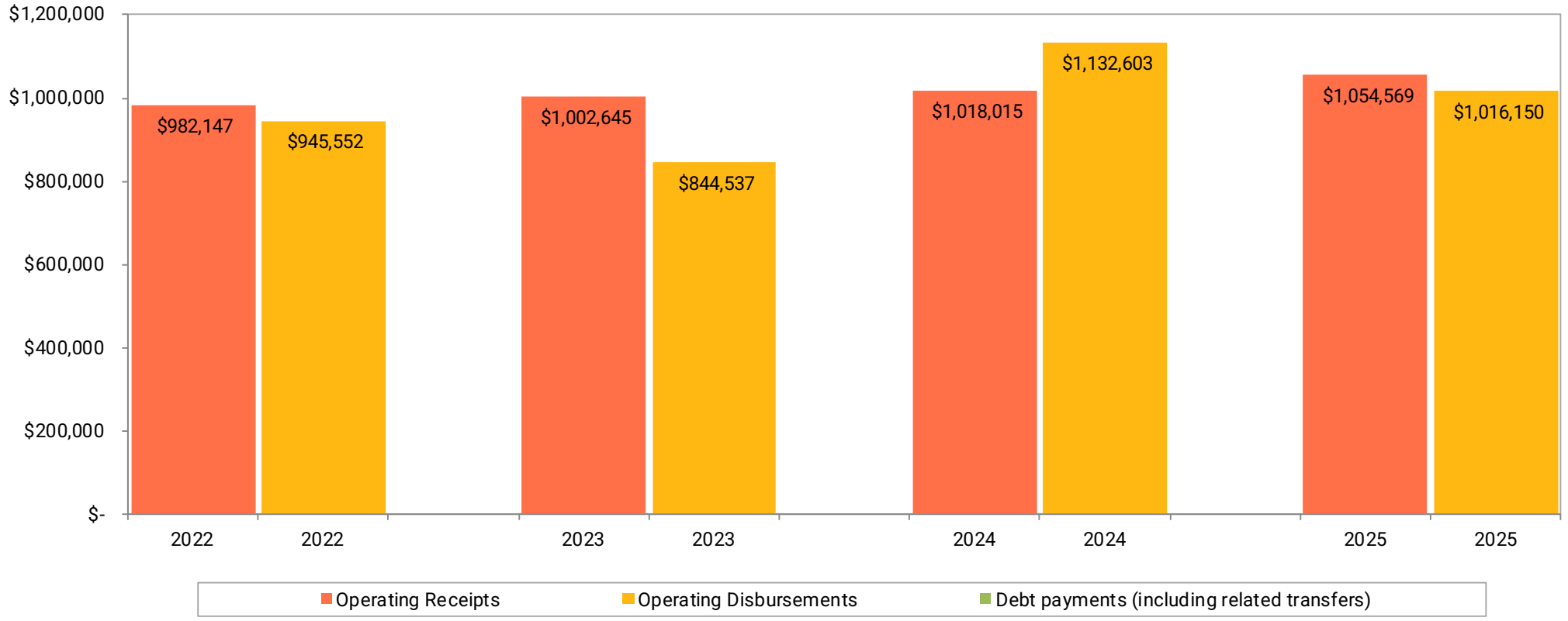
Wastewater Fund

Cash Balance



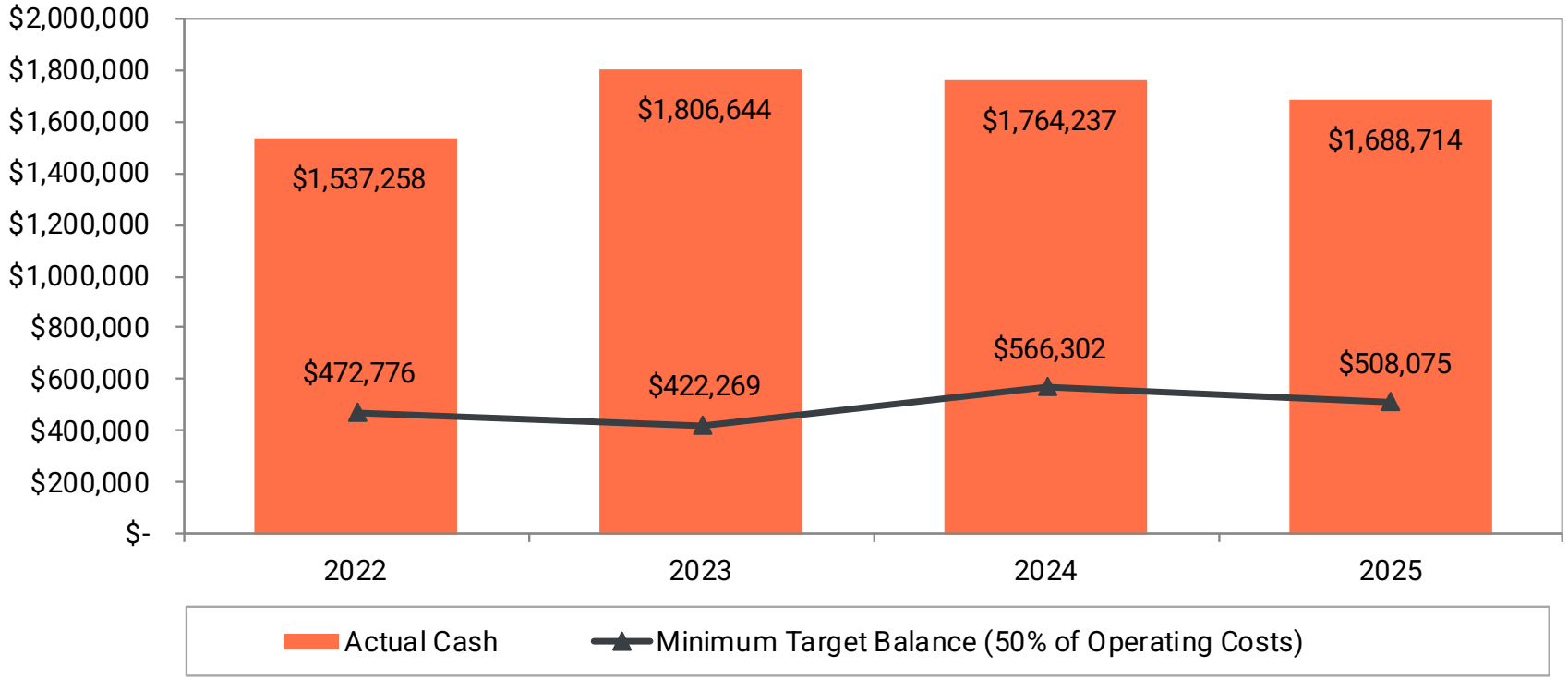
Sanitary Collection Fund

Cash Flows from Operations



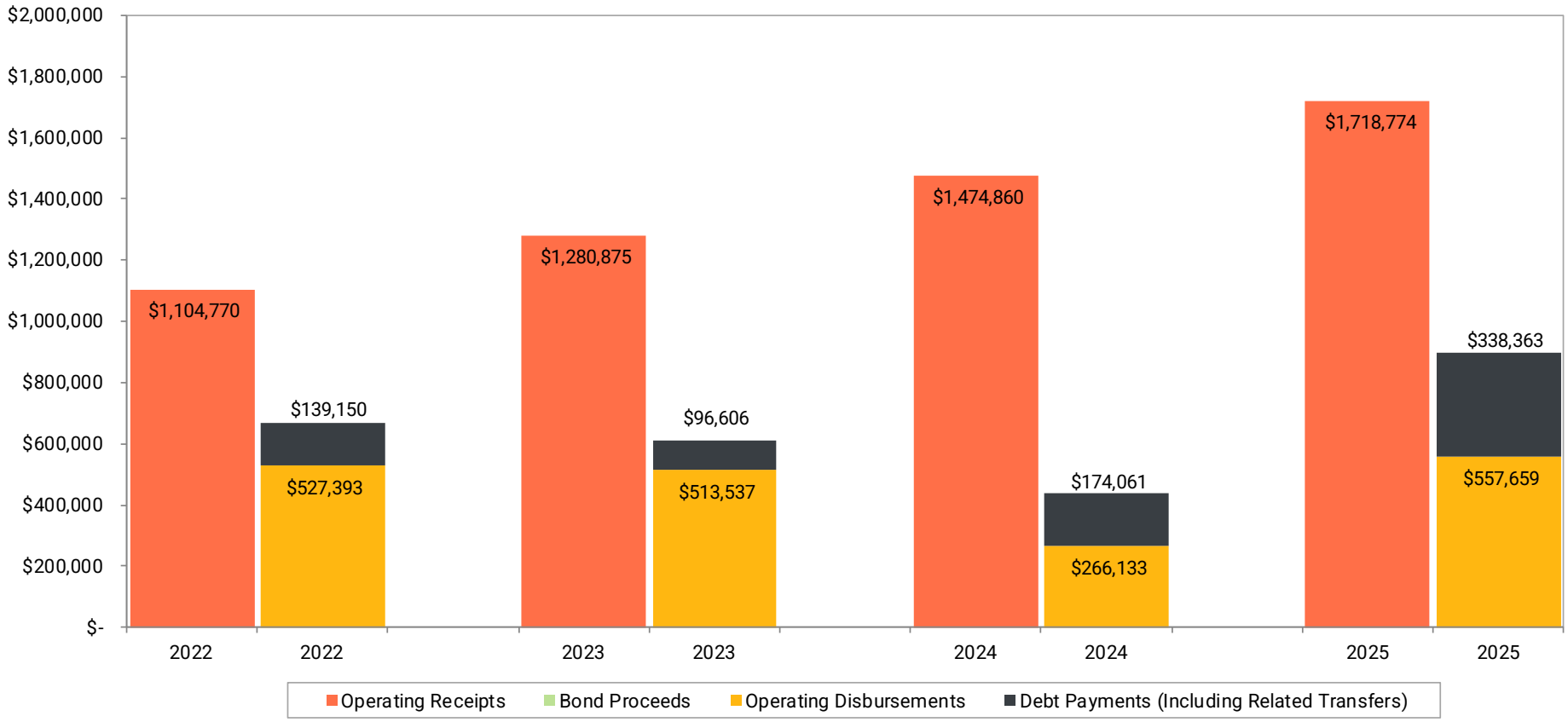
Sanitary Collection Fund

Cash Balances



Storm Water Fund

Cash Flows from Operations



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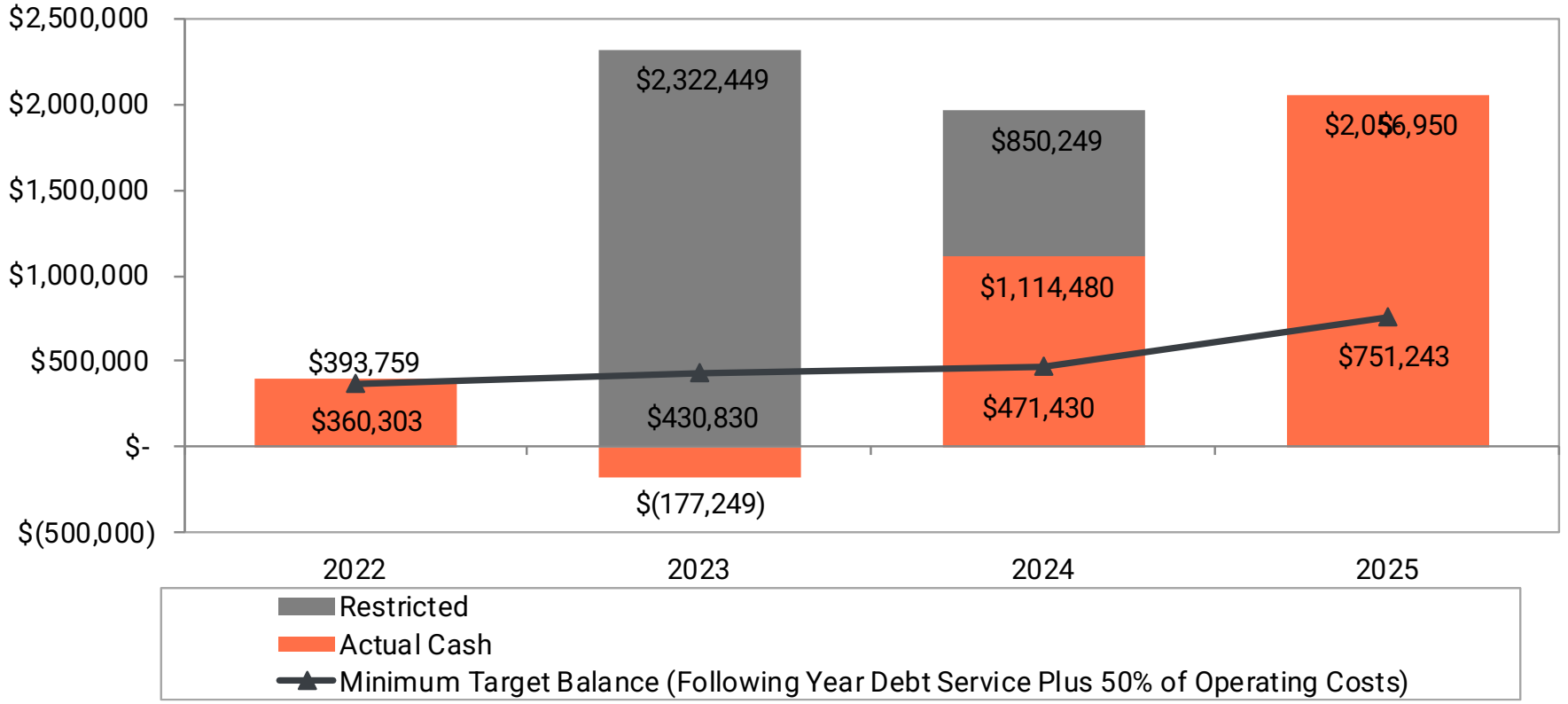
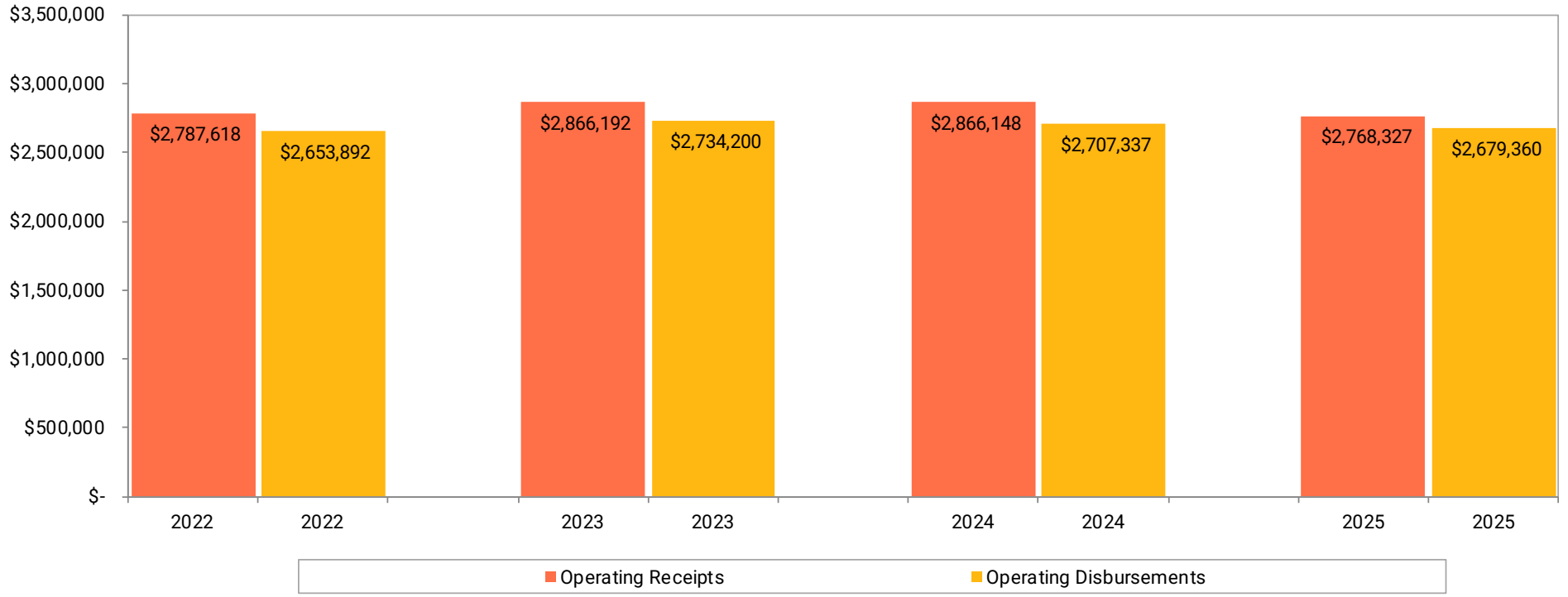
Storm Water Fund

Cash Balances



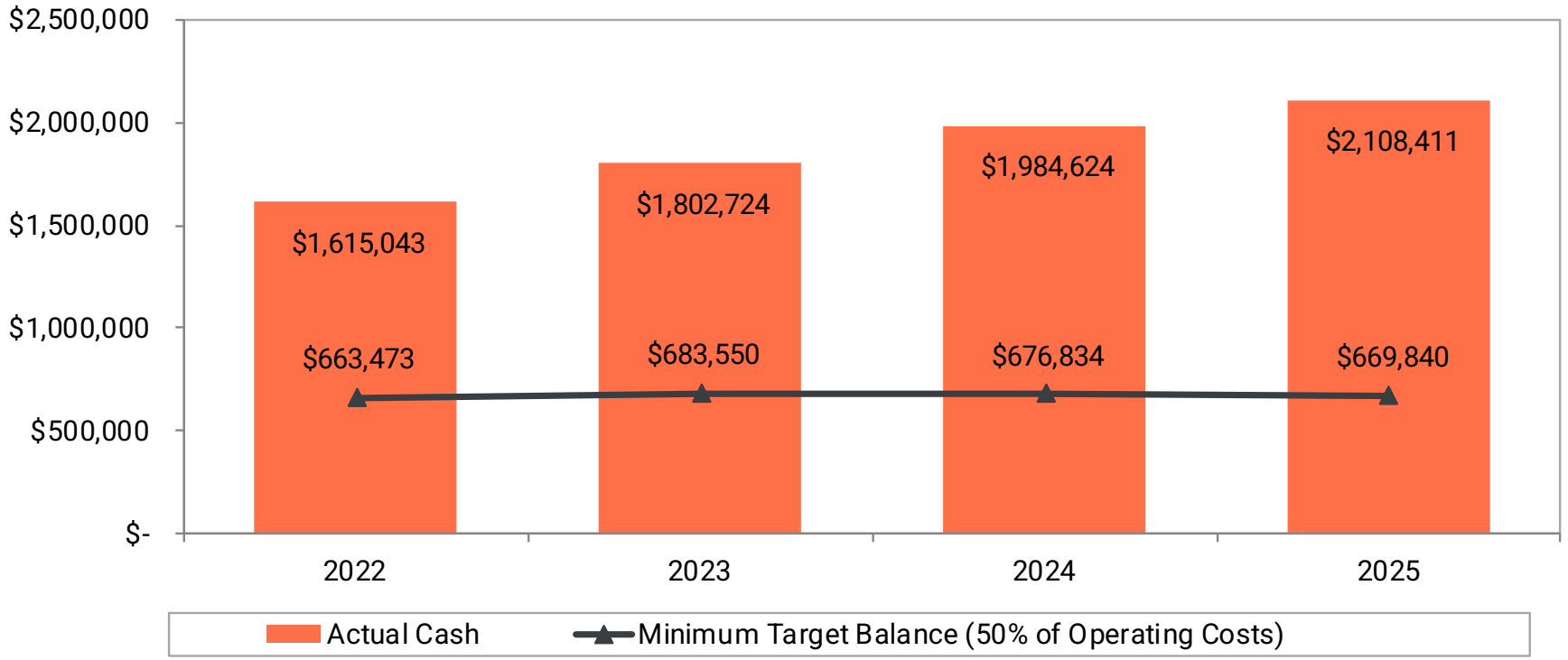
Liquor Store Fund

Cash Flows from Operations



Liquor Store Fund

Cash Balances



Liquor Store – Statewide Averages vs. Northfield Liquor Store

	Off-Sale Only	
	2022	2023
	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %
Cost of Sales	73.2	72.8
Gross profit	26.8	27.2
Operating Expenses	19.5	20.3
Operating income	7.3	6.9
Nonoperating Revenues (Expenses)	(0.6)	0.7
Income before transfers	6.7 %	7.6 %

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2023. Published by the Minnesota Office of the State Auditor.

	2023		2024		2025	
	Total	Percent	Total	Percent	Total	Percent
Sales	$ 2,860,923	100.0 %	$ 2,839,777	100.0 %	$ 2,767,162	100.0 %
Cost of Sales	(2,058,855)	(72.0)	(2,037,436)	(71.7)	(1,974,156)	(71.3)
Gross profit	802,068	28.0	802,341	28.3	793,006	28.7
Operating Expenses	(734,686)	(25.7)	(650,264)	(22.9)	(683,468)	(24.7)
Operating income (loss)	67,382	2.3	152,077	5.4	109,538	4.0
Nonoperating Income	108,683	3.8	74,548	2.6	86,710	3.1
Income before transfers	176,065	6.1	226,625	8.0	196,248	7.1
Transfers Out	(50,000)	(1.7)	(50,000)	(1.8)	(50,000)	(1.8)
Change in net position	$ 126,065	4.4	$ 176,625	6.2	$ 146,248	5.3
Cash and Temporary Investments	$ 1,615,043		$ 1,802,724		$ 2,108,411	

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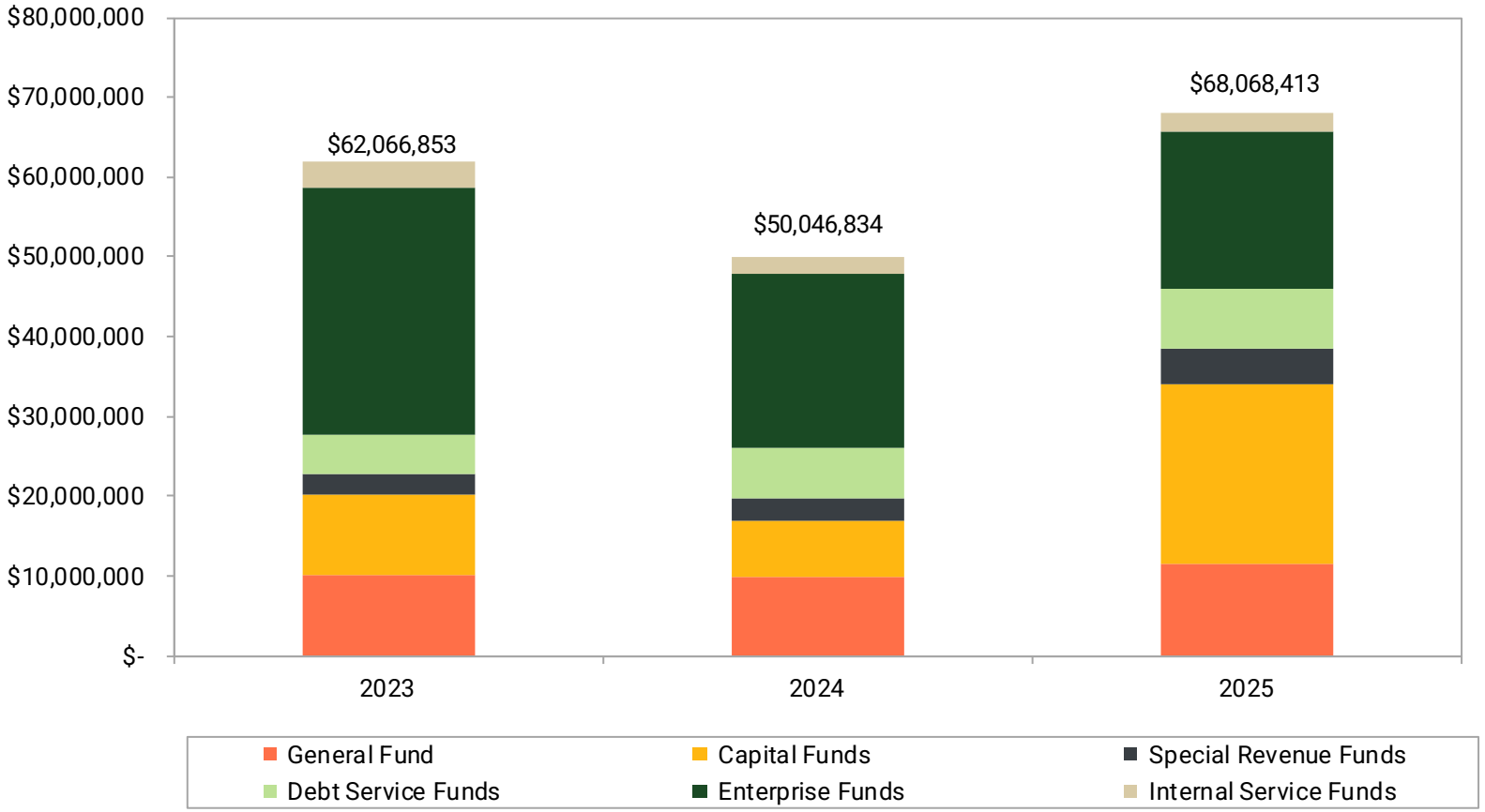
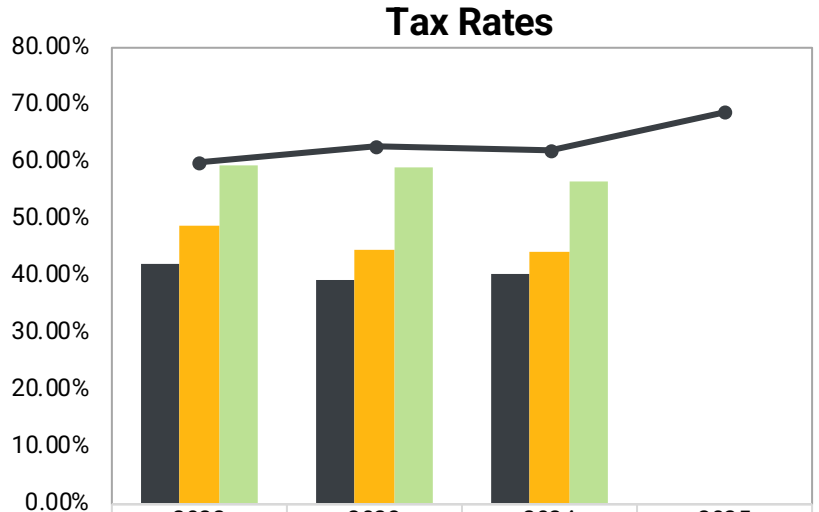
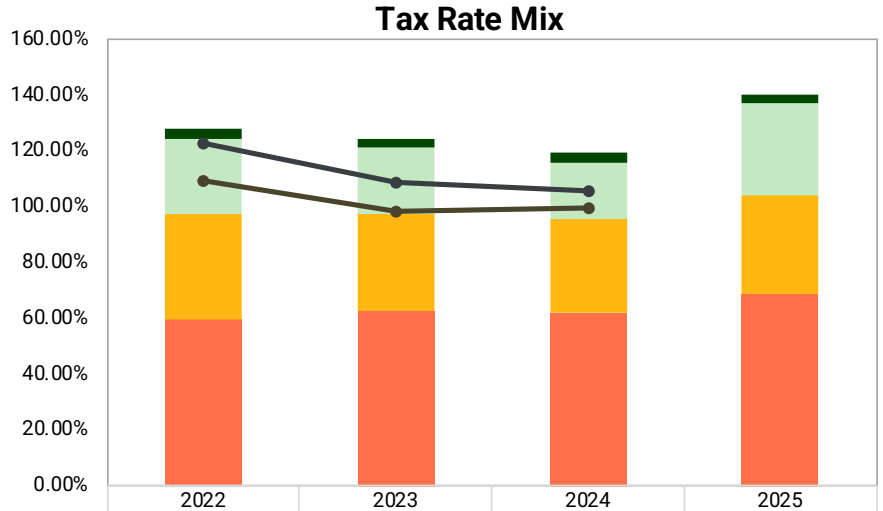
Cash and Investments Balances by Fund Type



Taxes



	2022	2023	2024	2025
Class 2 Cities	41.99%	39.16%	40.26%	N/A
Class 3 Cities	48.79%	44.60%	44.02%	N/A
Cities in Rice County	59.37%	59.03%	56.40%	N/A
City of Northfield	59.80%	62.58%	62.16%	68.67%



	2022	2023	2024	2025
Special Tax Rate	3.60%	3.35%	3.46%	3.57%
School Tax Rate	26.92%	23.74%	20.30%	32.67%
County Tax Rate	37.40%	34.83%	33.39%	35.52%
City Tax Rate	59.80%	62.58%	62.16%	68.67%
Class 2 Cities City Tax Rate	109.33%	98.55%	99.53%	
Class 3 Cities City Tax Rate	122.60%	108.87%	105.35%	

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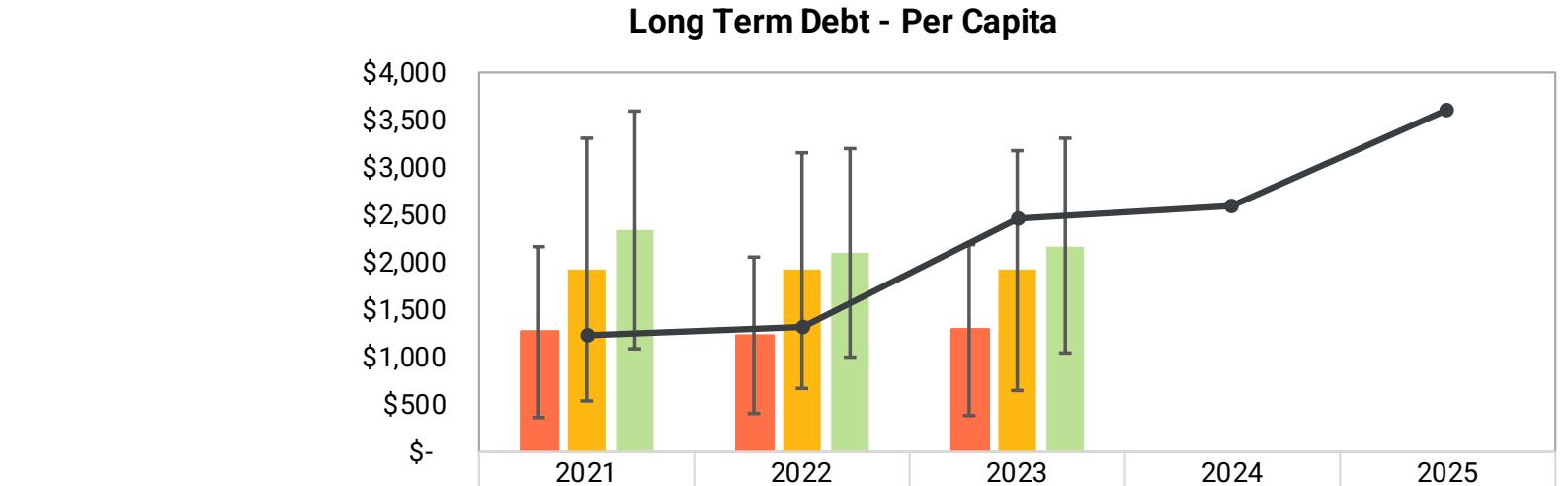
Debt



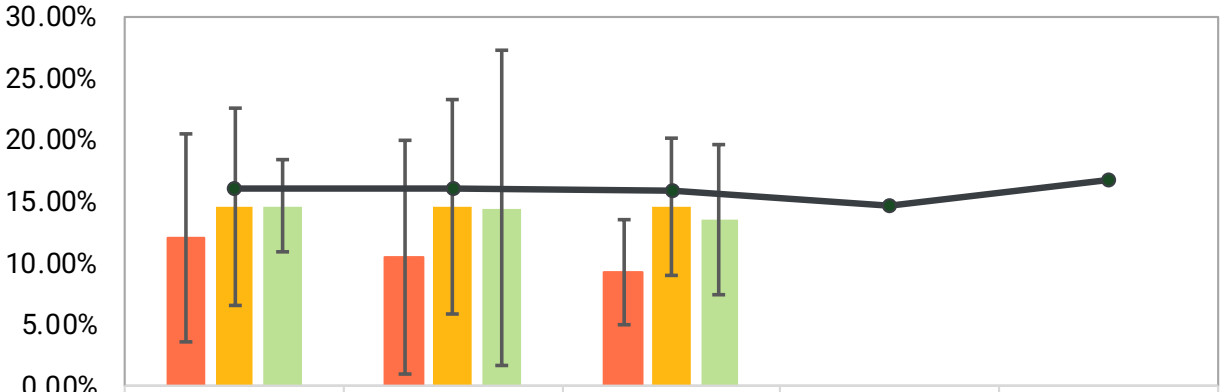
	2021	2022	2023	2024	2025
Class 2 Cities (20,001 - 100,000)	$1,271	$1,238	$1,290	N/A	N/A
Class 3 Cities (10,001 - 20,000)	$1,918	$1,918	$1,918	N/A	N/A
Cities in Rice County	$2,343	$2,108	$2,178	N/A	N/A
City of Northfield	$1,230	$1,318	$2,472	$2,605	$3,609

The City has a debt limit of $69,849,069 (3% of the City's taxable market value) as of December 31, 2025, the City had net debt applicable to the limit of $49,260,000.

KEY PERFORMANCE INDICATORS

Debt

Debt Service Expenditures as a Percent of Current Expenditures



	2021	2022	2023	2024	2025
Class 2 Cities (20,001 - 100,000)	12.08%	10.50%	9.27%	N/A	N/A
Class 3 Cities (10,001 - 20,000)	14.57%	14.57%	14.57%	N/A	N/A
Cities in Rice County	14.64%	14.50%	13.56%	N/A	N/A
City of Northfield	16.00%	16.00%	15.87%	14.70%	16.84%

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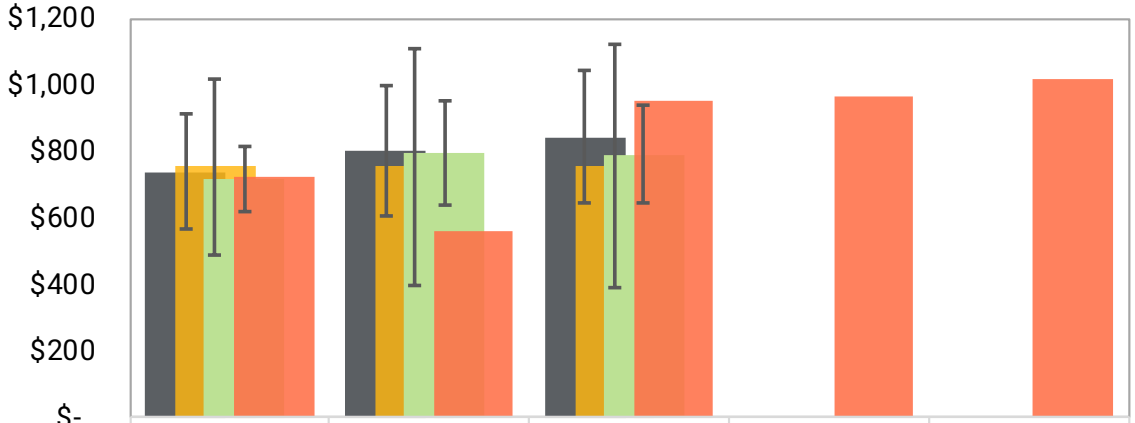
KEY PERFORMANCE INDICATORS

Expenditures

Current Expenditures - Per Capita



	2021	2022	2023	2024	2025
Class 2 Cities (20,001 - 100,000)	$739	$803	$842	N/A	N/A
Class 3 Cities (10,001 - 20,000)	$753	$753	$753	N/A	N/A
Cities in Rice County	$717	$794	$790	N/A	N/A
City of Northfield	$721	$561	$955	$964	$1,021

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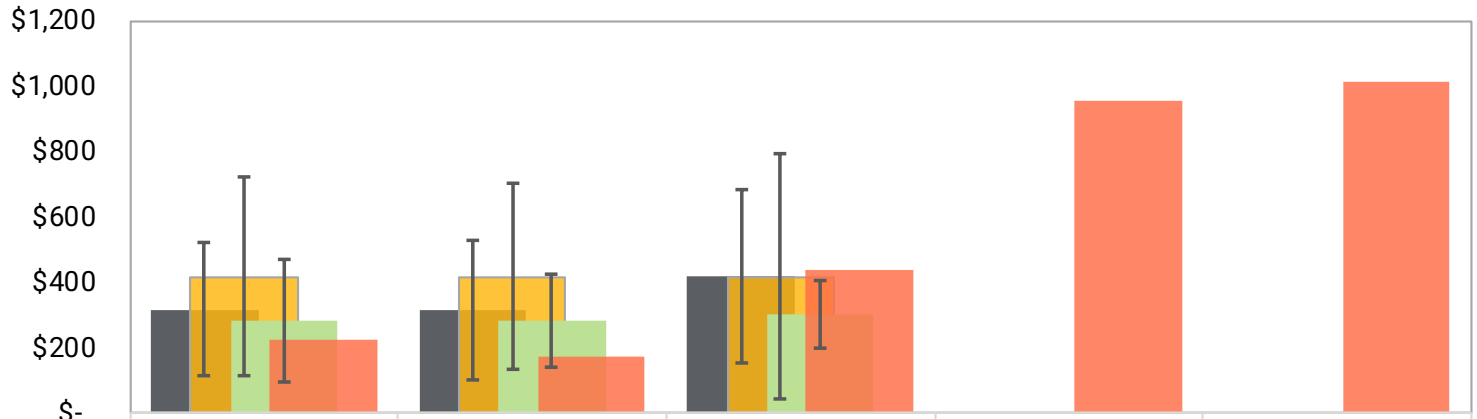
KEY PERFORMANCE INDICATORS

Expenditures

Capital Expenditures - Per Capita



	2021	2022	2023	2024	2025
Class 2 Cities (20,001 - 100,000)	$315	$315	$419	N/A	N/A
Class 3 Cities (10,001 - 20,000)	$418	$418	$418	N/A	N/A
Cities in Rice County	$282	$282	$301	N/A	N/A
City of Northfield	$224	$175	$437	$957	$1,012

Your Abdo Team

Tom
OLINGER
CPA - Partner

Kelsey
LARSON
CPA - Manager

Kelsey
GROSKREUTZ
Senior Associate

Ellie
FREDRICKSON
Senior Associate

Hope
WINTERS
Associate

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,

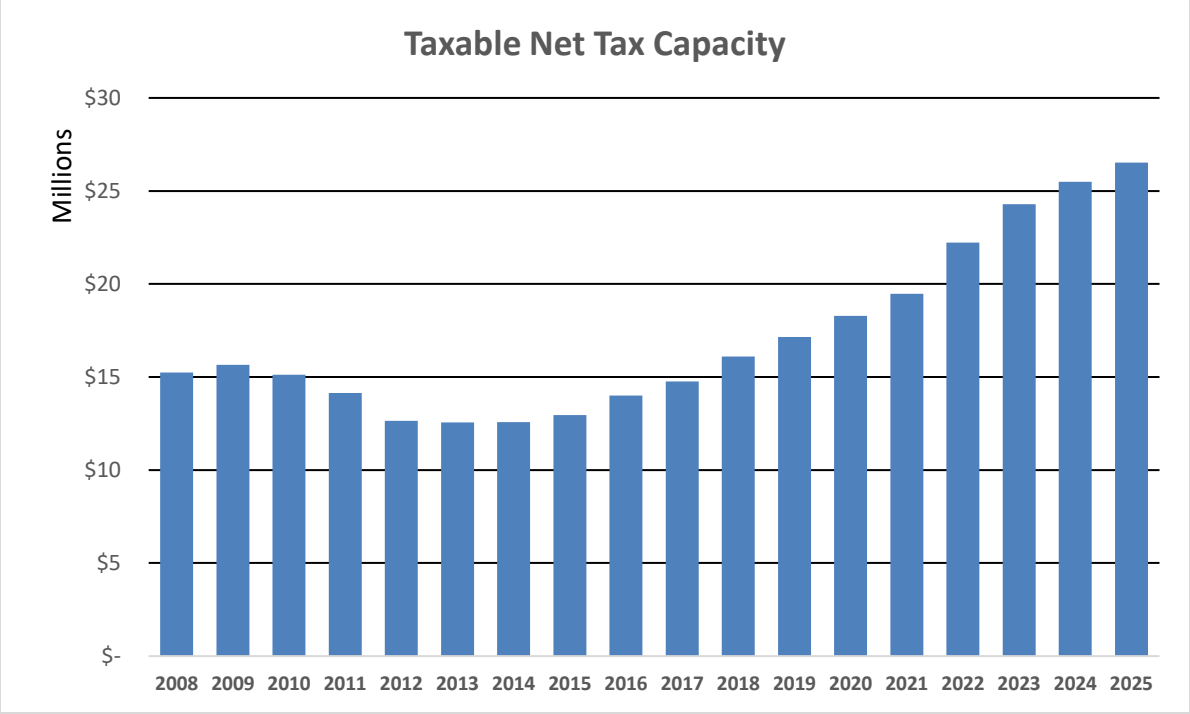
housing and care facilities. All of Minnesota's baby boomers will be 65 or older by year end 2028. According to state agency forecasts, the 65+ population will now exceed the number of children under 18 in the state between 2031 and 2035.

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

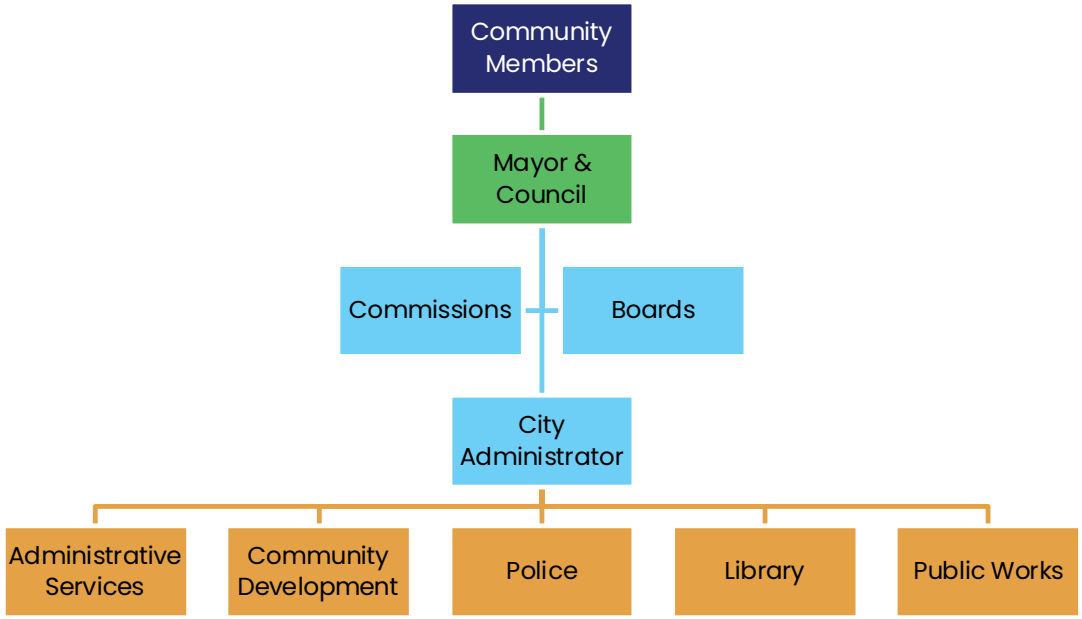
Elected

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

Christopher P. Morrill

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

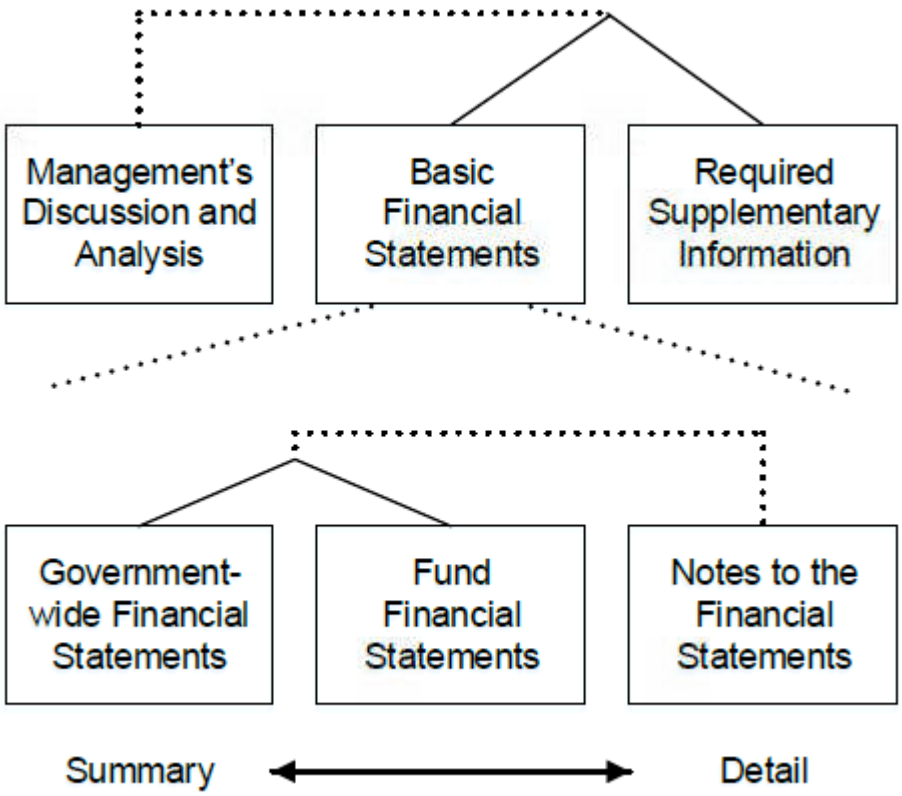


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the 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

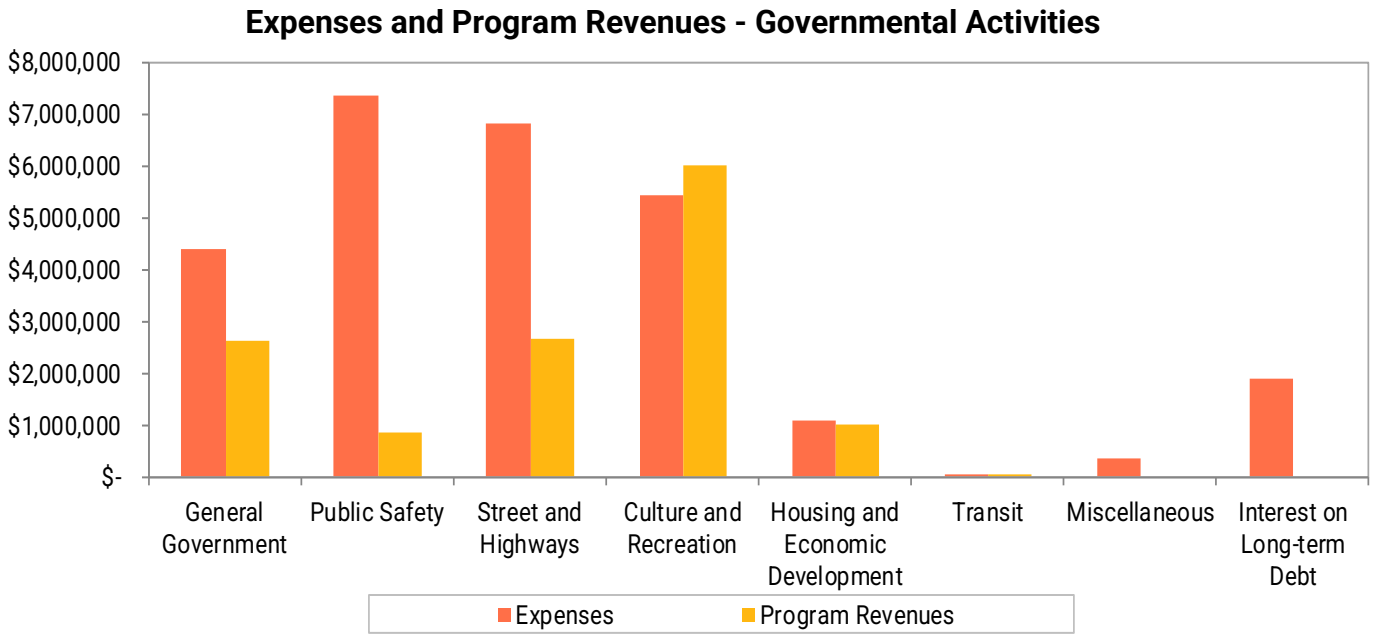
Property Taxes and Tax Increments

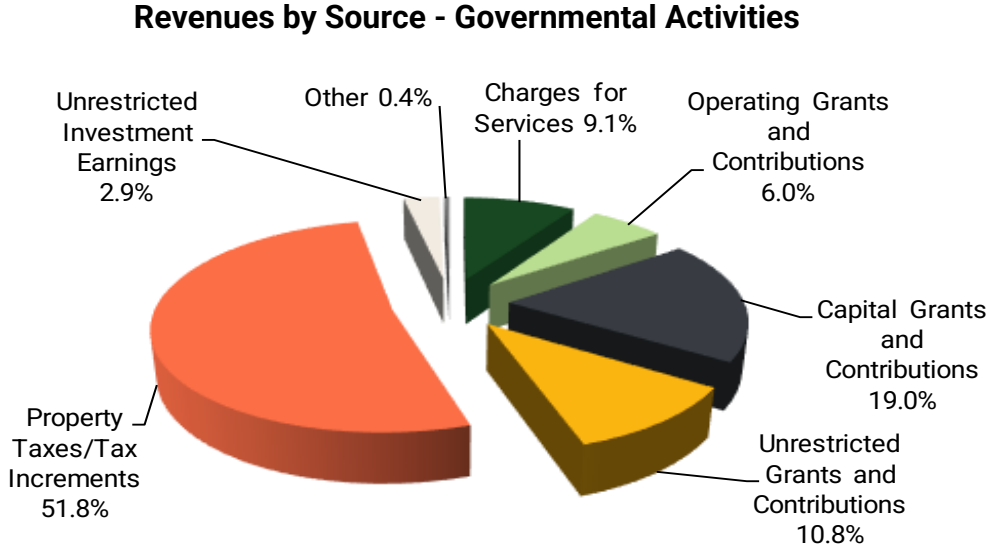
On December 3rd, 2024, the City Council approved a 15.8% increase in their 2025 levy. This increase was required to be within their 2025-2028 strategic plan to improve financial strength, increase housing availability, achieve infrastructure sustainability, and enhance service delivery.

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.

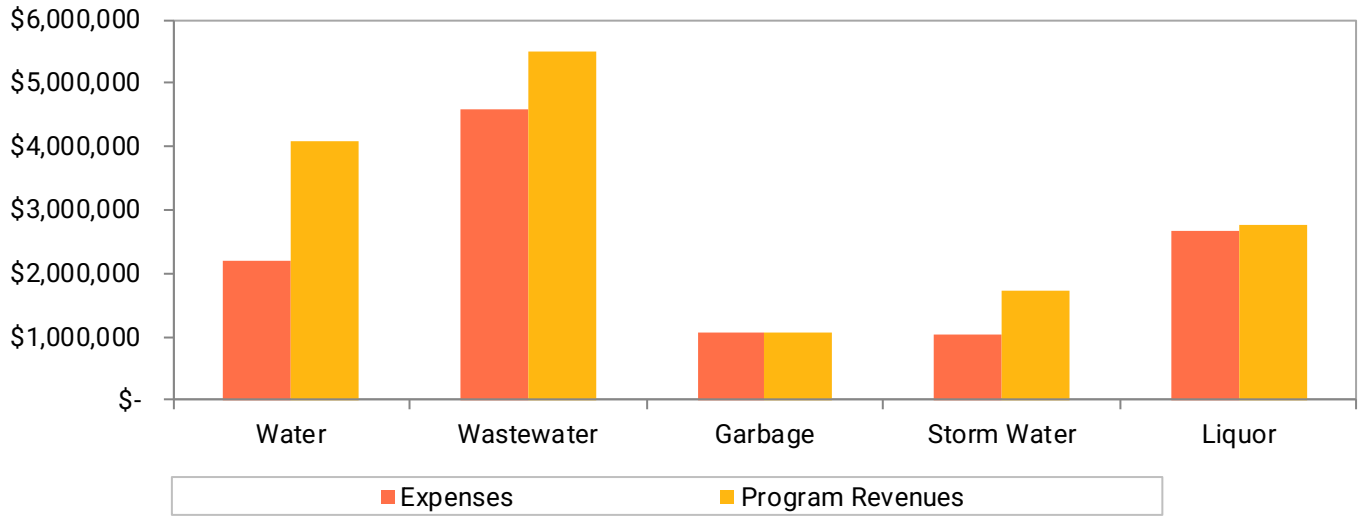




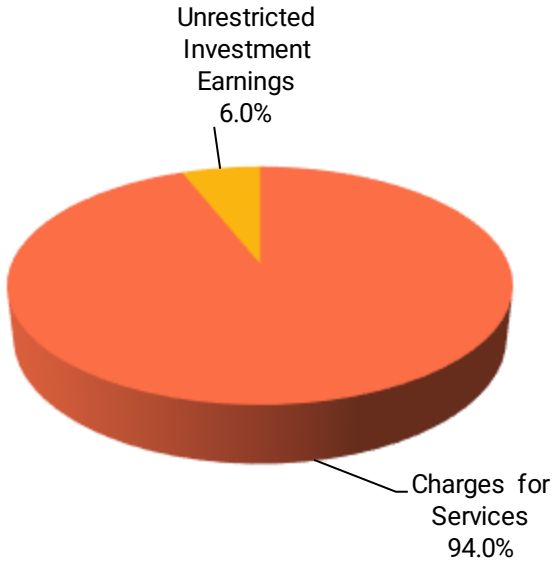
Business-type Activities. Business-type activities increased the City's net position as shown above. Key elements of this increase are as follows:

- 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	388	389	390	391	392	
Washington TIF Fund	Maple Brook TIF Fund	Spring Creek II TIF Fund	Kraewood TIF Fund	Archer TIF Fund	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

	2025			2016		
Taxpayer	Taxable Tax Capacity	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	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.

Table 14

Improvement Bonds			Tax Increment	Debt Service		
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.

Executive Governance Summary

City of Northfield

Northfield, Minnesota

For the year ended December 31, 2025

Abdo
Lighting the path forward

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

14500 N Northsight Blvd, Ste 321
Scottsdale, AZ 85260
P 480.864.5579

May 26, 2026

Management, Honorable Mayor and City Council
City of Northfield, Minnesota

We have audited 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 (the City) for the year ended December 31, 2025. 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 has been furnished to us, and our opinion insofar as it relates to the amounts included for the Northfield Municipal Hospital, is based solely on the report of the other auditors. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Governmental Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described below as finding 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 below as finding 2025-001 to be a significant deficiency.

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.

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.

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 Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2025. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period, except as noted in 9.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City are described below:

- Management's estimate of capital asset basis is based on estimated historical cost of the capital assets and depreciation is based on the estimated useful lives of capital assets.
- Compensated absences are based on vacation and sick hours accrued at year end and future usages.
- Other postemployment benefits are based on an actuarial calculation. We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, one of the misstatements detected as a result of audit procedures and corrected by management was material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

We also assisted in preparing a number of year-end accounting entries. These were necessary to adjust the City's records at year end to correct ending balances. The City should establish more detailed processes and procedures to reduce the total number of entries needed. The City will receive better, more timely information if the preparation of year-end entries is completed internally.

Disagreements with Management

For purposes of this letter professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 26, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios), Schedule of changes in the City's OPEB Liability and related ratios and the budgetary comparison schedule and related note disclosures which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical sections, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements:

GASB Statement No. 103 – Financial Reporting Model Improvements	Effective: 12/31/2026
GASB Statement No. 104 – Disclosure of Certain Capital Assets	Effective: 12/31/2026

Further information on upcoming GASB pronouncements.

* * * *

Restriction on Use

The purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Abdo
Mankato, Minnesota
May 26, 2026

File #: 26-308, **Version:** 1

City Council Meeting Date: June 16, 2026

To: City Council
City Administrator

From: Mayor Erica Zweifel
Consider Approval of Mayoral Board/Commission Youth Appointments.

Action Requested:
The Northfield City Council approves a motion to approve the Mayoral board/commission youth appointment as indicated below:

Mayor's Youth Council (all voting members)
Leo Peterson

Summary Report:
Most youth on board members were appointed at the April 21, 2026 meeting. However, one youth member declined their appointment, so the City Council is asked to approve the above appointment to fill the vacancy.

The MYC and youth appointees to boards and commissions act in an advisory capacity to the boards, commissions and City Council for the purposes of advising these groups on perspectives and issues important to Northfield youth in order to assure a youth voice in civic affairs, and working with community partners and other youth initiatives to help design and recommend solutions and options to address opportunities and areas of concern in the Northfield community. Youth members are appointed/reappointed annually. Applications to serve on the MYC, boards and commissions are completed and submitted to the Adult Advisor, Emily Culver. The applications are assembled and reviewed by the Adult Advisor and current members of the Youth on Boards program (as they are able). Recommendations for appointments to fill vacant or expired positions are made to the Mayor based on the review and the desire to create a MYC, and appointees to boards and commissions, that are gender, ethnic and age diverse. Members shall thereafter be appointed by the Mayor, with the approval of the City Council.

In addition to the youth that will serve on City Boards and Commissions during the 2026-27 school year, there are currently 5 additional youth serving on further Boards or Councils within the community that are part of the Youth on Boards program. These include the District Youth Council, Arcadia Charter School Board, and the Community Education Advisory Board, all part of the Northfield Public Schools system, 16 local non-profit Boards (Beyond the Yellow Ribbon, League of Women Voters, Clean River Partners, Northfield Area Family YMCA, Northfield Arts Guild, Healthy Community Initiative, Northfield Historical Society, Northfield Shares, Northfield Youth Choirs, Rice County Area United Way, Friends of Downtown Northfield, Friends and Foundation of the Northfield

Public Library, Northfield Chamber of Commerce, Northfield Convention and Visitor's Bureau, Women in Northfield Giving Support (WINGS), and Rice County Family Services Collaborative).

The Youth on Boards program is funded collaboratively between the City of Northfield, Youthprise and Healthy Community Initiative, with strong support from the Northfield School District.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
The youth member will start their term immediately.

File #: 26-309, **Version:** 1

City Council Meeting Date: June 16, 2026

To: City Council
City Administrator

From: Erica Zweifel, Mayor

Consider Approval of Mayoral Board and Commission Appointments.

Action Requested:
The Northfield City Council approves the following board/commission appointments.

Summary Report:
The City Council is being asked to approve the following board, commission, and committee appointments. With the recent code updates, most board and commission appointments have shifted to an April appointment and May start to terms.

The applications for individuals outside of Council members being recommended for appointment are also attached (attachment 1).

Proposed appointments in the attachment are as follows:

Human Rights Commission

- Veronica Griselda Jimenez Salas appointed to a partial term ending April 30, 2027.

Alternative Options:
N/A

Financial Impacts:
N/A

Tentative Timelines:
N/A

NORTHFIELD MINNESOTA

Application for Appointment to a Board or Commission / Solicitud de nombramiento para una junta o una comisión

Contact information / Información del solicitante

First Name / Nombre *

Veronica griselda

Last Name / Apellido *

Jimenez Salas

Today's Date / Fecha de hoy *

4/29/2026

Address / Dirección *

[redacted]

Phone number / número de teléfono *

[redacted]

Email / Correo electrónico *

[redacted]

Selection and interests / Selección e intereses

Select board(s) or commission(s) you wish to apply for. / Seleccione la(s) junta(s) o comisión(es) a la(s) que desea presentarse. *

You may select more than one. If the group you're interested in is not listed, please check "other" and fill in the name of the group. / Puede seleccionar más de uno. Si el grupo que le interesa no aparece en la lista, marque "otro" y escriba el nombre del grupo. Seleccione la junta, la comisión o el grupo de trabajo al que desea presentarse:

- [ ] Charter Commission / Comisión de la Carta
- [x] Economic Development Authority / Autoridad de Desarrollo Económico
- [ ] Environmental Quality Commission / Comisión de Calidad Medioambiental
- [ ] Heritage Preservation Commission / Comisión de Preservación del Patrimonio
- [ ] Hospital Board / Junta del hospital
- [x] Human Rights Commission / Comisión de Derechos Humanos
- [x] Library Board / Consejo de la Biblioteca
- [ ] Youth Substance Prevention Alliance Task Force / Grupo de trabajo de la Alianza para la Prevención del Consumo de Sustancias entre los Jóvenes
- [ ] Northfield Area Fire & Rescue Services Joint Powers Board / Junta de Poderes Conjuntos de los Servicios de Rescate e Incendios del Área de Northfield
- [ ] Planning Commission/Zoning Board / Comisión de Urbanismo/Junta de Zonificación
- [ ] Other / Otro

Why are you interested in serving on a City of Northfield board or commission? / ¿Por qué le interesa formar parte de una junta o comisión de la ciudad de Northfield? *

La razón por la que estoy interesada es porque me encantaría apoyar a nuestra hermosa comunidad latina de northfield y para unir más a la comunidad angla con la comunidad latina

What interests you about the board(s)/commissions(s) you selected? / ¿Qué le interesa de la(s) junta(s)/comisión(es) seleccionada(s) en la pregunta 1? *

Me interesa incorporar la voz para apoyar a la comunidad en lo que yo pueda

What do you feel you would add to selected board(s)/commission(s)? / ¿Qué cree que aportaría a la(s) junta(s)/comisión(es) seleccionada(s)? *

Liderazgo , ideas , comunicación , apoyo , entusiasmo e unidad entre comunidades

Describe any current or past experience serving on a board or commission. / Describa su experiencia actual o pasada como miembro de un consejo o comisión. *

La comisión de adiciones de alcohol y drogas . Me encantó escuchar que hay gente que se preocupa por las adicciones y que pueden tener apoyo y también poder votar para frenar los límites de tabaco .

Describe any current or past community involvement. / Describa cualquier participación actual o pasada en la comunidad. *

Comisión de adicciones y drogas

Describe any current or past related education, training, or work experience. / 7. Describa cualquier tipo de educación, formación o experiencia laboral relacionada actual o pasada. *

Estudié administración de empresas

What does Northfield do well? / ¿Qué hace bien Northfield? *

Me encanta Northfield es una comunidad muy unida

What challenges does Northfield face? / ¿A qué retos se enfrenta Northfield? *

Los negocios

What is your vision for Northfield? / ¿Cuál es su visión de Northfield? *

Que el turismo se amplíe

Reapplying

If you are reapplying for a term on a board/commission, please complete the below questions. / Si Vuelve a presentar su candidatura para un mandato en un consejo/comisión, rellene las siguientes preguntas.

Explain what you've added to the work of your board or commission during your term(s). / 11. Explique qué ha aportado al trabajo de su junta/comisión durante su(s) mandato(s).

El apoyo para sugerir ideas

What have you found most fulfilling during your term(s)? / ¿Qué es lo que más le ha llenado durante su mandato?

Tener esperanza de vivir en un mundo mejor

What have you found most challenging during your term(s)? / 13. ¿Qué le ha resultado más difícil durante su mandato?

Que las ideas o metas no se logren

Questions / Preguntas

Contact Lynette Peterson, City Clerk, City of Northfield, 801 Washington St., Northfield, MN 55057

Email Lynette Peterson

Póngase en contacto con Lynette Peterson, Secretaria Municipal, Ciudad de Northfield, 801 Washington St., Northfield, MN 55057

Envié correo electrónico a Lynette Peterson

Public data / Datos públicos

All information supplied on this form will be public data. Your address, telephone number, email address do not become public until you are appointed.

Toda la información facilitada en este formulario serán datos públicos. Su dirección, número de teléfono y dirección de correo electrónico no se harán públicos hasta que sea nombrado.

NORTHFIELD MINNESOTA

Application for Appointment to a Board or Commission / Solicitud de nombramiento para una junta o una comisión

Contact information / Información del solicitante

First Name / Nombre *

Veronica griselda

Last Name / Apellido *

Jimenez Salas

Today's Date / Fecha de hoy *

4/29/2026

Address / Dirección *

[redacted]

Phone number / número de teléfono *

[redacted]

Email / Correo electrónico *

[redacted]

Selection and interests / Selección e intereses

Select board(s) or commission(s) you wish to apply for. / Seleccione la(s) junta(s) o comisión(es) a la(s) que desea presentarse. *

You may select more than one. If the group you're interested in is not listed, please check "other" and fill in the name of the group. / Puede seleccionar más de uno. Si el grupo que le interesa no aparece en la lista, marque "otro" y escriba el nombre del grupo. Seleccione la junta, la comisión o el grupo de trabajo al que desea presentarse:

- [ ] Charter Commission / Comisión de la Carta
- [x] Economic Development Authority / Autoridad de Desarrollo Económico
- [ ] Environmental Quality Commission / Comisión de Calidad Medioambiental
- [ ] Heritage Preservation Commission / Comisión de Preservación del Patrimonio
- [ ] Hospital Board / Junta del hospital
- [x] Human Rights Commission / Comisión de Derechos Humanos
- [x] Library Board / Consejo de la Biblioteca
- [ ] Youth Substance Prevention Alliance Task Force / Grupo de trabajo de la Alianza para la Prevención del Consumo de Sustancias entre los Jóvenes
- [ ] Northfield Area Fire & Rescue Services Joint Powers Board / Junta de Poderes Conjuntos de los Servicios de Rescate e Incendios del Área de Northfield
- [ ] Planning Commission/Zoning Board / Comisión de Urbanismo/Junta de Zonificación
- [ ] Other / Otro

Why are you interested in serving on a City of Northfield board or commission? / ¿Por qué le interesa formar parte de una junta o comisión de la ciudad de Northfield? *

The reason I'm interested is that I'd love to support our wonderful Latino community in Northfield and help bring the English-speaking community and the Latino community closer together.

What interests you about the board(s)/commissions(s) you selected? / ¿Qué le interesa de la(s) junta(s)/comisión(es) seleccionada(s) en la pregunta 1? *

I'm interested in using my voice to support the community in any way I can.

What do you feel you would add to selected board(s)/commission(s)? / ¿Qué cree que aportaría a la(s) junta(s)/comisión(es) seleccionada(s)? *

Leadership, ideas, communication, support, enthusiasm, and unity among communities.

Describe any current or past experience serving on a board or commission. / Describa su experiencia actual o pasada como miembro de un consejo o comisión. *

The Alcohol and Drug Addiction Committee. I was thrilled to hear that there are people who care about addiction, that they can get support, and that they can also vote to tighten tobacco regulations.

Describe any current or past community involvement. / Describa cualquier participación actual o pasada en la comunidad. *

Committee on Addiction and Drugs

Describe any current or past related education, training, or work experience. / 7. Describa cualquier tipo de educación, formación o experiencia laboral relacionada actual o pasada. * I studied business administration

What does Northfield do well? / ¿Qué hace bien Northfield? *

I love Northfield—it's a close-knit community

What challenges does Northfield face? / ¿A qué retos se enfrenta Northfield? *

Business

What is your vision for Northfield? / ¿Cuál es su visión de Northfield? *

Let tourism expand

Reapplying

If you are reapplying for a term on a board/commission, please complete the below questions. / Si Vuelve a presentar su candidatura para un mandato en un consejo/comisión, rellene las siguientes preguntas.

Explain what you've added to the work of your board or commission during your term(s). / 11. Explique qué ha aportado al trabajo de su junta/comisión durante su(s) mandato(s).

Support for suggesting ideas

What have you found most fulfilling during your term(s)? / ¿Qué es lo que más le ha llenado durante su mandato?

To have hope for a better world

What have you found most challenging during your term(s)? / 13. ¿Qué le ha resultado más difícil durante su mandato?

That ideas or goals are not achieved

Questions / Preguntas

Contact Lynette Peterson, City Clerk, City of Northfield, 801 Washington St., Northfield, MN 55057 Email Lynette Peterson

Póngase en contacto con Lynette Peterson, Secretaria Municipal, Ciudad de Northfield, 801 Washington St., Northfield, MN 55057

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File #: Res. 2026-057, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and Members of Council

From: Ben Martig, City Administrator

Consider Resolution Naming Cannon River Regional Park.

Action Requested:
The City Council is asked to approve a resolution naming the Cannon River Regional Park.

Summary Report:
At the June 2, 2026 meeting, the City Council discussed the concept of creating a shared regional park identity encompassing parks, trails, natural areas, and recreational amenities located along the Cannon River corridor within the Cities of Northfield and Dundas. Staff presented the concept of the Cannon River Regional Park as a means of recognizing and promoting the corridor as a connected regional recreational and natural resource while maintaining existing ownership and management responsibilities.

Following that discussion, staff is recommending formal adoption of the name Cannon River Regional Park for the proposed regional park corridor. Adoption of the name would establish a consistent identity for future planning, promotion, partnership discussions, and grant applications.

The proposed Cannon River Regional Park would serve as a shared identity for existing and future parks, trails, and natural resource areas located along the Cannon River corridor. The designation would not alter ownership, governance, operational responsibilities, or regulatory authority over any existing facilities. Northfield and Dundas would continue to independently own, operate, and maintain their respective parks and amenities.

The proposed corridor continues a history of collaboration between Northfield and Dundas, including previous state-funded trail and park projects. The name Cannon River Regional Park has also been referenced in prior grant applications related to the Cannon River Regional Trail corridor, although it has not previously been formally adopted by either city.

The corridor concept also provides opportunities to strengthen connections to regional destinations and resources, including the Mill Towns State Trail, Lake Byllesby Regional Park, Cowling Arboretum, and the historic downtown areas of Northfield and Dundas.

Approval of the resolution will formally establish the name Cannon River Regional Park and authorize staff to proceed with submission of a Preliminary Designation Application to the Greater Minnesota Regional Parks and Trails Commission and continue discussions with the City of Dundas regarding future collaboration opportunities. Authorization to submit the Preliminary Designation Application is included as a separate item on this meeting's consent agenda.

City Plans & Policies Relevance:

- Parks Master Plan
- Pedestrian, Bike, and Trail System Plan
- Riverfront Enhancement Action Plan
- Strategic Plan 2025-2028

Alternative Options:
None.

Financial Impacts:
Seeking initial review designation under the Greater Minnesota Parks and Trails would have some staff and consulting time needed. However, there are funds available in the park fund.

Tentative Timelines:
- ✓ June 2, 2026 - Council discussed naming Cannon River Regional Park and related funding opportunities
- June 16, 2026 - Council consider resolution naming "Cannon River Regional Park"
- June 16, 2026 - Council consider resolution seeking designation as a regional park with Greater Minnesota Parks and Trails
- July - Dundas Council consider resolution naming "Cannon River Regional Park"
- July - Dundas Council consider resolution seeking designation as a regional park with Greater Minnesota Parks and Trails

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-057

RESOLUTION BY THE CITY OF NORTHFIELD, MINNESOTA IN PARTNERSHIP WITH THE CITY OF DUNDAS, MINNESOTA DESIGNATING THE "CANNON RIVER REGIONAL PARK"

WHEREAS, the City of Northfield's adopted Riverfront Enhancement Action Plan identifies the creation of a regional river destination and the pursuit of a regional park designation as key implementation strategies to enhance public access to the Cannon River, strengthen connections between parks, trails, downtown, and neighborhoods, and support long-term community and economic vitality; and

WHEREAS, the Northfield 2045 Comprehensive Plan includes goals and implementation strategies to improve access to the river, build upon Northfield's unique quality of place, preserve natural assets, establish interconnected systems of parks, trails, and greenways, and advance implementation of the Riverfront Enhancement Action Plan; and

WHEREAS, the City's Parks, Open Space, and Trail planning efforts recognize the Cannon River corridor as one of Northfield's most significant recreational, environmental, cultural, and economic assets and support continued investment in riverfront parks, trails, and public spaces; and

WHEREAS, a regional park designation will strengthen opportunities to secure state, regional, federal, and philanthropic funding, expand recreational and tourism opportunities, enhance environmental stewardship of the Cannon River corridor, and further Northfield's vision of creating a connected riverfront experience that benefits residents and visitors alike; and

WHEREAS, the Cannon River serves as a defining natural and cultural feature that connects Northfield, Dundas, surrounding communities, regional trails, and the broader Cannon River watershed, making a regional park designation a natural extension of the community's long-term vision for the river corridor; and

WHEREAS, the City of Northfield, in partnership with the City of Dundas, has discussed the concept of creating a shared regional park identity that recognizes the recreational, environmental, cultural, and economic significance of the Cannon River corridor; and

WHEREAS, the Cities of Northfield and Dundas have a history of collaboration on trail, park, and river corridor improvements; and

WHEREAS, the proposed regional park corridor includes existing and future parks, trails, open spaces, and related amenities located along the Cannon River within the Cities of Northfield and Dundas; and

WHEREAS, the designation of a regional park name does not alter ownership, governance, operational responsibilities, or regulatory authority over any existing park, trail, or facility; and

WHEREAS, the City of Northfield and the City of Dundas recognize that a regional park designation will provide significant benefits, including strengthening regional identity, promoting tourism and economic vitality, improving public awareness and access to recreational opportunities, supporting coordinated planning and wayfinding, enhancing environmental stewardship of the river corridor, and improving opportunities for regional partnerships and grant funding.

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

1. The City hereby formally adopts the name "*Cannon River Regional Park"* for the regional park corridor located along the Cannon River within and within the City of Northfield as illustrated in Exhibit A.

   The regional park designation is intended to function as a unifying regional park overlay encompassing multiple existing parks, trails, public spaces, and natural areas along the Cannon River corridor, recognizing and connecting the collective value of these individual destinations while preserving their unique character, history, and identity.

2. The regional park designation is intended to function as a unifying regional park overlay encompassing multiple existing parks, trails, public spaces, and natural areas along the Cannon River corridor.

3. Existing park names, identities, facilities, and management responsibilities shall remain unchanged, including but not limited to Ames Park, Bridge Square, Riverside Lions Park, Babcock Park, Memorial Park, Mill Park, Sechler Park, and other participating parks and trail segments, with the regional park designation serving as an overarching framework to promote connectivity, coordinated planning, resource stewardship, recreation, tourism, and environmental stewardship opportunities.

4. The naming of the Cannon River Regional Park is intended to provide a shared identity for regional promotion, planning, partnership development, and grant opportunities and does not modify ownership, management, maintenance, governance, or regulatory authority over any existing park, trail, or facility.

5. The City of Northfield encourages and supports participation by the City of Dundas in the broader Cannon River Regional Park concept. Exhibit B illustrates a conceptual depiction of potential future connections and amenities within the City of Dundas; however, the specific facilities, boundaries, designations, and future participation of the City of Dundas shall be determined solely by the City of Dundas through its own planning and approval processes.

6. City staff are authorized to continue discussions and coordination with the City of Dundas and other regional partners regarding future planning, designation, promotion, and development opportunities associated with the Cannon River Regional Park.

PASSED by the City Council of the City of Northfield on this 16 day of June, 2026.

ATTEST

_____ _____

City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

___ NESS ___ PETERSON WHITE ___ SOKUP

EXHIBIT A

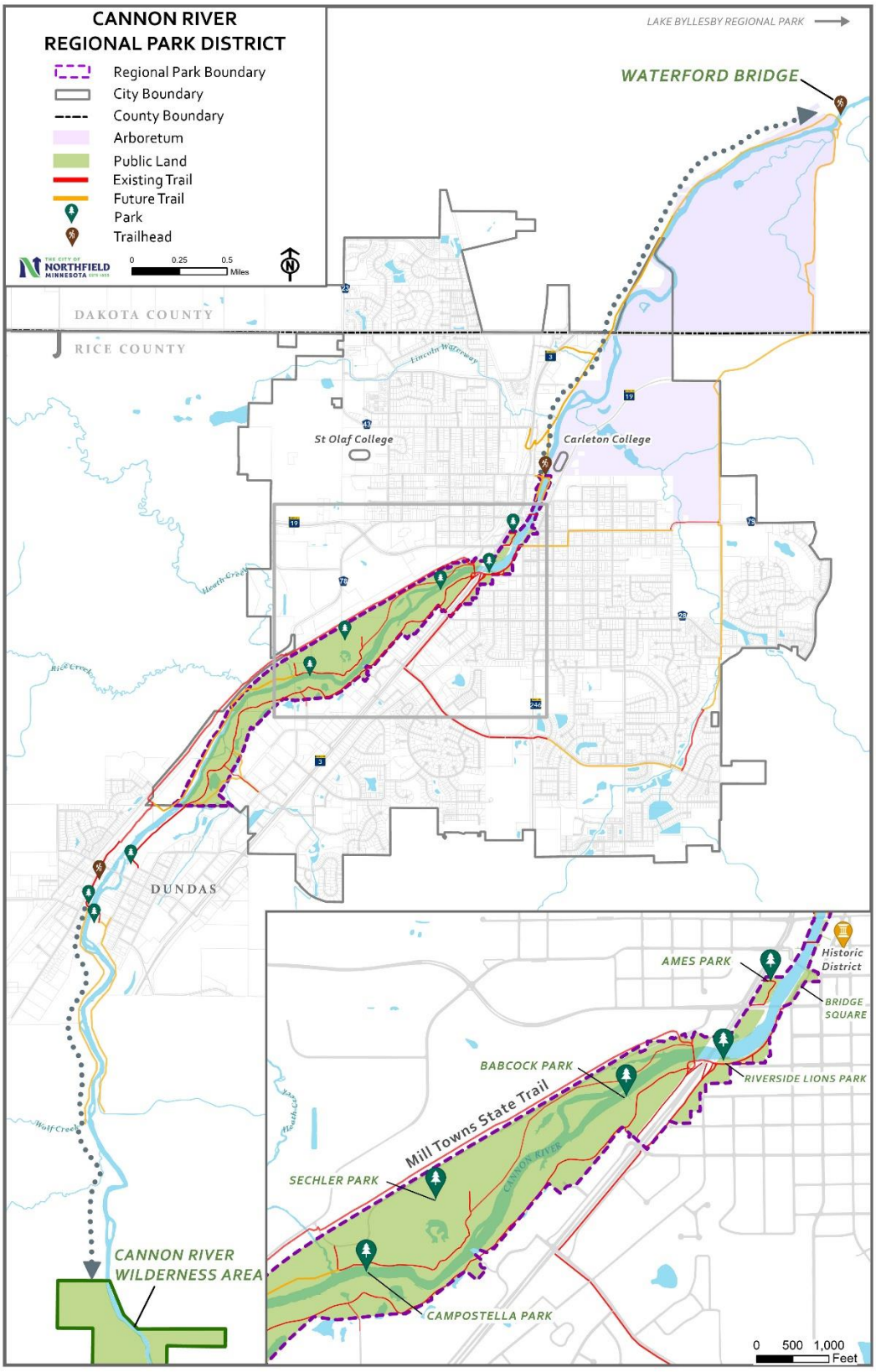
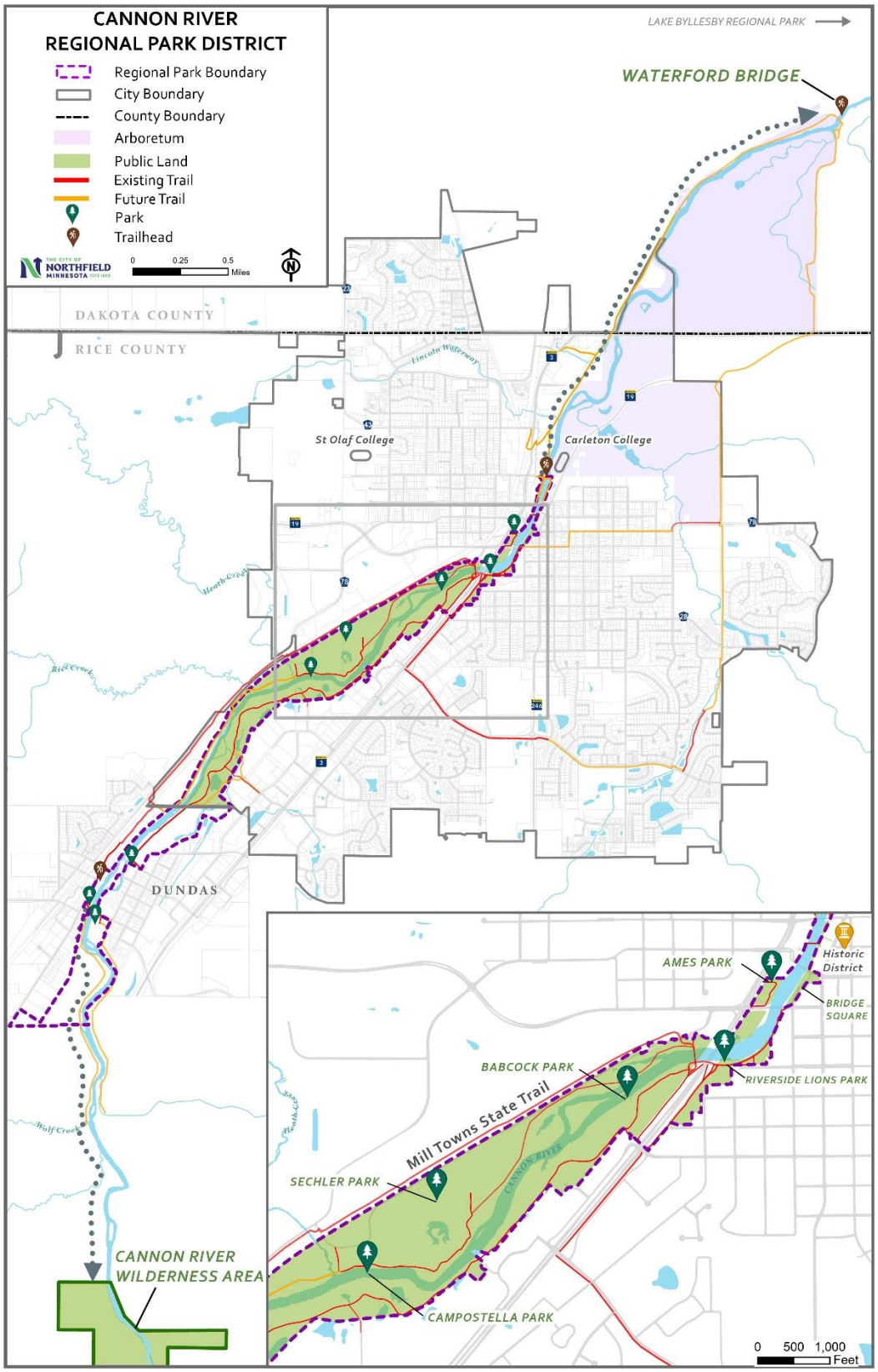

CANNON RIVER
REGIONAL PARK DISTRICT
Regional Park Boundary
City Boundary
County Boundary
Arboretum
Public Land
Existing Trail
Future Trail
Park
Trailhead
0 0.25 0.5 Miles
LAKE BYLLESBY REGIONAL PARK
WATERFORD BRIDGE
DAKOTA COUNTY
RICE COUNTY
Lincoln Waterway
St Olaf College
Carleton College
Heath Creek
Rice Creek
DUNDAS
Wolf Creek
CANNON RIVER WILDERNESS AREA
AMES PARK
Historic District
BRIDGE SQUARE
BABCOCK PARK
RIVERSIDE LIONS PARK
Mill Towns State Trail
SECHLER PARK
CANNON RIVER
CAMPOSTELLA PARK
0 500 1,000 Feet

EXHIBIT B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CANNON RIVER
SECHLER PARK
CAMPOSTELLA PARK
0 500 1,000
Feet

File #: Res. 2026-063, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and Members of Council

\From: Ben Martig, City Administrator

Consider Resolution Authorizing Application to the Regional Parks and Trail Commission for Designation of *Cannon River Regional Park* as a Greater MN Regional Park.

Action Requested:
The City Council is asked to consider a resolution authorizing an application to the Regional Parks and Trail Commission for Designation of *Cannon River Regional Park* to a Greater MN Regional Park.

Summary Report:
At the June 2, 2026 meeting, the City Council discussed the concept of the Cannon River Regional Park and the opportunity to pursue designation through the Greater Minnesota Regional Parks and Trails Commission (GMRPTC). A resolution authorizing the formal naming of the Cannon River Regional Park is a separate item on this meeting's consent agenda.

Staff is requesting authorization to submit a Preliminary Designation Application to the Greater Minnesota Regional Parks and Trails Commission for the Cannon River Regional Park. The preliminary designation process provides an opportunity for the Commission to evaluate whether the proposed park demonstrates regional significance and should advance to a full designation application.

The proposed Cannon River Regional Park includes a network of existing and planned parks, trails, natural areas, and recreational amenities located along the Cannon River corridor in Northfield and Dundas. The corridor contains significant natural, cultural, recreational, and scenic resources and serves as a destination for residents and visitors throughout the region.

Designation by the Greater Minnesota Regional Parks and Trails Commission may provide future eligibility for state funding opportunities available to designated regional parks and trails. The Commission annually distributes approximately $11-14 million for acquisition, development, restoration, and improvement projects within designated regional parks and trails systems.

Representatives of the Greater Minnesota Regional Parks and Trails Commission have visited the proposed corridor and indicated that the Cannon River Regional Park appears to be a strong candidate for preliminary review. Staff believes submission of the application represents a low-risk opportunity to evaluate the corridor's eligibility for regional designation and to better position the community for future funding opportunities.

Submission of the Preliminary Designation Application does not commit the City to pursuing full designation, undertaking any specific projects, or accepting future grant funding. The application is intended to obtain

feedback from the Commission regarding the regional significance of the proposed park and the feasibility of pursuing designation.

Approval of the resolution will authorize staff to submit the Preliminary Designation Application to the Greater Minnesota Regional Parks and Trails Commission and continue coordination with the City of Dundas and other regional partners as the review process moves forward.

City Plans & Policies Relevance:

- Parks Master Plan
- Pedestrian, Bike, and Trail System Plan
- Riverfront Enhancement Action Plan
- Strategic Plan 2025-2028

Alternative Options:
None.

Financial Impacts:
Seeking initial review designation under the Greater Minnesota Parks and Trails would have some staff and consulting time needed. However, there are funds available in the park fund.

Tentative Timelines:

- ✓ June 2, 2026 - Council discussed naming Cannon River Regional Park and related funding opportunities
- June 16, 2026 - Council consider resolution naming “Cannon River Regional Park”
- June 16, 2026 - Council consider resolution seeking designation as a regional park with Greater Minnesota Parks and Trails
- July - Dundas Council consider resolution naming “Cannon River Regional Park”
- July - Dundas Council consider resolution seeking designation as a regional park with Greater Minnesota Parks and Trails

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-063

RESOLUTION AUTHORIZING APPLICATION TO THE REGIONAL PARKS AND TRAIL COMMISSION FOR DESIGNATION OF CANNON RIVER REGIONAL PARK AS A GREATER MN REGIONAL PARK.

WHEREAS, the City of Northfield and the City of Dundas acknowledge the Cannon River Regional Park as a shared regional park corridor recognizing the recreational, environmental, cultural, and economic significance of the Cannon River corridor; and

WHEREAS, the proposed Cannon River Regional Park includes existing and future parks, trails, open spaces, and related recreational amenities located along the Cannon River within the Cities of Northfield and Dundas; and

WHEREAS, the Cities of Northfield and Dundas have a history of collaboration on trail, park, and river corridor improvements and continue to work together to enhance recreational opportunities and natural resource stewardship; and

WHEREAS, the Greater Minnesota Regional Parks and Trails Commission (GMRPTC) is responsible for reviewing and recommending regionally significant parks and trails for designation within the Greater Minnesota Regional Parks and Trails System; and

WHEREAS, designation within the Greater Minnesota Regional Parks and Trails System may provide future eligibility for state funding opportunities to support park and trail acquisition, development, restoration, and improvement projects; and

WHEREAS, representatives of the Greater Minnesota Regional Parks and Trails Commission have reviewed the proposed corridor and encouraged submission of a Preliminary Designation Application; and

WHEREAS, submission of a Preliminary Designation Application does not alter ownership, governance, operational responsibilities, or regulatory authority over existing parks, trails, or facilities and does not obligate either city to undertake future projects or accept future funding; and

WHEREAS, the City Council finds that submission of a Preliminary Designation Application is in the best interest of the community and will allow for further evaluation of the regional significance of the Cannon River Regional Park; and

WHEREAS, the Cannon River Regional Park shall generally consist of the corridor depicted on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the City of Northfield has the legal authority to act as a public sponsor and applicant for regional park designation purposes and acknowledges the responsibilities associated with participation in the Greater Minnesota Regional Parks and Trails System.

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

1. The City Administrator, or designee, is authorized to prepare and submit a Preliminary Designation Application to the Greater Minnesota Regional Parks and Trails Commission for the Cannon River Regional Park and to act on behalf of the City as the authorized applicant for purposes of the designation review process.
2. The City Council formally recognizes the City of Dundas as a partner in the proposed Cannon River Regional Park and supports submission of the application as a collaborative regional effort.
3. City staff are authorized to work with the City of Dundas and other regional partners in preparing materials and supporting documentation necessary for the application process.
4. The City acknowledges its obligation to comply with all applicable federal, state, and local laws, regulations, and program requirements associated with regional park designation and any future grant funding accepted by the City.
5. If the Cannon River Regional Park receives regional designation, the City affirms that it possesses the legal authority to enter into designation agreements and future funding agreements related to City-owned portions of the regional park system, subject to any approvals required by law and future City Council authorization.
6. Submission of the Preliminary Designation Application shall not be construed as a commitment to pursue full designation, undertake specific capital projects, enter into funding agreements, or accept future grant funding without subsequent City Council review and approval.
7. City staff are directed to report back to the City Council regarding the results of the preliminary review and any future recommendations related to regional park designation.

PASSED by the City Council of the City of Northfield on this 16 day of June, 2026.

ATTEST

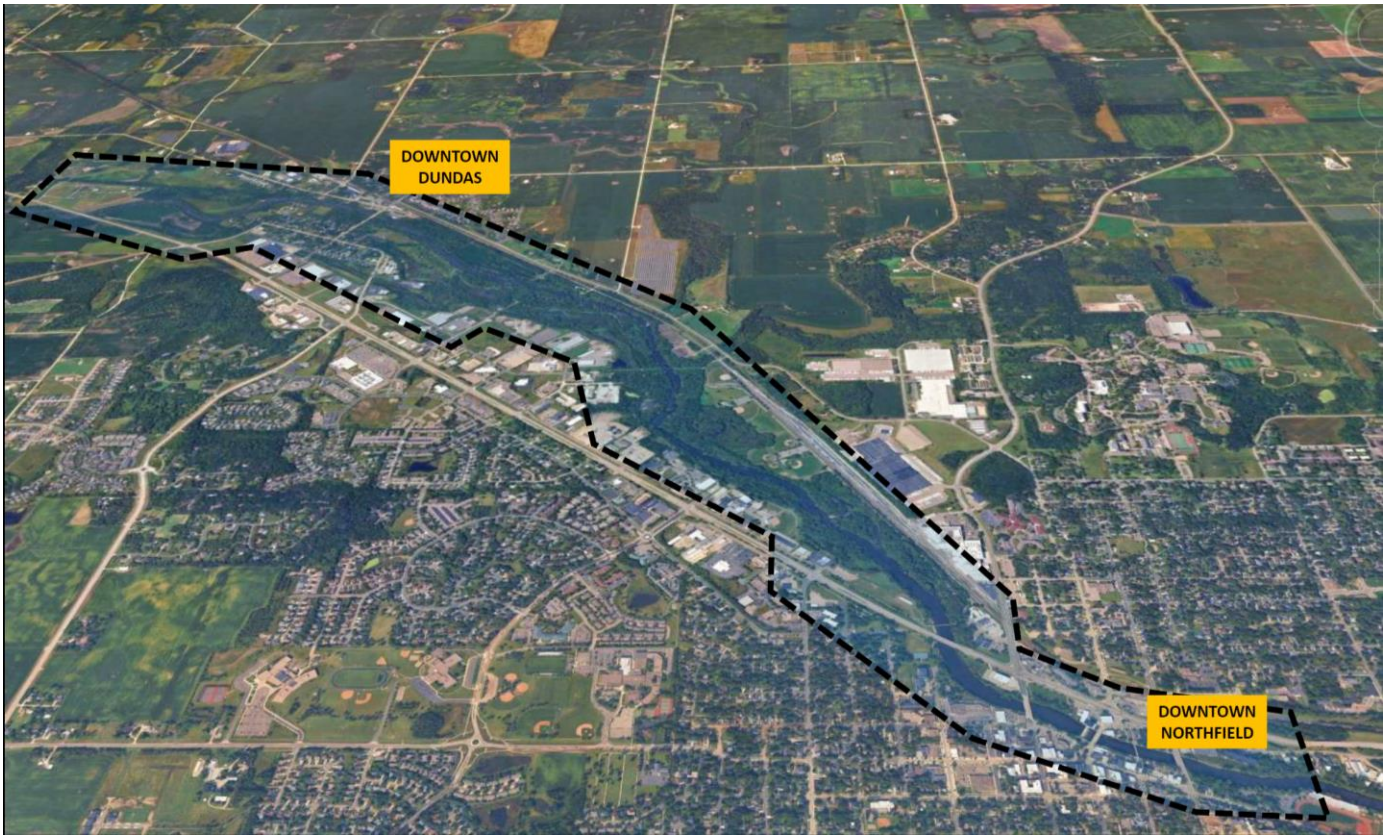
_____ _____

City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

___ NESS ___ PETERSON WHITE ___ SOKUP

EXHIBIT A



File #: Res. 2026-058, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and Members of Council
City Administrator

From: David E. Bennett, Public Works Director/City Engineer

Consider Resolution providing communication and outreach support with Hiawathaland Transit.

Action Requested:
The Northfield City Council approves Resolution providing communication and outreach support with Hiawathaland Transit.

Summary Report:
At the April 15, 2026, Northfield Transportation Advisory Committee (NTAC) meeting, Hiawathaland provided an update on numerous items related to transit operations and challenges. NTAC had items for Hiawathaland Transit to further elaborate on and these included:

- Shortening trip times on the Red & Blue Routes.
- Demand Study - determine if 3rd Route could be added and does it align with MnDOT funding needs? Gap in demand, understanding of how funding works.
- How does 3rd route function?
- Can a hospital stop be added?
- More evening service beyond 6 p.m. when Blue and Red route stop service.
- Expanding express route (doesn't run when St. Olaf & Carleton are out).
- Limited amount of goods on bus (storage).
- How does Hiawathaland funding formula work? Why does Northfield pay vs. Dundas Pay, should they pay if stops are added in Dundas?
- Who helps design the routes, Blue, Red, and Express Routes?
- St. Olaf/Carleton - route gap or missing locations.
- Update of payment technology.
- Ridership user breakout.

Hiawathland's attached presentation that was shared with NTAC tries to address the questions above. One of the items that Hiawathland is challenged with is communication and outreach to potential riders. So the NTAC committee supported a resolution that Council considers assisting with Communication and Outreach. The City has a communication staff member that could assist and help share information on the transportation options that Hiawathaland provides.

City Plans & Policies Relevance:

This work is supported by the City's 2045 Comprehensive Plan, Transportation Plan, and Strategic Plan.

The 2045 Comprehensive plans identifies these challenges:

- Community engagement identified a strong unmet need for reliable and effective public transit in Northfield.
- Public transit is provided by Hiawathaland Transit, offering two limited fixed routes, dial-a-ride services, and a weekday regional route to Faribault every two hours.
- Current transit routes and transfer locations do not align well with areas of highest need, particularly census tracts with the greatest number of households without vehicles.
- Fixed routes are infrequent, have limited coverage, and only connect at the Transit Hub, resulting in long wait times and complicated transfers.
- Service hours (6 a.m. to 6 p.m.) do not accommodate second- and third-shift workers.
- Limited transit access creates time, convenience, and financial burdens, especially for households that depend on transit.
- Major destinations (hospital, shopping areas) are located at opposite ends of the city, making cross-town trips difficult.
- While centrally located, the Transit Hub requires safer crossings of Highway 3 to better connect to downtown and east-side destinations.
- Future transit planning should add stops near shopping and medical services and involve key user groups such as older adults, youth, people with disabilities, and college students.
- Transit is essential for affordability, regional connectivity, climate goals, and should be integrated with compact, connected land use and walkable development planning.

Alternative Options:
Council could consider not providing communication support. Staff believes we can assist in sharing information to inform the public.

Financial Impacts:
NA

Tentative Timelines:
After Approval, communication staff will reach out Hiwathaland to support communication outreach.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-058

SUPPORTING SHORT TERM TRANSIT ACTIONS

WHEREAS, City policies including the Comprehensive Plan recognizes the economic value of transit; and,

WHEREAS, it has never been more expensive to own and operate a car; and,

WHEREAS, recent spikes in gas prices have further increased the need for access to affordable transportation options; and,

WHEREAS, Hiawathaland Transit operates a variety of affordable services; and,

WHEREAS, it would be mutually beneficial for Hiawathaland Transit and the City of Northfield to work together to improve residents' and employers' understanding of these services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:
The Northfield City Council partner with Hiawathaland Transit to immediately develop and implement additional outreach to residents and employers, using the City's and Hiawathaland's outreach infrastructure, to share information about

1. Where one can go, and the option of destinations away from the published routes.
2. How to use the services.
3. Other information as appropriate.

PASSED by the City Council of the City of Northfield on this 16th day of June, 2026.

ATTEST

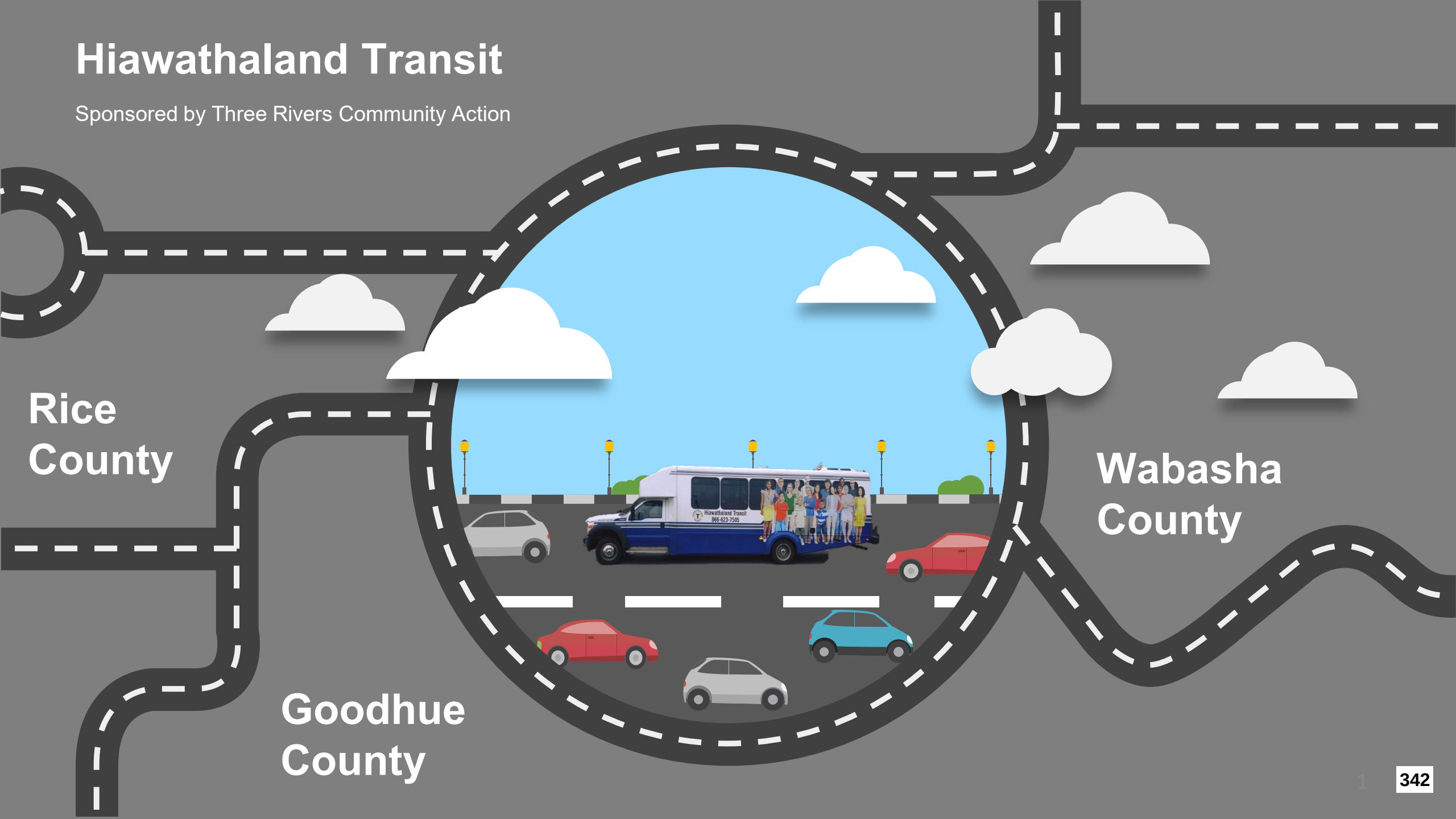
_____ _____
City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

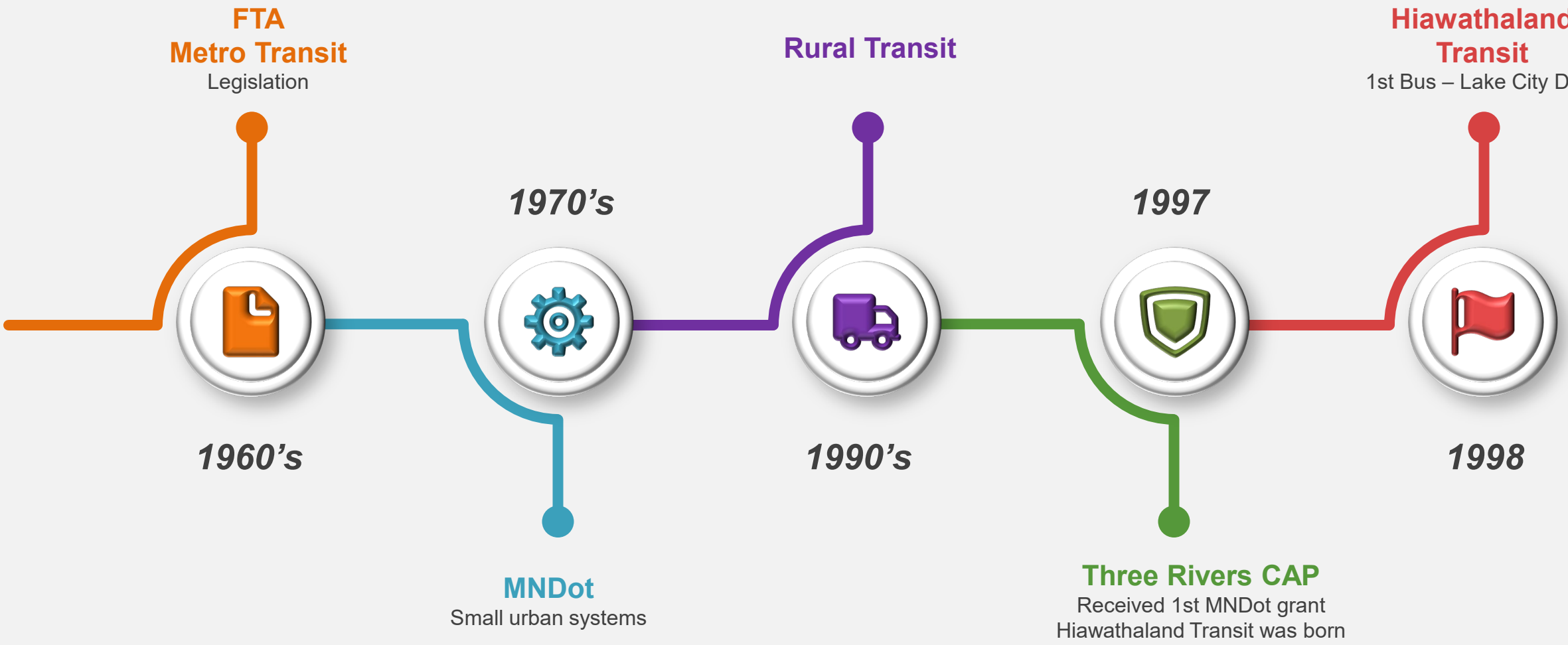
___ NESS ___ PETERSON WHITE ___ SOKUP

Hiawathaland Transit

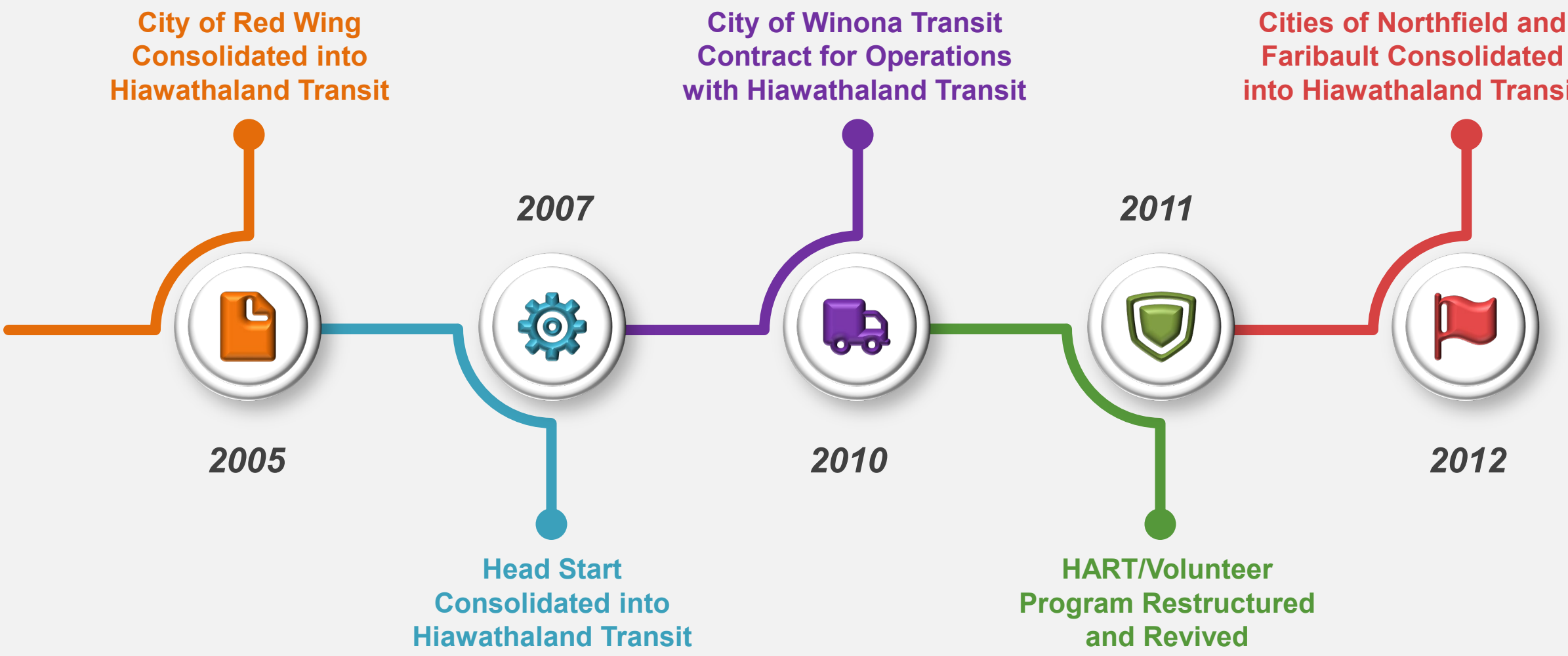
Sponsored by Three Rivers Community Action

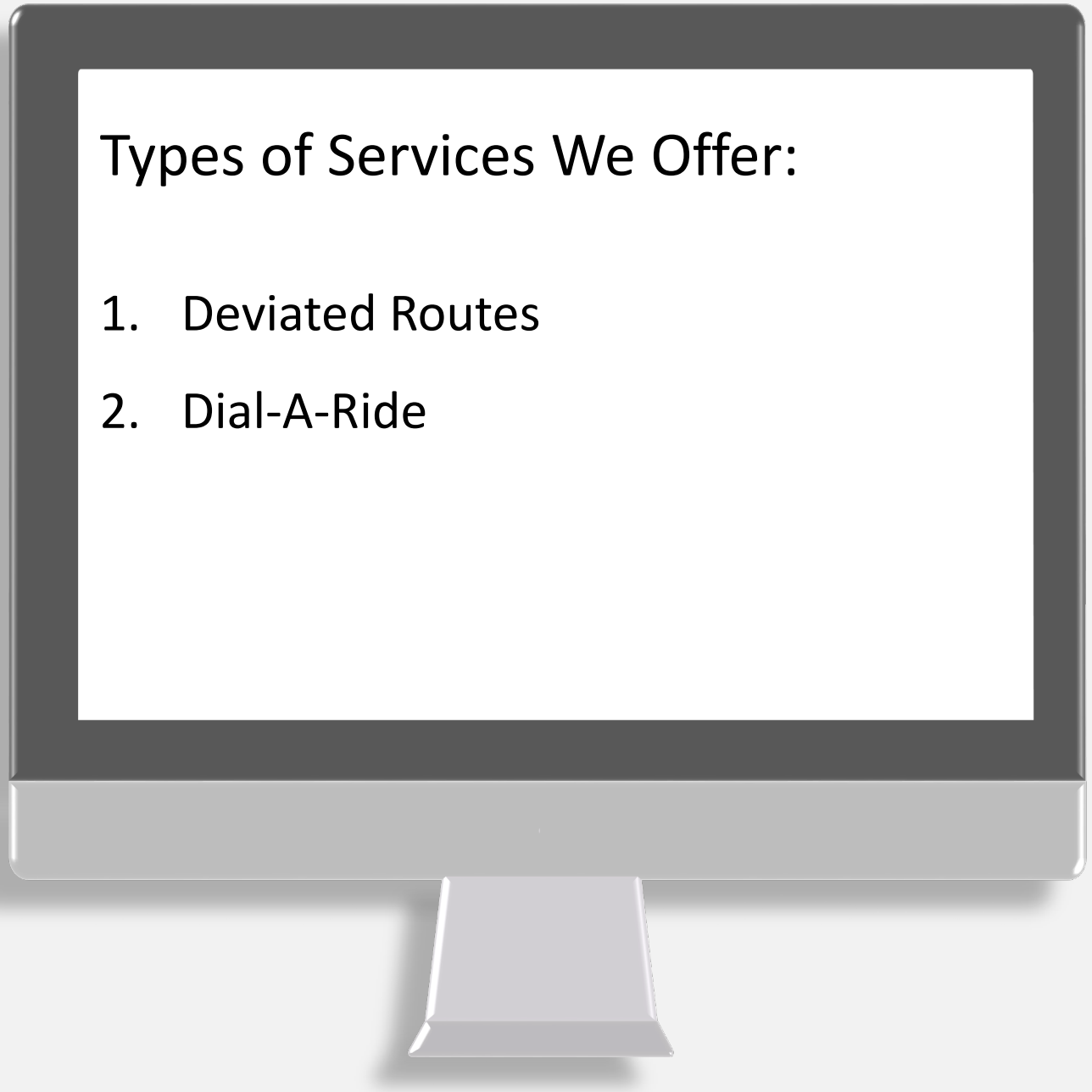


How We Started…



And Grew…

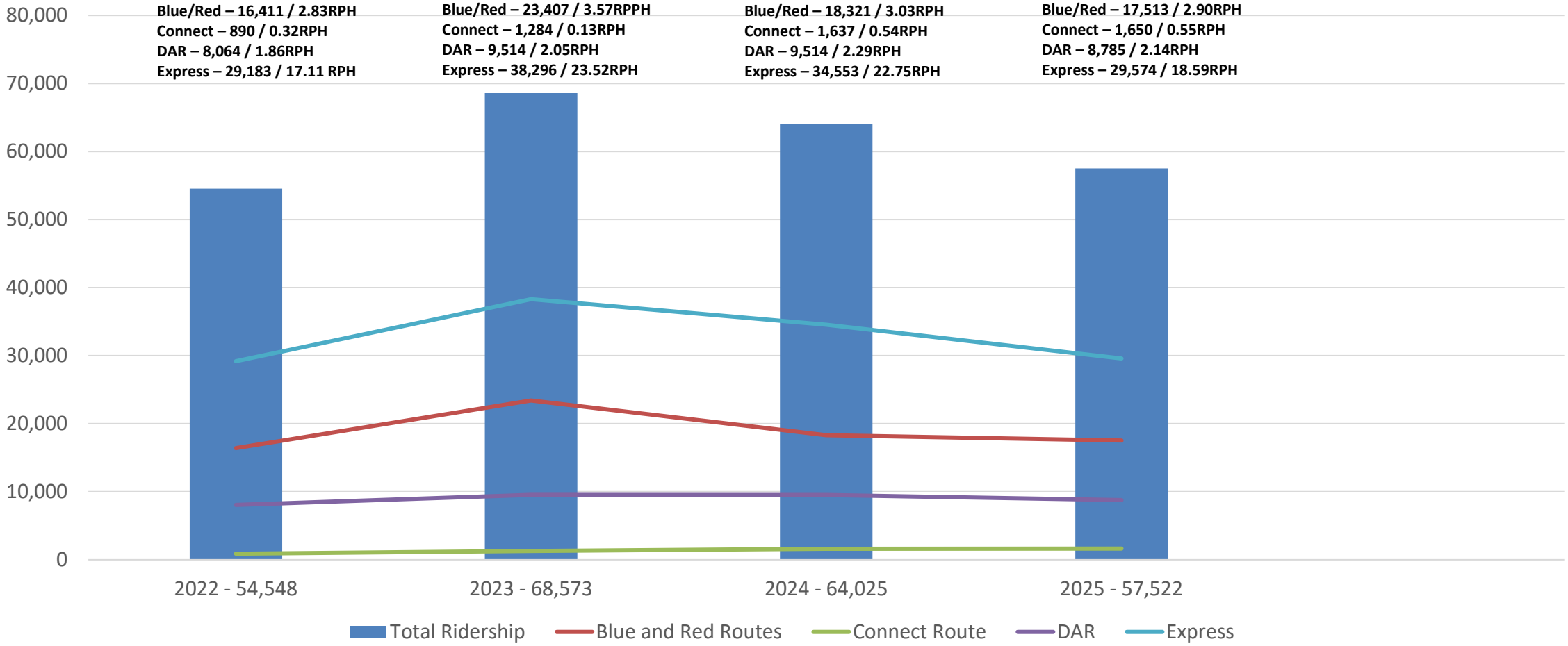

City of Red Wing Consolidated into Hiawathaland Transit
2005
2007
Head Start Consolidated into Hiawathaland Transit
City of Winona Transit Contract for Operations with Hiawathaland Transit
2010
2011
HART/Volunteer Program Restructured and Revived
Cities of Northfield and Faribault Consolidated into Hiawathaland Transit
2012



1. Deviated Routes: A service operating on a fixed route from which vehicles may deviate to pick up or drop off passengers. Requests for route deviations must be made by calling the dispatch office. We can deviate up to .2-miles.
    - *MnDOT standards = 8 rides per hour*

2. Dial-A-Ride: A demand-response service in which the vehicle is requested by telephone and routing is determined as requests are received. Origin-to-destination service with some intermediate stops is offered. Dial-A-Ride is a service that operates outside of the .2-mile radius of the deviated routes.
    - *MnDOT standards = 3 rides per hour*

Northfield Ridership



MnDOT Updates – Transition to Formula-Based Funding - SUMMARY

Funding Outlook

- Starting in 2027, MnDOT is transitioning to Formula-Based Funding
- Rural transit systems are projected to experience a 2-6% funding decrease
- Hiawathaland Transit will need to adjust services across the system to absorb a funding decrease
- Expansion of services will require additional investment from MnDOT

Route Information & Service Changes

Service Expansion

- New transit service can only be introduced when MnDOT opens formal service expansion opportunities
  - Currently, **no expansion opportunities are available**
  - When available, MnDOT requires:
    - Completion of **unmet needs assessment**
    - **Community engagement**, including public meetings
    - Documentation demonstrating demand for expanded service

- All expansion requests must be approved through the MnDOT funding process
- The typical timeline is approximately **2 years of planning and approval, with implementation occurring in year 3**

Service Modifications (within existing levels)

- Adjustments to existing service are permitted within current funding levels
- For example, underperforming routes may be restructured or replaced if there is **documented community need**
- All service changes require MnDOT review and approval

Route Information & Service Changes - continued

Express Route Service

- The Express Route is currently **approved and funded for school-year operations only**
- Expanding to **year-round (12-month) service** would require additional funding.
  - If the City of Northfield is interested in expanding this service, further discussions would be needed to evaluate **costs and funding options**

Route Planning Process

Key Considerations for Transit Route Redesign

Ridership & Demand
- Analyze current ridership patterns and trends
- Identify high-demand corridors and underserved areas
- Review origin-destination data and trip purposes

Equity & Access
- Evaluate impacts on historically underserved populations
- Ensure compliance with Title VI and equity goals
- Consider access to essential destinations (jobs, healthcare, education)

Service Efficiency & Productivity
- Assess performance metrics (riders per hour, cost per trip)
- Identify underperforming routes for potential restructuring
- Balance coverage vs. productivity goals
- Timing considerations – time per round

Community Engagement
- Conduct public outreach and surveys
- Incorporate feedback from riders, non-riders, and community partners
- Provide multilingual and accessible engagement opportunities

Operational Feasibility
- Evaluate staffing, fleet availability, and facility capacity
- Consider route timing, scheduling, and on-time performance
- Review roadway conditions and infrastructure constraints

Connectivity & Integration
- Maintain or improve connections to key destinations and transfer points
- Consider first/last-mile solutions (bike, pedestrian)
- Consider regional transit and mobility options, if available

Financial Impacts
- Assess cost implications and available funding
- Ensure alignment with funding requirements (MnDOT)
- Evaluate trade-offs between expanding vs. reallocating service

Phasing & Implementation
- Plan for a clear transition timeline
- Consider phased rollouts vs. systemwide changes
- Allow time for operator training and public communications

Communication Strategy
- Develop clear, rider-friendly materials explaining changes
- Provide advance notice and trip planning support
- Use multiple channels (digital, print, in-person outreach)

Performance Monitoring
- Establish metrics to evaluate success post-implementation
- Monitor ridership, reliability, and customer feedback
- Be prepared to adjust as needed

City of Northfield & Hiawathaland Transit Partnership Opportunities/Ideas

Marketing & Outreach Collaboration
- Coordinate joint marketing and outreach efforts to increase transit awareness and ridership
- Partner on community campaigns that position transit as a **primary mobility option**

Community Events & Promotions
- Collaborate on **Transit Days** and other community events
- Offer **free or discounted fare promotions** to encourage trial and adoption
- Host **Rider Appreciation Days** to recognize and engage current riders

Communications Support
- Partner on print and digital outreach
- Leverage City communication channels to amplify transit messaging

Employer & Economic Development Partnerships
- Work with local employers through City economic development offices to:
  - Promote commuter benefits
  - Encourage transit use among employees (potential City Employee Transit Days)

Equity & Accessibility Initiatives
- Co-host multilingual rider workshops to improve system accessibility
- Provide education on:
  - How to navigate the transit system
  - Fare policies and safety practices
- Build trust and expand access among historically underserved communities

Miscellaneous information/questions

Is a third route viable?

- Based on current ridership levels, it would be difficult to justify the need for a third route at this time

Can the hospital be added to an existing route (e.g., Blue Route)?

- Adding the hospital would result in significant increases in travel time, impacting overall route efficiency and reliability

Can service be extended beyond 6:00 PM?

- Dial-A-Ride services are available until 9:00pm, Monday-Friday
- Service expansion of routes may be considered as future funding opportunities become available and if ridership growth supports the need

Why doesn't the City of Dundas contribute financially to transit service?

- City contributions are requested for local share of new bus purchases (although we have recently changed the process to an MOU) and not for daily operations.
- There are no buses currently reserved solely for service in Dundas
    - Trips originating in Dundas are typically for destinations in Northfield
    - Trips to Dundas originate in Northfield and are primarily for employment (e.g., Kwik Trip, Menards) or medical services (e.g., DaVita Dialysis)
    - Any change to funding structure would require further discussion and alignment on service goals
- We are willing to have conversations with Dundas to determine their interest in offering transit services

Miscellaneous information/questions - continued

Are there gaps or missing stops on the Express Route?

- Current data indicates that primary users (e.g., college students) utilize the service for shopping and downtown destinations
- The most frequently requested and utilized destinations are already served by the existing route

Can you provide an update on payment technology?

- Yes. We transitioned to a new dispatch software platform last year
- This platform includes a mobile app (Passenger Portal) that will support:
    - Online trip requests
    - Digital payment options
    - Ability for passengers to see the bus location in real time, pertaining to their scheduled ride
- Full implementation is anticipated by the end of this year

THANK YOU

ThreeRivers COMMUNITY ACTION

HIAWATHALAND TRANSIT

Transportation Co-Director's

Dianne Ford and Tracy Borgschatz

dford@threeriverscap.org

tborgschatz@threeriverscap.org

www.threeriverscap.org

MnDOT Updates – Transition to Formula-Based Funding – ADDITIONAL INFORMATION

Beginning in 2027, the Minnesota Department of Transportation (MnDOT) will transition to a formula-based funding model, replacing the traditional operating grant application process. While agencies will still be required to submit annual budgets and complete the application process, the methodology used to determine grant allocations will change.

Funding will be distributed based on a combination of **system size** and **performance metrics**:

- **System Size (50% total weighting)**
  - 50% Vehicle Revenue Hours (VRH)
  - 30% Vehicle Revenue Miles (VRM)
  - 20% Operating Expenses (OE)
- **Performance (50% total weighting)**

  Operational Performance
  - 25% Service Efficiency (OE/VRH)
  - 25% Service Productivity (Unlinked Passenger Trips (UPT)/VRH)

  Coverage Metrics
  - 30% Service Availability (VRH per capita)
  - 20% Transit Access (based on Census data / Transit Needs Index (TNI))

To support a smooth transition, safeguards have been incorporated to minimize significant funding fluctuations that could create financial challenges for transit agencies. Overall, rural transit agencies are projected to experience an approximate **2.6% decrease in funding** under the new formula.

File #: 26-311, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and Members of Council

From: Ben Martig, City Administrator
David Bennett, Public Works Director/City Engineer

Consider Ice Rental Agreement with Northfield Public Schools.

Action Requested:
The City Council is asked to approve a motion approving an ice rental agreement with the Northfield Public Schools.

Summary Report:
The City of Northfield, City of Dundas, Northfield School District, and Northfield Hockey Association have partnered in funding the construction of the New Ice Arena to serve the Community. As part of the agreement the Northfield School District will contribute up to $250,000 annually for 20 years towards the building, including ice time.

As part of the agreement (attachment #1), the School District is entitled to at least 300 hours of ice time per hockey season. The schedule and rates, as set forth in Addendum A and Addendum B respectively, will be negotiated annually between the City and School District.

The School Board approved this agreement at their June 8, 2026 meeting.

City Plans & Policies Relevance:
N/A

Alternative Options:
N/A

Financial Impacts:
The School District will contribute up to $250,000 annually as agreed upon. This will include $200,000 plus ice time fees. Ice fees are expected to be changing over time but would be annually determined and negotiated.

Tentative Timelines:
The agreement will go into effect as soon as signed. The New Ice Arena is expected to open in August 2026.

ICE RENTAL AGREEMENT

This ICE RENTAL AGREEMENT (this "Agreement") is made and entered into by and between the City of Northfield, Minnesota, a home rule charter city and political subdivision of the State of Minnesota (the "City"), and Independent School District 659, a body corporate and politic existing under the laws of the State of Minnesota (the "District") and runs from August 1, 2026 through June 30, 2046 (the "Term of the Agreement"), unless terminated earlier by law or as provided herein.

WHEREAS, the Northfield Economic Development Authority, Minnesota, a public body corporate and politic and political subdivision of the State of Minnesota (the "EDA"), is the fee owner of certain real property located in the City, Rice County, Minnesota (PID No. 22.11.1.54.009), whereon the City is newly constructing and equipping and will begin operating an ice arena (the "Ice Arena"); and

WHEREAS, the District desires to rent the Ice Arena during certain dates and times.

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

1. Premises. The City will rent the use of the Ice Arena to the District at the times mutually agreed upon and pursuant to the rental schedule to be set forth annually and attached in **Addendum A**, which is attached hereto and made a part hereof.

2. Ice Time. During the Term of the Agreement, the District shall have the right to use the Ice Arena described in this Agreement on the dates set forth annually in **Addendum A**. By or before August 15th of each year, the District shall provide the manager of the Ice Arena (the "Manager") with an ice time ("Ice Time") request for the upcoming hockey season. The District is entitled to at least 300 hours of Ice Time per hockey season under this Agreement. The Ice Time schedule shall be negotiated and mutually agreed upon by the authorized agents of the parties hereto by September 15th of each year and shall be memorialized in an annual amendment to **Addendum A**. During this process, the District shall be given priority over all other users for up to 300 hours of Ice Time during the hockey season. The City may schedule any Ice Time requests the District makes after September 15th of each year on a first come, first serve basis with other users.

3. Rent for Use. The District shall pay the City for the Ice Time at the hourly rate set forth the City's Fee Schedule ("Hourly Rent"). The current rates for the Hourly Rent are set forth in **Addendum B**. The City annually adopts its Fee Schedule and will send Notice to the District by June 30 of each year of Hourly Rent adjustments. Ice Time will be billed in quarter hour increments. The City will bill the District monthly for the Ice Time used in the last previous month. The City shall deposit Hourly Rent payments into its general operating fund for the Ice Arena.

4. Rent for Improvements. In addition to the Hourly Rent reflected in Paragraph 3, the District agrees to pay the City $200,000.00 per year for the District's share of the costs of the Ice Arena as set forth in **Addendum C** (the "Improvement Rent"). The District will pay this amount to the City on or before July 15 of each year, commencing July 15, 2026, and continuing through and including June 30, 2046. The City shall use such funds for costs associated with the construction, maintenance, or operation of the Ice Arena.

5. Annual Rent Cap. The District's total rent obligation, made up of Hourly Rent paid pursuant to Paragraph 3 and Improvement Rent paid pursuant to Paragraph 4, shall not exceed $250,000.00 per District fiscal year (July 1-June 30) unless otherwise agreed to in writing by the parties ("Annual Rent Cap"). This Annual Rent Cap shall not impact, amend, or otherwise affect the District's rights or obligations under this Agreement, including, but not limited to, its right to Ice Time under Paragraph 2.

6. Maintenance. The City shall employ appropriate personnel to operate and maintain the Ice Arena and shall maintain and implement a hiring process that requires criminal background checks for any City employee or representative working at the Ice Arena during the District's Ice Time. The City shall be solely responsible for maintaining the ice surface and all common space utilized by the District pursuant to this Agreement in good condition and order for their intended purpose and to provide:

- Heating, ventilation and air conditioning (HVAC);
- Electricity to the Ice Arena in reasonable amounts necessary for the District's use;
- Such other utility services, including gas, water, garbage removal and sewer;
- Expendables such as light bulbs, toilet paper and similar items;
- Trash disposal receptables;
- Resurfacing of ice during District usage; and
- Plowing and shoveling of the Ice Arena parking lot and sidewalks.

7. Locker Rooms. The City agrees to provide locker rooms for the District's exclusive use during the hockey season each year, consistent with the period set forth in **Addendum A**, which shall include both a High School Boys and Girls Locker Room. The City will provide normal cleaning and maintenance to these locker rooms. Any improvements the District chooses to make to the High School Boys and Girls Locker Rooms, such as replacement of locker stalls, will be the District's responsibility.

8. Signage. The District agrees to comply with the Ice Arena signage policy. The District shall not post advertisements in any portion of the Ice Arena without prior written approval from City.

9. District Use of Ice Arena and Parking Lot. During the District's use of the Ice Arena, the District will use reasonable means to prevent any conduct, noise, odor, or other condition in or around the Ice Arena that unreasonably interferes with the use or enjoyment of the Ice Arena or nearby property. Unreasonable interference includes behavior, activity, or conditions that materially disrupt operations, create safety concerns, damage property, or

generate repeated complaints from persons at the Ice Arena or on adjacent premises. The District will not permit, and will use reasonable means to address, any criminal activity in or around the Ice Arena by its employees, volunteers, or representatives, including crimes involving physical violence, injury to persons or property, or possession of contraband or controlled substances. Further, the District shall:

- Keep the locker rooms and dry land area in good order;
- Immediately give notice to the Manager of any damage to the Ice Arena caused by the District or its employees, volunteers, or representatives or by others during the District's use of the Ice Arena to the extent the District has notice of such damage. The District will be responsible for the reasonable cost of repairs or replacements to the extent any damage is caused by the misuse or negligence of the District or its employees, volunteers, or representatives. If the parties disagree as to whether the District is responsible for the damage or as to the scope of any required repair or replacement, the parties shall meet and confer in good faith to resolve the dispute within 10 business days of identifying the damage at issue;
- Cooperate with Ice Arena staff;
- Pay for and provide any security measures necessary or desired to secure its equipment, appliances or other valuables, and provide the Manager with access to those security measures;
- Follow the Ice Arena's no smoking, no tobacco, no alcohol and no cannabinoid product use policies and other premises policies regulating permissible activities and not knowingly allow any smoking of any kind or drinking of alcohol within the Ice Arena or surrounding property;
- Maintain and implement a hiring process that requires criminal background checks for any District staff or coaches working at the Ice Arena;
- Share use of the Ice Arena parking lot on a first-come, first-served basis. District may not prohibit, regulate or obstruct use of the Ice Arena parking lot by others.

9. Alterations. The District shall not make alterations to any portions of the Ice Arena without the City's advance written consent. "Alterations" means additions, substitutions, installations, improvements, and similar changes to the physical condition of any portion of the Ice Arena.

10. Indemnification. The City and the District shall each be responsible for the acts of their respective officers, employees or agents, and not the acts of the other party's officers, employees or agents.

11. Insurance. The City and the District agree to keep in effect policies of commercial general liability insurance to insure against liabilities up to $500,000 for each claim and $1,500,000 for each single occurrence or sufficient to cover the liability limits outlined in Minnesota Statutes section 466.04, as it may be amended, whichever is greater.

The City shall maintain property insurance on the Ice Arena in its full value. If a covered loss occurs and the City elects not to use any property insurance proceeds to repair or rebuild the Ice Arena and the District's use of the Ice Arena is materially impaired, the District's obligation to pay Improvement Rent shall abate, and the District shall be entitled to a

proportionate share of the insurance proceeds based on the total amount of Improvement Rent paid by the District as of the date of loss as compared to the total cost of construction of the Ice Arena. This amount shall be determine using the formula: $D = P \times (R \div C)$, using the following key:

D = the District's proportionate share of the property insurance proceeds
P = the total property insurance proceeds received by the City
R = the total amount of Improvement Rent paid by the District as of the date of loss
C = the total cost of construction of the Ice Arena

12. Termination. If the Ice Arena is damaged or destroyed, the parties shall have the option to amend this Agreement to terminate the remaining portions of the Agreement. This option may be exercised by either party by giving written notice to the other party not more than 90 days from the date of such damage. If either party exercises this option to terminate this Agreement, the City will refund to the District the prorated portion of the Improvement Rent for the period beginning on the date of the damage through the end of the fiscal year. Notwithstanding anything is this Agreement to the contrary, the District shall have the right to terminate this Agreement, on a yearly basis, if the School Board of District does not appropriate funds sufficient to continue the Agreement.

13. Entire Agreement. This Agreement, along with its addenda and any amendments hereto, is the complete and exclusive statement of the terms agreed upon and shall supersede all prior negotiations, understandings or agreements. Any alterations, variations, modifications or waivers of the Agreement shall only be valid when they are agreed to in writing and signed by authorized representatives of the District and the City.

14. Law. Minnesota law shall be used to construe and interpret this Agreement, without giving effect to the principles of conflict of laws. All proceedings related to this Agreement shall be venued in the State of Minnesota.

15. Data Practices. All of the data created, collected, received, stored, used, maintained, or disseminated by the City in the performance of the Agreement is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, the Family Educational Rights and Privacy Act (FERPA), 20 USC § 1232g and rules and regulations promulgated under these laws.

16. No Assignment. Neither party shall assign this Agreement or any of the rights, duties or payments arising under this Agreement to any third party without the written consent of the other.

17. Notices. All notices required under this Agreement must be in writing and provided to the designated contact person for the other party. The parties shall keep each other informed in writing of any change in the designated contact person. At the time of the execution of this Agreement, the following persons are the designated contacts:

District Contact	City Contact
Activities Director	Facilities Manager

18. Compliance with Laws & Severability. The District shall comply with all applicable state, federal and local laws. If any portion of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected and the rights and obligations of the parties under this Agreement shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

19. Interruption of Services. The City explicitly does not warrant that any services it supplies to the Ice Arena and the rented portions of the Ice Arena will not be interrupted. Services may be interrupted because of accidents, repairs, alterations, improvements, or any reason beyond the reasonable control of the City. The District has no obligation to pay Hourly Rent for Ice Time it could not utilize because of any interruption of service. No interruption shall make the City liable to the District for monetary damages of any nature except as otherwise set forth in this Agreement. The City may enter the any portion of the Ice Arena at reasonable times, and at any time in the case of an emergency, to make repairs, alterations, improvements, and additions either required or advisable to preserve the safety and physical condition of the Ice Arena.

20. No Warranty of Conditions of Premises. Except as expressly provided for herein, the City makes no warranties or representations of any kind in connection with the quality or condition of the Ice Arena and makes no warranties that the rented portions of the Ice Arena are fit for the District's particular purpose. The District shall rely solely upon any prior inspections the District may have made. The District acknowledges that it is renting the Ice Arena based upon the District's own investigation and inspection thereof.

21. Waiver. Failure on the part of either party to complain of any action or non-action on the part of the other party, no matter how long the same may continue, shall not be deemed to be waiver of any of rights hereunder. No waiver at any time of any of the provisions of this Agreement by either party shall be construed as a waiver of any of the other provision hereof, and a waiver of any provision shall not be construed as a waiver at any subsequent time of the same provision.

22. Anti-Discrimination. The District, its officers, agents, employees, volunteers and invitees shall follow all non-discriminatory rules and regulations, imposed by the City for users of the Ice Arena.

IN WITNESS WHEREOF, the undersigned parties hereby acknowledge that they have read and understand the agreement documents and have executed this Agreement on the dates recorded below.

INDEPENDENT SCHOOL DISTRICT 659

Date: 6-8-2026

By _____
Its Board Chair

By _____
Its Superintendent

CITY OF NORTHFIELD, MINNESOTA

Date: _____

By _____
Its Mayor

By _____
Its City Clerk

4926-7577-3734.3

ADDENDUM A

ICE TIME SCHEDULE

[To Be Updated Annually]

ADDENDUM B

RATES

[To Be Updated Annually]

Rink Rental	Fee
ISD 659 Practice and Games	$180 per hour
ISD 659 Game Fee	$185 per game

ADDENDUM C

ICE ARENA IMPROVEMENT RENTS

Payment No.	Annual Payment Date	Improvement Rent Amount
1	July 15, 2026	$200,000.00
2	July 15, 2027	$200,000.00
3	July 15, 2028	$200,000.00
4	July 15, 2029	$200,000.00
5	July 15, 2030	$200,000.00
6	July 15, 2031	$200,000.00
7	July 15, 2032	$200,000.00
8	July 15, 2033	$200,000.00
9	July 15, 2034	$200,000.00
10	July 15, 2035	$200,000.00
11	July 15, 2036	$200,000.00
12	July 15, 2037	$200,000.00
13	July 15, 2038	$200,000.00
14	July 15, 2039	$200,000.00
15	July 15, 2040	$200,000.00
16	July 15, 2041	$200,000.00
17	July 15, 2042	$200,000.00
18	July 15, 2043	$200,000.00
19	July 15, 2044	$200,000.00
20	July 15, 2045	$200,000.00

Northfield
PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT
201 Orchard Street South
Northfield, MN 55057
PH 507.663.0629
www.northfieldschools.org

May 13, 2024

Northfield City Council
801 Washington Street
Northfield, MN 55057

Dear City Council Members:

The Northfield School District understands the city council is considering the construction of a new ice arena to serve our community. This letter affirms the Northfield School District's commitment to leasing the city's ice arena for the foreseeable future.

The district understands that its lease cost (including ice time) would increase up to a maximum of $250,000 annually over 20 years. The district's board of education has approved the submission of this letter at its May 13, 2024, regular meeting. While the district must approve the cost each year as part of its annual levy process, this letter should give the city council confidence to move ahead with the long overdue replacement of the current ice arena.

The cost of not addressing this problem is significant. Conservative estimates suggest that at least 100 students would enroll elsewhere without an ice arena to support hockey and other ice-related activities. In Minnesota, school district revenue is heavily weighted on student enrollment. Based on a simple calculation, the district would likely lose around $1 million in revenue in that scenario.

This situation is different from past discussions about the ice arena. This public/private partnership brings together the school district, the City of Northfield, the City of Dundas, and the Northfield Hockey Association. This partnership has the potential to solve a long-standing problem in our community.

Sincerely,

Matthew T. Hillmann

Matt Hillmann, Ed.D.
Superintendent

Claudia Gonzalez-George

Claudia Gonzalez-George
Board Chair

File #: Res. 2026-059, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council
City Administrator

From: Sean Simonson, Engineering Manager
Dave Bennett, Public Works Director/City Engineer

Consider Resolution Accepting Public Improvements and Approving Final Payment for the Honeylocust Drive East Cannon River Trail Connection Improvements Project (STRT2021-A56).

Action Requested:
The Northfield City Council approves the attached Resolution - Honeylocust Drive East Cannon River Trail Connection Project (STRT2021-A56) and Approving Final Payment for the Project.

Summary Report:
The City Council is being asked to accept the public improvements for the Honeylocust Drive East Cannon River Trail Connection Project (STRT2021-A56) and approve final payment to Fitzgerald Excavating & Trucking in the amount of $47,072.08 (Attachment 2). The contract was awarded to Fitzgerald Excavating & Trucking at the January 9, 2024, City Council Meeting in the amount of $291,615.20. There were no Change Orders during construction. The final construction contract amount was $273,980.14.

Alternative Options:
This project is completed and the final acceptance and payment is required to close out the construction contract.

Financial Impacts:
The total project costs for the project were $464,780.16. The table below details the final total project costs and final total project funding.

ESTIMATED PROJECT COSTS ECRT CONNECTION			
	Feasibility (October 2020)	**Award Base Bid + Alternate 1**	**Final Project Costs**
Street (Trail)	$93,961	$188,169.70	$165,608.64
Storm Sewer (Box Culvert)	$109,100	$103,445.50	$108,371.50
Construction Subtotal	**$203,061**	**$291,615.20**	**$273,980.14**
1% Art	**$2,031**	**$3,208.00**	**$3,208.00**
Construction Contingency (10 %)	$55,375	$29,453.14	$0.00
Total Construction	**$260,466**	**$323,984.49**	**$277,188.14**
Wetland Mitigation	$12,600	$7,403.06	$7,403.06
Project Subtotal	**$273,066**	**$331,387.55**	**$284,591.20**
Overhead (40%)	$136,533	$132,555.02	$180,188.96
Total Project Costs	**$409,600**	**$463,942.57**	**$464,780.16**

ESTIMATED TOTAL PROJECT FUNDING ECRT CONNECTION			
	2022 - 2026 CIP	**Award Base Bid + Alternate 1**	**Final Project Costs**
Bonding	$310,000	$299,367	$280,137.56
Storm Fund	$100,000	$164,576	$184,642.60
Total Project Costs	**$410,000**	**$463,943**	**$464,780.16**

Additionally, there was $3,208 in 1% for the Public Arts Policy funding allocated at the time of project award from the following funding sources:

ART (1%) FUNDING ALLOCATION ECRT CONNECTION	
FUNDING SOURCE	**Award Base Bid + Alternate 1**
Capital Reserve Fund	$2,070
Storm Fund	$1,138
Total Project Costs	**$3,208**

Tentative Timelines:
Upon acceptance by the City Council, the final payment will be processed and sent to the Contractor. At that point, the two-year maintenance bond will begin if warranty work is required.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-059
ACCEPTING PUBLIC IMPROVEMENTS
AND APPROVING FINAL PAYMENT
HONEYLOCUST EAST CANNON RIVER TRAIL CONNECTION PROJECT

WHEREAS, pursuant to the contract between the City of Northfield and Fitzgerald Excavating and Trucking Inc. of Goodhue, Minnesota, as approved by City Council on January 9, 2024, all work has been satisfactorily completed on STRT2021-A56 – Honeylocust East Cannon River Trail Connection Project in accordance with said contract.

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

1. The work completed under said contract is hereby accepted and approved.

2. The city clerk and mayor are hereby directed to issue a proper order for final payment on said contract in exchange for the contractor's receipt evidencing payment in full.

PASSED by the City Council of the City of Northfield on this 16th day of June 2026.

ATTEST

_____ _____
City Clerk Mayor

VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

___ NESS ___ PETERSON WHITE ___ SOKUP

Contract Number:	2021STRT-A56 - Honeylocust ECRT Connection
Pay Request Number:	3

Project Number	**Project Description**
2021STRT-A56 - Honeylocust ECRT Connection	2021STRT-A56 - Honeylocust ECRT Connection

Contractor:	Fitzgerald Excavating & Trucking 21432 350th Street Goodhue, MN 55027	**Vendor Number:** **Up To Date:**	N/A 06/04/2026

Contract Amount		**Funds Encumbered**	
Original Contract	$291,615.20	Original	$291,615.20
Contract Changes	$0.00	Additional	N/A
Revised Contract	$291,615.20	Total	$291,615.20

Work Certified To Date	
Base Bid Items	$273,980.14
Contract Changes	$
Material On Hand	$0.00
Total	$273,980.14

Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
$35,129.55	$273,980.14	$0.00	$226,908.06	$47,072.08	$273,980.14
	Percent: Retained: 0%			Percent Complete: 93.95%	

This is to certify that the items of work shown in this certificate of Pay Estimate have been actually furnished for the work comprising the above-mentioned projects in accordance with the plans and specifications heretofore approved.

Approved By
Sean Simonson
Project Manager
2026-06-04T20:10:38.522Z
Date

Approved By Fitzgerald Excavating & Trucking
jason fitzgerald
Contractor
2026-06-05T14:13:09.929Z
Date

Approved By
David Bennett
City Engineer
Jun 8, 2026, 10:30 AM
Date

Payment Summary				
No.	**Up To Date**	**Work Certified Per Request**	**Amount Retained Per Request**	**Amount Paid Per Request**
1	2024-08-30	$138,478.35	$6,923.92	$131,554.43
2	2024-10-14	$100,372.24	$5,018.61	$95,353.63
3	2026-06-04	$35,129.55	($11,942.53)	$47,072.08

Funding Category Name	Funding Category Number	Work Certified to Date	Less Amount Retained	Less Previous Payments	Amount Paid this Request	Total Amount Paid to Date
Storm Fund		$108,371.50	$0.00	$84,846.88	$23,524.62	$108,371.50
Street Fund	1	$165,608.64	$0.00	$142,061.18	$23,547.46	$165,608.64

Accounting Number	Funding Source	Amount Paid this Request	Revised Contract Amount	Funds Encumbered to Date	Paid Contractor to Date
001	Local / Other[1]	$47,072.08	$291,615.20	$291,615.20	$273,980.14

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	1	2021.501	MOBILIZATION	LS	$25,000.00	1	0	$0.00	1	$25,000.00
2021STRT-A56 - Honeylocust ECRT Connection	2	2101.505	CLEARING	ACRE	$8,000.00	0.5	0	$0.00	0.5	$4,000.00
2021STRT-A56 - Honeylocust ECRT Connection	3	2101.505	GRUBBING	ACRE	$8,000.00	0.5	0	$0.00	0.5	$4,000.00
2021STRT-A56 - Honeylocust ECRT Connection	4	2104.503	REMOVE CURB & GUTTER	L F	$10.00	25	0	$0.00	25	$250.00
2021STRT-A56 - Honeylocust ECRT Connection	5	2106.507	EXCAVATION - COMMON (P)	C Y	$15.00	486	0	$0.00	486	$7,290.00
2021STRT-A56 - Honeylocust ECRT Connection	6	2106.507	EXCAVATION - SUBGRADE	C Y	$12.00	29	0	$0.00	0	$0.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	7	2106.507	SELECT GRANULAR EMBANKMENT (CV) (P)	C Y	$22.00	320	383	$8,426.00	383	$8,426.00
2021STRT-A56 - Honeylocust ECRT Connection	8	2106.507	COMMON EMBANKMENT (CV) (P)	C Y	$6.00	701	0	$0.00	701	$4,206.00
2021STRT-A56 - Honeylocust ECRT Connection	9	2106.507	STABILIZING AGGREGATE (CV)	C Y	$30.00	29	29	$870.00	29	$870.00
2021STRT-A56 - Honeylocust ECRT Connection	10	2123.610	STREET SWEEPER (WITH PICKUP BROOM)	HOUR	$100.00	25	0	$0.00	3	$300.00
2021STRT-A56 - Honeylocust ECRT Connection	11	2231.604	BITUMINOUS PATCH SPECIAL	S Y	$50.00	5	0	$0.00	5	$250.00
2021STRT-A56 - Honeylocust ECRT Connection	12	2411.601	STRUCTURE EXCAVATION	LS	$15,000.00	1	0	$0.00	1	$15,000.00
2021STRT-A56 - Honeylocust ECRT Connection	13	2412.502	8X4 PRECAST CONCRETE BOX CULV END SECT	EACH	$9,000.00	2	0	$0.00	2	$18,000.00
2021STRT-A56 - Honeylocust ECRT Connection	14	2412.503	8X4 PRECAST CONCRETE BOX CULVERT	L F	$1,250.00	30.25	0	$0.00	30.25	$37,812.50
2021STRT-A56 - Honeylocust ECRT Connection	15	2451.507	FINE AGGREGATE BEDDING (CV) (P)	C Y	$30.00	53	56	$1,680.00	56	$1,680.00
2021STRT-A56 - Honeylocust ECRT Connection	16	2511.507	RANDOM RIPRAP CLASS IV	C Y	$60.00	25	84	$5,040.00	84	$5,040.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	17	2521.518	6" CONCRETE WALK	S F	$24.50	312	0	$0.00	312	$7,644.00
2021STRT-A56 - Honeylocust ECRT Connection	18	2521.518	3" BITUMINOUS WALK	S F	$1.90	5194	0	$0.00	5194	$9,868.60
2021STRT-A56 - Honeylocust ECRT Connection	19	2521.518	3" BITUMINOUS WALK - ENHANCED	S F	$1.90	2714	0	$0.00	3477.7	$6,607.63
2021STRT-A56 - Honeylocust ECRT Connection	20	2521.602	DRILL & GROUT REINF BAR (EPOXY COATED)	EACH	$11.00	8	0	$0.00	0	$0.00
2021STRT-A56 - Honeylocust ECRT Connection	21	2531.503	CONCRETE CURB & GUTTER DESIGN B618	L F	$64.00	25	0	$0.00	25	$1,600.00
2021STRT-A56 - Honeylocust ECRT Connection	22	2531.618	TRUNCATED DOMES	S F	$60.00	20	0	$0.00	20	$1,200.00
2021STRT-A56 - Honeylocust ECRT Connection	23	2557.503	WIRE FENCE DESIGN SPECIAL VINYL COATED	L F	$119.00	47	47	$5,593.00	47	$5,593.00
2021STRT-A56 - Honeylocust ECRT Connection	24	2563.601	TRAFFIC CONTROL	LS	$2,000.00	1	0.5	$1,000.00	1	$2,000.00
2021STRT-A56 - Honeylocust ECRT Connection	25	2564.518	SIGN PANELS TYPE C	S F	$175.00	3	3	$525.00	3	$525.00
2021STRT-A56 - Honeylocust ECRT Connection	26	2573.501	STABILIZED CONSTRUCTION EXIT	LS	$1,000.00	1	1	$1,000.00	1	$1,000.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	27	2573.502	STORM DRAIN INLET PROTECTION	EACH	$175.00	1	0	$0.00	0	$0.00
2021STRT-A56 - Honeylocust ECRT Connection	28	2573.503	SILT FENCE, TYPE MS	L F	$2.00	1785	0	$0.00	661	$1,322.00
2021STRT-A56 - Honeylocust ECRT Connection	29	2573.503	FLOTATION SILT CURTAIN TYPE MOVING WATER	L F	$20.00	24	0	$0.00	24	$480.00
2021STRT-A56 - Honeylocust ECRT Connection	30	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	L F	$4.00	782	0	$0.00	782	$3,128.00
2021STRT-A56 - Honeylocust ECRT Connection	31	2573.601	TEMPORARY STREAM DIVERSION SYSTEM	LS	$4,000.00	1	0	$0.00	1	$4,000.00
2021STRT-A56 - Honeylocust ECRT Connection	32	2574.507	COMMON TOPSOIL BORROW	C Y	$14.00	635	98	$1,372.00	98	$1,372.00
2021STRT-A56 - Honeylocust ECRT Connection	33	2575.604	ROLLED EROSION PREVENTION CATEGORY 30 AND SEED MIXTURE 34-262	S Y	$2.95	885	0	$0.00	163	$480.85
2021STRT-A56 - Honeylocust ECRT Connection	34	2575.604	ROLLED EROSION PREVENTION CATEGORY 30 AND SEED MIXTURE 35-641	S Y	$3.45	2920	0	$0.00	2553.22	$8,808.61
2021STRT-A56 - Honeylocust ECRT Connection	35	2021.501	MOBILIZATION	LS	$5,000.00	1	0.75	$3,750.00	1	$5,000.00
2021STRT-A56 - Honeylocust ECRT Connection	36	2101.502	CLEARING	EACH	$2,000.00	1	0	$0.00	1	$2,000.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	37	2101.502	GRUBBING	EACH	$1,000.00	1	0	$0.00	1	$1,000.00
2021STRT-A56 - Honeylocust ECRT Connection	38	2104.502	SALVAGE HYDRANT	EACH	$900.00	2	0	$0.00	2	$1,800.00
2021STRT-A56 - Honeylocust ECRT Connection	39	2104.502	SALVAGE SIGN	EACH	$75.00	3	0	$0.00	3	$225.00
2021STRT-A56 - Honeylocust ECRT Connection	40	2104.502	SALVAGE MAIL BOX SUPPORT	EACH	$100.00	2	0	$0.00	2	$200.00
2021STRT-A56 - Honeylocust ECRT Connection	41	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	L F	$6.00	10	0	$0.00	10.5	$63.00
2021STRT-A56 - Honeylocust ECRT Connection	42	2104.503	REMOVE CURB & GUTTER	L F	$10.00	103	0	$0.00	104	$1,040.00
2021STRT-A56 - Honeylocust ECRT Connection	43	2104.504	REMOVE CONCRETE PAVEMENT	S Y	$10.00	9	0	$0.00	9	$90.00
2021STRT-A56 - Honeylocust ECRT Connection	44	2104.518	REMOVE CONCRETE WALK	S F	$4.00	20	0	$0.00	15.75	$63.00
2021STRT-A56 - Honeylocust ECRT Connection	45	2106.507	EXCAVATION - COMMON (P)	C Y	$12.00	638	62.2	$746.40	700.2	$8,402.40
2021STRT-A56 - Honeylocust ECRT Connection	46	2106.507	EXCAVATION - SUBGRADE	C Y	$12.00	34	0	$0.00	0	$0.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	47	2106.507	STABILIZING AGGREGATE (CV)	C Y	$30.00	34	22.43	$672.90	22.43	$672.90
2021STRT-A56 - Honeylocust ECRT Connection	48	2231.604	BITUMINOUS PATCH SPECIAL	S Y	$50.00	24	0	$0.00	27.33	$1,366.50
2021STRT-A56 - Honeylocust ECRT Connection	49	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	$2,000.00	2	0	$0.00	2	$4,000.00
2021STRT-A56 - Honeylocust ECRT Connection	50	2504.602	INSTALL HYDRANT	EACH	$1,500.00	2	0	$0.00	2	$3,000.00
2021STRT-A56 - Honeylocust ECRT Connection	51	2504.602	ADJUST GATE VALVE AND BOX	EACH	$200.00	2	0	$0.00	2	$400.00
2021STRT-A56 - Honeylocust ECRT Connection	52	2504.603	"6" WATERMAIN DUCTILE IRON CL 52"	L F	$90.00	27	0	$0.00	27	$2,430.00
2021STRT-A56 - Honeylocust ECRT Connection	53	2504.608	DUCTILE IRON FITTINGS	LB	$20.00	64	0	$0.00	32	$640.00
2021STRT-A56 - Honeylocust ECRT Connection	54	2521.518	6" CONCRETE WALK	S F	$16.00	831	0	$0.00	644	$10,304.00
2021STRT-A56 - Honeylocust ECRT Connection	55	2521.518	3" BITUMINOUS WALK	S F	$1.95	8085	0	$0.00	6841.1	$13,340.15
2021STRT-A56 - Honeylocust ECRT Connection	56	2521.602	DRILL & GROUT REINF BAR (EPOXY COATED)	EACH	$11.00	32	0	$0.00	0	$0.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	57	2531.503	CONCRETE CURB & GUTTER DESIGN B618	L F	$49.00	103	0	$0.00	104	$5,096.00
2021STRT-A56 - Honeylocust ECRT Connection	58	2531.604	7" CONCRETE VALLEY GUTTER	S Y	$149.00	9	0	$0.00	1.73	$257.77
2021STRT-A56 - Honeylocust ECRT Connection	59	2531.618	TRUNCATED DOMES	S F	$60.00	64	0	$0.00	56	$3,360.00
2021STRT-A56 - Honeylocust ECRT Connection	60	2540.602	INSTALL MAIL BOX SUPPORT	EACH	$150.00	2	0	$0.00	2	$300.00
2021STRT-A56 - Honeylocust ECRT Connection	61	2563.601	TRAFFIC CONTROL	LS	$3,000.00	1	0.5	$1,500.00	1	$3,000.00
2021STRT-A56 - Honeylocust ECRT Connection	62	2564.502	INSTALL SIGN	EACH	$250.00	3	0	$0.00	3	$750.00
2021STRT-A56 - Honeylocust ECRT Connection	63	2565.602	ADJUST HANDHOLE	EACH	$800.00	2	0	$0.00	2	$1,600.00
2021STRT-A56 - Honeylocust ECRT Connection	64	2573.501	STABILIZED CONSTRUCTION EXIT	LS	$1,000.00	1	0	$0.00	0	$0.00
2021STRT-A56 - Honeylocust ECRT Connection	65	2573.502	STORM DRAIN INLET PROTECTION	EACH	$175.00	4	0	$0.00	0	$0.00
2021STRT-A56 - Honeylocust ECRT Connection	66	2573.503	SILT FENCE, TYPE MS	L F	$2.00	190	0	$0.00	0	$0.00

Contract Item Status

Project	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection	67	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	L F	$4.00	560	0	$0.00	776	$3,104.00
2021STRT-A56 - Honeylocust ECRT Connection	68	2574.507	COMMON TOPSOIL BORROW	C Y	$15.00	149	196.95	$2,954.25	196.95	$2,954.25
2021STRT-A56 - Honeylocust ECRT Connection	69	2575.504	SODDING TYPE LAWN	S Y	$9.00	1070	0	$0.00	1085.22	$9,766.98
Base Bid Totals:								**$35,129.55**		**$273,980.14**

Project Category Totals

Project	Category	Amount This Request	Amount To Date
2021STRT-A56 - Honeylocust ECRT Connection		$35,129.55	$273,980.14

Contract Change Item Status

Project	CC	CC#	Line	Item	Description	Units	Unit Price	Contract Quantity	Quantity This Request	Amount This Request	Quantity To Date	Amount To Date
Contract Change Totals:										**$**		**$**

Contract Total	**$273,980.14**

Contract Change Totals

Number	Description	Amount This Request	Amount To Date

Material On Hand Additions

Line	Item	Description	Date	Added	Comments

Material On Hand Balance

Line	Item	Description	Date	Added	Used	Remaining

THE CITY OF
NORTHFIELD
MINNESOTA

CERTIFICATE OF FINAL ACCEPTANCE

1. Name of Project: Honeylocust Drive East Cannon River Trail Project

2. Name of Contractor: Fitzgerald Excavating and Trucking Inc.

3. Division Approval: The following staff have viewed the work under contract for Improvement No. 2021STRT-A56, the Improvement of:

   - East Cannon River Trail Project (Honeylocust Drive)

Division	Name	Ready for Acceptance	Date
Engineering	Sean Simonson	SMS	1/13/26
Streets	Andrew Tussing	AT & C	1/23/26
Utilities	Justin Wagner	Justin R Wagner	1/28/26
Storm Sewer	James McDermott	James McDermott	1/21/26
Parks	Andrew Tussing	N/A	

*Attach reduced size copy of plans.

4. Department Approval: Dal E Bro Date: 6-8-26
Public Works Director/City Engineer

The public improvements associated with this Improvement Project are hereby accepted by the City Council of the City of Northfield on this ___ day of _____, 2026. Submission of the required maintenance bond with the effective date above will signal the start of the two (2) year warranty period.

Attest:

_____ _____
City Clerk Mayor

File #: 26-312, **Version:** 1

City Council Meeting Date: June 16, 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 (PC)

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

- 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. 2026-060, **Version:** 1

City Council Meeting Date: June 19, 2026

To: Mayor and City Council

From: David Bennett, P.E., Public Works Director/City Engineer
Brenda Angelstad, Finance Director

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

Action Requested:
The Northfield City Council considers approving the attached Resolution Providing for the Issuance and Sale of General Obligation Street Reconstruction, Series 2026B in the Proposed Aggregate Principal Amount of $3,350,000.

Summary Report:
It is requested that the City Council approve the Resolution authorizing the sale of bonds to finance various capital projects that includes the 2026 Mill and Overlay, Spring Street and Fremouw Improvements.

Nick Anhut with Ehlers has prepared the presale information. The City Council authorized up to $4.75 Million in Bonds, however project bid on the 2026 Mill and Overlay was favorable, along with the ability to use more State Grant fund for the segment of Mill Towns State Trail along Jefferson Parkway has allow the bond size to be reduced from $4.75 Million to $3.35 Million.

Alternative Options:
None recommended.

Financial Impacts:
For more detail regarding annual debt payments, see attachments.

Tentative Timelines:
July 21, 2026 - Council Consideration of Resolution Award Sale of Bonds
August 13, 2026 - Closing Date of Bond Sale

CITY OF NORTHFIELD
COUNTIES OF DAKOTA AND RICE
STATE OF MINNESOTA

RESOLUTION NO. 2026-060

RESOLUTION PROVIDING
FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION
STREET RECONSTRUCTION BONDS, SERIES 2026B
IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF $3,350,000

BE IT RESOLVED by the City Council (the "Council") of the City of Northfield, Minnesota (the "City") as follows:

Section 1. Bonds Authorized

1.01. It is hereby found, determined and declared that the City should issue its General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds") in the approximate principal amount of $3,350,000, in order to finance various street reconstruction improvements as set forth in a Five-Year Street Reconstruction Plan and Overlay Plan and the acquisition of certain capital equipment (collectively the "Project"), including costs of issuance of the Bonds, subject to further details regarding the sale of the Bonds to be set forth in a resolution to be considered by the City Council at a subsequent meeting.

1.02. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Section 2. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the "Municipal Advisor") is authorized and directed to negotiate the sale of the Bonds. The City Council will meet on Tuesday, July 21, 2026, or another date selected by City staff, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

Section 3. Authority of Bond Counsel. The law firm of Kutak Rock LLP, as bond counsel for the City ("Bond Counsel"), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

Section 4. Covenants. In the resolution awarding the sale of the Bonds, the City Council will set forth the covenants and undertakings required by Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 475.58, Subdivision 3b (collectively, the "Act").

Section 5. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor

and participate in the preparation of an official statement for the Bonds and to deliver it on behalf of the City upon its completion.

Section 6. Declaration of Official Intent to Reimburse Expenditures.

6.01 The Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the "Reimbursement Regulations") providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; the City expects to incur certain expenditures with respect to the Projects that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax-exempt bonds.

6.02 The City has determined to make a declaration of official intent (the "Declaration") to reimburse certain costs with respect to the Projects from proceeds of the Bonds in accordance with the Reimbursement Regulations.

6.03 All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

6.04 This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of $100,000 or 5% of the proceeds of an issue; or (c) "preliminary expenditures" up to an amount not in excess of 20% of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

6.05 This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Projects and the principal amount of the Bonds described herein are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of the Bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such expenditures.

6.06 This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

PASSED by the City Council of the City of Northfield, Minnesota on this 16th day of June, 2026.

ATTEST:

_____ _____

City Clerk Mayor

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

June 16, 2026

PRE-SALE REPORT FOR

City of Northfield, Minnesota

$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B

Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Advisors:

Nick Anhut, Senior Municipal Advisor
Schane Rudlang, Associate Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B (the "Bonds")

Purposes:

The proposed issue includes tax-exempt, fixed rate financing for certain street reconstruction projects described in the City's 5-year Street Reconstruction and Overlay Plans, adopted in January 2026. Inclusive of estimated financing costs, the Bonds are proposed to be sized in an amount to fund portions of the 2026 Mill & Overlay, Spring Street and Freemouw project costs. Debt service will be paid from ad valorem property taxes collected from 2027 to 2041.

Authority:

The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged, and are being issued pursuant to Minnesota Statutes, Chapter 475 (Street Reconstruction).

Under Chapter 475, the City may issue Street Reconstruction Bonds for designated projects after approval at a public hearing and satisfying a 30-day petition period. The City Council held a public hearing January 6, 2026 for the designated street projects without petition.

The Bonds will also count against the City's statutory Net Debt Limit set at 3% of the current EMV, or $72,286,038. The City has $47.6 million of outstanding debt subject to the limit. Including this issue of Bonds, the City will have $21 million in remaining capacity within the statutory Net Debt Limit for future needs.

Term/Call Feature:

The Bonds are being issued for a term of 15 years, six months in total. Principal on the Bonds will be due on February 1 in the years 2028 through 2042. Interest will be due every six months beginning August 1, 2027.

The Bond offering will include a call option allowing prepayment at the discretion of the City anytime without penalty starting February 1, 2036 or any date thereafter.

Bank Qualification:

Because the City has issued more than $10,000,000 in tax-exempt obligations during the calendar year, the City will be not designate the Bonds as "bank qualified" obligations. Bank qualified status can broaden the market of potential investors, which can result in lower interest costs in certain instances – particularly for small, long-term financings at lower credit grades. Due to the City's credit quality and the Bonds' size and term, the potential impact is not expected to be material.

Credit Rating:

A credit rating provides an independent opinion of risk and can help differentiate the Bonds among other offerings in the marketplace. The City's most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is "AA".

To enhance marketability of the Bonds, we recommend the City request a new evaluation to update and apply the credit rating to the Bonds. The underwriter on the Bonds may elect to purchase bond insurance. In that instance, the credit rating for the issue may be higher in the event the bond rating of the insurer is higher than that of the City.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. The City will solicit competitive bids, which we will compile on its behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be included in the terms of sale. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), unused allowance may be used to reduce the final borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the purchaser pays an amount in excess of the face value of a maturity in return for a higher coupon (the interest rate paid by the issuer) than the prevailing market yield. The sum of the amounts paid in excess of face value is considered "reoffering premium."

The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a $3,000,000 offering may receive bids that result in proceeds of $3,060,000 to $3,300,000.

The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City's objectives for this financing. Any resulting adjustments will not alter the pricing of the bid, but may slightly increase or decrease the final true interest cost calculation of the issue.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no viable refunding opportunities to consider at this time. We will continue to monitor the market and call dates of the City's outstanding debt to alert you to any future refunding opportunities as they arise.

Continuing Disclosure:

The City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds and engages Ehlers as its disseminating agent to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction and debt service accounts, along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Arbitrage Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting various spend down, debt service fund, or investments yield restrictions. The City is currently receiving arbitrage services from Ehlers. An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City's specific responsibilities for the Bonds.

Investment of Bond Proceeds:

The City may maximize funding available by temporarily investing the Bonds proceeds until the funds are needed to pay project costs. As a Registered Investment Advisor, Ehlers can assist the City in developing a strategy to invest your Bond proceeds under the objectives of the City's investment policy and in consideration of the applicable Tax Compliance Document and Arbitrage Rules.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary.

Bond Counsel: Kutak Rock LLP
Paying Agent: Bond Trust Services Corporation
Rating Agency: S&P Global Ratings (S&P)

Basis for Recommendation:

Based on Ehlers' advisory relationship and the city's communicated objectives; financial situation; risk tolerance; liquidity needs; experience with the issuance of municipal securities and the tax status considerations, structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option to fund the City's street reconstruction projects.

- The issuance is consistent with the City's practices for financing its large-scale capital projects and the anticipated repayment is consistent with long-term financial plans.
- General Obligation pledge and tax-exemption can result in lower interest costs than most other financing options available to the City.
- This form of financing is expected to meet the City's objectives for term and prepayment flexibility.
- The method of sale process identified complies with City policy as well as best practices endorsed by the Government Finance Officers Association (GFOA).

Summary:

The decisions to be made by the City Council are as follows:

- Accept or modify the finance assumptions described in this report, and
- Consider the resolution provided by the City's Bond Attorney to establish a July 21, 2026 competitive bond sale date.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	June 16, 2026
Due Diligence Call to Review Official Statement:	Week of July 6, 2025
Conference with Rating Agency:	Week of July 6, 2025
Distribute Official Statement:	July 9, 2026
City Council Meeting to Award Sale of the Bonds:	July 21, 2026
Estimated Closing Date:	August 13, 2026

Attachments

Estimated Sources and Uses of Funds

Estimated Debt Service Schedules

EHLERS' CONTACTS

Nick Anhut, Senior Municipal Advisor	(651) 697-8507
Schane Rudlang, Associate Municipal Advisor	(651) 697-8527
Emily Wilkie, Senior Public Finance Analyst	(651) 697-8588
Alicia Gage, Senior Financial Analyst	(651) 697-8551

City of Northfield, Minnesota

$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B
Assumes Current Market Non-BQ AA Rates plus 35bps
15 Years

Estimated Sources & Uses

Dated 08/13/2026 | Delivered 08/13/2026

Sources Of Funds

Par Amount of Bonds	$3,350,000.00
Total Sources	**$3,350,000.00**

Uses Of Funds

Total Underwriter's Discount (1.200%)	40,200.00
Costs of Issuance	68,000.00
Deposit to Project Construction Fund	3,237,746.00
Rounding Amount	4,054.00
Total Uses	**$3,350,000.00**

City of Northfield, Minnesota

$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B
Assumes Current Market Non-BQ AA Rates plus 35bps
15 Years

Estimated Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/13/2026	-	-	-	-	-
08/01/2027	-	-	111,328.58	111,328.58	-
02/01/2028	130,000.00	2.900%	57,583.75	187,583.75	298,912.33
08/01/2028	-	-	55,698.75	55,698.75	-
02/01/2029	185,000.00	2.900%	55,698.75	240,698.75	296,397.50
08/01/2029	-	-	53,016.25	53,016.25	-
02/01/2030	190,000.00	2.950%	53,016.25	243,016.25	296,032.50
08/01/2030	-	-	50,213.75	50,213.75	-
02/01/2031	195,000.00	3.050%	50,213.75	245,213.75	295,427.50
08/01/2031	-	-	47,240.00	47,240.00	-
02/01/2032	205,000.00	3.100%	47,240.00	252,240.00	299,480.00
08/01/2032	-	-	44,062.50	44,062.50	-
02/01/2033	210,000.00	3.200%	44,062.50	254,062.50	298,125.00
08/01/2033	-	-	40,702.50	40,702.50	-
02/01/2034	215,000.00	3.250%	40,702.50	255,702.50	296,405.00
08/01/2034	-	-	37,208.75	37,208.75	-
02/01/2035	225,000.00	3.350%	37,208.75	262,208.75	299,417.50
08/01/2035	-	-	33,440.00	33,440.00	-
02/01/2036	230,000.00	3.450%	33,440.00	263,440.00	296,880.00
08/01/2036	-	-	29,472.50	29,472.50	-
02/01/2037	240,000.00	3.550%	29,472.50	269,472.50	298,945.00
08/01/2037	-	-	25,212.50	25,212.50	-
02/01/2038	245,000.00	3.650%	25,212.50	270,212.50	295,425.00
08/01/2038	-	-	20,741.25	20,741.25	-
02/01/2039	255,000.00	3.700%	20,741.25	275,741.25	296,482.50
08/01/2039	-	-	16,023.75	16,023.75	-
02/01/2040	265,000.00	3.850%	16,023.75	281,023.75	297,047.50
08/01/2040	-	-	10,922.50	10,922.50	-
02/01/2041	275,000.00	3.850%	10,922.50	285,922.50	296,845.00
08/01/2041	-	-	5,628.75	5,628.75	-
02/01/2042	285,000.00	3.950%	5,628.75	290,628.75	296,257.50
Total	**$3,350,000.00**	**-**	**$1,108,079.83**	**$4,458,079.83**	**-**

Yield Statistics

Bond Year Dollars	$30,798.33
Average Life	9.194 Years
Average Coupon	3.5978565%
Net Interest Cost (NIC)	3.7283830%
True Interest Cost (TIC)	3.7355895%
Bond Yield for Arbitrage Purposes	3.5761974%
All Inclusive Cost (AIC)	4.0113896%

IRS Form 8038

Net Interest Cost	3.5978565%
Weighted Average Maturity	9.194 Years

City of Northfield, Minnesota

$3,350,000 General Obligation Street Reconstruction Bonds, Series 2026B
Assumes Current Market Non-BQ AA Rates plus 35bps
15 Years

Estimated Debt Service Schedule and Levy Coverage

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2027	-	-	-	-	-
02/01/2028	130,000.00	2.900%	168,912.33	298,912.33	313,857.95
02/01/2029	185,000.00	2.900%	111,397.50	296,397.50	311,217.38
02/01/2030	190,000.00	2.950%	106,032.50	296,032.50	310,834.13
02/01/2031	195,000.00	3.050%	100,427.50	295,427.50	310,198.88
02/01/2032	205,000.00	3.100%	94,480.00	299,480.00	314,454.00
02/01/2033	210,000.00	3.200%	88,125.00	298,125.00	313,031.25
02/01/2034	215,000.00	3.250%	81,405.00	296,405.00	311,225.25
02/01/2035	225,000.00	3.350%	74,417.50	299,417.50	314,388.38
02/01/2036	230,000.00	3.450%	66,880.00	296,880.00	311,724.00
02/01/2037	240,000.00	3.550%	58,945.00	298,945.00	313,892.25
02/01/2038	245,000.00	3.650%	50,425.00	295,425.00	310,196.25
02/01/2039	255,000.00	3.700%	41,482.50	296,482.50	311,306.63
02/01/2040	265,000.00	3.850%	32,047.50	297,047.50	311,899.88
02/01/2041	275,000.00	3.850%	21,845.00	296,845.00	311,687.25
02/01/2042	285,000.00	3.950%	11,257.50	296,257.50	311,070.38
Total	**$3,350,000.00**	**-**	**$1,108,079.83**	**$4,458,079.83**	**$4,680,983.82**

Significant Dates

Dated	8/13/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$30,798.33
Average Life	9.194 Years
Average Coupon	3.5978565%
Net Interest Cost (NIC)	3.7283830%
True Interest Cost (TIC)	3.7355895%
Bond Yield for Arbitrage Purposes	3.5761974%
All Inclusive Cost (AIC)	4.0113896%

IRS Form 8038

Net Interest Cost	3.5978565%
Weighted Average Maturity	9.194 Years

File #: Res. 2026-061, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and Members of Council
City Administrator

From: David E. Bennett, Public Works Director/City Engineer

Consider Resolution Modifying Central Business District Short Term Parking and Handicap Accessible Parking.

Action Requested:
The Northfield City Council approves Resolution Modifying Central Business District Short Term Parking and Handicap Accessible Parking.

Summary Report:
At the May 12, 2026 City Council meeting, staff shared a summary of the central business district parking regulations. From that discussion, Council wanted a more uniform approach to the short term 20-minute parking and handicap parking on Division Street.

Short term 20-minute parking locations were established in 2014 based on specific business locations. Since then, many downtown business locations have changed while food pickup services such as Grubhub, Uber Eats, Doordash, etc have grown in popularity. However, there have been very few updates or adjustments to the short term 20-minute parking locations in the past 12 years. The proposed approach is to center the short term 20-minute parking in each block, this will allow short travel distances to reach businesses, regardless of future business changes. It will also provide consistent and predictable locations on each block for drivers and visitors to Northfield. A summary of the proposed changes is below.

Division Street 20-Minute Parking		
	West Side Angled Parking	East Side Parallel Parking
Existing 20-Minute Stalls	7	3
Proposed 20-Minute Stalls	10	5
Net Increase	3	2

An additional proposal is to go to a more uniform approach to handicap parking. The proposal on Division Street will increase the total handicap supply from Second Street to Seventh Street by 6 stalls. On the west side of Division St. handicap stalls have been placed on the end of each block where the accessible ramp is located. On the east side of Division Street, 1-stall per block is proposed and it will be the first stall northbound on each block, except on the 600 block of Division St., that stall has been located on the south side of Sixth Street near

Division St., as this is the more accessible location due to the landscape beds on that block.

Division Street Handicap Parking		
	West Side Angled Parking	East Side Parallel Parking
Existing Handicap Stalls	7	2
Proposed Handicap Stalls	10	5
Net Increase	3	3

Staff are discussing the proposed changes with impacted businesses in order to share feedback with Council as part of the presentation.

City Plans & Policies Relevance:
NA

Alternative Options:
NA

Financial Impacts:
NA

Tentative Timelines:
Staff will install and relocate signage in the summer of 2026.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-061

DIVISION STREET DOWNTOWN PARKING

WHEREAS, the City desires to improve accessibility and access to businesses downtown; and,

WHEREAS, the City has reviewed its downtown handicap parking stalls locations on Division Street and is proposing to locate them near accessible landings and the most accessible routes to businesses; and,

WHEREAS, the City also desires to increase the number of handicap stalls on Division Street; and,

WHEREAS, the City provides short term 20-minute parking on Division Street and hasn't updated these locations since 2014; and,

WHEREAS, since 2014 there is more pickup service available such as Grubhub, Uber East, Doordash, and businesses have changes over time that would benefit from short term parking; and,

WHEREAS, the City is proposing a uniform approach to short term 20-minute parking by placing the 20-minute stall near the center of each block to provide access to businesses on each block.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:
The Northfield City Council approves the proposed changes to Division Street handicap parking and short term 20-minute paring as shown in the attached Exhibit A and authorizes staff to proceed with the parking changes.

PASSED by the City Council of the City of Northfield on this 16th day of June, 2026.

ATTEST

_____ _____
City Clerk Mayor

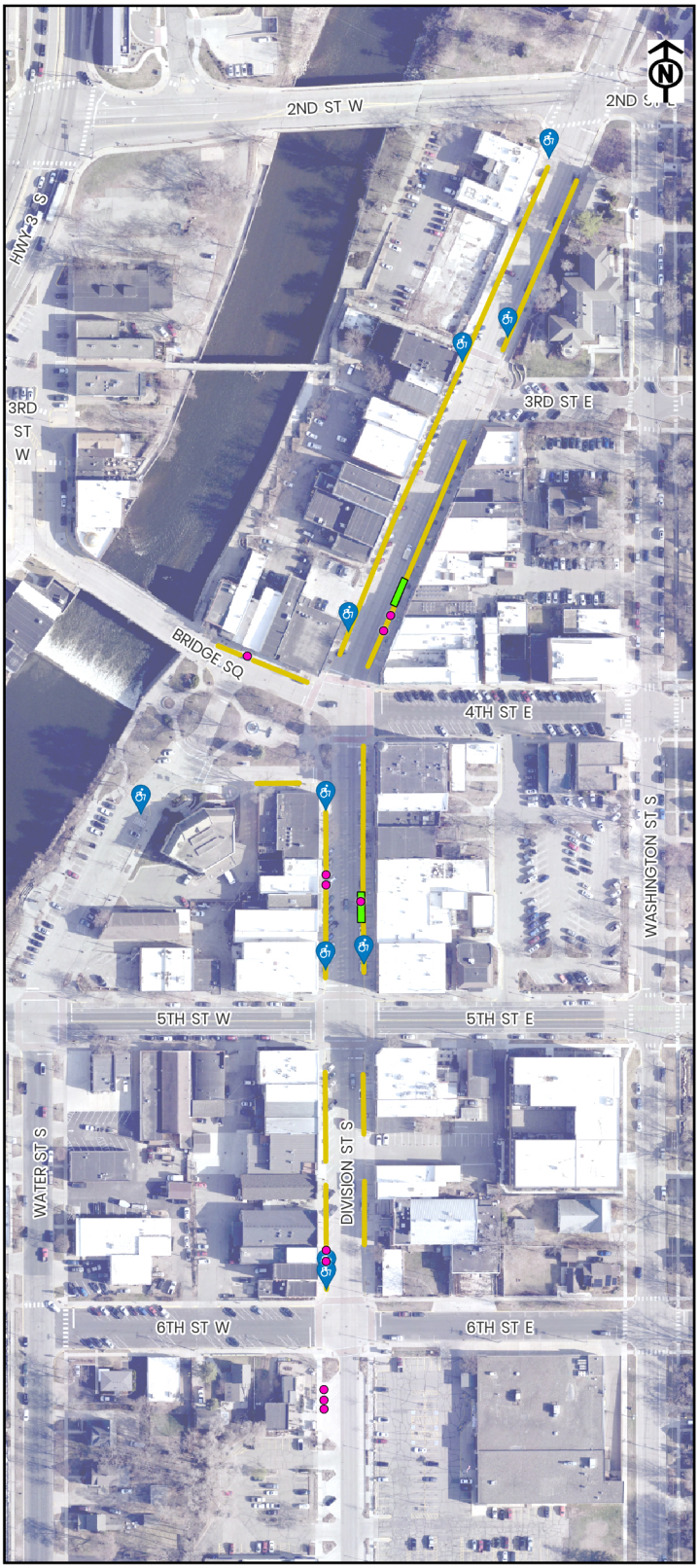
VOTE: ___ ZWEIFEL ___ BEUMER ___ DAHLEN ___ HOLMES

___ NESS ___ PETERSON WHITE ___ SOKUP

Exhibit A: Downtown Division Street Parking

Current Parking vs. Proposed Parking

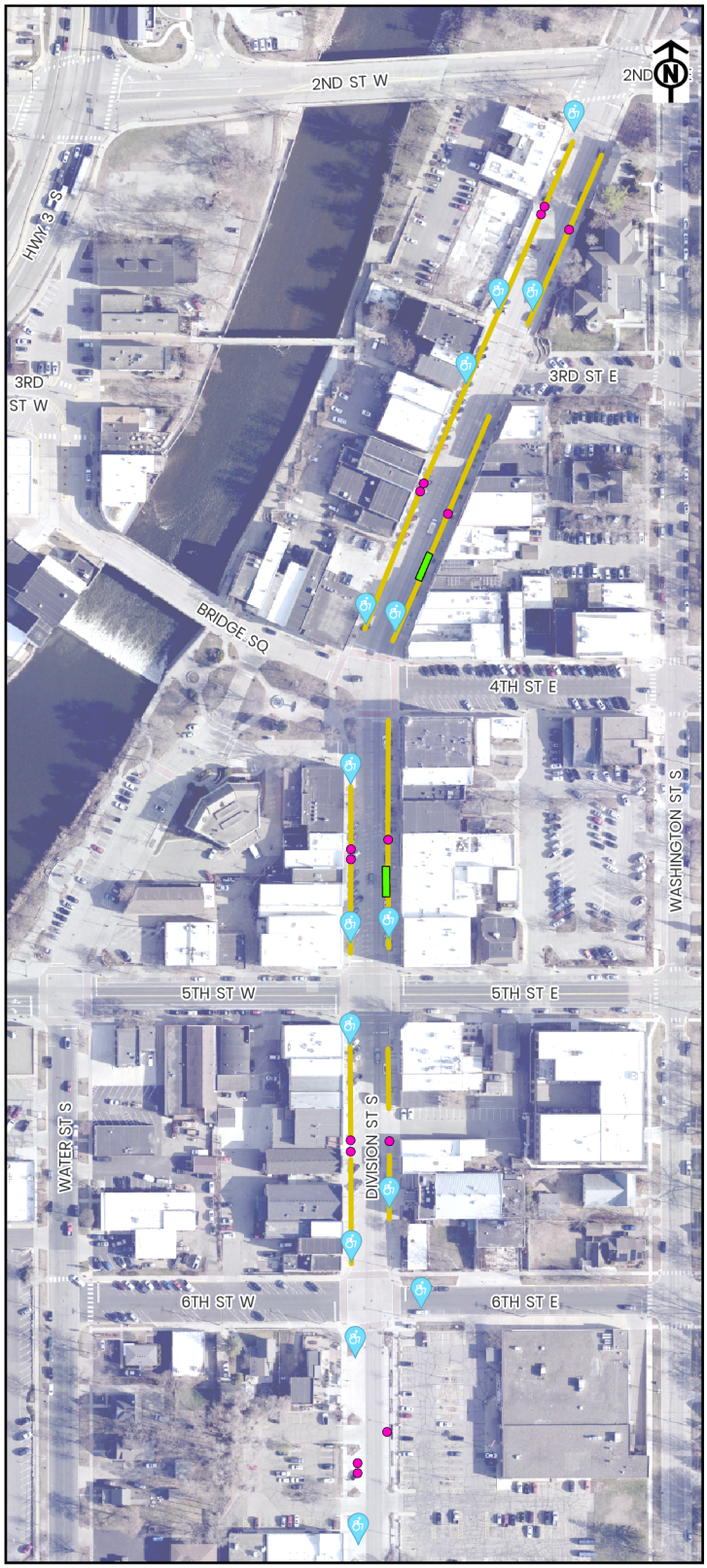
CURRENT PARKING



***East Division St: 2** Handicap ; **3** 20-Minute Stalls*

***West Division St: 7** Handicap ; **7** 20-Minute Stalls*

PROPOSED DIVISION ST PARKING



***East Division St: 5** Handicap ; **5** 20-Minute Stalls*

***West Division St: 10** Handicap ; **10** 20-Minute Stalls*

6/9/2026

THE CITY OF NORTHFIELD MINNESOTA ESTD 1855

0 200 400 Feet

Legend

- Current Handicap Stall
- Conceptual Handicap Stall
- 20-Minute Stall
- 2 Hour Parking
- Parklet

File #: Res. 2026-062, **Version:** 1

City Council Meeting Date: June 16, 2026

To: Mayor and City Council
City Administrator

From: Mikayla Schmidt, AICP, City Planner
Scott Wopata, Community Development Director
Dave Bennett, Public Works Director/City Engineer

Consider a Citizen Petition for the Preparation of an Environmental Assessment Worksheet (EAW) to be Completed for the Proposed Harvest Hills Second Addition Development.

Action Requested:
Staff recommend a motion to approve the Resolution to deny the citizen Petition for the preparation of an Environmental Assessment Worksheet (EAW) for the proposed Harvest Hills Second Addition development.

Summary Report:
The Environmental Assessment Worksheet (EAW) process related to this agenda item before the Council is a quasi-judicial decision, rather than the legislative matters the Council typically considers. In this role, Councilmembers must base their decision on the record, applicable ordinance standards, and evidence presented through the public process. Councilmembers are encouraged to avoid ex parte communications-direct discussions with the applicant or interested parties outside of the public meeting-as outlined in the City's Ex Parte Communications Policy (see attachment). If such communications do occur, they should be disclosed on the record at the meeting. Maintaining this approach helps ensure fairness, transparency, and the legal defensibility of the Council's decision.

By letter provided via email, from Sarah Lerohl, Environmental Review Program Administrator with the Minnesota Environmental Quality Board ("EQB"), the City of Northfield ("City") received a petition for an environmental assessment worksheet ("EAW"), dated May 29, 2026 (the "Petition"), for the proposed Harvest Hills Second Addition development. The Petition has been signed by over 100 individuals and has been submitted pursuant to Minnesota Rules, part 4410.1100.

MN Rules include categories of projects and thresholds that trigger a mandatory EAW. An EAW must be prepared for a residential development adding 100-150 units of housing (depending on whether they are attached or unattached). Harvest Hills Second Addition is proposing 71 units. The proposed development does not meet criteria for a required EAW. Staff reviewed if an EAW was mandatory at the pre-application phase of the preliminary plat discussions held with the developer and determined the proposed development did not meet the criteria requiring an EAW. A copy of the mandatory categories is attached for reference. Additionally, City Council reviewed the thresholds for a traffic related study in response to public comments when reviewing the preliminary plat on May 5, 2026. Council determined that a traffic study was not necessary and approved the preliminary plat. Staff continue to evaluate pedestrian and traffic activity in the neighborhood to inform

future mitigation strategies.

The MN Rules also include a petition process, whereby a petition is first submitted to the Environmental Quality Board (EQB) who determines the "responsible government unit" (RGU), forwards the petition to the RGU and the RGU then must make a determination as to whether to order the preparation of an EAW or not by applying the standard set forth in the Rules. The City of Northfield was determined to be the RGU in this case, and the determination on the need for an EAW must now be made by the City Council. The Petition submitted to the EQB, and subsequently the City, is provided as an attachment.

The EQB provides "A Citizen's Guide: An Introduction to Environmental Review" (linked in the attachments) and explains:

> The EAW document is designed to provide a brief analysis and overview of the potential environmental impacts for a specific project and to help the RGU determine whether an EIS is necessary. Of the three environmental review documents, EAWs are usually the shortest at 15-50 pages in length. The EAW consists of a standard list of 31 questions and is meant to set out the basic facts of the project's environmental impacts. It usually takes about 2-3 months for a project to complete the entire EAW process. The EAW is not meant to approve or disapprove a project, but is simply a source of information to guide other approvals and permitting decisions. (p. 4)

Attorney Hood has also provided a memo with basic EAW legal guidance to the Council, which is attached for reference.

Procedural Considerations:
The City Council may choose to grant the Petition and thereby order the developer to prepare an EAW on the Project. The Council may also deny the Petition and not require the preparation of an EAW. Staff recommend the Council approve the resolution to deny the Petition and not require the preparation of an EAW.

In making this decision, the City Council must order the preparation of an EAW if the material evidence presented by the Petitioners demonstrates that, because of the nature or location of the proposed Project, the Project may have the potential for significant environmental effects. The City Council must deny the Petition if the evidence presented fails to demonstrate that the project may have the potential for significant environmental effects. In considering the evidence, the Council must take into account the factors listed in Minnesota Rules, part 4410.1700, subp. 7, which provides as follows:

> Criteria. In deciding whether a project has the potential for significant environmental effects, the following factors shall be considered:
>
> A. type, extent, and reversibility of environmental effects;
>
> B. cumulative potential effects. The RGU shall consider the following factors: whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effect; and the efforts of the proposer to minimize the contributions from the project;
>
> C. the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely only on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental

impacts of the project; and

D. the extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other EISs.

The City Council must make specific findings of fact of its decision based upon the above criteria on the need for an EAW. The decision must be made within 15 working days from the date of receipt of the Petition (May 29, 2026) making the decision due by June 19, 2026. There is an option to extend making a decision another 15 working days as well. The timeline of dates is listed below.

The EQB and Petitioner's representative then has to be notified of the decision within 5 working days of the decision.

City Plans & Policies Relevance:
Council Policy 1.10 Ex Parte Communication - See attachment hyperlink to the policy.

As noted in the first paragraph of the background memo, the Environmental Assessment Worksheet (EAW) process related to this agenda item before the Council is a quasi-judicial decision, rather than the legislative matters the Council typically considers. In this role, Councilmembers must base their decision on the record, applicable ordinance standards, and evidence presented through the public process. Councilmembers are encouraged to avoid ex parte communications-direct discussions with the applicant or interested parties outside of the public meeting-as outlined in the City's Ex Parte Communications Policy. If such communications do occur, they should be disclosed on the record at the meeting. Maintaining this approach helps ensure fairness, transparency, and the legal defensibility of the Council's decision.

Alternative Options:
The City Council could adopt the resolution as written, or could adopt with modifications to the findings if they are specified by Council in their action.

If the City Council determines an EAW will be required for the project, it is recommended that the developer hire a consultant to complete the EAW and submit it to the City, and that the City hire a separate consultant to act as an extension of staff to review and process the EAW.

Financial Impacts:
If the City Council grants the Petition and orders the preparation of an EAW, staff would direct the developer to contract with a consultant to complete an EAW to submit to the City. The estimated cost for preparing an EAW for the project is not known but would be the responsibility of the developer.

Staff would contract with a separate consultant to serve as an extension of staff to review and finalize the document, distribute, and prepare responses to agency and public comments as well as a record of decision for the EAW. The estimated cost for a consultant the City would hire is between $8,000-15,000. The City's fee schedule includes an application fee and escrow up to $5,000 for EAW's. Any cost for the review of the EAW review above $5,000 would likely be cost the City would incur. Therefore, we estimate a potential $3,000 to $7,000 cost to the City for review of this EAW, if ordered.

Tentative Timelines:
May 29, 2026: Citizen Petition received
June 16, 2026: City Council reviews and makes decision on the Petition

June 19, 2026: The City Council must make a decision on the Petition to either grant or deny/dismiss the same with findings supporting the decision (for the first 15 working days)

July 7, 2026: Harvest Hills Second Addition final plat (must happen after decision on EAW petition)

July 10, 2026: Final EAW decision date if extended an additional 15 working days

The EAW process can take at least 90-120 days after an EAW document is completed and submitted to the City by the developer. The EAW process would result in delaying the final plat until the EAW is completed.

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2026-062

RESOLUTION DENYING CITIZEN PETITION FOR PREPARATION OF AN ENVIRONMENTAL ASSESSMENT WORKSHEET FOR THE PROPOSED HARVEST HILLS SECOND ADDITION DEVELOPMENT

WHEREAS, by letter provided via email, dated May 29, 2026, from Sarah Lerohl, Environmental Review Program Administrator with the Minnesota Environmental Quality Board ("EQB"), the City of Northfield ("City") received a petition requesting that the City Council require an environmental assessment worksheet ("EAW"), received by the EQB on May 28, 2026 (the "Petition"), for the proposed project known as the Harvest Hills Second Addition Development, to be located at Parcel ID - 2212426022, Northfield, MN 55057 (the "Project"); and

WHERAS, the Petition was signed by approximately 107 individuals; and

WHERAS, the EQB has designated the City as the responsible governmental unit ("RGU") for the Project; and

WHEREAS, the Petition has been submitted pursuant to Minnesota Rules, part 4410.1100, which requires, within fifteen (15) working days of receipt of the Petition from the EQB, the City to review the evidence presented by the petitioners, evidence provided by the Project proposer, and other evidence otherwise known to the City and determine whether, because of the nature or location of the Project, the Project may have the potential for significant environmental effects; and

WHEREAS, Minnesota Rules, part 4410.1100, Subp. 2, requires in part that the Petition contain: "E. material evidence indicating that, because of the nature or location of the proposed project, there may be potential for significant environmental effects. The material evidence must physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found."; and

WHEREAS, Minnesota Rules, part 4410.1100, Subp. 6, states that: "The RGU shall order the preparation of an EAW if the evidence presented by the petitioners, proposers, and other persons or otherwise known to the RGU demonstrates that, because of the nature or location of the proposed project, the project may have the potential for significant environmental effects. The RGU shall deny the petition if the evidence presented fails to demonstrate the project may have the potential for significant environmental effects. In considering the evidence, the RGU must take into account the factors listed in part 4410.1700, subpart 7. The RGU shall maintain, either as a separate document or contained within the records of the RGU, a record, including specific findings of fact, of its decision on the need for an EAW"; and

WHERAS, in deciding whether the Project may have the potential for significant environmental effects, Minnesota Rules, part 4410.1700, subp. 7, requires the City Council to consider the following criteria:

A. The type, extent, and reversibility of environmental effects;

B. The cumulative potential effects, including the following factors: whether the cumulative potential effect is significant; whether the contribution from the Project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effect; and the efforts of the proposer to minimize the contributions from the Project;

C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the Project; and

D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other environmental impact statements ("EIS").

WHERAS, the City Council considered the Petition for an EAW at its meeting on June 16, 2026.The petitioners and the Project proposer were provided the opportunity to present information and comment. The City Council considered all of the evidence and information presented as well as the staff report, which are incorporated herein by reference into this Resolution.

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

1. The City Council hereby incorporates the above recitals as Findings of Fact and further hereby makes and adopts the Findings of Fact, which are attached hereto and incorporated herein by reference as Exhibit A; and

2. Based upon the attached Findings of Fact, the City Council hereby concludes that the evidence presented fails to demonstrate that the Project, based on its nature or location, may have the potential for significant environmental effects. The Petition for preparation of an EAW for the Project is therefore denied and dismissed in its entirety, and City staff are authorized and directed, within five days of this decision, to notify, in writing, the Project proposer, the EQB staff, and the petitioner's representative of this decision.

PASSED by the City Council of the City of Northfield on this ____ day of _____, 2026.

ATTEST:

_____ _____

City Clerk Mayor

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES

____ NESS ____ PETERSON WHITE ____ SOKUP

EXHIBIT A

FINDINGS OF FACT

Nature, Location and Zoning of the Project

1. Schrom Construction, Inc. has applied for a preliminary plat for Parcel ID – 2212426022 (Outlot A, Harvest Hills Addition) located in Rice County. Harvest Hills Second Addition is a two-phase, 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. Total Project unit creation is 71 – this equates to a gross property density of 6.89 units per acre.

2. The current land use on the site includes some agricultural use for row crops and the rest is remnant land from the development of the Harvest Hills Addition. There is stock piles of dirt, debris and volunteer trees.

3. There are no mapped floodplains on the property. The National Wetland Inventory (NWI) maps do not identify potential wetlands on the subject property.

4. Adjacent land uses to the Project site include a public middle school site to the northeast, with established residential neighborhoods to the north and east comprised primarily of single family detached homes. To the south is agricultural fields used for row crop farming and such land is outside the Project area and outside City limits.

5. The proposed Project is a subdivision that has been reviewed for conformance with Northfield 2045, the City's comprehensive plan, and has been found to be in alignment the three core principles of Economy, Environment and Equality along with its Guiding Values. These principles are to be evaluated to weigh the impacts of the proposed project to consider what compromises are to be considered to find the best long-term outcomes.

    - **Economy –** In planning for long-term economic health for the community and weighing the needs to serve new development, this housing development will fill a parcel within city limits and zoned N2-B: Neighborhood 2. This supports the economic feasibility of the project because it is adjacent to existing roads, water and sewer connections, and trails/sidewalks. The cost of the city to serve this development are low. It also supports housing near the Northfield schools, supporting families and students who could work or attend there. The developer has also applied for Tax Increment Financing which has been shown to be a need to assist with gap financing to make the development viable.

    - **Environment –** This development assists in provided a more sustainable Northfield by providing 71 housing units within city limits and adjacent to many amenities like trails, sidewalks, parks and the Northfield school campus. Being walkable to the Northfield school system campus for students and potential employees creates a greater ability to walk, bike or roll to that campus and other destinations thus creating the ability to reduce greenhouse gas emissions.

- **Equality –** This development creates market rate rental units with 20% of the units rented at 50% area median income to allow for more residents the opportunity to live in Northfield. The development will create an attractive public realm and exceptional place for people as the streets will have sidewalks on both sides of the streets, a trail to the Northfield Middle School and path along Fillmore St. and trees every 40 feet. Creating housing units of these types offers market rates options for people to reside in Northfield.

6. In addition, the future land use map denotes the area as Mixed Use Residential Neighborhood and Enhance as part of the Intervention Map. The Mixed Use Residential Neighborhood is defined as a residential neighborhood, with neighborhood scale or incidental commercial. The density of this area is planned to include a mix of single-family homes and smaller (2 to 12-unit) multifamily structures. Small scale mixed-use infill buildings of two to three stories are also encouraged. Transit would be best supported by an overall citywide residential density of 15 units per acre and excellent connectivity.

   Transportation considerations for this future land use continue to plan for active transportation, especially at the edges of this district where the grid pattern transitions to a curvilinear street pattern. Reconnecting and redesigning streets to facilitate safe connections for bike/walk facilities and prioritizing, creating or improving connections to schools, parks and other daily destinations.

   This development supports the type of residential housing, density and connectivity as defined by the future land use Mixed Use Residential Neighborhood.

7. From the Interventions map, Enhance areas are primarily located in residential neighborhoods and represent areas needing smaller-scale interventions, such as accessibility and associated public realm and mobility enhancements. Appropriate interventions may include:
   - Traffic calming measures on roadways, especially higher volume collector streets
   - New active transportation connections and improved facilities for people of all ages and abilities biking, walking, and/or rolling to nearby, mixed-use centers, parks and open space, and schools.
   - Creation of new active parks, passive open space, and denser tree canopy
   - Infill and redevelopment that increases the range of available housing types.

   The streets in this development support the traffic calming measures with a continued 60 foot right of way for the construction of the street, sidewalk and path along Fillmore St. as a minor collector street. A path to connect to Tyler Park and a trail to connect to the Northfield Middle School will continue to enhance and add active transportation to the community. The trail connection to the middle school will have a connection directly into the subdivision creating a further active and passive space. This also supports infill within city limits and increases the range of housing types available.

8. The site is zoned N2-B: Neighborhood General 2. The land development code states the purpose of the district – see excerpt below:

   > The N2 district should generally apply to those areas intended for residential neighborhoods designated as "Pipeline" and "Managed Growth" on the

conservation and development map of the comprehensive plan, and those areas designated as "Neighborhood General 1" on the framework map of the comprehensive plan and Neighborhood General 2 on the Zoning Map.
The Neighborhood General 2 (N2) district is applied to residential neighborhoods of the city that may include larger vacant areas within the current city limits and areas that will be within city limits through future annexations. The N2 district will create a pedestrian-friendly environment, such as found in the R1 district, with strong neighborhood qualities, such as a grid-like street pattern, consistent block size, compact development, a range of housing types and architectural styles, street connectivity, sidewalks, and homes located in close relationship to the street. In addition, the N2 district will include greenways and natural areas, and options for neighborhood-serving commercial. This development pattern is the preferred future pattern for the city, as expressed in the comprehensive plan.

9. The development property is currently zoned to permit the proposed Project, and the Project has already received preliminary plat approval in City Council Resolution No. 2026-050, dated May 5, 2026.

Petition Topics

10. The citizen petition for a discretionary EAW alleges that:

    The specific environmental effect being addressed in this petition is safety, primarily of pedestrians but also of motor traffic itself. Increased traffic has the potential to impact pedestrian safety adversely, and current traffic control may not be adequate to maintain pedestrian safety with increased traffic resulting from Harvest Hills Second Addition. Traffic calming and other mitigation efforts may therefore be required. An EAW is therefore requested.

Traffic Impacts

11. The Petition identifies concerns with increased traffic and safety for pedestrians and children with only two motor vehicle outlets from the neighborhood. The Petition identifies a significant increase in motor traffic intersecting pedestrian and bicycle paths near schools and parks.

Type, extent, and reversibility of environmental effects

12. The proposed 71 unit residential mixed use development, will generate approximately 497 trips per day. The streets within the development are extensions of three existing roadways: Fillmore St., Greenfield Dr. West, and Greenfield Dr. East. The proposed development will construct a new east-west public street (Wheatland Ln). All proposed roadways are local streets except for Fillmore Street, which is a minor collector. Fillmore Street will extend to the south and will connect to a future east-west collector (Ford Street) and eventually County State-Aid Highway 1. Fillmore Street connects north to Roosevelt Drive as an existing collector roadway. The street extensions and Wheatland Ln. were developed to construct a street grid design to the greatest extent possible addressing directly both generally accepted traffic flow as

well as access for public safety vehicles.

13. Walkability & Bikeablilty: The proposed development will include sidewalks on both sides of the proposed streets, this will separate the motor vehicles and pedestrians. The sidewalks will be extended north on the west side of Fillmore Street to connect to the existing sidewalk. The proposed development will include a trail on the east side of Fillmore Street that will be extended on Fillmore Street north outside of the proposed development to Carter Drive. Fillmore Street extends to Roosevelt Drive where a two-way all ages and ability protected bikeway exists. The proposed development plan provides adequate features for the safe and efficient travel of vehicles, bikes and pedestrians.

14. The development will include a trail on the east side of the development in coordination with the Northfield School District to connect into the Middle School property walking and biking network. This trail will be constructed on the west side of middle school campus and will connect to the existing trail network on the west side. The proposed development plan adequate features for the safe and efficient travel of vehicles, bikes and pedestrians.

15. Fillmore Street is designated as "collector" street and the Comprehensive Transportation Plan anticipates growth in traffic as development continues to the south. The current traffic volume on Fillmore Street is 710 vehicles per day and with the proposed development traffic volume, Fillmore Street is well below the volume of a typical collector roadway in Northfield and can support this growth in traffic. Roosevelt Drive, a collector roadway that Fillmore Street connects to has an average daily traffic volume of 1,458 vehicles. This is considered low traffic volume on a collector roadway and can support the proposed traffic from the development. Typical capacity of a two-lane urban collector is up to 10,000 vehicles per day. Other similar collector roadways in Northfield include Cannon Valley Drive (2,400 vehicles per day), Linden Street north of Lincoln Parkway (1,400 vehicles per day), 7th Street (1,400 vehicles per day), and St. Olaf Avenue (2,100 vehicles per day).

16. A Petition is required to contain: "E. material evidence indicating that, because of the nature or location of the proposed project, there may be potential for significant environmental effects. The material evidence must physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found."

17. The courts have interpreted "material evidence" to mean that the evidence filed with the EAW petition must be evidence that is "admissible, relevant, and consequential to determine whether the project may have the potential for significant environmental effects." "Allegations of vague or generalized fears and concerns are therefore not sufficient under the statute." "Moreover, in determining whether an EAW is warranted, an RGU properly considers "the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority." The material evidence must also physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found.

18. In this case the evidence provided with the Petition does not meet the standard for materiality since the Petition does not present evidence of effects other than generalized concerns and to the extent concerns have been raised they will be adequately addressed through other ongoing regulatory processes and in the development plan.

19. Considering all these factors collectively, there is no potential for significant environmental effects related to traffic, safety, noise, or air pollution as a result of the Project.

Cumulative potential effects

20. The Project is a typical, moderately sized City townhome development on land already planned and zoned for such residential uses.

21. The Project will assist in the process of alleviating the significant need for residential development in the City by providing work force and affordable housing.

22. The Project is further proposed to be developed in a similar urban manner as other development that has already occurred in the area.

23. There is no evidence of significant cumulative potential effects relating to traffic and safety as a result of the Project.

Mitigation by ongoing regulatory authority

24. Roadway safety, intersection design, and sightline requirements will be approved through City's platting and permitting process and will meet all City Code requirements and applicable engineering standards.

25. The City's regulatory requirements for new development require integration of pedestrian and non-motorized facilities for new roadways including design and safety and the Project's transportation plan meets these requirements, which will be further addressed in the final plat review process.

26. The City is coordinating with the School District to determine the best location for the trail on the west side of the middle school campus.

Extent Anticipated or Controlled, or Other studies

27. City Engineering staff reviewed the proposed traffic impacts anticipated from the Project the proposed traffic, safety, and mitigation.

Summary

28. The evidence presented to and considered by the Council does not demonstrate that, because of the nature or location of the Project, the Project may have the potential for

significant environmental effects. Any environmental effects that may result from the Project are not significant. Areas of potential concern will be monitored and negative effects mitigated through other ongoing regulatory processes.

29. Any cumulative potential effects of the Project are not significant as demonstrated in these findings of fact. The potential effects of the Project when reviewed in connection with the other potential effects in the environmentally relevant area that might reasonably be expected to affect the same environmental resources are not significant. The developer of the Project will be required to obtain and comply with all necessary permitting and approval processes required by the City and other state agencies having jurisdiction and that will address mitigation measures as appropriate. The Project minimizes potential effects by preserving natural resources areas in areas proposed for wooded open space and tree preservation. Further, the City's policies related to tree replacement, planting and landscaping will result in new plantings that could introduce new biodiversity into the project. Additionally, City and State requirements for stormwater management will be applied to this Project, and the Wetland Conservation Act and Endangered Species Act have existing regulation, management and permitting requirements that the Project developer is subject to complying with, should they apply.

FLAHERTY | HOOD P.A.

MEMORANDUM

To: Mayor Zweifel and City Council **VIA EMAIL ONLY**

From: Christopher M. Hood, City Attorney

Date: June 16, 2026

Re: **Petition for Environmental Assessment Worksheet – Harvest Hills Development**

- -

INTRODUCTION

By letter, dated May 29, 2026, from Sarah Lerohl, Environmental Review Program Coordinator with the Minnesota Environmental Quality Board ("EQB"), the City of Northfield ("City") received a petition for an environmental assessment worksheet ("EAW")[1], received by the EQB on May 28, 2026 (the "Petition"), for the proposed Harvest Hills Development. The Petition is signed by approximately 107 individuals and was submitted to the EQB pursuant to Minnesota Rules, part 4410.1100. The Petition is requesting that an EAW be prepared on the proposed Harvest Hills Development project.

BACKGROUND

The following is provided for purposes of background to place in context the discussion that follows:

1. Schrom Real Estate Holdings, LLC (the "Property Owner") and Schrom Construction, Inc. (the "Developer") have received preliminary plat approval with conditions from the City Council (Resolution 2026-050, dated May 5, 2026) for a housing development on a 10.3 acre parcel located within the City, PID 2212426022, and described as Outlot A, Harvest Hills Addition (the "Property").

2. The approved preliminary plat for the Harvest Hills 2nd Addition subdivision, consists of a mix of 71 residential townhome housing units comprised of 21 duplexes (42 units), five tri-plexes (15 units), two 4-plexes (8 units), and one 6-plex (6 units) (collectively the "Project" or "Development"). The proposed Project is planned to be constructed in two phases.

3. At least 20% of the above-mentioned units in the Development will be reserved for rental to persons whose annual income does not exceed 50% of applicable area median income.

4. The Property is depicted, as outlined in red, on the map attached hereto as Exhibit 1.

[1] *See* Minn. R 4410.1100, subp. 5.

5. The Developer has also submitted an application to the City for final plat approval for phase 1 of the Project and for tax increment financing ("TIF") assistance related to the Project.

QUESTIONS AND ANALYSIS

1. **Does the Project fall within a category under State law requiring preparation of a mandatory EAW?**

   No. The Project does not meet the threshold for preparation of a mandatory EAW under Minnesota Rules.[2] Therefore, preparation of an EAW is discretionary, or one may be required by the City Council in the event the City Council grants the Petition for an EAW.

2. **Does the Petition require preparation of an EAW for the Project?**

   No. The City Council must make that decision. The City Council may either: a. choose to grant the Petition and thereby order the Developer to prepare an EAW on the Project; or b. the City Council may deny the Petition and not require the preparation of an EAW.

   In making this decision, the City Council must order the preparation of an EAW if the material evidence presented by the Petitioners demonstrates that, because of the nature or location of the proposed Project, the Project may have the potential for significant environmental effects. The City Council must deny the Petition if the evidence presented fails to demonstrate that the Project may have the potential for significant environmental effects.[3]

   In considering the evidence whether the Project has the potential for significant environmental effects, the Council shall compare the impacts that may be reasonably expected to occur from the Project with the criteria / factors listed in Minnesota Rules, part 4410.1700, subp. 7,[4] which provides as follows:

   > "Criteria. In deciding whether a project has the potential for significant environmental effects, the following factors shall be considered:
   >
   > A. type, extent, and reversibility of environmental effects;
   >
   > B. cumulative potential effects. The RGU shall consider the following factors: whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential

[2] *See* Minn. R 4410.4300, subp. 19.
[3] Minn. R 4410.1100, subp. 6.
[4] *See also Id.*

effect; and the efforts of the proposer to minimize the contributions from the project;

C. the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely only on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the project; and

D. the extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the project proposer, including other EISs."

The City Council must make specific findings of fact of its decision based upon the above criteria on the need for an EAW.[5]

The City Council must make such decision within 15 working days from the date of receipt of the Petition (May 29, 2026), except that such date may be extended by the Council an additional 15 days.[6] Thus, the City Council must make a decision on the Petition to either grant or deny/dismiss the same with findings supporting the decision by no later than June 19, 2026, unless the date is otherwise extended by the Council another 15 days. Once a decision is made by the City Council then the City must communicate that decision in writing to the EQB and Petitioner's representative.[7]

3. **Does the Petition meet the basic legal requirements for submission of a petition for an EAW thereby allowing for further consideration of the same by the City Council?**

Yes. Minnesota Rules, part 4410.1100, subp. 5, requires the EQB to determine the adequacy of a Petition, and specifically whether the Petition complies with the basic requirements of Minnesota Rules, part 4410.1100, subparts 1 and 2, allowing for such a Petition to proceed further in the process.

The above Rule goes on to state that if the petition complies with subparts 1 and 2, then the EQB must designate the Responsible Governmental Unit ("RGU") pursuant to Minnesota Rules, part 4410.0500, and forward the petition to the RGU within five days of receipt of the petition, or, to the contrary, if the petition fails to comply with subparts 1 and 2, then the EQB shall return the petition to the petitioner's representative within five days of receipt of the petition with a written explanation of why it fails to comply.

In this case, the EQB has submitted a transmittal letter to the City, dated May 29, 2026, enclosing the Petition and designating the City as the RGU. Based on the above Rule and

[5] Minn. R 4410.1100, subp. 6.
[6] *See* Minn. R 4410.0200, subp. 12 and Minn. R 4410.1100, subp. 7..
[7] Minn. R 4410.1100, subp. 8.

the above-referenced EQB letter, the City can conclude that the EQB has determined that the Petition meets the basic legal requirements for it to be considered further by the City Council to either grant or deny the same.

It should be noted that the mere fact that the EQB determined that the Petition met basic legal requirements for a petition to receive further consideration by the Council is not dispositive of whether an EAW should be ordered or not ordered. It is instead in the City Council's sole judgment, as the RGU, to make the decision whether to order the petitioned EAW. The Court of Appeals has expressly addressed this issue and ruled as follows:

> Minn. R. 4410.1100, subp. 5, states that, if a petition complies with the requirements of subparts 1 and 2, the EQB's chair shall designate an RGU and forward the petition to the RGU. One of the requirements of subpart 2 is that the petition shall include "material evidence indicating that, because of the nature or location of the proposed project, there may be potential for significant environmental effects." Minn. R. 4410.1100, subp. 2(E). But the fact that the EQB's chair forwarded the petition to the RGU does not mean that the EQB concluded that there may be potential for significant environmental effects; it means only that the EQB determined that the petition included evidence that there may be potential for significant environmental effects. The RGU is responsible for evaluating the evidence and deciding whether to order the preparation of an EAW. The rule states that the RGU shall either (1) order the preparation of an EAW if the evidence presented by the petitioners, proposers, and other persons or otherwise known to the RGU demonstrates that the project may have the potential for significant environmental effects or (2) deny the petition if the evidence fails to [*17] demonstrate that the project may have the potential for significant environmental effects. Minn. R. 4410.1100, subp. 6; *see also* Minn. Stat. § 116D.04, subd. 2a(c) (stating that "[a] decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit").[8]

4. **What is the purpose of an EAW?**

The City Council in addressing this matter should first understand what an EAW does if the City Council orders one to be prepared. An EAW is a document designed to set out the basic facts necessary to determine whether a more complex environmental study called an environmental impact statement ("EIS") should be required.

5. **What evidence is needed to support a petition for an EAW?**

A petition for an EAW must be supported by material evidence.[9] The courts have interpreted this to mean that the evidence filed with the EAW petition must be evidence that is "admissible, relevant, and consequential to determine whether the project may have the

[8] *Whitefish Area Prop. Owners Ass'n v. Minnesota-Iowa Baptist Conf.*, 2015 Minn. App. Unpub. LEXIS 149, *15-17.
[9] Minn. R 4410.1100, Subp. 2. The petition shall also include: … E. material evidence indicating that, because of the nature or location of the proposed project, there may be potential for significant environmental effects. The material evidence must physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found.

potential for significant environmental effects."[10]. "Allegations of vague or generalized fears and concerns are therefore not sufficient under the statute."[11] "Moreover, in determining whether an EAW is warranted, an RGU properly considers "the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority."[12] The material evidence must also physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found.[13]

It is therefore insufficient to just have identified environmental concerns in a petition.[14] Instead, the Petition must present material evidence that the Project because of its nature or location may have the potential for significant environmental effects. Most projects will have environmental effects, but the evidence to require an EAW from the Petitioner must meet a higher threshold and show that any potential effects may be significant.[15]

6. **Given that a Petition has been filed and the same has been deemed by the EQB to meet the basic requirements for further consideration by the Council, what impact does filing the Petition have on the City's consideration of the final plat and/or TIF for the Project?**

Minnesota Rules, part 4410.3100, subp. 1, requires that when an EAW is required or a petition for an EAW is filed, which it has been here, no project may be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project until either a petition for an EAW is dismissed; a negative declaration on the need for an environmental impact statement ("EIS") is issued; an EIS is determined adequate; or a variance is granted under subparts 3 to 7 or the action is an emergency under subpart 8 of the above-referenced Rule.

The primary question with this Rule based project decision prohibition is whether it precludes the City Council from considering for approval the final plat and/or TIF application for the Project until following the EAW determination. The governing law and case law, including the definitions in Minnesota Rules, part 4410.0200, subp.4, 33, 58 and 65 defining the terms approval, governmental action, permit and project, lead to the conclusion that the Rule would apply to the present Council actions on the final plat and TIF postponing a decision on the same until following a decision on the EAW.

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[10] *Watab Twp. Citizen Alliance v. Benton Cnty. Bd. of Comm'rs*, 728 N.W.2d 82, 90 (Minn. App. 2007), review denied (Minn. May 15, 2007).
[11] *Id*.
[12] *Id*. (citing Minn. R. 4410.1700, subp. 7 (2005)).
[13] Minn. R 4410.1100, subp. 2.
[14] See *Wescott v. Wabasha Cty. Bd. of Comm'r*, 2017 Minn. App. Unpub. LEXIS 555, *8, 2017 WL 2729597. ("The county board noted that environmental effects are subject to mitigation by the ongoing public regulatory authority of the MDA, MPCA, Minnesota Department of Natural Resources, and the county. See Friends of Twin Lakes v. City of Roseville, 764 N.W.2d 378, 382 (Minn. App. 2009) (stating caselaw supports the use of "regulatory oversight as a means of preventing significant environmental effects"). The petition contains no evidence that these regulations will not sufficiently address any potential negative environmental effects. The petition also cites several generalized concerns that are allayed by project-specific evidence presented to the county board by the CUP applicant.")
[15] *Whitefish Area Prop. Owners Ass'n v. Minnesota-Iowa Baptist Conf.*, 2015 Minn. App. Unpub. LEXIS 149, *15-17.

The mere filing of the Petition triggered the above prohibition on subsequent decisions by the City Council for approval of the Project. The above Rule prohibition states that: "… a project may not be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project …" until the EAW decision is made. The use of the term "permit" here, and as defined above, encompasses both the final plat decision and the TIF decision on the Project.

The term "permit" specifically includes " … the commitment to issue or the issuance of a discretionary contract, grant, subsidy, loan, or other form of financial assistance, by a governmental unit …"[16] TIF falls within that definition as financial assistance to the Project. Thus, the City should postpone a decision on TIF until after the EAW decision is made.

With respect to the plat decision, the final plat is a step towards Project approval and outlines a specific Project "… the results of which would cause physical manipulation of the environment, directly or indirectly."[17] The results of environmental review could also impact the plat and may require alterations to it to address required mitigation of any identified significant environmental effects. Again, based on this, the City should postpone a decision on the final plat until after the EAW decision is made.

7. **While the TIF decision is not subject to any specific approval time deadline and can be delayed pending the EAW decision, the final plat is subject to the 60-day rule. Based on the application of the statutory timing rules, what is the impact of the above State Rule prohibition on a final plat with respect to the timing for City Council action on the final plat for the Project?**

   With respect to the final plat, Minnesota Statutes, Section 462.358, subd. 3b, provides in part that:

   > " … Following preliminary approval the applicant may request final approval by the municipality, and upon such request the municipality shall certify final approval within 60 days if the applicant has complied with all conditions and requirements of applicable regulations and all conditions and requirements upon which the preliminary approval is expressly conditioned either through performance or the execution of appropriate agreements assuring performance. If the municipality fails to certify final approval as so required, and if the applicant has complied with all conditions and requirements, the application shall be deemed finally approved, and upon demand the municipality shall execute a certificate to that effect. After final approval a subdivision may be filed or recorded. ..."

   Thus, for final plats, a decision to approve or deny a final plat must be made by the City Council within 60 days of the date of submission of a completed application to the City. In this case, however, the Minnesota Environmental Policy Act (MEPA), Minnesota Statutes,

[16] Minn. R 4410.0200, subp. 58.
[17] Minn. R 4410.0200, subp. 65.

c. 116D, and its corresponding rules as contained in Minnesota Rules, c. 4410, mandate additional procedures, which cannot be likely completed within the statutory 60-day period contained in the above-referenced statute. The above referenced statute does not address this issue, but it is addressed in the 60-day rule statute contained in Minnesota Statutes, section 15.99.

Specifically, Minnesota Statutes, section 15.99, subd.3, provides in part as follows:

> "(d) The time limit in subdivision 2 is extended if a state statute, federal law, or court order requires a process to occur before the agency acts on the request, and the time periods prescribed in the state statute, federal law, or court order make it impossible to act on the request within 60 days. In cases described in this paragraph, the deadline is extended to 60 days after completion of the last process required in the applicable statute, law, or order. Final approval of an agency receiving a request is not considered a process for purposes of this paragraph."

The final plat is request related to zoning under the above-quoted subdivision 3(b). More specifically, however, the EAW process is a state statutory process required to occur before the Council can legally act upon the final plat based upon the prohibition on governmental action in Minnesota Rules, part 4410.3100. As a result, Minnesota Statutes, section 15.99, subd.3(d) applies under these circumstances, which means the time period for consideration of approval of the final plat is stayed until the EAW decision can be made; after which the City will have 60 days to make the decision on the final plat.[18]

8. **What is the EAW preparation, review and decision process?**

The general process and timeline to complete an environmental assessment worksheet is as follows:[19]

a. City orders preparation of an EAW on the Project.
b. Project applicant submits completed data portions of the EAW to the City.
c. City reviews data submittal from Project applicant for completeness and makes determination of completeness within 30 days, unless the time period is extended.

[18] See *Allen v. City of Mendota Heights*, 694 N.W.2d 799, 800, 2005 Minn. App. LEXIS 317, *1. After the developer had made its various written requests for preliminary plat approval, rezoning, site-plan approval, and a conditional-use permit for a planned-unit development, citizens petitioned the Minnesota Environmental Quality Board for an environmental-assessment worksheet. The developer argued that its applications for permits to the city were automatically approved under Minn. Stat. § 15.99, subd. 2 (2004). The appellate court noted that the issue on appeal was whether a citizens' petition under the Minnesota Environmental Policy Act (MEPA), Minn. Stat. ch. 116D (2004), tolled the running of the 60-day period for city action under Minn. Stat. § 15.99, subd. 2. The city responded that the 60-day deadline for agency action was tolled by Minn. Stat. § 15.99, subd. 3(d), when environmental processes under MEPA were initiated. The appellate court held that because a citizens' petition for an environmental-assessment worksheet under MEPA initiated a process that had to occur before agency action on a written request under Minn. Stat. § 15.99, subd. 2 (2004), and that made it impossible to act within 60 days, the 60-day deadline of Minn. Stat. § 15.99 was extended by Minn. Stat. § 15.99, subd. 3(d) to 60 days after completion of the last environmental-review process required by MEPA.

[19] *See* Minn.R. parts 4410.1100 through 4410.1700.

d. If complete, City notifies applicant that the data submittal is complete within 5 business days of such determination.
e. If incomplete, City returns to applicant for corrections and completion of the missing data (then steps a & b are above are repeated).
f. City prepares the EAW on the EQB standard form from the data submittals and adds any supplemental information, if necessary, approves the EAW for distribution.
g. Within 5 days after the City approves the EAW, the City must provide a copy of the EAW to the EQB to publish the notice of availability of the EAW in the *EQB Monitor*. The City can submit the EAW electronically to EQB using the *EQB Monitor* Submission Form found on the EQB website: https://www.eqb.state.mn.us/eqb-monitor
h. At the time of submission of the EAW to EQB, the City shall also submit one copy of the EAW to each of the following:
    ii. each member of the EQB;
    iii. the proposer of the project;
    iv. the U.S. Corps of Engineers;
    v. the U.S. Environmental Protection Agency;
    vi. the U.S. Fish and Wildlife Service;
    vii. the State Historical Society;
    viii. the state archaeologist;
    ix. the Indian Affairs Council;
    x. the Environmental Conservation Library;
    xi. the regional development commission and regional development library for the region of the project site;
    xii. any local governmental unit within which the project will take place;
    xiii. the representative of any petitioners pursuant to part 4410.1100; and
    xiv. any other person upon written request.
i. Within 5 days of EAW submission to the EQB, City publishes press release/notice about the EAW to at least one newspaper of general circulation in the project area or on an official publication website for the political subdivision in which the project is proposed (this must be done within 5 business days of the notice sent to the EQB).
j. Such notice must contain the availability of the EAW for public review, the name and location of the project, a brief description of the project, the location at which copies of the EAW are available for review, the date the comment period expires, and the procedures for commenting.
k. *Notice will appear in the EQB Monitor* (varies between 7 and 20 days from receipt of notice at EQB, but usually is 7 days).
l. *Comment period ends* (30 days after the *EQB Monitor* notice is published).
m. City prepares written responses to substantive and timely comments (Documented in Record of Decision documents – the City may request further information from the applicant as necessary).
n. The City makes the decision on whether an EIS is needed for the Project based on whether the record (EAW, comments, responses) indicates the Project has the potential for significant environmental effects (between 3 business and 30 calendar days after the end of public comment period; the City may postpone the decision to gather critical missing information for up to 30 days or a longer period if agreed to

by the Project proposer; the City decision must be documented in a written record of decision with findings).

o. City distributes notice of EIS need decision (within 5 business days to EAW distribution list (above) and anyone else who submitted timely and substantive comments, commenters must receive a copy of the response to their comments).
p. EQB publishes notice of EIS need decision in *EQB Monitor*.

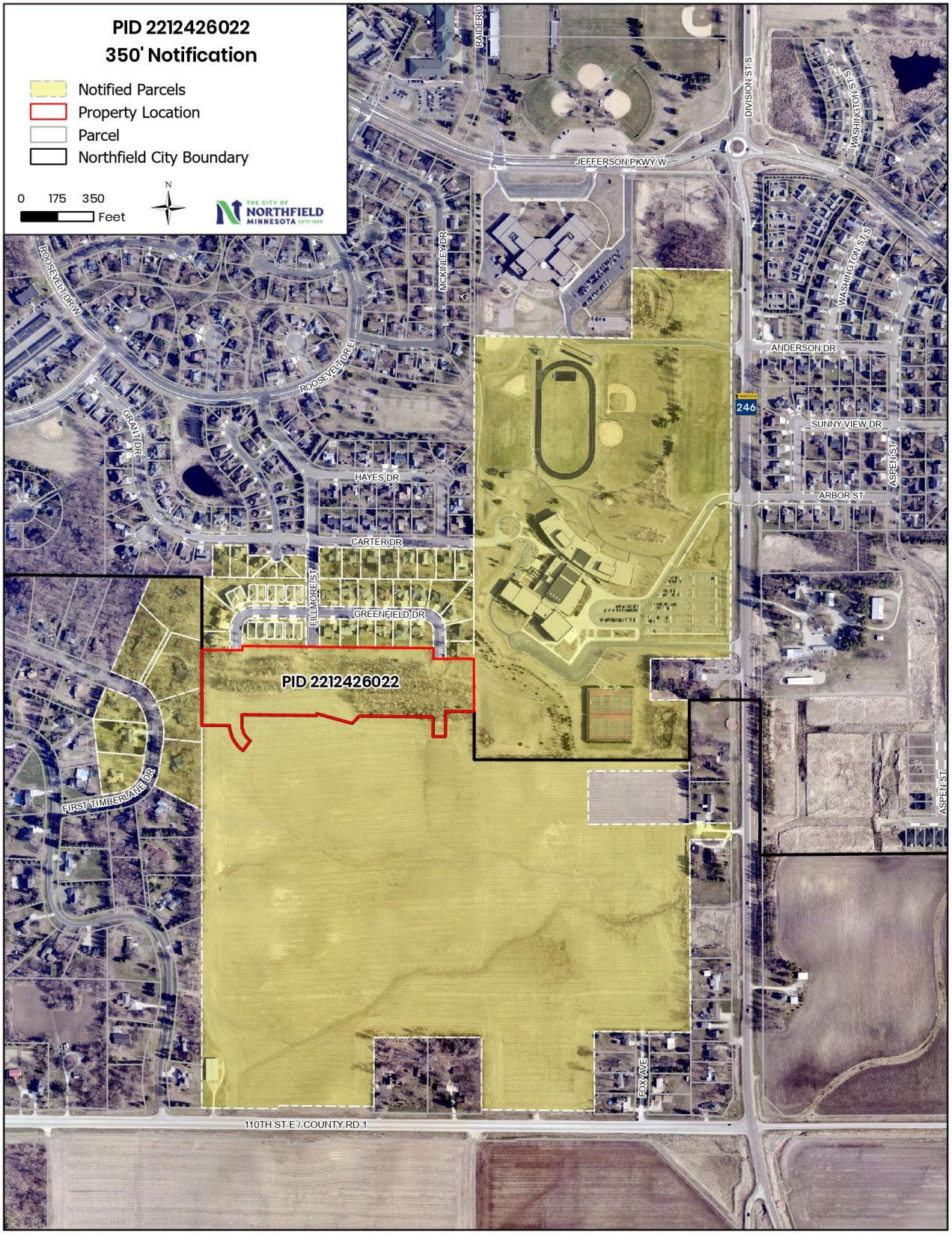
Often, cities will hire consultants to prepare all or part of the EAW or to independently review the Project proposer's submittal. The City may want to hire a consultant, typically an engineering and planning consultant, to assist with the EAW process if the same is ordered. In addition, cities are allowed to charge the costs of the EAW to the applicant if they have an ordinance in place allowing the City to do so. Staff and consultant time may be significant to undertake and complete the EAW process. Northfield City Code, Chapter 34, Section 8.3.9 (C)(4)(a)(i) provides that if it is determined that an EAW shall be prepared, the proposer of the project shall submit an application along with the completed data portions of the EAW. The applicant shall also agree in writing, as a part of the application, to reimburse the city for all reasonable costs, including legal and consultants' fees, incurred in preparation and review of the EAW.

I hope that the foregoing is helpful in your consideration of this matter. Thank you.

CMH/sc

EXHIBIT 1

Depiction of Development Property


PID 2212426022
350' Notification
Notified Parcels
Property Location
Parcel
Northfield City Boundary
0 175 350
Feet
N
THE CITY OF NORTHFIELD MINNESOTA
PID 2212426022
RAIDER D
JEFFERSON PKWY W
DIVISION ST S
WASHINGTON ST S
MCKINLEY DR
ROOSEVELT DR W
ROOSEVELT DR E
ANDERSON DR
246
SUNNY VIEW DR
ASPEN ST
ARBOR ST
GRANT DR
HAYES DR
CARTER DR
FILLMORE ST
GREENFIELD DR
FIRST TIMBERLANE DR
FOX AVE
110TH ST E / COUNTY RD 1

MINNESOTA
ENVIRONMENTAL QUALITY BOARD

Minnesota Environmental Quality Board
520 Lafayette Road North
Saint Paul, MN 55155

VIA E-MAIL (cover letter & petition)

May 29, 2026

Ben Martig
City Administrator
City of Northfield
801 Washington St.
Northfield, MN 55057
ben.martig@northfieldmn.gov

RE: Petition for an Environmental Assessment Worksheet for the Harvest Hills Addition project

Dear Ben Martig,

The Environmental Quality Board (EQB) received a petition on May 28, 2026 requesting that an Environmental Assessment Worksheet (EAW) be prepared for the project described in the petition, and on May 29, 2026 the EQB determined that the City of Northfield is the appropriate governmental unit to decide the need for an EAW.

All requirements for Minnesota's Environmental Review Program, including when review is required and when review is exempt can be found in Minnesota Rules, chapter 4410. Please note, a project may not be started, and a final governmental decision may not be made to grant a permit, approve a project, or begin a project, until a decision has been made for this petition. Project construction includes any activities which directly affect the environment, including preparation of land.

The procedures to be followed in making the decision on the enclosed petition (EAW need decision) are found in part 4410.1100. Key points in the procedures include:

1. As the designated RGU, you are required to decide the need for preparation of an EAW, considering the evidence presented by the petitioners or otherwise known to you about the nature and location of the project. In making your decision, you should consider the evidence submitted and take into account the factors listed in part 4410.1700, subpart 7. Note that these procedures require that a record of decision, including specific findings of fact, be maintained.

2. You have 15 working days from the date of the receipt of this petition to decide on the need for an EAW. (See part 4410.1100.)
   - For RGU decisions made by a board, council, or other body which meets on a periodic basis, the time period may be extended by the RGU for an additional 15 days.
   - For RGU decisions not made by a board, council, or other body, the RGU may request an extension from the EQB of up to an additional 15 days.

3. You must provide written notification of your final decision to the proposer, the petitioners' representative, and the EQB, within 5 working days of that decision.
    a. To notify the EQB of your decision on the need for an EAW, please email env.review@state.mn.us. The EQB requests that you include a copy of your record of decision, including instances where environmental review is mandatory, voluntary, or exempt.

4. When notices of decision are sent to EQB, please ensure that:
    a. Decisions have undergone all foreseeable and applicable local administrative processes.
    b. The representative providing notices is authorized to do so on behalf of your responsible unit of government.

5. Should you have any concerns about the timelines for final decisions and the timing of any needed processes, please contact the EQB as soon as possible.

6. If for any reason you are unable to act on the petition at this time (e.g., no application has yet been filed or the application has been withdrawn or denied), the petition will remain in effect for a period of one year and must be acted upon prior to any final decision concerning the project identified in the petition. It is recommended that you notify in writing both the petitioners' representative and the EQB if you are unable to act on the petition at the time it is received.

Notice of the petition and its assignment to your unit of government will be published in the *EQB Monitor* on June 9, 2026.

If you have any questions or need any assistance, please do not hesitate to contact us at env.review@state.mn.us or 651-757-2873.

Sincerely,

Sarah Lerohl

Sarah Lerohl
Environmental Review Program
Environmental Quality Board

cc: Jason Hill, Petitioners' Representative
betulapapyrifera-one@yahoo.com

MINNESOTA
ENVIRONMENTAL QUALITY BOARD

Petition for an EAW template

As stated in the Minnesota Environmental Policy Act, "an environmental assessment worksheet must also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in a Minnesota county where the proposed action will be undertaken or in one or more adjoining counties, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects."

This template is not intended to replace or overrule any parts of the petition process as written in Minnesota Rules 4410.1100. This document is intended to assist users in assembling a complete petition. Further guidance for completing a petition can be found on the Environmental Quality Board (EQB) website.

With any questions regarding the petition process please contact the EQB staff at 651-757-2223 or Env.Review@state.mn.us.

EQB does not make determinations on the need for an EAW from a petition. EQB staff must verify a petition for completeness and then assign the responsibility for making a decision on the need for an EAW to a responsible governmental unit (RGU).

Submitting a petition

1. Once you have completed this petition, the first step is to send the petition and all materials to the EQB. This can be achieved in a few ways as noted below.
    - Email at env.review@state.mn.us. Email is the preferred method as it allows for EQB staff to interact with the petitioners' representative more efficiently.
        - If your documents are too large it is helpful to utilize a file hosting service such as dropbox or google drive. Once your documents are hosted on a file hosting site, email the link to env.review@state.mn.us and EQB staff can then download the documents.
    - If email is not an option then mail a hard copy of the petition and all associated documents to:
      Environmental Quality Board
      520 Lafayette Road North
      Saint Paul, MN 55155
2. In addition to submitting the petition to the EQB, the petitioners' representative is responsible for notifying the project proposer that a petition for an EAW has been submitted in regards to their proposed project. A mailed letter or including the project proposer in an email when you send the petition to the EQB would both suffice in meeting this requirement.
3. Once EQB staff have received the petition they will review it for completeness. If deemed complete, EQB staff will assign the petition to an RGU who will then be responsible for making a decision on the need for an EAW.
    - If the petition is deemed incomplete, then EQB staff will notify the petitioners' representative of the deficiencies and provide guidance on how to resubmit a complete petition.
4. After an RGU has been assigned, correspondence regarding the status of the petition should be maintained with the RGU. However, EQB staff are available to assist regarding any questions on the petition process.

Petition introduction

This petition is being submitted to request the preparation of an EAW for the Harvest Hills 2nd Addition project. Those that have signed, support the information provided within the petition and believe that because of the nature or location of the proposed project there may be potential for significant environmental effects.

This petition requests the preparation of an EAW for the Harvest Hills Second Addition in Northfield, MN. The specific concern of the petitioners is the effect of this residential development on safety due to increased motor traffic. Increased motor traffic will occur along streets that serve pedestrians, children in particular, who attend Northfield Middle School and Bridgewater Elementary School, and who frequent four nearby city parks.

Petition content

Items A – E that follow are taken from Minnesota Rules 4410.1100 Subp. 2, which identifies the required contents for a petition. Please fill out items A – E below.

A. **Description of the proposed project.**
This description should include enough information to properly inform about the type of project and provide an understanding of any areas of concern regarding the project's circumstances or location.

Harvest Hills Second Addition is a proposed residential two-phase, 71-unit market rate rental townhome development on a 10.30-acre parcel with Parcel ID - 2212426022 (Outlot A, Harvest Hills Addition). The project is located in the City of Northfield, which is in Rice County. Harvest Hills Second Addition is situated on the south side of Northfield and west of the Northfield Middle School and southwest of Bridgewater Elementary School.

To our knowedge, the RGU has not already decided in favor of requiring an EAW for this project, and and EAW, EIS, or AUAR has not been completed previously on this specific project.

B. **Proposer of the project.**

- Company name: Schrom Construction, Inc.
- Contact person: Troy Schrom
- Contact information (email or phone if available): schrom@schromconstruction.com 507-257-5110

C. **Petitioners' representative.**

- Name: Jason Hill
- Address: 2000 Johnson Ct; Northfield MN 55057
- Phone number: 612-624-2692 (w)
- Email: betulapapyrifera-one@yahoo.com

D. **A brief description of the potential environmental effects which may result from the project.**
This section should only include potential environmental issues from the proposed project. Be sure to explain how the identified potential environmental effects relate to the proposed project.

The Harvest Hills Second Addition will add 71 housing units to a residential neighborhood—south of Roosevelt Drive and Adams Street—that currently consists of 121 housing units. The only two road outlets for the current 121 housing units and the proposed 71 housing units are Hayes Drive and Grant Drive. This 59% increase in housing units will lead to a commensurate increase in residential motor traffic passing through these two outlets. This increase in traffic will be experienced along roads that currently have significant pedestrian traffic of students attending Northfield Middle School and Bridgewater Elementary School, both of which are adjacent to the neighborhood. The neighborhood also has high pedestrian traffic to access nearby parks, including Roosevelt Park, Tyler Park, Truman Park, and Jefferson Park.

The specific environmental effect being addressed in this petition is safety, primarily of pedestrians but also of motor traffic itself. Increased traffic has the potential to impact pedestrian safety adversely, and current traffic control may not be adequate to maintain pedestrian safety with increased traffic resulting from Harvest Hills Second Addition. Traffic calming and other mitigation efforts may therefore be required. An EAW is therefore requested.

E. **Material evidence indicating that, because of the nature or location of the proposed project, there may be potential for significant environmental effects. The material evidence must physically accompany the petition. It is not sufficient to merely provide a reference or citation to where the evidence may be found.**

- In this section, please list all pieces of material evidence to be attached to the petition.
- All material evidence must physically accompany this petition as links to websites or citations to unattached documents are not acceptable.
- PDF or image copies of documents or websites are acceptable. References or citations to specific pages or locations within those documents should be described in this section.
- It is helpful to label each piece of material evidence with a title. By titling each item of material evidence it is then easier to reference how it supports the environmental concerns in item D.
- Examples include but are not limited to: Scientific journal articles, letters from experts, environmental reports, maps, photographs, site plans.
- In addition, this section should explain how the material evidence attached demonstrates that there may be the potential for significant environmental effects. The material evidence that is included should be considered supportive evidence regarding the environmental concerns provided in item D.

For material evidence, it is noted that it is stated in the Minnesota Administrative Rules (4410.1100) that "The RGU shall order the preparation of an EAW if the evidence presented by the petitioners, proposers, and other persons or otherwise known to the RGU demonstrates that, because of the nature or location of the proposed project, the project may have the potential for significant environmental effects."

Upon consultation with the Minnesota Environmental Quality Board, it can be reasonably understood that the Northfield City Council Meeting Agendas and Agenda Packets are considered "evidence…otherwise known to the RGU." For this reason, they are not physically attached to this petition. These materials contain the material to date on site planning, on any current and ongoing efforts before final certification, and on decisions made thus far. See:

https://www.revisor.mn.gov/rules/4410.1100/

An additional map (Exhibit 1) is attached to this document as evidence of the significant increase in motor traffic intersecting pedestrian and bicycle paths near schools and parks to be experienced as a result of the proposed addition. An addition 71 units would be added (Harvest Hills Second Addition) to the 121 current units in the enclave south of Roosevelt Drive and Adams Street, or an increase of 59%.

Petition amended to include:

- Planning Commission meeting minutes 04/16/2026
- Project Location Map
- TIF Plan
- City Council action on Harvest Hills preliminary plat 5/5/2026
- City Council packet materials on Harvest Hills 5/19/2026, (pgs 4)

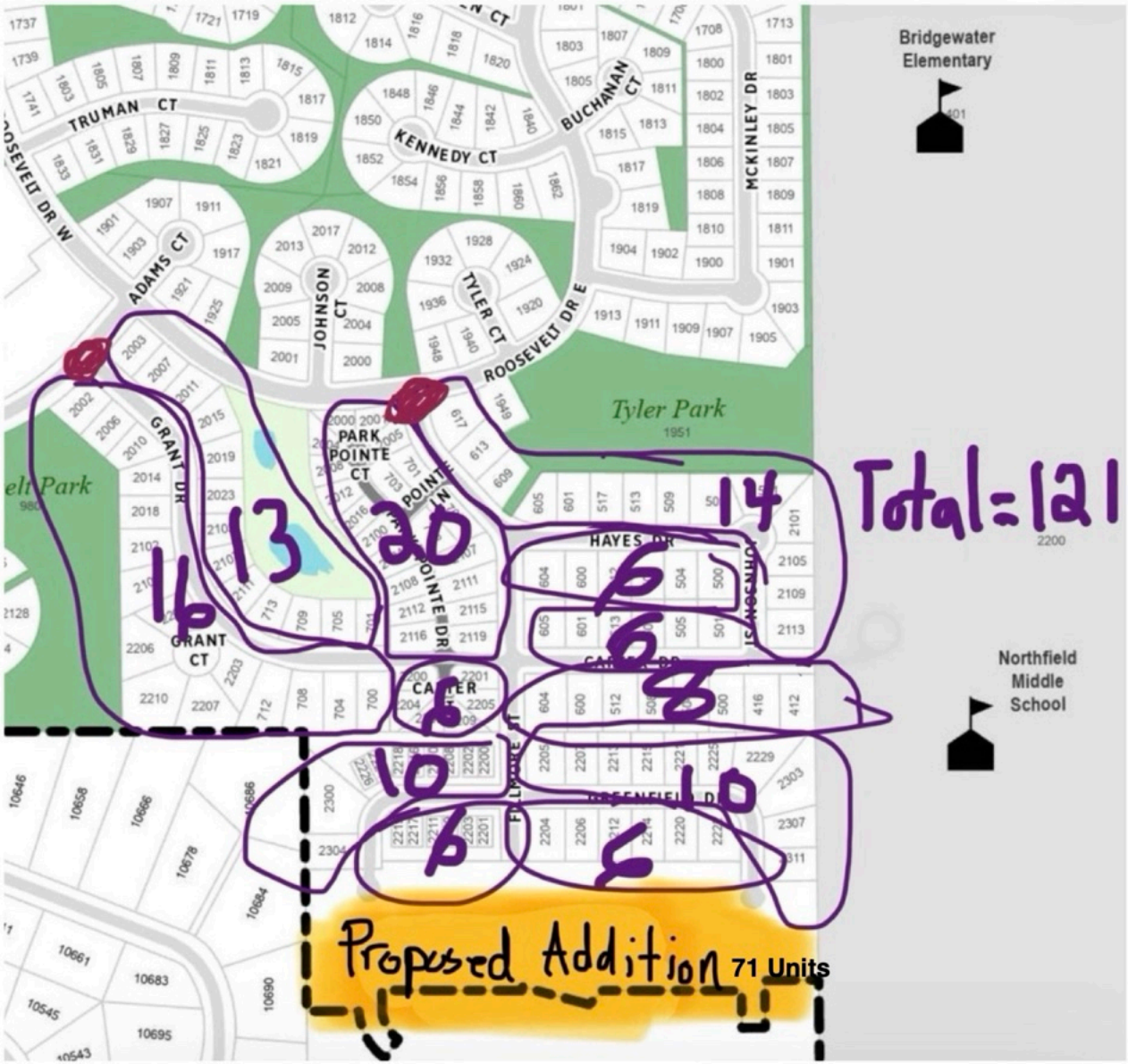
E. Continued space for material evidence. Reminder that a description should follow the list of material evidence explaining how it demonstrates that there may be the potential for significant environmental effects.

Signatures

In order for a petition to be complete, it must contain the signatures and mailing addresses of at least 100 individuals who reside or own property in a Minnesota county where the proposed action will be undertaken or in one or more adjoining counties. An adjoining county must share a border with the county in which the proposed project is meant to take place. Any signatures that are illegible will not be counted. Addresses must include a city or a zip code and be located within the same county as the project or an adjoining county to be counted. Digital signatures are accepted. An additional template for signatures is available to print out if needed.

Additional space if needed.

Exhibit 1: Map of area near proposed Harvest Hills Second Addition. Counts of current residential units are shown in blue. The two road outlets are shown in red. Note that increased traffic along the two motor vehicle exit paths will be experienced across numerous walking and biking paths to the two schools and nearby parks.



City of Northfield

Meeting Minutes - Final
Planning Commission

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

Thursday, April 16, 2026 | **6:00 PM** | **Council Chambers**

6:00 PM - REGULAR AGENDA
CALL TO ORDER AND ROLL CALL

Chair Kuhlmann called the meeting to order at 6:04pm.

Present 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

ALSO PRESENT

City Planner Mikayla Schmidt, Associate City Planner Mathias Hughey, Community Development Director Scott Wopata, Administrative Associate Kari Bonde, City Administrator Ben Martig.

APPROVAL OF AGENDA

A motion was made by Commissioner Holleran, seconded by Commissioner Nowak, to approve the agenda. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

APPROVAL OF MINUTES

1. 26-193 March 19, 2026 PC Meeting Minutes

Attachments: 1 SUPPLEMENTAL - 04-14-26 Supplemental Memo No. 1 - 1 pg
2 SUPPLEMENTAL - 03-19-2026 PC Meeting Minutes

Chair Kuhlmann abstained from minutes.

A motion was made by Commissioner Buckheit, seconded by Commissioner Schmidt, to approve the March 19, 2026 Meeting Minutes. The motion carried by the following vote:

Yes: 6 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, and Commissioner Lauer

Abstained: 1 - Commissioner Kuhlmann

OPEN PUBLIC COMMENT

Amy Gernon - not in support of the CUP, does not believe it meets the Land Code, requested 2021 parking study but knows a lot has changed since 2021.

Richard Noer - not in support, there is another option for a bus stop where westbound 1st St. meets Union St., would like neighbors and Carleton College to reach an agreement where a CUP could be passed.

Steve Edwards - wants it to be on the record that traffic will not be increased, reference the traffic memorandum.

Margit Zsolnay - not in support, wants bus schedules to be analyzed and wants to know if the traffic impact has been counted on Nevada St. and 2nd St. b/c it was not in the traffic memo.

Melissa Hager - not in support, lack of communication from Carleton College, moving the location will effect them.

Paul Hager - not in support, is looking for more specific traffic information, is the CUP still accurate?

Pat Stanglin - not in support, did an informal traffic count and noted this will have a negative impact on homeowners.

Andy Flory - thanked Planning Commission for their work on the CUP project, process is flawed, add baseline traffic study in the neighborhood.

Constauza Ocampo-Raeder - doesn't think Carleton is upholding their own values, lots of noise from vehicles.

William North - not in support, does this CUP satisfy the comp plan?, concerned about how this will impact the neighborhood.

Susannah Shmurak - served on EQC, the CUP does not support Northfields stated goal to reduce emissions, buses are traveling further on the new route.

Alice Thomas - the CUP helps student but not the neighborhood.

PUBLIC HEARINGS

2. 26-194 Public Hearing for Consideration of a Conditional Use Permit for Black Bear Wellness MN to Operate a Cannabis Retail Establishment at 680 Professional Dr.

Attachments: 1 - Public Hearing Notice Mailing
2 - Location Map

Chair Kuhlmann opened the public hearing at 6:34pm.

Associate City Planner Mathias Hughey gave a PowerPoint presentation reviewing the timeline & process, criteria and noted staff recommends approval.

A motion was made by Commissioner Holleran, seconded by Commissioner Schmidt, to close the Public Hearing. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

3. PC Res. 2026-004 Consideration of a Conditional Use Permit for Black Bear Wellness MN to Operate a Cannabis Retail Establishment at 680 Professional Dr.

Attachments: 1 - PC Resolution

2 - Location Map

3 - Cannabis CUP Presentation

A motion was made by Commissioner Schroeer, seconded by Commissioner Buckheit, to approve PC Resolution 2026-004 - Consideration of a Conditional Use Permit for Black Bear Wellness MN to operate a Cannabis Retail Establishment at 680 Professional Dr. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

4. PC M2026-000 Public Hearing for Consideration of the Preliminary Plat Request for Harvest Hills Second Addition.

Attachments: 1 - Public Hearing Notice & Location Map

2 - SUPPLEMENTAL - 04-14-26 Supplemental Memo No. 1 - 1 pg

3 - SUPPLEMENTAL - Harvest Hills Second Addition Public Comment

City Planner Mikayla Schmidt gave a PowerPoint presentation on Harvest Hills Second Addition. Schmidt reviewed the timeline & process and reviewed what concerns the city has heard (traffic, new street costs, stormwater and runoff, water pressure, location of pedestrian connections). Community Development Director Scott Wopata also addressed community concerns.

Abby Lewis - does business development with Schrom Construction. Gave a brief overview of the company and the project.

Patty Tabery - why was it platted for 25 homes and now its more, concerned about traffic and property value.

Bob Tabery - was 25 single family homes and now its more, traffic issues, water pressure and stormwater issues, property value will decline.

Al Fettig - would like a better plot map, drainage problems and storm sewer issues.

Greg Neymeyer - having a 6-plex next to his house will decrease privacy, doesn't seem right to do heavy density.

Beth Dahle - not in favor, would like a traffic study in the neighborhood, only one access points serving this area, wants a fire/emergency services stating this is still a safe neighborhood with only one access.

Blake Kane - main concern is the additional traffic, would like the proposed development to be home ownership, not rentals.

Carol Marshall - president of Harvest Hills Townhome Association since 2009, has traffic concerns.

Brent Rauk - traffic concerns with only one way in/out, water run-off concerns.

Matt Cashin - thought the land was for 24 homes, build further south for apartments.

Stacy Beckwith - traffic concerns, stormwater run-off, traffic study during school hours

Cindy Green - water run-off concerns, single family homes make more sense, concerned about property values.

Teresa Elsbernd - looking at buying a home in Northfield, not in support of this development.

Melinda Amundson - just bought a home in Northfield, has concerns regarding: sound, light pollution, traffic, water run-off.

Bob Yanda - questions for builder- wondering if it is tuck under garages/slab on grade homes.

A motion was made by Commissioner Schmidt, seconded by Commissioner Schroeer, to close the Public Hearing. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

5. PC Res. 2026-005 Consideration of the Preliminary Plat for Harvest Hills Second Addition.

Attachments: 1 - PC Resolution

2 - Location Map

3 - Harvest Hills Second Addition Preliminary Plat - Plans Set

4 - Harvest Hills Second Addition Street Trees Plan

5 - Exterior Site Images & Floor Plans

6 - Harvest Hills Second Addition Application Narrative

7 - SUPPLEMENTAL - 04-15-26 Supplemental Memo No. 2

8 - SUPPLEMENTAL - Final Harvest Hills 2nd Add. Public Comment 2026_04_16

A motion was made by Commissioner Nowak, seconded by Commissioner Schmidt, to approve the PC Resolution 2026-005 Consideration of the Preliminary Plat for Harvest Hills Second Addition. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

Meeting went into recess at 7:58pm. Meeting reconvened at 8:05pm.

BOARD MEMBER AND COMMISSIONER REPORTS

Commsioner Buckheit - recognized Vice Chair Schroeer for his 9 years of service on the Planning Commission.

Vice Chair Schroeer - shared his gratitude for serving the last 9 years and has really appreciated everyone he has worked with!

REGULAR AGENDA

6. PC Res. 2026-003 Consideration of a Conditional Use Permit for Carleton College to Make Transportation Facility Improvements within the Perimeter Transition Area North of 1st St. E.

Attachments: 1 - PC Resolution
2 - Presentation Abbreviated
3 - Updated Bus Route Maps
4 - Public Comment
5 - SUPPLEMENTAL - 04-14-26 Supplemental Memo No. 1
6 - SUPPLEMENTAL - Additional Public Comments - Carleton
7- SUPPLEMENTAL - 04-15-26 Supplemental Memo No. 2
8 - SUPPLEMENTAL - Additional Public Comments - Carleton
9 - POST MTG - Carleton CUP PP 4-16-2026
10 - POST MTG - Opposition to Carleton's Transit Hub CUP - Handout

Associate City Planner Mathias Hughey gave a Powerpoint presentation reviewing the project criteria, neighborhood concerns, misconceptions/misinformation and noting staff is recommending approval of the CUP.

A motion was made by Commissioner Holleran, seconded by Commissioner Buckheit to extend the meeting until 9:15. Motion carried by the following vote:
Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt,
Vice Chair Schroeer, Chair Kuhlmann, and Commissioner Lauer

A motion was made by Commissioner Holleran, seconded by Commissioner Schmidt, a motion to deny Resolution 2026-003 -Consideration of a Conditional Use Permit for Carleton College to Make Transportation Facility Improvements within the Perimeter Transition Area North of 1st St. E. Motion failed by the following vote:
Yes: Commissioner Holleran and Commissioner Schmidt
No: Commissioner Buckheit, Commissioner Nowak, Vice Chair Schroeer, Chair Kuhlmann, and Commissioner Lauer

A motion was made by Commissioner Schroeer, seconded by Commissioner Holleran extend the meeting until all business is concluded. Motion carried by the following vote:
Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt,
Vice Chair Schroeer, Chair Kuhlmann, and Commissioner Lauer

A motion was made by Commissioner Novak, seconded by Commissioner Lauer to approve Res. 2026-003 - Consideration of a Conditional Use Permit for Carleton College to Make Transportation Facility Improvements within the Perimeter Transition Area North of 1st St. E.

An amendment made by Vice Chair Schroeer to remove the following sentences from the Findings: "The impact is likely to be minimal but should generally be positive, based on industry best practices." "Also, generally, improving the accessibility and utility of transit is expected to increase ridershop and reduce care trips, but these impacts are also not expected to be significant." Commissioner Novak and Commissioner Lauer accepted the friendly amendment. Motion carried by the following vote:

Yes: 5 - Commissioner Buckheit, Commissioner Nowak, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

No: 2 - Commissioner Holleran, and Commissioner Schmidt

A motion was made by Commissioner Nowak, seconded by Commissioner Buckheit to amend the agenda to put agenda #8 before agenda #7. Motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt,
Vice Chair Schroeer, Chair Kuhlmann, and Commissioner Lauer

8. PC M2026-002 Consider a Motion Requesting City Council Commit to Addressing Concerns About Traffic Safety Raised in Recent Public Hearings.

Attachments: 1 - Partial Resolution Draft

A motion was made by Commissioner Buckheit, seconded by Commissioner Nowak, to approve the motion to recommend to City Council that the City formally review, in coordination with Carleton College, traffic patterns, including but not limited to conflicts between motorized and non-motorized traffic, street design, and management of on-street parking in the neighborhood adjacent to Carleton College, and implement, where appropriate and practicable measures to improve and protect the safety of all residents. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

7. PC M2026-001 Consider a motion affirming the proposed TIF Plan for Harvest Hills conforms to general plans for development of the City and is consistent with the Northfield 2045 Comprehensive Plan

Attachments: 1 - SUPPLEMENTAL - TIF Plan Harvest Hills PC

A motion was made by Commissioner Buckheit, seconded by Commissioner Nowak, to approve affirming the proposed TIF Plan for Harvest Hills conforms to general plans for development of the City and is consistent with the Northfield 2045 Comprehensive Plan. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

STAFF UPDATES

9. 26-195 Staff Updates.

Attachments: 1 - Upcoming Council Agenda Items

2 - Hyperlink to Northfield Construction & Development Projects

3 - Hyperlink to Maryland Department of Planning Webinars

4 - Hyperlink to the Zoning Code Update Website

City Planner Schmidt gave updates form the Planning department and thanked Commissioner Schroeer for his years of service to the Planning Commission!

ADJOURNMENT

A motion was made by Commissioner Buckheit, seconded by Commissioner Holleran, to adjourn the meeting at 9:43pm. The motion carried by the following vote:

Yes: 7 - Commissioner Buckheit, Commissioner Nowak, Commissioner Holleran, Commissioner Schmidt, Commissioner Schroeer, Commissioner Kuhlmann, and Commissioner Lauer

PUBLIC HEARING NOTICE OF THE NORTHFIELD PLANNING COMMISSION

TO:	Property Owners Within 350 feet
APPLICANT:	Schrom Construction, Inc.
PURPOSE:	The Planning Commission will receive public comments on preliminary plat application by Schrom Construction, Inc. for a housing development. The subdivision, Harvest Hills 2nd Addition, is proposed to include 72 units of housing comprised of 21 duplexes, five tri-plexes, two 4-plexes, and one 6-plex. The proposed subdivision is planned to be constructed in two phases.
LOCATION OF PROPERTY:	PID 2212426022, which is located on the southern edge of Northfield and west of the Northfield Middle School, Northfield, MN 55057
MEETING:	On or after 6:00 p.m., Thursday, April 16, 2026
PLACE OF HEARING:	Northfield City Hall – Council Chambers 801 Washington St. S., Northfield, MN 55057
HOW TO PARTICIPATE:	Public comment relating to the application is welcome. Methods for public input include: • Providing comments in person during the public hearing. • eComment – Residents can comment on agenda items until 12:00 PM on the day of the meeting by using the eComment (electronic comment) system. Once the 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 meetings page: https://northfield.legistar.com/Calendar.aspx

- Sending an email, letter or calling Mikayla Schmidt no later than 12:00 PM on the day of the meeting:
  - E-mail: mikayla.schmidt@northfieldmn.gov
  - Address: City of Northfield, 801 Washington St. S., Northfield, MN 55057
  - Phone: 507-645-3059

LIVESTREAM: The meeting will be livestreamed while in progress on the meeting's page: https://northfield.legistar.com/Calendar.aspx. Videos of the meetings are typically available on this page the day following the meeting.

ANY QUESTIONS: More information can be obtained by contacting Mikayla Schmidt, by e-mail at mikayla.schmidt@northfieldmn.gov or by phone at 507-645-3059.

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.

PID 2212426022
350' Notification
Notified Parcels
Property Location
Parcel
Northfield City Boundary
0 175 350
Feet
N
THE CITY OF NORTHFIELD MINNESOTA EST 1855
RAIDER D
DIVISION ST S
WASHINGTON ST S
JEFFERSON PKWY W
MCKINLEY DR
ROOSEVELT DR W
ROOSEVELT DR E
GRANT DR
HAYES DR
CARTER DR
FILLMORE ST
GREENFIELD DR
ANDERSON DR
246
SUNNY VIEW DR
ASPEN ST
ARBOR ST
PID 2212426022
FIRST TIMBERLANE DR
FOX AVE
110TH ST E / COUNTY RD 1
443

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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Appendix A: Project Description and Legal Description

Appendix B: Map of Master Development District and the TIF District

Appendix C: Estimated Cash Flow for the District

Appendix D: Findings Including But/For Qualifications

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

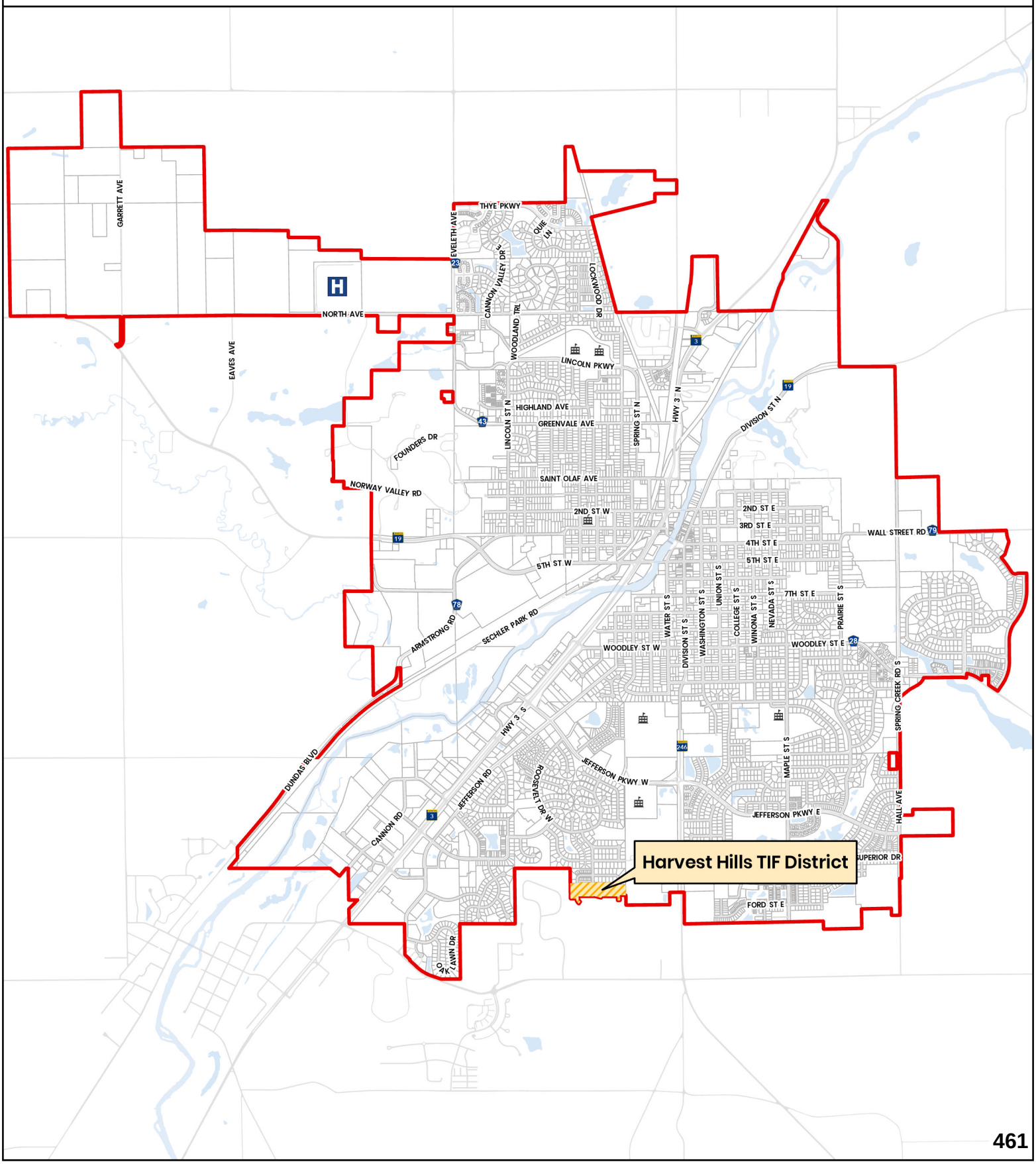
Master Development Area

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.

City of Northfield

Meeting Minutes - Final
City Council

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

Tuesday, May 5, 2026 | **6:00 PM** | **Council Chambers**

6:00 PM - CITY COUNCIL 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

Also present: City Administrator Ben Martig; Community Development Director Scott Wopata; Police Chief Jeff Schroepfer; Public Works Director/City Engineer David Bennett, and City Clerk Lynette Peterson. City Attorney Chris Hood attended via interactive television.

OPEN PUBLIC COMMENT

Krissa Anderson addressed the Council regarding concerns with the Harvest Hills 2nd Addition Preliminary Plat.

APPROVAL OF AGENDA

A motion was made by Council Member Ness, 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

PRESENTATIONS

1. 26-223 Presentation of Northfield Hospital and Clinics 2025 Audit.

Korey Boelter, CPA with Clifton Larson Allen, presented on the 2025 Northfield Hospital and Clinics Audit. Eric Guth, Chief Financial Officer of Northfield Hospital and Clinics, added additional information and answered questions from the Council. Zander Abbott, Chief Executive Officer of Northfield Hospital and Clinics, was also present.

CONSENT AGENDA

A motion was made by Council Member Ness, seconded by Council Member Beumer, 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

2. 26-224 Consider Approval of April 21, 2026 City Council Meeting Minutes.

3. 26-225 Consider Approving Disbursements totaling $3,154,076.11

Enactment No: M2026-065

4. Res. 2026-047 Consider Adopting Schedule for 2027 City Council Meetings.

5. Res. 2026-048 Consideration of a Conditional Use Permit for Black Bear Wellness MN to Operate a Cannabis Retail Establishment at 680 Professional Dr.

6. 26-226 Approve miscellaneous/concessions license for Northfield Senior Citizens, Inc. DBA FiftyNorth Popcorn Wagon.

Enactment No: M2026-066

7. 26-227 Consider Motion for Contract Amendment #2 for Professional Services for the 2026 Mill and Overlay and Mill Towns State Trail Improvements Project.

Enactment No: M2026-067

8. 26-228 Consider Motion Approving Permanent and Temporary Easement for the 2026 Mill and Overlay and Mill Towns State Trail Improvements Project.

Enactment No: M2026-068

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

9. 26-229 Reports From the Mayor and Council Members.

Council Member Holmes - No report.
Council Member Dahlen - No report.
Council Member Beumer - EDA Meeting.
Council Member Sokup - No report.
Council Member Peterson White - EDA Meeting.
Council Member Ness - No report.
Mayor Zweifel - Celebrate Asia Pasifika Library Event; Mosaic Workshop with Artist Michael Sweere.

REGULAR AGENDA

10. 26-231 Presentation of Summary Conclusions of the Evaluation of the Performance of Ben Martig, City Administrator, Pursuant to Minn. Stat. §13D.05, subd. 3.

Mayor Zweifel introduced the item reporting on the City Administrator's performance review from the May 4, 2026 special closed meeting. Mr. Martig did not request that such meeting be open to the public. As a result, the evaluation of Mr. Martig's performance took place in a closed meeting as provided under Minnesota Open Meeting Law.

Mayor Zweifel provided a summary of conclusions reached by the City Council from the May 4, 2026 evaluation: The performance review included an update from Administrator Martig on the progress of personal and professional growth and goals from the current review period in accordance with the City Council Policy 1.02 City Administrator Performance Review Policy. The City Council appreciates Mr. Martig's service and dedication to the City and looks forward to the full performance evaluation later this year.

11. Res. 2026-049 Consideration of Resolution Accepting Tree Donation for City Parks and Street Rights-of-Way.

Public Works Director/City Engineer David Bennett reported that the City of Northfield has been offered a generous donation in the amount of $125,000 to support the planting of trees throughout the community. This contribution is being made by Karl Reichert on behalf of the Loren Dean and Betty Ann Reichert Charitable Fund. The funds will be dedicated to the replacement of expired or declining trees, as well as the planting of new trees within the City's park system and along public street rights-of-way.

A motion was made by Council Member Holmes, seconded by Council Member Beumer, to approve Resolution No. 2026-049 Accepting Monetary Donation for Tree Planting in City Parks and Public Rights-of-Way. 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

12. Res. 2026-050 Resolution for Harvest Hills 2nd Addition Preliminary Plat.

Community Development Director Scott Wopata presented on the Harvest Hills 2nd Addition including what the proposed project includes, public input and engagement and approval criteria.

Public Works Director/City Engineer David Bennett addressed stormwater concerns along with traffic and pedestrian safety.

Wopata addressed zoning change and plat history.

Wopata and Bennett answered questions from the Council. City Attorney Chris Hood also answered questions from the Council.

Wopata continued presenting regarding the review of criteria for compliance with Land Development Code.

Wopata and Bennett answered additional questions from the Council.

Jason Hill addressed the Council regarding the Harvest Hills 2nd Addition Preliminary Plat asking for an Environmental Impact Statement (EIS) to be conducted.

Beth Dahle addressed the Council regarding delaying the approval of the Harvest Hills 2nd Addition Preliminary Plat for two weeks.

Bruce Hamilton addressed the Council regarding concerns of the volume of traffic with the addition of Harvest Hills 2nd Addition Preliminary Plat.

Arlys Kreis addressed the Council regarding concerns of the number of additional cars and traffic in conjunction with the Harvest Hills 2nd Addition.

City Attorney Chris Hood added information regarding the decision on the Preliminary Plat criteria. City Administrator Ben Martig also added information on the subject.

A motion was made by Council Member Beumer, seconded by Council Member Dahlen, to postpone Resolution No. 2026-050 Approving a Preliminary Plat for Harvest Hills 2nd Addition to the May 19, 2026 Council Meeting. The motion failed by the following vote:

Yes: 2 - C. Beumer, and C. Dahlen

No: 5 - C. Ness, C. Holmes, C. Sokup, C. Peterson White, and Mayor Zweifel

Council continued discussion regarding the Harvest Hills Second Addition Preliminary Plat.

A motion was made by Council Member Peterson White, seconded by Council Member Holmes, to approve Resolution No. 2026-050 Approving a Preliminary Plat for Harvest Hills 2nd Addition. 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

13. 26-230 City Administrator's Update.

City Administrator Ben Martig provided a legislative update.

ADJOURN

A motion was made by Council Member Ness, seconded by Council Member Beumer, to adjourn the meeting at 8:07 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

City of Northfield

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

Meeting Agenda

Tuesday, May 19, 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. 26-255 Recognition of service for our graduating Northfield High School Seniors and youth coming off Boards and Commissions.

2. 26-256 Friends of Downtown Northfield Annual Presentation

Attachments: 1 - Annual Report Friends of Downtown Northfield
2 - Main Street Policy (8.05)
3 - 2024 Downtown Stats Northfield
4 - 2025 Downtown Stats Northfield

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.

3. 26-257 Consider Approval of May 4, 2026 City Council Closed Meeting Minutes.

Attachments: 1 - 05-04-2026 Closed Meeting Minutes

4. 26-258 Consider Approval of May 5, 2026 City Council Meeting Minutes.

Attachments: 1 - 05-05-2026 Council Meeting Minutes

5. 26-259 Consider Approval of May 12, 2026 City Council Work Session Minutes.

Attachments: 1 - 05-12-2026 Council Work Session Minutes

6. 26-260 Consider Approving Disbursements totaling $1,240,835.64

Attachments: 1 - Disbursements
2 - Disbursements

7. Res. 2026-051 Consider Resolution Declaring June as Pride Month in the City of Northfield.

Attachments: 1 - 2026 Pride month resolution

8. 26-261 Consider Approval of Mayoral Board and Commission Appointments.

Attachments: 1 - Jess Toft 12_12_2025_Redacted

9. 26-262 Consider Approving Application for the MN Department of Commerce Microgrid at Community Lifeline Facilities Grant Program

Attachments: 1 - Application_Submitted 101625

10. 26-263 Consider Approving Application for the Minnesota Pollution Control Agency Climate Action Planning Grant Program

Attachments: 1 - FY26_LCA_Planning_Grants_Application

11. 26-264 City Administrator Biannual Update Summary of Grants Report per the City Council Grants Policy.

Attachments: 1 - Grant List
2 - 4.11 Grant Management Policy

12. 26-265 Review and Approval of Amended 4.11 Grant Management Policy.

Attachments: 1 - Resolution 4.11 Grant Management Policy
2 - 4.11 Grant Management Policy CLEAN
3 - 4.11 Grant Management Policy REDLINE

13. Res. 2026-052 Consideration of a Resolution for the approval of the cannabis retail registration application for Black Bear Wellness MN LLC to operate a cannabis retailer business with an adult-use cannabis retailer endorsement at 680 Professional Drive.

Attachments: 1 - Res. Cannabis Retail Registration Black Bear Wellness
2 - City Code Chapter 30 - Cannabis Retail Business Registration
3 - Ord. 1083 Amending Chapter 30 - Cannabis Retail

14. 26-266 Consideration of Authorization to Initiate a Request for Proposals (RFP) for the Wastewater Treatment Plant Pretreatment, Primary and Generator Project.

Attachments: 1 - 2026 WWTP Pretreatment, Primary and Generator RFP

15. Res. 2026-053 Consider Resolution Approving Plans and Spec and Ordering Advertisement for Bid for Northwest Area Water Tower Site.

Attachments: 1 - Resolution Approving Plans and Specs, Order Ad for Bid Water Tower Site Project

2 - Construction Plans; Grading, Water Main, Access Road hyperlink

2 - Project Page Hyperlink

16. Res. 2026-054 Consider Accepting Bids and Awarding Contract - TH 3 Streetlight Replacement Project Phase II.

Attachments: 1 - Resolution Accepting Bids and Awarding Contract.docx

2 - bid t2 - Bid Tab Northfield TH 3 Lighting Improvements Ph II.pdf

3 - Project Process STRT2026-A92 TH 3 Street Light Replacement Project Phase II.pdf

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.

17. 26-267 Public hearing regarding the Development Program for the Master Development District and for the Tax Increment Financing (TIF) plan for the Harvest Hills TIF District

Attachments: 1 - TIF Policy

2 - Business Subsidy Policy

3 - Sustainable Building Policy

4 - TIF Plan Harvest Hills

5 - Presentation

18. Res. 2026-055 Consideration of a resolution modifying the Master Development District and the establishment of the Harvest Hills Tax Increment Financing District

Attachments: 1 - Northfield Harvest Hills TIF RESOLUTION APPROVING TIF PLAN (PC Motion

REPORTS FROM THE MAYOR AND COUNCILMEMBERS

19. 26-268 Reports From the Mayor and Council Members.

Attachments: 1 - Council Update - NH+C Jefferson Road Clinic Update -

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.

20. Ord. 1093 Consideration of First Reading of Ordinance No. 1093 Amending Section 2-66 of City Code Relating to 2027 and 2028 Mayor and City Council Compensation.

Attachments: 1 - Ordinance 1093 Council Salaries

2 - Ordinance 1062 Council Salaries

3 - SUPPLEMENTAL 1 - 05-19-26 City Council Meeting Supplemental No. 1

21. 26-269 2026 Community Survey Report and Presentation

Attachments: 1 - Northfield Community Survey Presentation (2026)

2 - Northfield MN 2026 Survey_Report

3 - Northfield MN 2026 Survey_Maps

4 - Northfield MN 2026 Survey_Non-Random Data

5 - Northfield MN 2026 Survey_Q25 Comments

ADMINISTRATORS UPDATE

22. 26-270 City Administrator's Update.

Attachments: 1 - Upcoming Council Agenda Items (05-14-26)

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.

Petition for an Environmental Assessment Worksheet(EAW) for the Harvest Hills 2nd Addition **Project**

We, the undersigned, reside or own property in a Minnesota county where the proposed action will be undertaken or in one or more adjoining counties and request the preparation of an EAW for the Harvest Hills 2nd Addition project located in Rice County. By signing this petition, we support the information and material evidence in the attached petition and believe that, because of the nature or location of the proposed project there may be potential for significant environmental effects including, but not limited to:

reduced pedestrian safety due to increased motor traffic along roads that provide access to the proposed development. This is of particular concern as many of the pedestrians are children attending Northfield Middle School and Bridgewater Elementary School, and visiting four nearby city parks.

Statute requires the signatures of 100 individuals who reside or own property in a Minnesota county where the proposed action will be undertaken or in one or more adjoining counties. An adjoining county must share a border with the county in which the proposed project is meant to take place. Name and address must be legible.

	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
1	Carol Marshall	2208 Greenfield Dr. W., Nfld., MN 55057	Rice	Carol Marshall
2	Julie Wanous	2210 Greenfield Dr W Northfield MN 55057	Rice	Julie Wanous
3	THOMAS WANOUS	2210 GREENFIELD DR W NORTHFIELD, MN 55057	RICE	Thomas Wanous
4	Cynthia Green	2224 Greenfield Dr. Northfield, MN	Rice	Cynthia Green
5	MARVIN FARMER	2226 GREENFIELD DR W NORTHFIELD, MN 55057	RICE	
6	Barb Farmer	2226 Greenfield Dr W Northfield, MN 55057	Rice	
7	John Bailey	2300 Greenfield Drive W. Northfield MN 55057	Rice	
8	Cynthia Winget	2304 Greenfield Dr W Northfield. MN 55057	Rice	Cynthia Winget
9	Eileen Keller	2300 Greenfield Dr. W. Northfield MN 55057	Rice	Eileen Keller
10	Brenda Hadfield	2217 Greenfield Dr. Northfield MN 55057	Rice	Brenda Hadfield

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
11	Dennis Lange	2303 Greenfield drive E Northfield, MN 55057	Rice	
12	Abigail Ring	2303 Greenfield Dr. E, Northfield, MN 55057	Rice	
13	Ann Hanson	2229 Greenfield Dr E Northfield MN	Rice	
14	Bob Carlson	2213 Greenfield DR E Northfield MN 55057	Rice	
15	Pat Carlson	2213 Greenfield DR E Northfield MN 55057	Rice	Pat Carlson
16	Justin Horz	2201 greenfield DR E NFld 55057	Rice	
17	Bets/Betz (Busy)	220 Greenfield Dr E 55057	Rice	
18	John Punerth	2202 Greenfield Dr W 55057	Rice	
19	Teresa Van Sor	2200 Greenfield Dr. W 55057	Rice	
20	Wayne Keller	2200 Greenfield Dr W Northfield, MN 55057	Rice	

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
21	Nancy Finnila	609 Hayes Dr · Northfield, MN 55057	Rice	Nancy Finnila
22	Rory Ernst	2009 Johnson Ct Northfield MN 55057	Rice	
23	Joan Ernst	2009 Johnson Ct Northfield MN 55057	Rice	
24	Mike Stanley	2201 CARTER G NORTHFIELD, MN	RICE	
25	KEVIN DAHLE	2311 Meerfield DR. E, Northfield, MN	Rice	
26	Robin Billet	1913 McKinley dr Northfield	Rice	
27	JOAN TRUONG	1940 TYLER CT. Northfield, MN	Rice	
28	Wayne Eisenhuth	2109 Johnson St Northfield, MN	Rice	
29	Wanda Eisenhuth	2109 Johnson St Northfield, MN	Rice	
30	KARL BROCKTON	1862 Kennedy ct. NORTHFIELD MN. 55057	Rice	

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
31	William Zemanek	2017 Johnson Ct, Northfield, MN 55057	Rice	
32	Kimberly Harris	2012 Johnson Ct., Northfield, MN 55057	Rice	
33	Brent Rauk	2206 Greenfield Dr E, Northfield, MN 55057	Rice	
34	Kyun Rauk	2206 Greenfield Dr E, Northfield MN 55057	Rice	
35	Beth Dahle	2311 Greenfield Dr. E. Northfield, MN 55057	Rice	
36	Kalista Dahle	2311 Greenfield Dr. E Northfield MN	Rice	
37	Alexandra Zemanek	2017 Johnson Ct. Northfield MN	Rice	
38	Adam Arends	617 Hayes Dr. Northfield, MN	Rice	
39	Jackie Arends	617 Hayes Dr. Northfield MN	Rice	
40	Ronald Finila	609 Hayes Drive Northfield Mn	Rice	

Petition for an Environmental Assessment Worksheet (EAW) for the Harvest Hills 2nd Addition **Project**

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
41	Kim Knight	2827 Oakclaire Dr. Northfield, MN 55057	Rice	
42	Rob Alaimo	10106 FIRST TIMBERLANE DR Northfield, MN 55057	Rice	
43	JASON LARSON	2116 TAYLOR CT. Northfield, MN 55057	RICE	
44	Sam Niemann	1603 Munroe Ct Northfield, MN 55057	Rice	
45	Chris Julior	14063 Echo ave, Faribault, MN	Rice	
46	Wade Armstrong	1949 Roosevelt Dr. Northfield MN	Rice	
47	Jim Sharrow	1920 TYLER COURT NORTHFIELD MN 55057	Rice	
48	Sue Sharrow	1920 Tyler Ct Northfield MN 55057	Rice	
49	Berit Anderson	2004 Johnson Ct Northfield, MN 55057	Rice	
50	Rachel Ecker	1932 Tyler ct Northfield, MN	Rice	

Petition for an Environmental Assessment Worksheet(EAW) for the Harvest Hills 2nd Addition **Project**

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
51	Noor Ecker	1932 Tyler ct Northfield MN	~~Rice~~ Rice	Noor Ecker
52	Lillian Ecker	1932 Tyler ct Northfield MN	~~Rice~~ Rice	Lillian Ecker
53	Von Ecker	1932 Tyler ct Northfield MN	Rice	Von Ecker
54	Evelyn. Ecker	1932 tyler ct northfield MN	Rice	Evelyn Ecker
55	Evelyn Kolling	2004 Jhonson ct Northfield MN	Rice	Evelyn Kol
56	Krissa Anderson	2004 Johnson ct. Northfield, MN	Rice	
57	MAX	Hdnris 2012 Johnson Ct. Northfield, MN 55057	Rice	
58	Jenny Martinez	2008 Johnson ct, Northfield MN 55057	Rice	
59	~~Anthony Gomez~~	~~2008 Johnson ct, Northfield MN 55057~~	~~Rice~~	
60	Lops	Anderson 2004 Johnson Ct. Northfield, MN 55057	Rice	no re dna

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
61	Paul Brennan	2211 Greenfield Dr E Northfield, MN, 55057	Rice	
62	Greenlee Dahle	2311 greenfield Dr. E. Northfield MN 55057	Rice	
63	Griffith Dahle	2311 Greenfield Dr E Northfield	MN Rice	
64	Trevor Langland	1903 Adams Ct. Northfield, MN 55057	Rice	
65	Amanda Voracek	1921 Adams Ct Northfield, MN 55057	Rice	
66	Erick Mullenmeister	[redacted] 2002 Grant dr. Northfield MN, 55057	Rice	
67	Marissa Ogren	2002 Grant Dr. Northfield, MN 55057	Rice	
68	Jennifer Wingate	2205 CARTER G. NORTHFIELD MN 55057	RICE	
69	Laurie Bach	2116 Park Pointe Dr. Northfield MN 55057	Rice	
70	Steven Wingate	2205 Carter Court Northfield MN 55057	Rice	

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71	Landon Wingate	2205 Carter Ct. Northfield MN 55006	Rice	
72		2205 CARTER CT 55057 MN.		
73	Becky Gates	2200 Carter Ct Northfield minn 55057	RICE	
74	Anne Townsend	2201 Carter Ct, Northfield MN 55057	Rice	
75	Sandra Beumer	2204 Carter Ct Northfield MN 55057	Rice	
76	Ronald Beumer	2204 Carter Ct Northfield MN 55057	Rice	
77	Doris Ericksen	2114 Park Pointe Dr Northfield MN 55057	Rice	
78	Eleanor M Kaler	2112 Park Pt Dr Northfield MN 55057	Rice	
79		2112 PARK POINTE DR NORTHFIELD	RICE	
80	Dave Wager	1913 McKinley Drive - Northfield MN 55057	Rice	

10b

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81	Nolan Perry Arnold	2034 Taylor Court Northfield, MN 55057	RICE	
82	Lein Bingford	2104 Taylor Ct Northfield, MN 55057	RICE	
83	Erik Zimmerman	2128 Taylor Ct. Northfield Northfield, MN 55057	Rice	
84	Joshua Zimmerman	2128 Taylor Ct Northfield	Rice	
85	Martin Anderson	2004 Johnson Ct, Northfield, MN	RICE	
86	JOE REZAC	1817 ROOSVELT DR NFLD 55057	RICE	
87	Amanda Salaner Martinez	2008 Johnson Ct Northfield, MN 55057	Rice	
88	Tim Seitz	709 Carter Dr. Northfield MN 55057	Rice	
89	Hannah Lohre Seitz	709 Carter Dr. Northfield, MN 55057	Rice	Hannah Lohre Seitz
90	James Lohre Seitz	709 Carter Dr. Northfield MN 55057	Rice	James Lohre Seitz

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
91	Ben L.S.	309 Carleton Northfield MN 55057	Rice	Benjamin Lohre Seitz
92	Lois Cary	700 Pointe Lane NF 55057	Rice	Lois & Cary
93	Jean Novotny	1805 Buchanan Ct Nfld. 55057	Rice	Jean Novotny
94	Brad Pasternak	500 Hayes DR Nfld 55057	Rice	Bradley Pasternak
95	Dany Schmitz	505 Hayes Dr Nfld 5505	Rice	Dany Schmitz
96	Al Mosel	517 Hayes Drive, Northfield 55057	Rice	Al Mosel
97	Susie Schuetzle	505 Hayes Dr Nfld. MN 55057	Rice	SSchuetzle
98	Renee Carlson	505 Hayes Dr. Northfield MN 55057	Rice	Renee Carlson
99	Dennis Will	513 Hayes Dr. Northfield MN 55057	Rice	Dennis Will
100	Keith Nohava	600 Hayes Dr Northfield MN	Rice	Keith Nohava

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
101 62	Ben martinez	2008 Johnson ct Northfield, MN 55057	Rice county	
102 62	Christian Higgins	2100 Taylor Ct. Northfield, MN 55057	Rice	
103 63	Abby Higgins	2100 Taylor ct Northfield, MN 55057	Rice	
104 64	Terry Herbig	2108 Taylor CT Northfield, MN 55057	Rice	
105 65				
106 66				
107 67				
108 68				
109 69				
110 70				

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	Name (must be legible)	Address (street address, city, state, and zip code)	County	Signature
171	Naomi Nshare	600 Hayes Dr Northfield MN 55057	Rice	Naomi Nshare
172	Marcia Bisel	1706 Mckinley Drive Nfld MN 55057	Rice	Marcia Bisel
173	J esarthill	2000 Johnson Ct Northfield MN 55057	Rice	
174	Katherine Bayor-Hill	2000 Johnson Ct Northfield MN 55057	Rice	
175				
176				
177				
178				
179				
180				

File #: 26-314, **Version:** 1

City Council Meeting Date: June 16, 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.

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

Tuesday, July 7, 2026

TMP 26-006 Summary Publication Notice for the Text Amendment to Park Dedication Fees.

Drafter: Schmidt

Notes: consent

TMP 26-282 Public Hearing Related to Charter Commission Proposed Ordinance Amending Section 4.1 of the Northfield City Charter.

Drafter: Martig

Notes: Public Hearing #1 (15 min.)

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

TMP 26-487 Consider Motion Authorizing Submittal of Application for the Building Resilient Infrastructure and Communities (BRIC) Grant and Flood Mitigation Assistance Grant for Downtown Flood Improvements.

Drafter: Bennett

Notes: consent

TMP 26-512 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.

Drafter: Peterson

Notes: Consent

TMP 26-519 Consider Approving Disbursements totaling $

Drafter: Grant

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

TMP 26-408 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).

Drafter: Simonson

Notes: Consent

TMP 26-498 Approve the Northfield Fire Relief Association request for fire relief pension benefits

Drafter: Martig

Notes: consent

TMP 26-509 Consider Resolution Approving MnDOT Railroad Crossing Signal Agreement for the Railroad Crossing Gate Improvements at Second Street, Third Street and St. Olaf Avenue.

Drafter: Simonson

Notes: Consent

TMP 26-331 Consider Approval of Updated Economic Development Authority (EDA) Enabling Resolution.

Drafter: Martig

Notes: consent

TMP 26-457 Consider Resolution Accepting Bids and Awarding Contract for Northwest Area Water Tower Site.

Drafter: Wagner

Notes: Consent

TMP 26-465 Consideration of Approval of Professional Services Contract with Engineering Firm for the Wastewater Treatment Plant Pretreatment, Primary and Generator Project.

Drafter: Wagner

Notes: Consent

TMP 26-472 Consideration of a Conditional Use Permit for Off-Street Parking at 212 Division St. S.

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 26-005 Second Reading of Ordinance to Amend the Text Related to Park & Trail Dedication Fees.

Drafter: Schmidt

Notes: Consent

TMP 26-280 Consider Ordinance 1095 Amending Section 4.1 of the Northfield City Charter (First Reading).

Drafter: Martig

Notes: Immediately After Public Hearing #1 (5 min.)

Ord. 1094 Consider Second Reading of Ordinance 1094 Vacating a Drainage and Utility Easement within 2420 Bridgewater Ln.

Drafter: Schmidt

Notes: To follow the public hearing (20 min.) Schmidt

TMP 26-151 Consider Approval of Safe Streets and Roads for All (SS4A) Planning Grant with FHWA.

Drafter: Bennett

Notes: Consent

TMP 25-986 Reports From the Mayor and Council Members.

Drafter: Martig

Notes: update

TMP 26-140 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-889 Northfield Historical Society Annual Presentation.

Drafter: Martig

Notes: Presentation #__ (10 min.); moved 06/04/26

TMP 25-755 Consider Approval of June 16, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

Tuesday, July 14, 2026

TMP 26-284 Consider Summary Publication of Ordinance No. 1095 Amending Section

4.1 of the Northfield City Charter.

Drafter: Peterson

Notes: Special Meeting #2 (5 min.); vote only

TMP 26-290 Discussion on Organized Curbside Compost.

Drafter: Bennett

Notes: Work Session #1 (__ min.)

TMP 26-281 Consider Ordinance 1095 Amending Section 4.1 of the Northfield City Charter (Second Reading).

Drafter: Martig

Notes: Special Meeting #1 (5 min.)

TMP 26-173 Review of Proposed 2027-2028 HRA Budget and HRA Levy.

Drafter: Hanson

Notes: Regular #4 (45 min)

TMP 26-389 2027-2028 Budget Worksession.

TMP 25-886 Review Fee Schedule Changes effective January 1, 2027.

Drafter: Peterson

Notes: #__ (20 min.)

TMP 26-530 Review of Broadband Franchising Option Related to Modernization of Cable Franchising and City Alternative Revenue Strategic Priority.

Drafter: Martig

Notes: Regular #1 (30 minutes)

Tuesday, July 21, 2026

TMP 26-524 Consider Motion approving the Sibley Swale Park Improvement Plan.

Drafter: Tussing

Notes: Regular (15 min)

TMP 26-525 Consider Motion approving the Oddfellows Park Improvement Plan.

Drafter: Tussing

Notes: Regular (15 min)

TMP 26-413 Consider Approval of Agreement with MnDOT for Railroad Crossing Signal Improvement at Third Street, Second Street, and St. Olaf Avenue.

Drafter: Bennett

Notes: Consent

TMP 25-887 Consider Approval of Temporary Liquor Licenses for the Defeat of Jesse James Days Committee.

Drafter: Peterson

Notes: consent

TMP 25-647 Consider approval of agreement with Post Consumer Brands. for Ames Mill Dam Ownership Transfer to the City of Northfield.

Drafter: Bennett

Notes: Regular #__ (15 min.)

TMP 26-477 Consider Resolution Providing for the Issuance and Sale of $_____General Obligation Street Reconstruction and Equipment Bonds, Series 2026A.

Drafter: Bennett

Notes: Regular

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 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 26-177 Public Hearing on Sale of Property in at 1600 Riverview Ln (Northfield Hospital + Clinics)

Drafter: Bennett

Notes: Public Hearing #1 (5 min.)

TMP 26-141 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 25-893 Age Friendly Northfield (AFN) Mid-Year Presentation.

Drafter: Martig

Notes: Presentation #__ (10 min.); confirmed 5/4/26

TMP 25-768 Consider Approval of July 7, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

TMP 25-769 Consider Approval of July 14, 2026 City Council Work Session Minutes.

Drafter: Peterson

Notes: consent

Monday, August 3, 2026

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 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 26-142 City Administrator's Update.

Drafter: Martig

Notes: update

TMP 26-152 Discuss Safe Streets and Roads for All (SS4A) Planning RFP- Scope of Services.

Drafter: Bennett

Notes: Regular #__ (__ min.)

TMP 26-390 2027-2028 Budget Worksession.

TMP 25-771 Consider Approval of August 3, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent

Tuesday, August 25, 2026

TMP 26-513 Public Hearing for Wellhead Protection Plan Part 2 Update.

Drafter: Wagner

Notes: Public Hearing

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 25-772 Consider Approval of August 18, 2026 City Council Meeting Minutes.

Drafter: Peterson

Notes: consent