



## CITY COUNCIL AGENDA

COUNCIL CHAMBERS

TUESDAY, JUNE 9, 2026

6:00 PM

- 1. Call to Order/Roll Call/Pledge of Allegiance**
- 2. Approve Agenda**
- 3. Presentations/Introductions**
  - A. Oath of Office- Paid On-Call Firefighters
- 4. Approve minutes of the May 26, 2026 City Council Meeting**
  - A. Minutes of the May 26, 2026 City Council Meeting
- 5. Requests to be Heard**
- 6. Consent Agenda**
  - A. Claims List
  - B. City Board and Commission Draft Minutes
  - C. Approve Issuance of Complaint to the Public Utilities Commission for the Mississippi River to Mankato 345 Kv Transmission Line Project Route Permit
  - D. Approve Application and Permit for a 1 Day to 4 Day Temporary Liquor License
  - E. Resolution 2026-148 Approve LELS Police Officer MOU 2026
  - F. Resolution 2026-150 Approve Quote for Seal Coat Oil
  - G. Resolution 2026-161 Accept Proposal for Professional Design Services for 7th Street NW Feasibility Study Contract 2026-12
  - H. Resolution 2026-162 Approve Low Potency Hemp Product Registrations
  - I. Resolution 2026-163 Appointing Election Judges for the 2026 Primary and General Elections
  - J. Resolution 2026-164 Approve County Highway Maintenance Agreement with Rice County for 2026 & 2027
  - K. Resolution 2026-165 Approve Hiring Accounting Technician
  - L. Resolution 2026-172 Approve Creation of an Ad Hoc Committee for the Study of Housing Data in the City of Faribault
  - M. Resolution 2026-173 Approve the Contract for Service with River Bend Nature Center for the MN DNR ReLeaf Community Forestry Grant
  - N. Resolution 2026-174 Approve Hiring Recreation Lead
  - O. Resolution 2026-175 Approve Street Closure for Heritage Days Car Cruise Night
- 7. Public Hearings – None**
- 8. Items for Discussion**

HONESTY ▪ RESPECT ▪ DEDICATED ▪ VISIONARY ▪ ACCOUNTABILITY

- A. Resolution 2026-166 Accept the 2025 Audited Financial Statements
- B. Resolution 2026-168 Awarding the Sale of \$3,710,000 Taxable General Obligation Tax Abatement Bonds, Series 2026A
- C. Resolution 2026-169 Awarding the Sale of \$3,610,000 General Obligation Sewer Revenue Bonds, Series 2026B
- D. Resolution 2026-171 Declaring the Official Intent of the City to Reimburse Certain Expenditures from the Proceeds of Bonds Issued by the City
- E. Resolution 2026-170 Adopt Plans and Policies for the Small Cities Development Program

## **9. Bids - None**

## **10. Boards and Commissions Reports, Announcements and Project Updates**

## **11. Adjournment**

*(The Council may meet as a group for dinner)*

**NOTE:**

**CC** Closed Captioning of Council meetings available on FCTV.

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## CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, MAY 26, 2026

6:00 PM

### **Call to Order/Roll Call/Pledge of Allegiance**

The City Council meeting was called to order by Mayor Tom Spooner at 6:00 pm. Councilors in attendance included Mandy Barnes, Royal Ross, John Rowan, Peter van Sluis and Chuck Thiele. Councilor Adama Doumbouya was absent. Also in attendance were Deputy City Administrator Mark DuChene, City Clerk Heather Slechta, Community and Economic Development Director Dave Wanberg, Police Chief John Sherwin, Public Works Director Travis Block, Human Resources Director Kevin Bushard and Fire and Code Services Director Dustin Dienst.

### **Approve Agenda**

Motion by Ross, seconded by van Sluis to approve the agenda as presented and carried unanimously.

### **Presentations/Introductions**

#### *Recognition of Values In Action Honorees*

Mayor Spooner recognized the Values in Action Honorees by reading the following:

#### **HONESTY:**

**Emily Braun, Records Specialist (Police)** - During a front desk interaction with an elderly female who was actively speaking to a “bank employee” on the phone, Emily took control of the situation by speaking to the “bank employee” herself, and becoming confident the person on the phone was a scammer. After hanging up, Emily learned the elderly female had \$9,000 of just-withdrawn cash in her purse and was headed to a Cryptocurrency ATM to “rectify an account shortage.” Emily exemplified her customer service duties by going above and beyond and demonstrating the City’s values of respect and honesty for others.

#### **RESPECT:**

**Danielle Radtke, Administrative Coordinator** - Danielle has gone to great lengths to provide Finance with a better understanding of Public Works invoice allocations. Rather than simply providing information, she’s detailed the reasoning behind invoices and why it matters for their department and its budgeting process. This was instrumental in strengthening a better understanding between departments. Danielle’s willingness to share her knowledge and assist others builds strong working relationships and reflects a team-first mindset, and her respectful, collaborative approach helps create a positive workplace culture.

**DEDICATED:**

**Jamie Walburn, HR Assistant** - A recent house fire in Faribault displaced a family with little to no belongings left after much of the house and everything within it were destroyed. Jamie, after finding out the ages of the individuals impacted, stepped up and provided bags for the individuals, including coats, clothes, toys and more. Jamie is not only dedicated to her work in the Human Resources Department, but to the greater community of Faribault. While this could fit in many categories, Jamie's dedication to the community is exemplary and was clearly put on display with her recent, heartfelt efforts.

**VISIONARY:**

**David Johnson, GIS Coordinator (Engineering)** - The Police Department recently implemented proximity-based dispatch protocols that assign officers based on incident type, staffing levels, and geographic location. To make this possible, the Department needed clearly defined patrol zones supported by accurate geographic and call data. David stepped in and went above and beyond his regular responsibilities within Engineering to assist. David's work exemplifies our visionary value by helping modernize and streamline a critical City process through use of technology and data.

**ACCOUNTABILITY:**

**Hunter Houdek, Property Maintenance & Fire Code Inspector** - Hunter has exemplified accountability by stepping into the role of permit technician to cover a coworker's vital position while out on leave. Hunter has also embraced learning the new Tyler system at the same time as ensuring the Department keeps moving forward with plan review and scheduling inspections. The nature of his position is to engage in difficult conversations with sometimes confrontational individuals, yet he goes above and beyond showing he is willing to listen, learn, follow up and follow through with compliance measures to make our community a be

**Approve minutes of May 12, 2026, City Council Meeting and May 19, 2026, Special City Council Meeting**

Motion by Barnes, seconded by Thiele to approve minutes of May 12, 2026, City Council Meeting and May 19, 2026, Special City Council Meeting and carried unanimously.

**Requests to be Heard**

Earl Thibodeau, 18 Frink, stated that he lives on a one-way alley by Maple Lawn Cemetery, people are driving on his lawn and his neighbors. He asked why this is allowed and why nothing is happening. Staff took down his phone number and will be reaching out to him.

Karen Zeller, 1901 Crystal Lane, played an Insta-gram video of the noise created by data centers and spoke out against the future building of data centers.

Shodo Spring, 16922 Cabot Ave, spoke out against the future building of data centers. She questioned what good they bring.

## **Consent Agenda**

- A. Claims List
- B. Resolution 2026-143 Accept Donations to the Police Department
- C. Resolution 2026-144 Authorize the Fire Department to Apply for the Compeer Financial Emergency First Responder Grant
- D. Resolution 2026-145 Approve Budget Amendment for Lodging Tax Expenses
- E. Resolution 2026-146 Approve Heritage Celebration Events, Parking Restrictions and Street Closures
- F. Resolution 2026-147 Accept Donation to the Parks and Recreation Department
- G. Resolution 2026-149 Approve Limited Use Agreement at 1910 5<sup>th</sup> St. NW
- H. Resolution 2026-151 Accept Donations to Buckham Memorial Library
- I. Resolution 2026-153 Approve Continued Participation in the Council on Local Results and Innovation's Performance Measurement Program
- J. Resolution 2026-154 Approve 2026-2027 Garbage and Refuse Hauler Licenses
- K. Resolution 2026-155 Authorize Payment as Recommended by the Charitable Gambling Board to Canine Service Partners Inc
- L. Resolution 2026-156 Authorize Payment as Recommended by the Charitable Gambling Board to the Rice County Historical Society
- M. Resolution 2026-157 Authorize Payment as Recommended by the Charitable Gambling Board to the Rice County Agricultural Society
- N. Resolution 2026-158 Authorize Payment as Recommended by the Charitable Gambling Board to Three Rivers Community Action Inc
- O. Resolution 2026-159 Approve Budget Closing and Transferring the Communications Budget to the Administrative Budget
- P. Approve Resolution 2026-152 Budget Adjustment for MSA Maintenance Funding
- Q. Approve 2026 Fourth of July Fireworks Display
- R. Approve 1-4 Day Temporary Liquor License for the Rice County Fair
- S. Resolution 2026-160 Approve Renewal of Sensus Contract for Water Consumption Metering
- T. Approve a Letter of Support for South Central College's Grant Application

Motion by Ross, seconded by Thiele to approve the City Council meeting and carried unanimously with Councilor van Sluis abstaining from Consent Agenda Items Resolution 2026-157 Authorize Payment as Recommended by the Charitable Gambling Board to the Rice County Agricultural Society and Approve 1-4 Day Temporary Liquor License for the Rice County Fair

## **Public Hearings – None**

### **Items for Discussion**

*Ordinance 2026-08 Vacate a Portion of Storm Sewer Easement at 105 Riverchase Ct (Second Reading) and Ordinance 2026-08 Summary Publication*

Community and Economic Development Director David Wanberg stated that on May 19, 2026, the Faribault City Council approved the first reading of Ordinance 2026-08, which vacated a portion of an unnecessary stormwater easement at 105 Riverchase Court. City

Staff did not receive any public comments related to the ordinance and did not make any changes to the ordinance.

Motion by Thiele, seconded by Rowan to approve Ordinance 2026-08 Vacate a Portion of Storm Sewer Easement at 105 Riverchase Ct (Second Reading)

Roll Call Vote:

Aye: Councilor Barnes, Ross, Rowan, van Sluis, Thiele and Mayor Spooner

Nay:

Motion carried 6:0

Motion by van Sluis, seconded by Barnes to approve Ordinance 2026-08 Summary Publication and carried unanimously.

*Approve Third Amendment To The Purchase And Development Agreement For Lot 1, Block 2, Riverchase Addition*

Deputy City Administrator Mark DuChene informed the Council that last-minute developments have necessitated another amendment to the Riverchase II agreement.

Motion by Ross, seconded by Barnes to approve Third Amendment To The Purchase And Development Agreement For Lot 1, Block 2, Riverchase Addition and carried unanimously.

**Bids - None**

**Boards and Commissions Reports, Announcements and Project Updates**

Councilor Barnes stated that the Straight River Art Fest is on Saturday, Safe Summer Kick-off is on June 4, the Farmers Market and Aquatic Center are opening June 6. Councilor van Sluis stated that the Chamber Mixer on Thursday at The Faribault Transportation Company.

**Adjournment**

Motion by Barnes, seconded by van Sluis to adjourn the City Council meeting and carried unanimously.

The City Council meeting was adjourned at 6:21 pm.

Respectfully Submitted,

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Heather Slechta  
City Clerk



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kindra Papenfus, Finance Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Claims List

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**Background:**

The current list of open claims totaling \$654,324.41 for 283 invoices is attached, including details of the department, funding source and amount for each vendor and invoice.

**Recommendation:**

Approve payment of June 10th Claims

**Attachments:**

1. 061026FF

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10131	5 Star Inspections In	0000		EFT	06/03/2026	523				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CodeInsp 43090		Code/Insp	ProfSrvc			3,889.13			
										3,889.13
10131	5 Star Inspections In	0000		EFT	07/02/2026	525				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CodeInsp 43090		Code/Insp	ProfSrvc			4,203.00			
										4,203.00
						<b>CHECK TOTAL</b>				<b>8,092.13</b>
11145	Alverman, Barry	0000		INV	06/11/2026	061126 Concert Park				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Adult 42500		Adult	OutrchEnga			2,000.00			
										2,000.00
						<b>CHECK TOTAL</b>				<b>2,000.00</b>
10681	Amazon Capital Servic	0000		EFT	06/12/2026	1LKV-KC4K-GVX7				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42180 25910		Police	Uniforms			28.78			
										28.78
10681	Amazon Capital Servic	0000		EFT	06/13/2026	1YTR-FG1K-69WW				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Admin 42010		Admin	Supplies			35.99			
										35.99
10681	Amazon Capital Servic	0000		EFT	06/18/2026	19QH-9LXM-MFFD				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Viaduct 42230		ViaductPrk	Bldg Supp			755.40			
										755.40
10681	Amazon Capital Servic	0000		EFT	06/19/2026	1RTT-3NLV-CDQX				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42010		Fire	Supplies			27.15			
										27.15
10681	Amazon Capital Servic	0000		EFT	06/19/2026	1HHF-G3WY-CPF3				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42410		Fire	MinorEquip			11.49			
										11.49

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CHECK RUN: 061026FF 06/10/2026  
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CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10681	Amazon Capital Servc	0000		EFT	06/19/2026	1GWM-1H1M-CR6R				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42210		Fire	VehEqParts		18.86				18.86
10681	Amazon Capital Servc	0000		EFT	06/20/2026	1HPR-DLYF-CH4Y				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CC Admin 42010		CC Admin	Supplies		21.59				21.59
10681	Amazon Capital Servc	0000		EFT	06/20/2026	1HPR-DLYF-H9KY				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42010		P&Tmaint	Supplies		1,171.40				1,171.40
10681	Amazon Capital Servc	0000		EFT	06/22/2026	1V9K-GFP1-KYYV				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42210		Fire	VehEqParts		141.04				141.04
10681	Amazon Capital Servc	0000		EFT	06/22/2026	1V9K-GFP1-L1MJ				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42420		Fire	SafetyS&E		29.37				29.37
10681	Amazon Capital Servc	0000		EFT	06/23/2026	1YFH-6P74-PM7F				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 PW Fac 42230		PW Fac	Bldg Supp		308.05				308.05
10681	Amazon Capital Servc	0000		EFT	06/25/2026	1LVW-LD7D-PX6D				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Aquatic 42230		AquaticCtr	Bldg Supp		77.97				
	2 Aquatic 42160		AquaticCtr	Chem&Prod		202.07				280.04
10681	Amazon Capital Servc	0000		EFT	06/25/2026	1NWK-XGXH-1VV1				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire Fac 42410		Fire Fac	MinorEquip		136.59				136.59
10681	Amazon Capital Servc	0000		EFT	06/25/2026	1D34-7KGW-FK3V				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CC Fac 42160		CC Fac	Chem&Prod		64.13				64.13

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## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash									
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK			
10681	Amazon Capital Servic	0000	EFT	06/27/2026	1CWQ-JJYM-CKTQ						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 HR 42010	HR	Supplies		8.30						
	2 Fin 42010	Finance	Supplies		9.87						
	3 Admin 42010	Admin	Supplies		9.86						
						28.03					
10681	Amazon Capital Servic	0000	EFT	06/26/2026	1QTK-1YLC-TJXW						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 CC Fac 42230	CC Fac	Bldg Supp		476.64						
						476.64					
10681	Amazon Capital Servic	0000	EFT	06/28/2026	19MG-PHNF-RCFF						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 Library 42192	Library	Audio Vis		10.79						
						10.79					
10681	Amazon Capital Servic	0000	EFT	06/28/2026	1GXC-Y44C-3RYC						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 PW Fac 42230	PW Fac	Bldg Supp		13.56						
						13.56					
10681	Amazon Capital Servic	0000	EFT	07/01/2026	1MD9-C4C9-796L						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 Library 42190	Library	Books		27.95						
						27.95					
10681	Amazon Capital Servic	0000	EFT	07/01/2026	1H94-VQGD-MHTG						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 Library 42500	Library	OutrchEnga		109.51						
						109.51					
10681	Amazon Capital Servic	0000	EFT	07/01/2026	1DQC-NN63-6TXW						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 Police 42010 25907	Police	Supplies		85.63						
						85.63					
10681	Amazon Capital Servic	0000	EFT	07/01/2026	16YN-P61V-PWNH						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 Fin 42010	Finance	Supplies		264.98						
						264.98					
10681	Amazon Capital Servic	0000	EFT	07/01/2026	1R7T-VQXX-F7GF						
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>						
	1 SwrRecl 42210	SewerReclm	VehEqParts		24.77						
						24.77					

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## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
					<b>CHECK TOTAL</b>	<b>4,071.74</b>			
10686	Ampion PBC	0000		INV	07/01/2026	2026060003046334			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 StrSign	43810	Sign Sig	Elec Util		34.08			
									34.08
10686	Ampion PBC	0000		INV	07/01/2026	2026060003046329			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Fire Fac	43810	Fire Fac	Elec Util		1,011.98			
	2 Lib Fac	43810	Lib Fac	Elec Util		1,701.49			
	3 Parks	43810	P&Tmaint	Elec Util		1,107.97			
	4 PW Fac	43810	PW Fac	Elec Util		10.92			
	5 Soccer	43810	SoccerComp	Elec Util		115.10			
	6 Storm	43810	Storm Wtr	Elec Util		0.16			
	7 StrLight	43810	StrLight	Elec Util		1,056.86			
	8 StrSign	43810	Sign Sig	Elec Util		375.32			
	9 SwrColl	43810	Sewer Coll	Elec Util		175.90			
	11 Water	43810	Water	Elec Util		7,359.37			
	12 Wshngtn	43810	Wshngtn	Elec Util		602.81			
									13,517.88
					<b>CHECK TOTAL</b>				<b>13,551.96</b>
10324	Ancom Communications,	0000		EFT	06/27/2026	133500			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 EmrgMgmt	44040	EmrgMgmt	MachEqRpr		1,349.73			
									1,349.73
									<b>1,349.73</b>
10245	APG Media of Southern	0001		EFT	06/08/2026	1098443			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Council	43510	Council	LegalPubng		41.25			
									41.25
10245	APG Media of Southern	0001		EFT	06/20/2026	1100145			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Planning	43510	P & Z	LegalPubng		68.75			
									68.75

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## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash									
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10245	APG Media of Southern	0001		EFT	06/19/2026	1099990					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Planning 43510		P & Z	LegalPubng			48.13				
										48.13	
10245	APG Media of Southern	0001		EFT	06/22/2026	1100273					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Council 43510		Council	LegalPubng			41.25				
										41.25	
										<b>CHECK TOTAL</b>	<b>199.38</b>
11256	Aquarius Water Condit	0000		INV	07/01/2026	2179667959					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Police 44160		Police	Rents			25.00				
										25.00	
11256	Aquarius Water Condit	0000		INV	07/01/2026	2179667389					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Police 44160		Police	Rents			15.00				
										15.00	
										<b>CHECK TOTAL</b>	<b>40.00</b>
10278	Arrow Electric LLC	0000		EFT	06/21/2026	3618					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Lib Fac 44010		Lib Fac	Bldg Maint			2,728.25				
										2,728.25	
10278	Arrow Electric LLC	0000		EFT	06/21/2026	3617					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Water 44010		Water	Bldg Maint			237.00				
										237.00	
10278	Arrow Electric LLC	0000		EFT	06/21/2026	3616					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 StrLight 44040		StrLight	MachEqRpr			96.43				
										96.43	
10278	Arrow Electric LLC	0000		EFT	06/24/2026	3625					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Pol Fac 44010		Pol Fac	Bldg Maint			335.76				
										335.76	
										<b>CHECK TOTAL</b>	<b>3,397.44</b>

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10315	Aspen Mills	0000		INV	06/26/2026	376188				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42180	25910	Police	Uniforms			29.95			
							29.95			
10315	Aspen Mills	0000		INV	06/26/2026	376189				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42180		Police	Uniforms			86.36			
							86.36			
						<b>CHECK TOTAL</b>	<b>116.31</b>			
10316	Auto Value Parts Stor	0000		EFT	06/18/2026	48228717				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42210		Fire	VehEqParts			95.97			
							95.97			
10316	Auto Value Parts Stor	0000		EFT	05/26/2026	48228890				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42210		Fire	VehEqParts			-57.98			
							-57.98			
10316	Auto Value Parts Stor	0000		EFT	06/21/2026	48228829				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrColl 42210		Sewer Coll	VehEqParts			60.18			
							60.18			
10316	Auto Value Parts Stor	0000		EFT	06/21/2026	48228836				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42210		P&Tmaint	VehEqParts			6.49			
							6.49			
10316	Auto Value Parts Stor	0000		EFT	06/22/2026	48228853				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42210		P&Tmaint	VehEqParts			15.99			
							15.99			
10316	Auto Value Parts Stor	0000		EFT	06/27/2026	48228955				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42210		Fire	VehEqParts			43.98			
							43.98			
10316	Auto Value Parts Stor	0000		EFT	05/26/2026	48228868				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42210		P&Tmaint	VehEqParts			-6.49			
							-6.49			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10316	Auto Value Parts Stor	0000	EFT	06/26/2026	48228946				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 EqMaint 42210	EqMaint	VehEqParts			14.15			
	2 Parks 42210	P&Tmaint	VehEqParts			28.29			
	3 StrMaint 42210	StrMaint	VehEqParts			56.58			
	4 SwrColl 42210	Sewer Coll	VehEqParts			21.22			
	5 Water 42210	Water	VehEqParts			21.21			
								141.45	
10316	Auto Value Parts Stor	0000	EFT	06/26/2026	48228947				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 StrMaint 42410	StrMaint	MinorEquip			69.95			
								69.95	
10316	Auto Value Parts Stor	0000	EFT	06/27/2026	48228970				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Storm 42010	Storm Wtr	Supplies			20.99			
								20.99	
10316	Auto Value Parts Stor	0000	EFT	06/27/2026	48228971				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Storm 42210	Storm Wtr	VehEqParts			14.99			
								14.99	
10316	Auto Value Parts Stor	0000	EFT	06/27/2026	48228980				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Storm 42010	Storm Wtr	Supplies			29.70			
								29.70	
10316	Auto Value Parts Stor	0000	EFT	06/28/2026	48229000				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 StrMaint 42210	StrMaint	VehEqParts			35.41			
								35.41	
10316	Auto Value Parts Stor	0000	EFT	07/01/2026	48229065				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Storm 42010	Storm Wtr	Supplies			139.00			
								139.00	
					<b>CHECK TOTAL</b>	<b>609.63</b>			
11135	Barr Engineering Co	0001	EFT	06/21/2026	23661050.00 - 15				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Storm 45300	Storm Wtr	Impr Other			955.50			
								955.50	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
					<b>CHECK TOTAL</b>	<b>955.50</b>			
10084	Beacon Athletics LLC	0001	EFT	06/12/2026	0636533-IN				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42010	P&Tmaint	Supplies		1,619.01				
						1,619.01			
					<b>CHECK TOTAL</b>	<b>1,619.01</b>			
10041	Bergan KDV	0000	8	EFT	06/28/2026	1287892			
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Fin 43010	Finance	AuditSrvc		11,750.00				
	2 Storm 43010	Storm Wtr	AuditSrvc		1,410.00				
	3 SwrRecl 43010	SewerReclm	AuditSrvc		5,640.00				
	4 Water 43010	Water	AuditSrvc		4,700.00				
						23,500.00			
					<b>CHECK TOTAL</b>	<b>23,500.00</b>			
10226	Bertelsmann Publishin	0001	EFT	06/25/2026	535189				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Library 42192	Library	Audio Vis		117.98				
						117.98			
10226	Bertelsmann Publishin	0001	EFT	07/02/2026	536061				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Library 42192	Library	Audio Vis		64.99				
						64.99			
					<b>CHECK TOTAL</b>	<b>182.97</b>			
10339	Border States Industr	0000	EFT	06/06/2026	932413600				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42010	P&Tmaint	Supplies		12.27				
						12.27			
					<b>CHECK TOTAL</b>	<b>12.27</b>			
10698	Broyhill Manufacturin	0000	INV	06/14/2026	00254100				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42210	P&Tmaint	VehEqParts		289.95				
						289.95			
					<b>CHECK TOTAL</b>	<b>289.95</b>			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10291	Canadian Pacific Rail	0000	INV	06/04/2026	2600-2000162183					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 44160	P&Tmaint	Rents			100.00				
									100.00	
					<b>CHECK TOTAL</b>				<b>100.00</b>	
11128	Canine Service Partne	0000	INV	06/25/2026	RESOLUTION #2026-155					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 CharGmb1 44383	Char Gmb1	DonCvcOrg			1,000.00				
									1,000.00	
					<b>CHECK TOTAL</b>				<b>1,000.00</b>	
10352	Cedar Lake Electric I	0000	33	INV	06/19/2026	78200				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 45400	SewerReclm	Mach&Equip			87,925.00				
									87,925.00	
					<b>CHECK TOTAL</b>				<b>87,925.00</b>	
10353	Chadderdon Lumber	0000	INV	06/10/2026	221278					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			211.77				
									211.77	
					<b>CHECK TOTAL</b>				<b>211.77</b>	
10354	Cintas Corporation	0002	EFT	06/07/2026	4268630639					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 44060	P&Tmaint	Lndry Srvc			59.88				
									59.88	
10354	Cintas Corporation	0002	EFT	06/14/2026	4269375675					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 44060	P&Tmaint	Lndry Srvc			59.88				
									59.88	
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146341					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 44060	EqMaint	Lndry Srvc			9.38				
	2 StrMaint 44060	StrMaint	Lndry Srvc			51.88				
									61.26	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146377					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 44060	P&Tmaint	Lndry Srvc			59.88			59.88	
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146343					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Storm 44060	Storm Wtr	Lndry Srvc			3.25				
	2 SwrColl 44060	Sewer Coll	Lndry Srvc			12.64				
	3 Water 44060	Water	Lndry Srvc			34.46			50.35	
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146352					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 44060	EqMaint	Lndry Srvc			26.77			26.77	
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146614					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 44060	SewerReclm	Lndry Srvc			61.93			61.93	
10354	Cintas Corporation	0002	EFT	06/21/2026	4270146683					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 44060	SewerReclm	Lndry Srvc			50.20			50.20	
10354	Cintas Corporation	0002	EFT	06/28/2026	4270878000					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 44060	EqMaint	Lndry Srvc			9.45				
	2 StrMaint 44060	StrMaint	Lndry Srvc			52.81			62.26	
10354	Cintas Corporation	0002	EFT	06/28/2026	4270877946					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Storm 44060	Storm Wtr	Lndry Srvc			3.25				
	2 SwrColl 44060	Sewer Coll	Lndry Srvc			12.64				
	3 Water 44060	Water	Lndry Srvc			34.46			50.35	
10354	Cintas Corporation	0002	EFT	06/28/2026	4270877978					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 44060	EqMaint	Lndry Srvc			26.77				
	2 PW Fac 42230	PW Fac	Bldg Supp			71.08			97.85	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10354	Cintas Corporation	0002		EFT	06/28/2026	4270878220				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 44060		SewerReclm	Lndry Srvc			7.00			
										7.00
10354	Cintas Corporation	0002		EFT	06/28/2026	4270878268				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 44060		SewerReclm	Lndry Srvc			50.20			
										50.20
										<b>CHECK TOTAL</b>
										<b>697.81</b>
10267	CivicPlus	0000		EFT	06/30/2026	375078				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Council 43090		Council	ProfSrvc			54.35			
										54.35
										<b>CHECK TOTAL</b>
										<b>54.35</b>
10357	Community Co-op Oil A	0000		INV	06/12/2026	163747				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 44020		P&Tmaint	VehicleR&M			50.00			
										50.00
10357	Community Co-op Oil A	0000		INV	06/25/2026	163941				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 44020		P&Tmaint	VehicleR&M			36.00			
										36.00
10357	Community Co-op Oil A	0000		INV	06/21/2026	163929				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 44020		P&Tmaint	VehicleR&M			60.00			
										60.00
10357	Community Co-op Oil A	0000		INV	06/20/2026	163892				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 StrMaint 44040		StrMaint	MachEqRpr			61.00			
										61.00
10357	Community Co-op Oil A	0000		INV	06/26/2026	7492				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 StrMaint 42120		StrMaint	Motor Fuel			5.26			
										5.26

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10357	Community Co-op Oil A	0000		INV	06/26/2026	044976				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 EqMaint 42010		EqMaint	Supplies			27.94			
							27.94			
						<b>CHECK TOTAL</b>	<b>240.20</b>			
10721	Consolidated Communic	0000		INV	06/16/2026	052226				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water 43250		Water	Other Comm			76.23			
							76.23			
						<b>CHECK TOTAL</b>	<b>76.23</b>			
10723	Core & Main LP	0000		INV	06/18/2026	J000021107				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water 42010		Water	Supplies			50.64			
							50.64			
10723	Core & Main LP	0000		INV	06/28/2026	J000022833				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water 42010		Water	Supplies			3,029.20			
							3,029.20			
						<b>CHECK TOTAL</b>	<b>3,079.84</b>			
10054	Creative Co-Op	0001		EFT	06/06/2026	050726				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42010		P&Tmaint	Supplies			24.00			
							24.00			
10054	Creative Co-Op	0001		EFT	06/20/2026	052126				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Pol Fac 42230		Pol Fac	Bldg Supp			16.00			
							16.00			
						<b>CHECK TOTAL</b>	<b>40.00</b>			
10361	Culligan of Faribault	0001		EFT	06/30/2026	119X01415202				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 44160		Library	Rents			42.00			
							42.00			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10361	Culligan of Faribault	0001		EFT	06/30/2026	119X01416200				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CH Fac 44160		CH Maint	Rents			202.00			
									202.00	
10361	Culligan of Faribault	0001		EFT	06/30/2026	119X01419600				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42010		Police	Supplies			187.40			
									187.40	
						<b>CHECK TOTAL</b>	<b>431.40</b>			
10051	D&S Banner Sign & Pri	0000		INV	06/26/2026	10683				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42010 25907		Police	Supplies			119.15			
									119.15	
						<b>CHECK TOTAL</b>	<b>119.15</b>			
10160	Dakota Supply Group	0000		EFT	06/20/2026	S105659452.001				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water 44030		Water	P/I R&M			3,025.02			
									3,025.02	
						<b>CHECK TOTAL</b>	<b>3,025.02</b>			
10380	Dalco	0001		INV	06/20/2026	41795831				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42010		Police	Supplies			187.98			
									187.98	
						<b>CHECK TOTAL</b>	<b>187.98</b>			
10275	E O Johnson Company I	0001		INV	06/28/2026	INV1972075				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 44160		Library	Rents			69.00			
									69.00	
						<b>CHECK TOTAL</b>	<b>69.00</b>			
11159	El Jefe LLC	0000		INV	06/21/2026	052226				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 HR 44382		HR	EmpProgram			670.00			
									670.00	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
					<b>CHECK TOTAL</b>	<b>670.00</b>				
10396	Emergency Apparatus M	0000		INV	06/18/2026	140099				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	Fire 42210	Fire	VehEqParts			346.49			346.49	
					<b>CHECK TOTAL</b>	<b>346.49</b>				
11338	Endres Window Cleanin	0000		INV	06/17/2026	191427				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	PW Fac 44010	PW Fac	Bldg Maint			1,399.20			1,399.20	
					<b>CHECK TOTAL</b>	<b>1,399.20</b>				
11331	Express Services, Inc	0000		INV	07/03/2026	33972979				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	Fin 41030	Finance	PTEmployee			89.60				
2	Water 41030	Water	PTEmployee			156.80				
3	SwrRecl 41030	SewerReclm	PTEmployee			179.20				
4	Storm 41030	Storm Wtr	PTEmployee			22.40				
					<b>CHECK TOTAL</b>	<b>448.00</b>			448.00	
10749	Fareway Stores Inc #1	0000		INV	06/13/2026	00092868				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	Admin 42500	Admin	OutrchEnga			9.96			9.96	
					<b>CHECK TOTAL</b>	<b>9.96</b>				
10410	Faribault Ace Hardwar	0000		INV	06/07/2026	518151/1				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	Parks 42010	P&Tmaint	Supplies			27.88			27.88	
10410	Faribault Ace Hardwar	0000		INV	06/13/2026	518401/1				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
1	Parks 42010	P&Tmaint	Supplies			8.99			8.99	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash									
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10410	Faribault Ace Hardwar	0000		INV	06/13/2026	518405/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Viaduct 42410		ViaductPrk	MinorEquip			422.16				422.16
10410	Faribault Ace Hardwar	0000		INV	06/14/2026	518438/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Parks 42010		P&Tmaint	Supplies			14.39				14.39
10410	Faribault Ace Hardwar	0000		INV	06/18/2026	518566/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Parks 42010		P&Tmaint	Supplies			29.66				29.66
10410	Faribault Ace Hardwar	0000		INV	06/18/2026	518570/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Parks 42010		P&Tmaint	Supplies			1.80				1.80
10410	Faribault Ace Hardwar	0000		INV	06/18/2026	518575/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Parks 42010		P&Tmaint	Supplies			15.27				15.27
10410	Faribault Ace Hardwar	0000		INV	06/19/2026	518612/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Fire 42160		Fire	Chem&Prod			25.99				25.99
10410	Faribault Ace Hardwar	0000		INV	06/20/2026	518654/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Aquatic 44010		AquaticCtr	Bldg Maint			4.49				4.49
10410	Faribault Ace Hardwar	0000		INV	06/20/2026	518670/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 Parks 42010		P&Tmaint	Supplies			63.92				63.92
10410	Faribault Ace Hardwar	0000		INV	06/20/2026	518678/1					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
	1 CC Admin 42010		CC Admin	Supplies			0.40				0.40

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10410	Faribault Ace Hardwar	0000	INV	06/25/2026	518784/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 42230	AquaticCtr	Bldg Supp			3.58				
										3.58
10410	Faribault Ace Hardwar	0000	INV	06/25/2026	518793/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire 42010	Fire	Supplies			21.56				
										21.56
10410	Faribault Ace Hardwar	0000	INV	06/27/2026	518885/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42230	SewerReclm	Bldg Supp			35.96				
	2 SwrRecl 42160	SewerReclm	Chem&Prod			35.95				
										71.91
10410	Faribault Ace Hardwar	0000	INV	06/25/2026	518818/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 42230	AquaticCtr	Bldg Supp			65.66				
										65.66
10410	Faribault Ace Hardwar	0000	INV	06/26/2026	518855/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire 42010	Fire	Supplies			1.79				
										1.79
10410	Faribault Ace Hardwar	0000	INV	06/28/2026	518939/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police 42010	Police	Supplies			7.16				
										7.16
10410	Faribault Ace Hardwar	0000	INV	06/28/2026	518961/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42210	SewerReclm	VehEqParts			15.00				
										15.00
10410	Faribault Ace Hardwar	0000	INV	06/28/2026	518870/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42210	SewerReclm	VehEqParts			62.75				
										62.75
10410	Faribault Ace Hardwar	0000	INV	07/02/2026	519041/1					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42230	SewerReclm	Bldg Supp			13.49				
										13.49
										<b>CHECK TOTAL</b>
										<b>877.85</b>

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10561	Faribault Daily News	0001	INV	06/25/2026	FDN-20401 2026 renew					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library 42191	Library	PerMagNews			544.60				
									544.60	
									<b>CHECK TOTAL</b>	<b>544.60</b>
10075	Faribault Fleet Suppl	0000	EFT	06/10/2026	078286					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			143.97				
									143.97	
10075	Faribault Fleet Suppl	0000	EFT	06/12/2026	078384					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			45.15				
									45.15	
10075	Faribault Fleet Suppl	0000	EFT	06/13/2026	078415					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42250	P&Tmaint	PlantMat			29.90				
									29.90	
10075	Faribault Fleet Suppl	0000	EFT	06/13/2026	078420					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			6.96				
									6.96	
10075	Faribault Fleet Suppl	0000	EFT	06/20/2026	078612					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire 42160	Fire	Chem&Prod			25.05				
									25.05	
10075	Faribault Fleet Suppl	0000	EFT	06/20/2026	078616					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			23.94				
									23.94	
10075	Faribault Fleet Suppl	0000	EFT	06/21/2026	078642					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			41.57				
									41.57	
10075	Faribault Fleet Suppl	0000	EFT	06/25/2026	078711					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			20.99				

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK
10075	Faribault Fleet Suppl	0000		EFT	06/25/2026	078722	20.99		
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 StrMaint 42210		StrMaint	VehEqParts			5.96		
							5.96		
10075	Faribault Fleet Suppl	0000		EFT	06/26/2026	078770			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 StrMaint 42010		StrMaint	Supplies			63.37		
							63.37		
10075	Faribault Fleet Suppl	0000		EFT	06/27/2026	078792			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 Storm 42210		Storm Wtr	VehEqParts			5.68		
							5.68		
10075	Faribault Fleet Suppl	0000		EFT	06/27/2026	078803			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 Water 42010		Water	Supplies			36.98		
							36.98		
10075	Faribault Fleet Suppl	0000		EFT	06/27/2026	078806			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 StrMaint 42010		StrMaint	Supplies			107.99		
							107.99		
10075	Faribault Fleet Suppl	0000		EFT	06/28/2026	078815			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 Water 42010		Water	Supplies			59.66		
							59.66		
10075	Faribault Fleet Suppl	0000		EFT	07/01/2026	78866			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 Storm 42010		Storm Wtr	Supplies			3.38		
							3.38		
10075	Faribault Fleet Suppl	0000		EFT	07/01/2026	078871			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 StrMaint 42120		StrMaint	Motor Fuel			54.20		
							54.20		
						<b>CHECK TOTAL</b>	<b>674.75</b>		
10413	Faribault Rental Equi	0000		INV	07/02/2026	620488			
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>			
	1 StrMaint 42010		StrMaint	Supplies			10.00		

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
						10.00			
					<b>CHECK TOTAL</b>	<b>10.00</b>			
10417	Faribo Plumbing & Hea	0000	EFT	06/18/2026	25871				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 43060	P&Tmaint	CntrctLabr			752.50			
					<b>CHECK TOTAL</b>	<b>752.50</b>			
10420	Fergus Power Pump Inc	0000	EFT	06/21/2026	57315				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 SwrRecl 43060	SewerReclm	CntrctLabr			182,087.99			
					<b>CHECK TOTAL</b>	<b>182,087.99</b>			
11072	Ferguson US Holdings	0000	INV	06/17/2026	2682965				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42010	P&Tmaint	Supplies			247.94			
							247.94		
11072	Ferguson US Holdings	0000	INV	06/17/2026	2689538				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Water 42010	Water	Supplies			48.53			
							48.53		
11072	Ferguson US Holdings	0000	INV	06/18/2026	2692063				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42010	P&Tmaint	Supplies			63.67			
							63.67		
11072	Ferguson US Holdings	0000	INV	06/12/2026	0564818				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Water 44030	Water	P/I R&M			5,024.65			
							5,024.65		
11072	Ferguson US Holdings	0000	INV	06/25/2026	2708633				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 CC Fac 42230	CC Fac	Bldg Supp			39.98			
							39.98		
11072	Ferguson US Holdings	0000	INV	06/21/2026	2685232				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Parks 42230	P&Tmaint	Bldg Supp			76.99			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
						76.99			
					<b>CHECK TOTAL</b>	<b>5,501.76</b>			
10426	Fire Safety USA Inc	0000	INV	05/30/2026	258390				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Fire 42410	Fire	MinorEquip			65.90			
						65.90			
					<b>CHECK TOTAL</b>	<b>65.90</b>			
11290	Follett Content Solut	0001	EFT	06/07/2026	749390				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Library 42190	Library	Books			161.51			
						161.51			
					<b>CHECK TOTAL</b>	<b>161.51</b>			
11264	Fortune Creek Strateg	0000	INV	06/16/2026	1012				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Police 43090	Police	ProfSrvc			1,999.90			
						1,999.90			
					<b>CHECK TOTAL</b>	<b>1,999.90</b>			
10774	Gainey Raymond A	0000	INV	06/25/2026	052626				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Adult 43090	Adult	ProfSrvc			585.00			
						585.00			
					<b>CHECK TOTAL</b>	<b>585.00</b>			
11127	Genuine Parts Company	0001	EFT	06/18/2026	038706				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	EmrgMgmt42010	EmrgMgmt	Supplies			625.88			
						625.88			
11127	Genuine Parts Company	0001	EFT	06/18/2026	038737				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Fire 42210	Fire	VehEqParts			26.99			
						26.99			
11127	Genuine Parts Company	0001	EFT	06/18/2026	038798				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
1	Fire 42410	Fire	MinorEquip			20.00			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
11127	Genuine Parts Company	0001	EFT	06/21/2026	039138	20.00				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	Parks 42210	P&Tmaint	VehEqParts			5.84				
						5.84				
11127	Genuine Parts Company	0001	EFT	06/27/2026	039585					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	SwrRecl 42210	SewerReclm	VehEqParts			47.02				
						47.02				
11127	Genuine Parts Company	0001	EFT	05/22/2026	039185					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	EmrgMgmt42010	EmrgMgmt	Supplies			-72.00				
						-72.00				
					<b>CHECK TOTAL</b>	<b>653.73</b>				
10777	Glenn's Service LLC	0000	INV	06/14/2026	45632					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	Police 43060	Police	CntrctLabr			405.00				
						405.00				
					<b>CHECK TOTAL</b>	<b>405.00</b>				
10436	BRHB Inc	0000	EFT	06/17/2026	07909					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	Library 42500	Library	OutrchEnga			52.00				
						52.00				
					<b>CHECK TOTAL</b>	<b>52.00</b>				
11316	Grail, Inc	0000	44	INV	06/30/2026	ENT972053126				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	Fire 43090 25906	Fire	ProfSrvc			15,576.00				
						15,576.00				
					<b>CHECK TOTAL</b>	<b>15,576.00</b>				
10439	Grainger Inc	0000	EFT	06/26/2026	9929687318					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
1	SwrRecl 42210	SewerReclm	VehEqParts			169.25				
						169.25				

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10439	Grainger Inc	0000	EFT	06/26/2026	9930591764					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42230		SewerReclm Bldg Supp			40.90				
										40.90
										<b>CHECK TOTAL 210.15</b>
10785	Habitat for Humanity	0000	INV	06/27/2026	052826 Habitat					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 101 22000		General Deposits			2,000.00				
										2,000.00
										<b>CHECK TOTAL 2,000.00</b>
10447	Harry Brown's LLC	0001	EFT	06/20/2026	CW052126					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police 44020		Police VehicleR&M			634.30				
										634.30
										<b>CHECK TOTAL 634.30</b>
10449	Hawkins Inc	0000	EFT	06/21/2026	7433993					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 42160		AquaticCtr Chem&Prod			2,911.49				
										2,911.49
10449	Hawkins Inc	0000	EFT	06/21/2026	7433992					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Water 42160		Water Chem&Prod			9,357.74				
										9,357.74
10449	Hawkins Inc	0000	EFT	06/25/2026	7437359					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Water 42160		Water Chem&Prod			2,292.00				
										2,292.00
10449	Hawkins Inc	0000	EFT	06/28/2026	7441462					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42160		SewerReclm Chem&Prod			3,630.00				
										3,630.00
10449	Hawkins Inc	0000	EFT	06/27/2026	7442295					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 42160		SewerReclm Chem&Prod			9,923.61				
										9,923.61

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10449	Hawkins Inc	0000	EFT	06/28/2026	7442606					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Water 42160	Water	Chem&Prod		3,805.16				
									3,805.16	
									<b>CHECK TOTAL</b>	<b>31,920.00</b>
10993	Teladoc Health Inc	0000	INV	07/01/2026	2026063068046					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Treasury 21707	Treasury	MedicalPay		1,397.00				
									1,397.00	
									<b>CHECK TOTAL</b>	<b>1,397.00</b>
10452	Heiman Fire Equipment	0000	EFT	06/12/2026	0955745-IN					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Fire 42410	Fire	MinorEquip		4,517.00				
									4,517.00	
10452	Heiman Fire Equipment	0000	EFT	05/18/2026	0955910-CM					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Fire 42410	Fire	MinorEquip		-3,927.00				
									-3,927.00	
									<b>CHECK TOTAL</b>	<b>590.00</b>
11038	Herold, Lee	0000	INV	06/18/2026	16111					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Police 42010	Police	Supplies		139.25				
									139.25	
									<b>CHECK TOTAL</b>	<b>139.25</b>
10983	Heselton Construction	0000	INV	06/21/2026	29767					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	Water 44030	Water	P/I R&M		1,950.00				
									1,950.00	
									<b>CHECK TOTAL</b>	<b>1,950.00</b>
10454	Hillyard - Inc	0001	INV	06/25/2026	90158381					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1	CC Fac 42230	CC Fac	Bldg Supp		1,228.14				
									1,228.14	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10454	Hillyard - Inc	0001	INV	06/25/2026	90158374					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic	42230	AquaticCtr	Bldg Supp		994.00				
								994.00		
					<b>CHECK TOTAL</b>			<b>2,222.14</b>		
10455	Hy-Vee - Accounts Rec	0000	INV	06/18/2026	564906 480023564906					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Council	43140	Council	Train&Ed		191.13				
								191.13		
					<b>CHECK TOTAL</b>			<b>191.13</b>		
11253	Ingram Library Servic	0001	EFT	06/16/2026	96635112					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		37.73				
								37.73		
11253	Ingram Library Servic	0001	EFT	06/13/2026	96587045					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		147.69				
								147.69		
11253	Ingram Library Servic	0001	EFT	06/13/2026	96587046					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		638.94				
								638.94		
11253	Ingram Library Servic	0001	EFT	06/13/2026	96600832					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		103.84				
								103.84		
11253	Ingram Library Servic	0001	EFT	06/12/2026	96557174					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		62.69				
								62.69		
11253	Ingram Library Servic	0001	EFT	06/12/2026	96570335					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library	42190	Library	Books		42.56				
								42.56		

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
11253	Ingram Library Servic	0001		EFT	06/18/2026	96683740				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 42190		Library	Books			184.63			
										184.63
11253	Ingram Library Servic	0001		EFT	06/17/2026	96660352				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 42190		Library	Books			39.41			
										39.41
										<b>CHECK TOTAL</b>
										<b>1,257.49</b>
10472	Innovative Office Sol	0000		EFT	05/29/2026	IN5109993				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CEDAdmin42010		CED Admin	Supplies			29.23			
										29.23
10472	Innovative Office Sol	0000		EFT	06/13/2026	IN5121374				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Council 42010		Council	Supplies			16.21			
										16.21
10472	Innovative Office Sol	0000		EFT	06/19/2026	IN5124687				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire 42010		Fire	Supplies			6.64			
										6.64
10472	Innovative Office Sol	0000		EFT	06/19/2026	IN5125144				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 42010		Library	Supplies			38.86			
										38.86
10472	Innovative Office Sol	0000		EFT	06/27/2026	IN5129899				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fin 42010		Finance	Supplies			16.18			
	3 Admin 42010		Admin	Supplies			16.18			
										32.36
10472	Innovative Office Sol	0000		EFT	07/01/2026	IN5131324				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police 42010		Police	Supplies			12.10			
										12.10
										<b>CHECK TOTAL</b>
										<b>135.40</b>

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
11332	Jake Gedicke	0000	EFT	05/30/2026	04/30/26					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	Parks 43060	P&Tmaint	CntrctLabr		200.00				
	2	Wshngtn 43060	Wshngtn	CntrctLabr		136.00				
	3	Soccer 43060	SoccerComp	CntrctLabr		660.00				
										996.00
11332	Jake Gedicke	0000	EFT	06/28/2026	05/29/26 3					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	CH Fac 43060	CH Maint	CntrctLabr		520.00				
										520.00
										<b>CHECK TOTAL</b>
										<b>1,516.00</b>
11005	Kanopy Inc	0002	INV	06/30/2026	507457 - PPU					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	Library 43096	Library	OnLineRes		124.00				
										124.00
										<b>CHECK TOTAL</b>
										<b>124.00</b>
10008	Kimley-Horn and Assoc	0000	87	EFT	05/30/2026	160918003-0326				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	PrkInd 45200	Prk Dedicat	BldgImprov		2,220.70				
										2,220.70
										<b>CHECK TOTAL</b>
										<b>2,220.70</b>
11067	League of MN Cities I	0002	INV	05/27/2026	10003121 04/27/26					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	Police 43610	Police	Ins & Bond		1,567.00				
										1,567.00
										<b>CHECK TOTAL</b>
										<b>1,567.00</b>
10827	Library Ideas LLC	0000	EFT	06/13/2026	128346					
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1	Library 42192	Library	Audio Vis		1,011.74				
										1,011.74
										<b>CHECK TOTAL</b>
										<b>1,011.74</b>

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10099	Loffler Companies Inc	0000	INV	06/27/2026	5363997					
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>				
1	Admin 42010	Admin	Supplies			11.44				
2	CC Admin 42010	CC Admin	Supplies			2.31				
3	CEDAdmin42010	CED Admin	Supplies			31.02				
4	EqMaint 42010	EqMaint	Supplies			2.20				
5	Fin 42010	Finance	Supplies			50.61				
6	HR 42010	HR	Supplies			58.99				
8	Library 42010	Library	Supplies			0.14				
10	Police 42010	Police	Supplies			82.10				
12	StrMaint 42010	StrMaint	Supplies			0.45				
13	SwrColl 42010	Sewer Coll	Supplies			1.30				
14	SwrRecl 42010	SewerReclm	Supplies			13.27				
15	Water 42010	Water	Supplies			14.76				
						268.59				
10099	Loffler Companies Inc	0000	INV	07/01/2026	5367308					
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>				
1	Police 44160	Police	Rents			87.85				
2	Fire 44160	Fire	Rents			22.15				
						110.00				
						<b>CHECK TOTAL</b>	<b>378.59</b>			
11260	Mackin Book Company	0000	EFT	06/17/2026	980059					
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>				
1	Library 42190	Library	Books			1,176.68				
						1,176.68				
						<b>CHECK TOTAL</b>	<b>1,176.68</b>			
10503	Madison National Life	0000	EFT	06/01/2026	June 2026					
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>				
1	Treasury 21711	Treasury	LTDPay			2,122.85				
2	Treasury 21724	Treasury	MN PFML			9,303.66				
						11,426.51				
						<b>CHECK TOTAL</b>	<b>11,426.51</b>			
10211	Martin Marietta Mater	0000	EFT	06/18/2026	49300271					
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>				
1	StrMaint 42240	StrMaint	StMaintMat			459.34				

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10211	Martin Marietta Mater	0000		EFT	06/25/2026	49349420		459.34	
	<b>ACCOUNT DETAIL</b>		<b>LINE AMOUNT</b>						
1	StrMaint 42240	StrMaint	StMaintMat			227.39			
								227.39	
10211	Martin Marietta Mater	0000		EFT	06/26/2026	49362733			
	<b>ACCOUNT DETAIL</b>		<b>LINE AMOUNT</b>						
1	StrMaint 42240	StrMaint	StMaintMat			398.50			
								398.50	
								<b>CHECK TOTAL</b>	
								<b>1,085.23</b>	
10359	Mathy Construction Co	0000		EFT	06/27/2026	4800011363			
	<b>ACCOUNT DETAIL</b>		<b>LINE AMOUNT</b>						
1	StrMaint 42240	StrMaint	StMaintMat			700.00			
2	Water 42240	Water	StMaintMat			2,637.04			
								3,337.04	
10359	Mathy Construction Co	0000		EFT	06/30/2026	4800011370			
	<b>ACCOUNT DETAIL</b>		<b>LINE AMOUNT</b>						
1	Water 42240	Water	StMaintMat			1,866.98			
								1,866.98	
								<b>CHECK TOTAL</b>	
								<b>5,204.02</b>	
10509	Met-Con Construction	0000	35	EFT	06/20/2026	39682			
	<b>ACCOUNT DETAIL</b>		<b>LINE AMOUNT</b>						
1	Storm 44010	Storm Wtr	Bldg Maint			6,518.49			
2	SwrColl 44010	Sewer Coll	Bldg Maint			6,518.49			
3	Water 44010	Water	Bldg Maint			6,716.02			
								19,753.00	
								<b>CHECK TOTAL</b>	
								<b>19,753.00</b>	

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10845 Metronet Holdings LLC	0002		EFT	07/23/2026	1685102-June26				
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>			
1 Admin 43250		Admin	Other Comm			39.58			
2 Airport 43250		Airport	Other Comm			204.34			
3 Aquatic 43250		AquaticCtr	Other Comm			598.80			
4 CC Admin 43250		CC Admin	Other Comm			476.61			
5 CEDAdmin 43250		CED Admin	Other Comm			504.65			
6 CH Fac 43250		CH Maint	Other Comm			626.07			
8 Engineer 43250		Engineer	Other Comm			258.88			
9 EqMaint 43250		EqMaint	Other Comm			114.26			
10 Fin 43250		Finance	Other Comm			118.76			
11 Council 43250		Council	Other Comm			19.79			
12 Fire Fac 43250		Fire Fac	Other Comm			352.41			
13 HR 43250		HR	Other Comm			68.72			
14 IT 43250		IT	Other Comm			825.63			
15 Library 43250		Library	Other Comm			585.48			
16 Parks 43250		P&Tmaint	Other Comm			59.37			
17 Planning 43250		P & Z	Other Comm			39.58			
19 Police 43250		Police	Other Comm			1,727.07			
20 PWAdmin 43250		PW Admin	Other Comm			339.56			
22 StrMaint 43250		StrMaint	Other Comm			156.13			
23 SwrColl 43250		Sewer Coll	Other Comm			19.79			
24 SwrRecl 43250		SewerReclm	Other Comm			399.14			
25 Water 43250		Water	Other Comm			545.31			
26 Wshngtn 43250		Wshngtn	Other Comm			249.30			
27 Viaduct 43250		ViaductPrk	Other Comm			313.57			
28 CodeInsp 43250		Code/Insp	Other Comm			59.37			
						8,702.17			
<b>CHECK TOTAL</b>						<b>8,702.17</b>			
10543 Midwest Tape LLC	0000		EFT	06/14/2026	508868056				
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>			
1 Library 42192		Library	Audio Vis			407.91			
						407.91			
10543 Midwest Tape LLC	0000		EFT	06/14/2026	508868053				
<b>ACCOUNT DETAIL</b>						<b>LINE AMOUNT</b>			
1 Library 42192		Library	Audio Vis			49.99			
						49.99			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10543	Midwest Tape LLC	0000		EFT	06/14/2026	508868054				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 42192		Library	Audio Vis		140.94				140.94
10543	Midwest Tape LLC	0000		EFT	06/30/2026	508944810				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Library 43096		Library	OnLineRes		551.31				551.31
										<b>CHECK TOTAL</b>
										<b>1,150.15</b>
10530	Minnesota Department	0003		INV	06/18/2026	P00021220				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Engineer 43090		Engineer	ProfSrvc		1,356.75				1,356.75
										<b>CHECK TOTAL</b>
										<b>1,356.75</b>
10521	Minnesota Sports Fede	0000		INV	06/11/2026	05/15/26				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Adult 43060		Adult	CntrctLabr		570.00				570.00
										<b>CHECK TOTAL</b>
										<b>570.00</b>
10523	Minnesota Valley Test	0000		EFT	06/20/2026	1358717				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr		594.20				594.20
10523	Minnesota Valley Test	0000		EFT	06/20/2026	1358741				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr		290.40				290.40
10523	Minnesota Valley Test	0000		EFT	06/20/2026	1358752				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr		203.60				203.60
10523	Minnesota Valley Test	0000		EFT	06/26/2026	1359398				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr		203.60				203.60

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10523	Minnesota Valley Test	0000		EFT	06/27/2026	1359729				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr			507.40			
									507.40	
10523	Minnesota Valley Test	0000		EFT	06/28/2026	1359933				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 SwrRecl 43060		SewerReclm	CntrctLabr			203.60			
									203.60	
						<b>CHECK TOTAL</b>	<b>2,002.80</b>			
10525	MTI Distributing Inc	0000		EFT	06/10/2026	1518128-00				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Parks 42210		P&Tmaint	VehEqParts			419.32			
									419.32	
						<b>CHECK TOTAL</b>	<b>419.32</b>			
11216	Multi Service Technol	0000		EFT	06/19/2026	693190de				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fire Fac 42160		Fire Fac	Chem&Prod			33.92			
	2 Fire Fac 42230		Fire Fac	Bldg Supp			88.02			
									121.94	
11216	Multi Service Technol	0000		EFT	06/20/2026	2e34ddd7				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Fin 42010		Finance	Supplies			38.92			
									38.92	
11216	Multi Service Technol	0000		EFT	06/25/2026	0dbec6cd				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Youth 42500		Youth	OutrchEnga			68.95			
									68.95	
11216	Multi Service Technol	0000		EFT	06/26/2026	0398485a				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Aquatic 42230		AquaticCtr	Bldg Supp			210.00			
									210.00	
11216	Multi Service Technol	0000		EFT	06/28/2026	a87ccf1d				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Lib Fac 42230		Lib Fac	Bldg Supp			79.69			
									79.69	
						<b>CHECK TOTAL</b>	<b>519.50</b>			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10546	NCL of Wisconsin Inc	0000	EFT	06/26/2026	536204					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl	42160	SewerReclm	Chem&Prod		310.69				
									310.69	
									<b>310.69</b>	
11340	Nichole Parsch	0000	INV	06/18/2026	06/18/26 ConcertPark					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Adult	42500	Adult	OutrchEnga		750.00				
									750.00	
									<b>750.00</b>	
11045	Northland Farm System	0000	INV	06/17/2026	15721					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks	42210	P&Tmaint	VehEqParts		18.07				
									18.07	
									<b>18.07</b>	
11123	Northwestern Universi	0000	INV	06/17/2026	30951					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police	43140	Police	Train&Ed		5,000.00				
									5,000.00	
									<b>5,000.00</b>	
10877	Olympic Fire Protecti	0000	EFT	06/18/2026	10008443					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire Fac	44010	Fire Fac	Bldg Maint		210.00				
									210.00	
10877	Olympic Fire Protecti	0000	EFT	06/26/2026	74751					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Wshngtn	42230	Wshngtn	Bldg Supp		277.50				
									277.50	
									<b>487.50</b>	
10564	Pepsi Cola of Mankato	0002	EFT	06/20/2026	9486347					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic	42990	AquaticCtr	CmdResale		4,086.70				

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10564	Pepsi Cola of Mankato	0002	EFT	05/21/2026	4270623	4,086.70				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 42990	AquaticCtr	CmdResale			-157.72				
									<b>CHECK TOTAL</b>	<b>3,928.98</b>
11144	Performance Plus LLC	0000	EFT	06/10/2026	04022074					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire 43090	Fire	ProfSrvc			5,254.50				
									<b>CHECK TOTAL</b>	<b>5,254.50</b>
10118	Benjamin Daniel Kozio	0000	EFT	06/20/2026	MN4202					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 43060	SewerReclm	CntrctLabr			100.00				
	2 SwrRecl 42210	SewerReclm	VehEqParts			1,096.22				
									<b>CHECK TOTAL</b>	<b>1,196.22</b>
11240	Quality 1 Hr Foto, In	0000	INV	06/25/2026	260475					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Viaduct 42430	ViaductPrk	Signs			758.00				
									<b>CHECK TOTAL</b>	<b>758.00</b>
10602	Ramy Turf Products LL	0000	INV	06/21/2026	123148					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Parks 42010	P&Tmaint	Supplies			428.00				
									<b>CHECK TOTAL</b>	<b>428.00</b>
999997	Ronald D. Luckow Jr a	0000	INV	06/20/2026	203250/203620 reissu					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 601 20200	Water	AP			72.73				
									<b>CHECK TOTAL</b>	<b>72.73</b>

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10204	Rice County	0000		INV	06/28/2026	2026-42				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Election 43095		Election	SoftwrSupp		1,960.00				
							1,960.00			
							<b>1,960.00</b>			
10204	Rice County Solid Was	0005		INV	06/18/2026	051926 MND981531957				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CC Fac 43840		CC Fac	RefuseDisp		105.00				
							105.00			
							<b>105.00</b>			
11334	Rice County Agricultu	0000		INV	06/25/2026	RESOLUTION #2026-157				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CharGmb1 44383		Char Gmb1	DonCvcOrg		1,000.00				
							1,000.00			
							<b>1,000.00</b>			
11062	Rice County Historica	0000		INV	06/25/2026	RESOLUTION #2026-156				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CharGmb1 44383		Char Gmb1	DonCvcOrg		1,000.00				
							1,000.00			
							<b>1,000.00</b>			
10904	River Bend Nature Cen	0000		EFT	06/26/2026	MN ACH 052726				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 CC Admin 44600		CC Admin	LoansGrant		1,080.00				
							1,080.00			
							<b>1,080.00</b>			
11246	RNC Tree Service LLC	0000		EFT	06/27/2026	INV0452				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water 44010		Water	Bldg Maint		6,625.00				
							6,625.00			
							<b>6,625.00</b>			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10596	Ronco Engineering Sal	0000	EFT	06/20/2026	3432374					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Water 42210	Water	VehEqParts			23.10				
										23.10
10596	Ronco Engineering Sal	0000	EFT	06/25/2026	3432633					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 42010	EqMaint	Supplies			489.35				
										489.35
					<b>CHECK TOTAL</b>					<b>512.45</b>
10607	Safety-Kleen Systems	0000	INV	06/18/2026	R003677400					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 EqMaint 42010	EqMaint	Supplies			103.15				
										103.15
					<b>CHECK TOTAL</b>					<b>103.15</b>
10610	Schindler Elevator Co	0001	48	INV	07/01/2026	4603602948				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 PF CR 45200	PF CR	BldgImprov			69,682.50				
										69,682.50
					<b>CHECK TOTAL</b>					<b>69,682.50</b>
10612	Selco	0000	EFT	07/01/2026	054309					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library 43250	Library	Other Comm			2,198.50				
										2,198.50
10612	Selco	0000	EFT	07/02/2026	054341					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library 43096	Library	OnLineRes			391.00				
										391.00
					<b>CHECK TOTAL</b>					<b>2,589.50</b>
10614	Sherwin Williams Comp	0000	INV	06/17/2026	80537142780526					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 44010	AquaticCtr	Bldg Maint			277.25				
										277.25

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10614	Sherwin Williams Comp	0000	INV	06/20/2026	81808142780526					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Aquatic 42230		AquaticCtr	Bldg Supp		43.93				
									43.93	
									<b>CHECK TOTAL</b>	<b>321.18</b>
10032	Rohn Industries, Inc	0000	EFT	06/11/2026	0071927					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police 43090		Police	ProfSrvc		71.66				
									71.66	
									<b>CHECK TOTAL</b>	<b>71.66</b>
11336	SmartSights Technolog	0001	INV	06/07/2026	261815949 3 years					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Water 43095		Water	SoftwrSupp		7,800.00				
									7,800.00	
									<b>CHECK TOTAL</b>	<b>7,800.00</b>
10108	Star Sports & Apparel	0000	EFT	06/19/2026	Clover 2026 May43					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Library 42180		Library	Uniforms		63.50				
									63.50	
10108	Star Sports & Apparel	0000	EFT	06/26/2026	HZBCJR7YX3QP10					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Council 42180		Council	Uniforms		118.00				
									118.00	
									<b>CHECK TOTAL</b>	<b>181.50</b>
10618	Rice/Steele 911 Cente	0001	INV	06/20/2026	2026-JT-28					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police 43090		Police	ProfSrvc		2,873.10				
	2 EmrgMgmt43090		EmrgMgmt	ProfSrvc		2,873.10				
									5,746.20	
									<b>CHECK TOTAL</b>	<b>5,746.20</b>
10619	Stepp Manufacturing C	0000	EFT	06/19/2026	068440					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 StrMaint 42210		StrMaint	VehEqParts		4,585.88				

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash							
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
						4,585.88			
					<b>CHECK TOTAL</b>	<b>4,585.88</b>			
10098	Team Laboratory Chemi	0000	EFT	06/25/2026	INV0051841				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 SwrColl 42160	Sewer Coll	Chem&Prod			3,822.00			
					<b>CHECK TOTAL</b>	<b>3,822.00</b>			
10164	Telemark Corporation	0000	EFT	06/23/2026	009962				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Police 42010	Police	Supplies			300.94			
					<b>CHECK TOTAL</b>	<b>300.94</b>			
11333	The Oasis Era	0000	INV	06/20/2026	05/21/26				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 Viaduct 42500	ViaductPrk	OutrchEnga			300.00			
					<b>CHECK TOTAL</b>	<b>300.00</b>			
10463	Three Rivers Communit	0001	EFT	06/25/2026	RESOLUTION #2026-158				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 CharGmb1 44383	Char Gmb1	DonCvcOrg			5,000.00			
					<b>CHECK TOTAL</b>	<b>5,000.00</b>			
10222	Tyler Technologies In	0000	EFT	06/13/2026	045-563869				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 CP Govt 45700	CP Govt	SBITA			1,956.00			
					<b>CHECK TOTAL</b>	<b>1,956.00</b>			
999998	Nancy R Weidt	0000	INV	11/29/2025	112823 179281				
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>				
	1 601 20200	Water	AP			5.44			
					<b>CHECK TOTAL</b>	<b>5.44</b>			

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10270	Ultimate Safety Conce	0000	EFT	06/20/2026	222845					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fire 42210	Fire	VehEqParts			58.95				
								58.95		
					<b>CHECK TOTAL</b>			<b>58.95</b>		
11337	US Bank - Acct 5135	0000	EFT	06/21/2026	8195534					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Water 46200	Water	Agent Fee			500.00				
								500.00		
11337	US Bank - Acct 5135	0000	EFT	06/21/2026	8193071					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 21Almp 46200	2021Almp	Agent Fee			575.00				
								575.00		
					<b>CHECK TOTAL</b>			<b>1,075.00</b>		
10656	Utility Consultants I	0000	EFT	06/27/2026	128046					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 SwrRecl 43060	SewerReclm	CntrctLabr			1,766.35				
								1,766.35		
					<b>CHECK TOTAL</b>			<b>1,766.35</b>		
10326	Valley Apple Ford Inc	0000	INV	06/17/2026	756524					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Police 42210	Police	VehEqParts			88.96				
								88.96		
					<b>CHECK TOTAL</b>			<b>88.96</b>		
10980	Valley Temporary Staf	0000	INV	06/25/2026	1030237					
	<b>ACCOUNT DETAIL</b>				<b>LINE AMOUNT</b>					
	1 Fin 41030	Finance	PTEmployee			96.84				
	2 Water 41030	Water	PTEmployee			169.46				
	3 SwrRecl 41030	SewerReclm	PTEmployee			193.67				
	4 Storm 41030	Storm Wtr	PTEmployee			24.21				
								484.18		
					<b>CHECK TOTAL</b>			<b>484.18</b>		

# CLAIMS LIST REPORT

## Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR		REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK	
10964	Wal-Mart	0001		INV	07/01/2026	060426 scooters				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police	42010	25907	Police		Supplies	2,644.90			
							2,644.90			
10964	Wal-Mart	0001		INV	07/01/2026	060426 helmets 8				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police	42010	25907	Police		Supplies	1,673.00			
							1,673.00			
10964	Wal-Mart	0001		INV	07/01/2026	060426 bikes				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Police	42010	25907	Police		Supplies	6,764.00			
							6,764.00			
						<b>CHECK TOTAL</b>	<b>11,081.90</b>			
10666	Water Conservation Se	0000		EFT	06/19/2026	150920				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Water	44030		Water		P/I R&M	411.44			
							411.44			
						<b>CHECK TOTAL</b>	<b>411.44</b>			
10249	WSB & Associates Inc	0000	78	EFT	06/20/2026	R-030810-000 - 10				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Storm	45300		Storm Wtr		Impr Other	23,714.25			
							23,714.25			
10249	WSB & Associates Inc	0000		EFT	06/20/2026	R-022314-000 - 5				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 PrkInd	45200		Prk Dedic		BldgImprov	8,696.00			
							8,696.00			
						<b>CHECK TOTAL</b>	<b>32,410.25</b>			
10973	Xcel Energy	0000		INV	06/08/2026	977406522				
	<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>				
	1 Viaduct	43810		ViaductPrk		Elec Util	705.28			
	2 Viaduct	43830		ViaductPrk		Gas Util	154.01			
							859.29			
						<b>CHECK TOTAL</b>	<b>859.29</b>			

## CLAIMS LIST REPORT

### Detail Invoice List

CHECK RUN: 061026FF 06/10/2026  
 DUE DATE: 06/10/2026

CASH ACCOUNT: Treasury 10100		Cash								
VENDOR	REMIT	PO	TYPE	DUE DATE	INVOICE	AMOUNT	VOUCHER	CHECK		
10673 Ziegler Inc	0000		EFT	06/25/2026	IN002429734					
<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
1 StrMaint 42210		StrMaint	VehEqParts			63.08				
						63.08				
10673 Ziegler Inc	0000		EFT	06/25/2026	IN002429735					
<b>ACCOUNT DETAIL</b>					<b>LINE AMOUNT</b>					
1 StrMaint 42210		StrMaint	VehEqParts			172.99				
						172.99				
					<b>CHECK TOTAL</b>	<b>236.07</b>				
<b>283 INVOICES</b>					<b>WARRANT TOTAL</b>		<b>654,324.41</b>	<b>654,324.41</b>		



**Minutes of Monday, May 11, 2026, Meeting  
Library Advisory Board**

Buckham Memorial Library Great Hall

**PRESENT:** Sam Powell (Chair), Melissa Kuhl (Secretary), Jayne Spooner, Gordon Lui, Kate McGrogan, Langston Richter, Delane James (Library Director), Linda Hanson (Library Technician)

**CALL TO ORDER:** Mel called the meeting to order at 6:02 p.m. Sam joined the meeting at 6:04 and continued as chair.

**APPROVAL OF THE MINUTES:** A motion was made by Jayne to approve the minutes of the April 13, 2026 meeting, and a second was made by Langston. All in favor. The motion carried.

**REQUESTS TO BE HEARD:** None

**ELECTION OF OFFICERS (Chair, Vice Chair, and Secretary):** Kate nominated Sam for Chair. Sam consented. There were no further nominations. Gordon seconded the nomination. All in favor. The nomination was carried.

Gordon nominated Anneke for Vice Chair. Anneke consented to being nominated at the last meeting. There were no further nominations. Jayne seconded the nomination. All in favor. The nomination was carried.

Kate nominated Mel for Secretary. Mel consented. There were no further nominations. Jayne seconded the nomination. All in favor. The nomination was carried.

**APPOINT NEW SELCO BOARD MEMBER:** Gordon will contact the Friends of the Library to see if anyone would be willing to be the new SELCO Board member. This will be tabled until the next meeting.

**DIRECTOR'S REPORT:** Library Director Delane James reported on the following:

- The library received a quote from Schindler Elevator to upgrade the library elevator. Schindler is part of a state-approved cooperative purchasing contract. The quote has come in over budget by about \$22,000. Delane took this proposal to City Council on May 12<sup>th</sup> and it was approved. The project will start in the fall of 2026.
- The exterior building restoration and sealants are complete. The ceiling repairs above the story time area and in the AV areas are also complete.
- Community Fun! Open Drum Circle featuring Mike Aturi, a former member of the Lovin' Spoonful, was held on April 16. Around 18 people were in attendance.
- Last week the mason and leaf-cutter bees arrived. The mason bees have been released, and the leaf-cutter bees are in a safe storage area until they are ready to be released.
- Bike to the Library Week is being held May 18-23<sup>rd</sup>. Ride your bike to the library and receive a small prize.

- The Friends of the Library is again sponsoring the Summer Library Program. This year's theme is "Plant A Seed, Read". The summer library program kicks off on June 5<sup>th</sup> at 10:00 a.m. with a performance by Mixed Nuts called Treasure Beyond Measure.
- On May 9<sup>th</sup> the Friends of the Library tabled at the Faribault Middle School Music Festival in Central Park and promoted the Friends and the library.
- Deni will be tabling at Faribault Public School's Community Unity Day on Friday, May 15<sup>th</sup> at the Middle School.
- Safe Summer Kickoff will be held on June 4<sup>th</sup> at North Alexander Park from 5-8 p.m. The library will be in attendance.
- Rice County Habitat for Humanity will be hosting "Habichat: where homeownership begins with community" at the library on Wednesday, May 20<sup>th</sup>, from 4-6 p.m. and Saturday, June 13<sup>th</sup>, from 1-3 p.m.

**TEEN ADVISORY BOARD REPORT:** Langston reported that the Teen Advisory Board talked about the Summer Reading Program, the social worker coming to the library once a month, and the release of the mason bees.

**SELCO REPORT:**

**SELCO Foundation** – Sam reported that the Foundation is currently in a rebuilding stage. They are in the process of recruiting more board members, organizing, and updating the website.

**SELCO Board** – Lisa was not in attendance. No report

**APPROVE 2026 SELS AGREEMENT:** A motion was made by Gordon to approve the SELS agreement, and a second was made by Mel. All in favor. The motion carried. The agreement will now go to City Council for approval.

**OTHER:**

1. **2027 budget** – Delane has a meeting with finance on May 18<sup>th</sup> for the 2026 budget, which the 2027 budget is based on. She is not expecting any big increases. The submission of the 2027 budget is due June 30<sup>th</sup>.

**NEXT MEETING DATE:** June 8, 2026, Great Hall (second floor)

**ADJOURNMENT:** A motion was made by Mel to adjourn the meeting, and a second was made by Kate. All in favor. The motion carried. Meeting adjourned at 6:32 p.m.

Transcribed by Linda Hanson.

Respectfully submitted,  
Melissa Kuhl (Secretary)



**AIRPORT ADVISORY BOARD  
MEETING MINUTES**

**May 20, 2026**

**7:30 a.m.**

**Airport Meeting Room**

**1. CALL TO ORDER**

The meeting was called to order by T. Waarvik at 7:28 a.m.

Members present: S. Bruch, C. Hooper, T. Waarvik, P. Johnson, B. Smith, B. Redman, M. Brown

Non-Members present: T. Wirtzfeld

Airport Staff present: S. Dahl, M. Duffney

Staff present: T. Block, D. Radtke

**2. APPROVAL OF MINUTES**

Minutes of April 15, 2026, were submitted for approval. A motion was made by S, Bruch, seconded by B. Smith for approval. Motion carried.

**3. AIRPORT MANAGER UPDATE**

Sawyer mentioned Prairie Creek hung the new gate. Sawyer stated he has been working with MnDOT coordinating the AWOS project.

**4. OTHER**

- A. T. Block mentioned the pavement project has been delayed a week due to submittal issues and the project is now projected to start Tuesday May 26<sup>th</sup>.
- B. T. Block stated he is hoping for a runway mill and overlay project for 2027 depending on funding.
- C. T. Wirtzfeld had concerns about access during the pavement project. T. Block and S. Dahl mentioned they will work with him and the contractor to help coordinate to minimize access issues.
- D. T. Wirtzfeld also had questions regarding the hangar inspections. T Block stated we will be starting with city owned hangars first. T. Block mentioned the hangar inspections are for lease compliance and fire inspections. The city will work with all owners and renters to coordinate times that work. Hoping to start the inspections in June depending on Building Code/Fire Chief availability.
- E. T. Block said there is signed a maintenance agreement in place and project is expected to happen this year, however, doesn't know exactly when. The AWOS will be moved NW from current location.
- F. T. Block mentioned the state changed the software program and now uses Black Cat Aviation. He mentioned the program is better and allows the organization and consultants to make updates. The program goes live Monday July 6<sup>th</sup>.

G. T. Block stated he is working on CIP for 2027-2032 and will hopefully have a draft to share with the board soon. The last CIP draft review with the board was October 15, 2025.

**5. NEXT AIRPORT BOARD MEETING:** June 17, 2026

**6. ADJOURN:** P. Johnson adjourned the meeting at 8:00 a.m.



## CHARITABLE GAMBLING ADVISORY BOARD MINUTES

COUNCIL CHAMBERS

WEDNESDAY, MAY 20, 2026

6:00 PM

### **Call to Order**

The meeting of the Charitable Gambling Advisory Board was called to order by Chairperson Rick Caron at 6:00 pm. Chad Koepke, Faribault Youth Rotary, Terry Meschke, Morristown Fire Relief Association, Elks, Ed Little, American Legion, Jamie Hauser, Faribault Wrestling, Horace Vigesaa, Moose Lodge, Peter Dodge, KC's, Troy Marquardt, Bethlehem Academy, John Rowan, Council Member and Heather Slechta, City Clerk were also in attendance.

### **Approval of the Minutes of February 18, 2026 Charitable Gambling Advisory Board Meeting**

Motion by Rowan, seconded by Marquardt to approve the minutes of the February 18, 2026, Charitable Gambling Advisory Board meeting and carried unanimously.

### **Funding Requests:**

#### Believet Canine Service Partners

Tudy Fowler, on behalf Canine Services Partners Inc requested \$3,000.00 to use towards expenses associated with training service dogs for veterans. The Charitable Gambling Board recommended a donation of \$1,000.00.

Motion by Dodge, seconded by Koepke to recommend to the City Council that a donation of \$1,000.00 be made to Believet Canine Service Partners and carried unanimously.

#### Rice County Historical Society

David Nichols, on behalf of the Rice County Historical Society, requested \$3,000.00 to use towards expenses associated with their annual Rendezvous. The Charitable Gambling Board recommended a donation of \$1,000.00.

Motion by Rowan, seconded by Dodge, to recommend to the City Council that a donation of \$1,000.00 be made to the Rice County Historical Society and carried unanimously.

#### Rice County Fair

Pamela Rezac, on behalf of the Rice County Agriculture Society, requested \$3,000.00 to use towards expenses associated with their annual Rice County Fair entertainment programming. The Charitable Gambling Board recommended a donation of \$1,000.00.

Motion by Dodge, seconded by Koepke to recommend to the City Council that a donation of \$1,000.00 be made to the Rice County Fair and carried unanimously.

#### Three Rivers Community Action Inc. Meals on Wheels

Randi Callahan, on behalf of Three Rivers Community Action Inc requested \$25,000.00 to use towards expenses associated with their Meals on Wheels program. The Charitable Gambling Board recommended a donation of \$5,000.00.

Motion by Koepke, seconded by Vigesaa to recommend to the City Council that a donation of \$5,000.00 be made to Three Rivers Community Action Inc. Meals on Wheels and carried unanimously.

### **Funding Report**

The monthly Funding Report and the annual LG510 Report we provided as part of the agenda materials.

A thank you letter was received from the Paradise Theater. The next Charitable Gambling Advisory Board meeting will be held on August 19, 2026, at 6pm.

### **Adjournment**

Motion by Dodge, seconded by Rowan to adjourn the Charitable Gambling Advisory Board meeting and carried unanimously.

The meeting was adjourned at 6:40 pm.

Respectfully Submitted,

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Heather Slechta  
City Clerk

FARIBAULT PARKS AND RECREATION ADVISORY BOARD MEETING  
MINUTES FOR MAY 27, 2026

MEMBERS PRESENT: Lola Brand, Kameron Gustafson, Whitney Huberty, Sally Kramer, Chad Kreager, Mike Ross, Troy Temple and Chuck Thiele. MEMBERS ABSENT: None. STAFF PRESENT: Rochelle Anderholm-Parsch, Parks and Recreation Director; Kevin O'Brien, Recreation Superintendent; and Harry Davis, City Planning Manager. GUESTS: Dan Gatchell, Faribault Townhomes.

- 1) Call to Order/Approve Agenda: Meeting was called to order by Lola at 4:57 p.m. Motion made by Chuck, seconded by Troy to approve agenda.
- 2) Approval of Minutes: Motion made by Troy, seconded by Chuck to approve minutes of March 18, 2026. Motion passed.
- 3) New Business:
  - a) Faribault Townhomes Fee-In-Lieu of Parkland Dedication: Rochelle introduced Harry Davis, City Planning Manager, and Dan Gatchell, Developer with Faribault Townhomes.

Presentation was given by Rochelle regarding the overall development, its location, the basis for parkland dedication vs. fee-in-lieu, the different ordinance sections regarding parkland dedication and fees-in-lieu, parkland fees and staff's recommendation.

Dan Gatchell presented the overall townhome project including details, location, history, renderings, plans and unit mix. Dan also cited and summarized the market study which shows a need for additional housing. The presentation included community benefits of improving the property, nearby park and recreation amenities, and site layouts with interior infrastructure. Dan summarized these items into a basis for waiving the parkland fees.

Chuck questioned why the project is rent and not to own. Lola opened the meeting for general discussion. Chuck discussed the need for housing and encouraging ownership instead of rentals. Chuck supports waiving the fee. Lola stated she is opposed to waiving the fee as the project is an \$11 million project and \$16,800 in parkland fees is a small part. Other board members concurred with Lola and discussed concern about making exceptions for waiving fees. Chuck stated this was not the first time Council had made an exception. Board asked if decision must be made now, and Rochelle stated yes due to the project timeline. Board members agreed with previous comments regarding the need for fees. Chuck asked the Board to consider if the city should be overall flexible to encourage future development. Lola stated that more people require more park facilities. Board members discussed that point and lamented rentals rather than ownership. Dan Gatchell pointed out the cycle of homes and ownership where young professionals and families to retirees need different housing and at different times of life. Rochelle asked Dan why rentals, and he responded it's for cash flow. Board asked if it's all or nothing. Dan stated he is open to changing and asked what the

requirements are for parkland dedication. Harry explained parkland dedication and the requirements. Board members asked about requiring parkland after a project starts. Discussion was held regarding possibly requesting parkland fees before a Temporary Certificate of Occupancy or a Certificate of Occupancy is given. Motion made by Mike, seconded by Chad to not support the request to waive the fee-in-lieu of \$16,800 for Faribault Townhomes as requested. Motion passed 7:1 with Chuck voting nay.

4) Old Business:

- a) North Alexander Park Restroom/Shelter Project Update: Rochelle gave an overview of previous discussion regarding the project and efforts. Harry provided insights on flood plain and shoreland requirements. Board asked about adjacent ballpark diamond, and Rochelle answered that it is considered with the current option. Chuck mentioned crosswalk safety features from the playground area to the restroom facility. Board agreed on a new direction for the project.

5) Director's Report:

- a) Deer Bridge Update: Rochelle gave an update on Council review of previous concept and showed new approach which includes both a trail and culverts.
- b) Viaduct Park/Splash Pad Ribbon Cutting: General discussion was held about attendance and staffing for the Viaduct Park event. Board asked about the pipe project under the river and near the park which is completed.
- c) Funeral Truck: The Parks and Recreation Department along with Buckham West Senior Center will no longer be offering funeral truck escort service. The funeral homes will take on this service.
- d) Community Center Update: Rochelle gave a summary of the consultant meeting with Council. A potential Local Option Sales Tax request was discussed. Discussion was also held on feasibility and giving back to the city instead of state legislature along with the impact of a new community center.

6) Requests to be Heard: None.

7) Other:

- a) Lola shared concern about post-game soccer players damaging property in or adjacent to Jefferson Park. Rochelle provided input from Police and jurisdiction over the school district property. Rochelle will continue monitoring.
- b) Lola shared insight of people coming from out-of-town to use pickleball courts. Board supports investing in pickleball courts at South Alexander Park and budget allocation for it. Suggestion made to discuss at next meeting.

8) Next Meeting: Board approved parks tour at next meeting on June 24, 2026.

9) Motion was made by Chad, seconded by Troy to adjourn at 6:15 p.m. Motion passed.

Respectfully submitted,

Denise Hansen, Administrative Coordinator



June 3, 2026

Sasha Bergman Executive Secretary  
Minnesota Public Utilities Commission  
350 Metro Square Building  
121 Seventh Place East  
St. Paul, MN 55101

RE: Route Permit For The Mankato To Mississippi River 345 Kv Transmission Project  
In Southeast Minnesota – Docket No. E002/TI-23-157

Dear Sasha Bergman:

I am contacting you on behalf of the Faribault City Council regarding Docket No. E002/TI-23-157. City of Faribault has strong and numerous concerns with the requested preferred route for the transmission line from the West Faribault Substation to approximately Babcock Avenue. We strongly urge the PUC to consider the alternate route for the transmission line, which places this critical infrastructure south of and around the City of Faribault corporate limits.

The preferred route alignment is adjacent to and bisects undeveloped land within the City of Faribault and would significantly hinder future development potential of these areas. The City invested significant resources in public infrastructure to prepare these areas for future residential growth and development at varying densities. As the PUC is aware, housing for all families and life stages, particularly affordable housing, is a crisis that all communities across the state and country are facing. The proposed and preferred alignment would negatively impact the City of Faribault's ability to address this crisis in the most economical way for developers and residents of Faribault. The City heard from residents and developers/landowners of the parcels within the proposed preferred route concerns with their ability to continue to live or develop the land within the proposed route.

While City Staff and City Council understand the transmission line's significance for reliable power, the City of Faribault does not support the current preferred proposal. It is the City's position that the transmission line should be routed as far away from current and proposed urban development to avoid Faribault's future growth and public infrastructure investments.

The City of Faribault appreciates your consideration of this request. If you have any questions, please do not hesitate to contact me at [tspooner@faribaultmn.gov](mailto:tspooner@faribaultmn.gov) or 507-384-0567.

Sincerely,

Thomas J. Spooner, Mayor



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Heather Slechta, City Clerk  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Approve Application and Permit for a 1 Day to 4 Day Temporary Liquor License

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### **Background:**

The Faribault Area Chamber of Commerce and Tourism has submitted an Application and Permit for a 1 Day to 4 Day Temporary Liquor License for an event from September 18-19, 2026 at Faribault Harley-Davidson, 2704 W Airport Drive. If approved by the Council, staff will forward their application to the Department of Public Safety, Alcohol and Gambling Enforcement for further review and approval.

### **Recommendation:**

Approve Temporary Liquor License.

### **Attachments:**

1. Chamber of Commerce 1-4 Day Application



Minnesota Department of Public Safety  
 Alcohol and Gambling Enforcement Division  
 445 Minnesota Street, Suite 1600, St. Paul, MN 55101  
 651-201-7507 TTY 651-282-6555

**APPLICATION AND PERMIT FOR A 1 DAY  
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization	Date of organization	Tax exempt number
FaribaultAreaChamberofCommerceandTourism	01/01/1912	41-0246230

Organization Address (No PO Boxes)	City	State	Zip Code
530 Wilson Avenue	Faribault	MN	55021

Name of person making application	Business phone	Home phone
Casandra Steeves	5073344381	5074916175

Date(s) of event	Type of organization	<input type="checkbox"/> Microdistillery	<input type="checkbox"/> Small Brewer
9/18/2026-9/19/2026	<input checked="" type="checkbox"/> Club	<input type="checkbox"/> Charitable	<input type="checkbox"/> Religious
	<input type="checkbox"/> Religious	<input checked="" type="checkbox"/> Other non-profit	

Organization officer's name	City	State	Zip Code
Norton Johnson	Faribault	MN	55021

Organization officer's name	City	State	Zip Code
Casandra Steeves	Faribault	MN	55021

Organization officer's name	City	State	Zip Code
Troy TEmple	Faribault	MN	55021

Location where permit will be used. If an outdoor area, describe.  
 2704 W Airport Dr, Faribault, MN 55021

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.  
 Faribault Area Chamber 530 Wilson Avenue

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.



**APPROVAL**

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

\_\_\_\_\_  
 City or County approving the license

\_\_\_\_\_  
 Date Approved

\_\_\_\_\_  
 Fee Amount

\_\_\_\_\_  
 Permit Date

Event in conjunction with a community festival  Yes  No

\_\_\_\_\_  
 City or County E-mail Address

\_\_\_\_\_  
 Current population of city

\_\_\_\_\_  
 Please Print Name of City Clerk or County Official

\_\_\_\_\_  
 Signature City Clerk or County Official

**CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event**

**No Temp Applications faxed or mailed. Only emailed.**

**ONE SUBMISSION PER EMAIL, APPLICATION ONLY.**

**PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kevin Bushard, Human Resources Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-148 Approve LELS Police Officer MOU 2026

---

### **Background:**

To help clarify the FTO benefit in Article 25 of the LELS Police Officer CBA 2026, staff and union representatives met to negotiate those terms on Thursday, May 14, 2026.

From that meeting, an MOU was drafted.

The MOU determines the amount of pay received per hour, the length of hours needed to work to receive that pay and also the details of the work performed to earn that pay. Staff and employees, represented by LELS, recommend the approval of Resolution 2026-148 approving LELS Police Officer MOU.

### **Recommendation:**

Approve resolution 2026-148, approving LELS Police Officer MOU 2026.

### **Attachments:**

1. 2026-148 Approve LELS Police Officer MOU 2026
2. POLICE OFFICERS LELS MOU 2026

## **CITY OF FARIBAULT**

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### **RESOLUTION #2026-148**

#### **APPROVE LELS POLICE OFFICER MOU 2026**

**WHEREAS**, the City of Faribault ("City") and Law Enforcement Labor services ("LELS" or "Union") are parties to a Collective Bargaining Agreement (CBA) which spans from January 1, 2026 to December 31, 2026, covering Police Officers; and

**WHEREAS**, the City and Union CBA contains Article 25, Special Duty Pay, that covers FTO benefits, specifically and entirely with the second sentence therein; and

**WHEREAS**, the City and Union agree that modification of the FTO benefit is necessary.

**NOW, THEREFORE BE IT RESOLVED**, that the City and Union, agree to modify the second sentence of Article 25 as follow:

"Field Training Officers (FTO) shall receive ~~additional compensation of 3% of base pay for all hours worked while assigned to the FTO program and the Patrol Division~~ two hours of pay at regular rate per continuous work period of at least four hours worked while performing FTO duties as directed or otherwise required by the Employer. FTO duties are defined as preparation of materials, field training, and documentation of training and trainee performance."

This MOU is effective immediately upon signature by all representatives, and it expires when the 2027 and beyond CBA has been executed. The parties intend that this FTO benefit will become the FTO benefit in the 2027 and beyond CBA, while compensation for the other special duties addressed in Article 25 remain subject to negotiation.

The parties acknowledge and agree to the terms and conditions set forth in this MOU as evidenced by the signatures of the applicable parties below:

**Date Adopted:** May 26, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**



## Law Enforcement Labor Services, Inc.

2700 FREEWAY BOULEVARD SUITE 700 • BROOKLYN CENTER, MN 55430  
651-293-4424

MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF FARIBAULT  
AND  
LAW ENFORCEMENT LABOR SERVICES, INC., LOCAL #357

This Memorandum of Understanding (“MOU”) is made and entered into by and between the City of Faribault, Minnesota (“Employer”) and Law Enforcement Labor Services, Inc. (LELS), Local 357 (“Union”).

Whereas the Employer and the Union are parties to a Collective Bargaining Agreement (CBA) which spans from January 1<sup>st</sup>, 2026 through December 31<sup>st</sup>, 2026, and;

Whereas, the FTO benefit is addressed in Article 25 of the CBA, specifically and entirely within the second sentence therein, and;

Whereas, the Employer and the Union agree that modification of the Field Training Officer (FTO) benefit is necessary, and;

Therefore, the parties hereto agree to modify the second sentence of Article 25 as follows:

*“Field Training Officers (FTO) shall receive additional compensation of 3% of base pay for all hours worked while assigned to the FTO program and the Patrol Division two hours of pay at regular rate per continuous work period of at least four hours worked while performing FTO duties as directed or otherwise required by the Employer. FTO duties are defined as preparation of materials, field training, and documentation of training and trainee performance.”*

This MOU is effective immediately upon signature by all representatives, and it expires when the 2027 and beyond CBA has been executed. The parties intend that this FTO benefit will become the FTO benefit in the 2027 and beyond CBA, while compensation for the other special duties addressed in Article 25 remain subject to negotiation.

The parties acknowledge and agree to the terms and conditions set forth in this MOU as evidenced by the signatures of the applicable parties below:


**FOR THE CITY OF FARIBAULT**

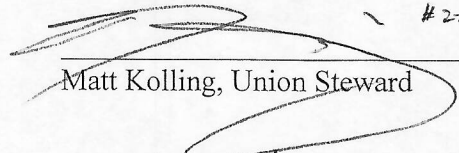
By: \_\_\_\_\_  
Thomas J. Spooner, Mayor

By: \_\_\_\_\_  
Jessica L. Kinser, City Administrator

Date: \_\_\_\_\_

**FOR LELS LOCAL #357**

  
\_\_\_\_\_  
Terry Olson, Business Agent

 #222  
\_\_\_\_\_  
Matt Kolling, Union Steward

Date: 6-8-26



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Travis Block, Public Works Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-150 Approve Quote for Seal Coat Oil

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### **Background:**

Annually, the Street Department seal coats approximately 75 blocks of streets. Oil for the improvements is transported to the job site by tanker truck the day the project is completed.

Staff solicited quotes for oil at \$2.80 per gallon from the sole source vendor, Meigs Paving Asphalt Emulsion, Portage, WI. 35,000 gallons will be transported for a total of \$98,000.00. Funding will be provided by the Street Maintenance fund.

### **Recommendation:**

### **Attachments:**

1. Resolution 2026-150
2. Meigs Oil Quote

**CITY OF FARIBAULT**

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**RESOLUTION #2026- 150**  
**APPROVE QUOTE FOR SEAL COAT OIL**

**WHEREAS**, the City of Faribault seal coats approximately 75 blocks of street annually; and

**WHEREAS**, oil is required to complete the seal coating process; and

**WHEREAS**, a quote for the oil from the sole source vendor Meigs Paving Asphalt Emulsion, Portage, WI for \$2.80 per gallon for a total of \$98,000.00 has been obtained.

**NOW, THEREFORE BE IT RESOLVED**, the quote for oil from Meigs Paving Asphalt Emulsion, Portage, WI for \$2.80 per gallon for a total of \$98,000.00 is hereby approved.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**



# Sales Quote

Quote #: WI-28643  
 Quote Date: 5/12/2026  
 Sales Rep: Todd Seeley  
 Status: Open

CITY OF FARIBAULT MN  
 PUBLIC WORKS DEPARTMENT  
 1200 BELVIEW TRAIL  
 FARIBAULT, MN 55021

**5/12/2026 - 9/30/2026**

Job Location: CRS-2P DELIVERED

Product	Quantity	UoM	Price Type	Delivered Price	Plant
CRS-2P	35,000.00	Gal	Firm	Job Site: \$2.80	MGLLC / Eau Claire

**Additional Terms and Conditions**

**Payment Terms:** Net 30  
**Minimum Freight:** 5,700.00 Gallons  
**Demurrage:** \$90.00 / Hour after 1.00 Hour Free

The above terms are acceptable

H.G. Meigs  
*Todd R Seeley*

Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

By placing orders from this quote, The Customer agrees to the quantities, prices and other ancillary items on the quote and also agrees to our standard Sales Terms and Conditions posted at [asphalt-materials.com/terms](http://asphalt-materials.com/terms)

J-Band®, CCAP®, and T-BOND® are registered trademarks of Asphalt Materials, Inc.  
 AMIBIND™, AMIBOND™, AMICYCLE™, AMIGUARD™, and AMISEAL™ are trademarks of Asphalt Materials, Inc.



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Mark DuChene, Director of Engineering (City Engineer)  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-161 Accept Proposal for Professional Design Services for 7th Street NW Feasibility Study Contract 2026-12

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### **Background:**

Resolution 2026-120 approved by the City Council on April 28, 2026 authorized City staff to solicit professional design services proposals for the feasibility report for the future reconstruction of 7th Street NW from Central Avenue to Hulett Avenue and the requests for proposals were sent to seven invited firms and six of said firms returned a proposal by the submittal deadline. Proposals were reviewed and scored by the Director of Engineering, Public Works Director and Engineering Supervisor according to the criteria set forth in the requests for proposals and based on the scoring matrix.

Based on the reviews of the proposals received, City staff is recommending the Council accept the proposal from Kimley-Horn in a not-to-exceed amount of \$79,640.

A copy of Kimley-Horn's proposal is attached. Copies of the other proposal are available in the City Engineer's office.

### **Recommendation:**

Approve Resolution 2026-161

### **Attachments:**

1. Resolution 2026-161 Accept Proposal for Professional Design Services for 7th Street NW Feasibility Study
2. Kimley Horn - 7th Street Feasibility - Proposal

**CITY OF FARIBAULT**

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**RESOLUTION #2026-161**

**ACCEPT PROPOSAL FOR PROFESSIONAL DESIGN SERVICES FOR 7TH STREET NW  
FEASIBILITY STUDY CONTRACT 2026-12**

**WHEREAS**, it is proposed to improve the following streets as part of a future street reconstruction project by curb and gutter replacement, concrete sidewalk replacement & construction, storm sewer repairs, casting adjustment/replacement, pavement milling, bituminous paving, pavement markings, and related improvements:

7<sup>th</sup> Street NW (Central Avenue to Hulett Avenue)

And;

**WHEREAS**, the City adopted 2026 budget and 2026-2030 Capital Improvement Plan including funding for hiring a consultant to provide a feasibility study for said project; and,

**WHEREAS**, Resolution 2026-120 approved by the City Council on April 28, 2026 authorized City staff to solicit professional design services proposals for the feasibility report; and,

**WHEREAS**, the requests for proposals were sent to seven invited firms and six of said firms returned a proposal by the submittal deadline; and,

**WHEREAS**, that said proposals were reviewed and scored by the Director of Engineering, Public Works Director and Engineering Supervisor according to the criteria set forth in the requests for proposals; and

**WHEREAS**, based on the scoring matrix, City Staff are recommending the Council accept the proposal from Kimley-Horn.

**NOW, THEREFORE BE IT RESOLVED**, that Faribault City Council hereby approves the proposal from Kimley-Horn and directs the City Administrator or their designee to enter into a contract with Kimley-Horn in the amount of \$79,640.00.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**



May 2026

# Engineering Services for the 7th Street NW Reconstruction Feasibility Report

Prepared by:  
**Kimley»Horn**

Prepared for:  
City of Faribault

RE:

## Engineering Services for the 7th Street NW Reconstruction Feasibility Report

TO:

**Mark DuChene**  
Director of Engineering  
City of Faribault  
1200 Belview Trail  
Faribault, MN 55021

FROM:

**Kimley-Horn and Associates, Inc.**  
14800 Galaxie Avenue  
Suite 200  
Apple Valley, MN 55124

### Dear Mr. DuChene and Members of the Selection Committee:

The City of Faribault is planning a street and utility improvement project along 7th Street NW, spanning from Central Avenue to Hulett Avenue. 7th Street, a minor arterial road, serves as a vital connection between Lyndale Avenue—one of the most heavily traveled streets in town—and downtown Faribault, ensuring convenient access to local businesses and community amenities. To successfully deliver this project, the City requires a consultant team capable of evaluating several different alternatives for the corridor. To deliver a feasibility study, the team must have proven experience working in residential communities with urban and topographic constraints. Additionally, they must effectively engage CPKC Railroad, the owner of the existing railroad bridge located at the heart of the corridor. That consultant team is Kimley-Horn, bringing the following benefits:



**The Right Team:** Kimley-Horn brings a wealth of cutting-edge expertise in delivering pedestrian and bikeway projects, including two-way cycle tracks, on-street bike facilities, and shared off-road pathways. Our team has successfully evaluated, compared, designed, and ultimately implemented these types of facilities in numerous cities, including St. Louis Park, New Brighton, South St. Paul, and many other communities statewide. *Eric Fosmo, PE*, and his team are committed to developing creative, cost-effective, and forward-thinking multimodal solutions, leveraging their extensive experience and innovative approach to meet project goals effectively.



**Unmatched Experience With CPKC:** Kimley-Horn has extensive experience working with CPKC Railroad, including evaluating options for their facilities and navigating their unique requirements. *Eric Fosmo, PE; Vince Barker, PE; and Eric Tadt, PE*, successfully addressed a similar challenge for the City of New Brighton several years ago. That project included an existing CPKC rail bridge with sidewalks on both sides that failed to meet CPKC or City standards. The redevelopment involved comprehensive structural design work, including CIP retaining walls and profile adjustments, all without bridge modifications. Through this project and other coordination efforts, Kimley-Horn has gained firsthand knowledge of CPKC's priorities and standards, along with significant expertise in delivering creative and practical structural solutions.



**Creative Public Engagement Solutions:** Kimley-Horn has the resources, experience, and tools to successfully lead large-scale public engagement projects, with the assistance of our fully customizable and web-accessible software called PublicCoordinate. We will prepare a robust and equitable engagement and communication plan that introduces, gathers input, and informs the public on the City's Feasibility Review evaluation of alternatives. *Ray Hayhurst, AICP*, will serve as the Communications Specialist, bringing years of public engagement and communications expertise working on large public infrastructure projects with several project stakeholders. We offer a variety of engagement tools to seek constructive public input in an equitable manner to achieve consensus to move the project forward.

Kimley-Horn is passionate about enhancing the functionality, safety, and quality of life for all modes of transportation and is excited to work with the City of Faribault. Please contact Eric at 651.643.0449 or [eric.fosmo@kimley-horn.com](mailto:eric.fosmo@kimley-horn.com) with any questions about our proposal.

Sincerely,

Kimley-Horn and Associates, Inc.

**Eric Fosmo, PE**

Senior Project Manager

**Vince Barker, PE**

Deputy Project Manager/Project Engineer



# 1. Goals and Objectives

## Project Understanding and Approach

The City of Faribault’s 7th Street Feasibility Study project aims to reimagine the existing corridor. The 1.1-mile project includes the full reconstruction of pavement, curb and gutter, and pedestrian infrastructure. The aging storm sewer and sanitary sewers will be fully replaced, along with the corridor’s watermain. Water service lines are planned to be replaced to the right-of-way line. If lead water service lines are encountered, the City will evaluate their full removal and replacement to the curb stop as part of this project or an adjacent one.

The City of Faribault is seeking professional services to develop several alternatives for the corridor. With input from the City and the public, these concepts will be refined into a feasibility study. In addition to the feasibility study, the City requests the consultant assist with identifying potential funding sources and preparing an engineer’s opinion of probable cost for the project.

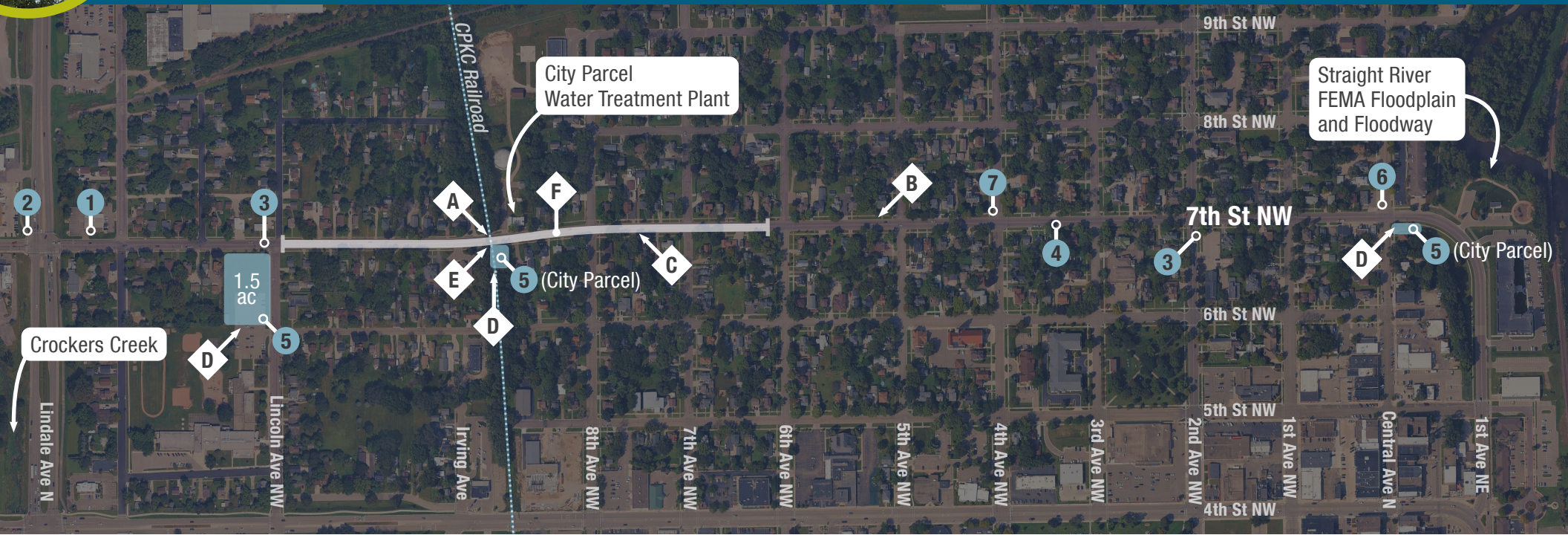
This project presents several unique challenges, such as improving pedestrian safety and connectivity, addressing a corridor pinch point caused by an existing railroad bridge, and replacing aging sewer and water infrastructure. A comprehensive study and evaluation of the entire roadway’s typical section are necessary. The primary goal of this evaluation is to enhance pedestrian safety while balancing the needs of all modes of transportation.

Key safety improvements to be explored include enhanced pedestrian crossings (particularly near Lincoln Elementary School and at the intersection of 7th Street and 2nd Avenue) curb extensions at intersections to shorten crosswalk distances, and the potential implementation of traffic circles, medians, or other traffic calming measures.

Additionally, the corridor’s watermain and sanitary sewer systems are nearly 100 years old and require replacement. Given the age of these utilities, unforeseen challenges during construction are highly likely, emphasizing the importance of having an experienced utility design and field team in place.

To address these challenges, Kimley-Horn offers extensive expertise delivering street reconstruction projects in similar neighborhoods. We are excited to collaborate with the community to develop a consensus-based design that reflects the goals and expectations of this diverse group.

Our project approach begins with identifying the key issues along the corridor and then looking in detail about options for design refinement and reconfiguration. On the next page is our full examination of the corridor and a summary of the issues and opportunities along the project. These were identified based on our proven experience delivering street and pedestrian reconstruction projects around the state. This past experience positions us strongly to deliver this project well. We look forward to the opportunity to partner with the City of Faribault on this important community initiative.



### Issues & Opportunities

- A** Constructing a continuous pedestrian connection around the existing CPKC railroad bridge will be challenging due to the limited space between its piers.
- B** Existing overhead power lines and poles along the north side of 7th Street. Would likely require relocation if proposing a wider bituminous trail on the north side of the road.
- C** Mature trees on both the north and south sides of 7th Street. Some trees would likely need to be removed if proposing a wider bituminous trail.
- D** DWSMA High Vulnerability throughout City. Sandy loam soils (HSG A) suitable for infiltration are expected. If infiltration is proposed, a higher level review would be required.
- E** Lowering profile at underpass could cause excess stormwater spreading and ponding.
- F** Emergency Response Area, which places restrictions on infiltration and could limit options on BMP design in this area.

- 1** Construct sidewalk where there are gaps to complete the existing system.
- 2** Pedestrian signal safety improvements can be made by adding a pedestrian ramp to the NE corner of the intersection of 7th Street and Lyndale Ave. This would allow users of Sakatah Singing Hills state trail to cross Lyndale Ave. with only a singular crossing rather than two street crossings.
- 3** RRFB would enhance pedestrian crossing and create safer access route to and from Lincoln Park and Elementary School.
- 4** On street parking appears to be sparsely used. This project could likely eliminate parking on one or possibly both sides of the road to allow for bike lanes or trail/sidewalk expansion.
- 5** Preliminary locations for underground stormwater treatment system identified.
- 6** Bituminous trail along the north side of the roadway would allow for direct connection between Sakatah Singing Hills state trail and Straight River Trail.
- 7** Traffic calming measure to be evaluated along the corridor, including but not limited to curb bump outs, traffic circles, speed monitoring devices, etc.



## 2. Experience



### Old Highway 8 Four- to Three-Lane Conversion

◆ New Brighton, MN

Kimley-Horn provided preliminary design, final design, and construction administration services for the reconstruction of 1.5 miles of Old Highway 8 (CSAH 77) from County Road East to 5th Street Northwest. The project included a partial reconstruction of Old Highway 8 to accommodate a 10-foot-wide shared use trail. The improvements included spot curb replacement, utility adjustments, BMP implementation, street lighting, retaining walls, sidewalk, and ADA improvements. One of the primary goals of this project was to provide a dedicated bicycle and pedestrian facility to accommodate multimodal transportation. A CPKC railroad bridge provided a barrier for the proposed shared use trail and required innovative design solutions and extensive coordination with the railroad for approvals.

#### Key Staff Involvement

- Eric Fosmo** — Senior Project Manager
- Vince Barker** — Project Engineer
- Eric Tadt** — Structural Engineer
- Adam Tjaden** — Water Resources Engineer



### Concord Street Reconstruction

◆ South St. Paul, MN

The Concord Street (TH 156) Improvements project is the rehabilitation and reconstruction of Concord Street from I-494 to Annapolis Street in the City of South St. Paul. The project is a 3.5-mile turnback of TH 156 that encompasses the full scope of public infrastructure improvements including roadway reconstruction, trails, and sidewalk improvements, a new storm sewer system, watermain and sanitary sewer replacement, retaining walls, and private utility relocation.

Kimley-Horn began work on a planning/feasibility study to establish the overall vision for the corridor in 2016. As part of this study, Kimley-Horn developed a preliminary concept layout that identified improved bicycle and pedestrian access throughout the corridor, preferred roadway geometry, and potential retaining wall replacement improvements. The retaining wall analysis concluded that the existing retaining walls were in need of replacement with little to no right-of-way available for traditional construction of a new retaining wall. Kimley-Horn evaluated multiple retaining wall designs to understand the feasibility of replacing the retaining walls with traditional pre-cast modular block and a soldier-pile wall system. Through the analysis, an “L” shaped cast-in-place wall design was selected as the most effective solution balancing construction costs and adjacent property impacts. The unique cast-in-place design was completed to construct the new retaining walls in front of the existing retaining walls minimizing property impacts and overall project costs.

#### Key Staff Involvement

- Eric Fosmo** — Project Manager
- Vince Barker** — Roadway Lead
- Adam Tjaden** — Water Resource Engineer
- Eric Tadt** — Structural Engineer
- Justin Conner** — Utility Engineer



### Annapolis Street Reconstruction

West St. Paul, MN

Kimley-Horn provided feasibility study, design, bidding, and limited construction phase services for the state aid-funded Annapolis Street Reconstruction project in West St. Paul and St. Paul. The project included full reconstruction of the roadway, storm sewer, and utility infrastructure along Annapolis Street between Smith Avenue and Kansas Avenue. A feasibility study was completed including development of special benefit assessments across two cities, each utilizing a different assessment methodology. Multiple rounds of public engagement were also conducted to gather input on alternatives and effectively communicate proposed improvements and associated assessments.

A key component of the project was evaluation of the complex Dodd Road/Annapolis Street/Charlton Street intersection, which functions as an irregular, six-leg intersection with documented safety and operational challenges. Multiple geometric alternatives were evaluated to improve vehicular operations and enhance pedestrian safety, including reconfiguration of intersection geometry, consolidation or realignment of approaches, and incorporation of pedestrian refuges and crossing improvements. The selected alternative balanced operational efficiency with right-of-way and community impacts and was integrated into the overall corridor design. Based on the broader alternatives analysis and stakeholder feedback, the recommended corridor improvements included on-street bike lanes, sidewalks on both sides of the roadway, and removal of on-street parking on one side to accommodate multimodal enhancements. Private utility relocations were identified, coordinated, and largely completed in advance of construction to minimize conflicts and delays. Construction was completed over the 2023 and 2024 seasons.

#### Key Staff Involvement

Eric Fosmo — Project Manager

Adam Tjaden — Water Resources Engineer



### Thompson/Oakdale Avenue Pedestrian and Bicycle Feasibility Study

West St. Paul, MN

Kimley-Horn prepared a feasibility study and report for pedestrian and bicycle improvements along the Thompson and Oakdale Avenue corridors. The City of West St. Paul received state grant funds to assess potential pedestrian and bicycle infrastructure improvement options for Thompson Avenue (Robert Street to the eastern West St. Paul border at Highway 52) and Oakdale Avenue (from Wentworth Avenue to Butler Avenue). This project included an alternatives analysis to identify preferred pedestrian and bicycle improvements along both roadways; public engagement with key stakeholders to gather input; and the preparation of a feasibility report detailing the recommended pedestrian and bicycle improvements. Information from the feasibility report supported an application for Metropolitan Council Regional Solicitation (TAP) funding in April 2020. Kimley-Horn completed the feasibility report in April 2020 and prepared preliminary plans for the identified improvements in July 2020.

#### Key Staff Involvement

Eric Fosmo — Project Manager



### 3. Personnel

The Kimley-Horn team brings a wealth of experience in context-sensitive design, multimodal solutions, creative stakeholder involvement, and innovative and practical design. Our team is led by our project manager, Eric Fosmo, and deputy project manager, Vince Barker. We know how to solve your most challenging issues and partner with stakeholders to develop solutions. We strive to understand the values of the community and how to transform them into a vision that guides the design process.

Our team fully understands the key project challenges and will work cohesively with each other, City of Faribault staff, and critical stakeholders to develop technically solid, creative, and efficient solutions. Our team has the availability, commitment, and experience to successfully deliver on the City’s vision and goals for the 7th Street NW Reconstruction Feasibility Report project.



**Eric Fosmo, PE**  
Senior Project Manager

Eric has 20 years of experience in design and project management, delivering complex public infrastructure improvement projects. His experience includes all phases of project delivery, including scoping and feasibility studies, preliminary design, public engagement, final design, and construction phase services.



**Vince Barker, PE**  
Deputy Project Manager/Project Engineer

Vince has 7 years of experience with preliminary and final design of roadway and infrastructure projects for municipalities around the Twin Cities and Minnesota. His experience includes ADA facilities, bikeway facilities, stormwater management design, sanitary sewer, watermain, private utility relocation, cost estimation, and alternative evaluation. Vince’s technical background, strong communication skills, and knowledge of the complete project cycle allow him to provide quality deliverables for the client.



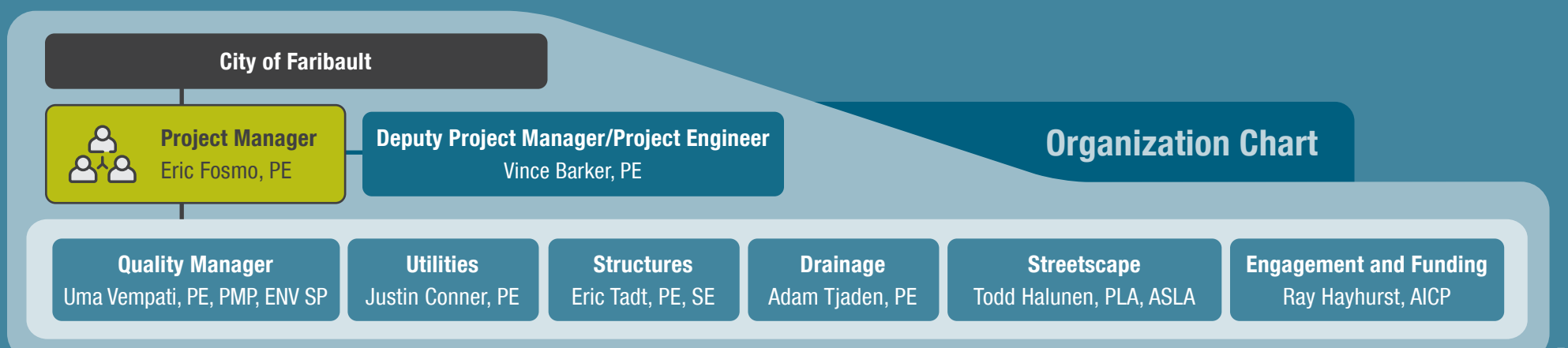
**Eric Tadt, PE**  
Structures

Eric brings 15 years of experience on complex, multidisciplinary projects, including rail corridor work and freight coordination. He has led the design and delivery of bridges and retaining walls within active rail environments, integrated structural solutions with track, civil, and corridor constraints, and understands compliance with railroad requirements.



**Uma Vempati, PE, PMP, ENV SP**  
Quality Manager

Uma has 25 years of experience in civil and environmental engineering, specializing in water supply, water and wastewater treatment, distribution and collection systems, and storm sewer infrastructure. He develops practical, regulation-compliant solutions that optimize existing facilities and strategically design sustainable, cost-effective systems for municipal clients.





**Justin Conner, PE**

**Utilities**

Justin has 12 years of experience in design and construction administration of municipal utility, water and wastewater projects, including storm and sanitary lift stations, watermain and sanitary sewer design and modeling, hydraulic modeling, master planning demands, pipe evaluation and assessment, trenchless pipe installation and rehabilitation, manhole rehabilitation, private utility coordination, construction phasing, and temporary conveyance.



**Adam Tjaden, PE**

**Drainage**

Adam has 9 years of experience delivering municipal stormwater design for cities, counties, and state agencies throughout Minnesota. His experience includes storm sewer and BMP analysis and design, coordination with regulatory agencies, and preparation of clear technical documentation to support funding applications and project implementation.



**Todd Halunen, PLA, ASLA**

**Streetscape**

Todd has 34 years of landscape architecture and urban design experience with specific emphasis on streetscapes and streetscape planning. He has worked on more than 75 roadway and streetscape projects throughout his career—some of which have won design awards. Todd has proven his talents and ability to artfully weave the unique qualities of a place into his streetscape projects, creating functional spaces that provide exciting experiences for the user.



**Ray Hayhurst, AICP**

**Engagement/Funding**

Ray is a transportation planner with 14 years of comprehensive experience in multimodal corridor studies, alternative analyses, and implementation nationwide. He also co-leads Kimley-Horn’s Midwest grant program. He has led or provided strategic guidance on federal grant applications, including SS4A, TIGER, RAISE, BUILD, RCN, FTA Capital Investment Grants, HSIP, and numerous state and regional grants.

# 4. Knowledge of Project Requirements

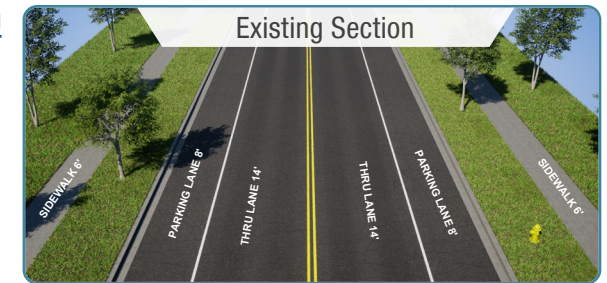
## Project Approach

We recognize that the 7th Street project involves challenges extending beyond those identified in the Issues and Opportunities Map. These include achieving the right balance in the typical section, coordinating with external stakeholders, effectively engaging with the public, and securing additional funding. Kimley-Horn is committed to addressing these obstacles early in the design process to set the project up for success. We anticipate the following key elements will require focused attention and detailed consideration during the preliminary design phase:

### Right-Sized Typical Section

This section of 7th Street features a traditional 44-foot roadway, consisting of two 12-foot traffic lanes and two 10-foot parking lanes. While the majority of the corridor is lined with single-family residences, there are also a few businesses and multifamily developments scattered throughout. A central challenge of this project will be achieving the right balance between pedestrians, bicyclists, and motorists. To accommodate all users, the following considerations must be addressed as the typical section is properly right-sized:

- The amount of on-street parking needed to serve adjacent land uses
- Pedestrian and bicycle facilities suitable for the corridor’s character
- Crash history and safety concerns





### **Prioritizing Coordination with CPKC Railroad**

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One of the greatest challenges of this project is the low-clearance railroad bridge crossing the center of the corridor, which is owned by CPKC. Close coordination with CPKC will be vital to the success of any redevelopment along 7th Street. Kimley-Horn has extensive experience in railroad coordination, including recent projects with CPKC in St. Louis Park, Red Wing, and New Brighton. On the New Brighton project, our team focused on resolving issues related to an existing railroad bridge that posed challenges for a proposed shared-use trail. Through innovative design solutions and thorough coordination with CPKC, we developed a design that maintained the existing bridge, accommodated a full-width trail, and satisfied both the client and CPKC. We plan to bring the same expertise and proactive approach to this project to identify the best possible solution. Potential options for the existing bridge on 7th Street may include adjustments to the roadway profile, trail or sidewalk profiles, roadway geometry, parking, and possible modifications to the bridge structure.

### **Grant Application Assistance**

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Kimley-Horn assists clients with the development of compelling, data-driven grant applications. Once the design work is underway, our team will seek opportunities to apply for grant funding that will maximize the positive impacts of the project for the community. When applying for grant funding, we identify required data, assign responsibilities, and craft narratives that clearly demonstrate project need and alignment with funding criteria. Given our past experience, our team believes that there are multiple grant funding options available for this project. Our team would likely begin by evaluating MnDOT-administered programs and grants, such as the Local Road Improvement Program (LRIP), Highway Safety Improvement Program (HSIP), Safe Routes to School (SRTS), and Active Transportation (AT) Infrastructure grants. Additional options include federal grants like BUILD and Safe Streets and Roads for All (SS4A) Implementation, as well as Minnesota legislative funding opportunities, including GO Bonds. Upon grant award notification, we assist with preparing all required documentation and ensuring compliance with grant guidelines. Our team will coordinate with your staff to finalize agreements for approval.

### **Public Engagement**

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Our public engagement team will collaborate closely with the City and community to deliver a design outcome that reflects their goals and shared vision. Our approach will focus on educating, informing, and securing public and stakeholder buy-in. Public engagement and communication efforts will be organized into two phases, aligned with the technical evaluation and preliminary design process schedule. On previous projects, we have successfully implemented public engagement plans by using a hybrid approach that combines in-person pop-up events with multiple online platforms for sharing project information and gathering feedback. Pop-up events held at citywide functions provide an excellent opportunity to connect with a broad segment of the community. A potential early option for hosting a pop-up event could be the City’s 90th Annual Pet Parade in August.

Online outreach is the other major component of this process—we will create, host, and maintain a project website to share information and collect feedback. All website materials will comply with City branding and accessibility standards and will be transferable to the City’s website for future updates upon completion of our contract.

Given the significant number of adjacent property owners and the likely citywide interest in this trail and sidewalk project, we recommend utilizing Kimley-Horn’s PublicCoordinate interactive mapping software as an additional service. This tool offers advanced capabilities—including comment submission, toggling between project alternatives, integrating surveys, ADA web accessibility, and mobile-friendly functionality—all tailored to enhance community engagement. PublicCoordinate would be especially valuable during the first and second open houses, where input on design considerations, existing barriers, and location-specific concerns is critical.

### **MnDOT State Aid Coordination**

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As outlined in the RFP, familiarity with MnDOT State Aid standards is critical for the successful completion of this project. Kimley-Horn has extensive experience delivering street reconstruction projects through MnDOT’s State Aid review process. Throughout the project, we will evaluate design decisions—such as the inclusion of trails or bicycle lanes—against State Aid standards to guarantee the designs will meet standards.

### **Water Resource Requirements**

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The City seeks to evaluate the feasibility of storm sewer improvements along the corridor and define MS4 post-construction stormwater management requirements for future implementation. The feasibility study will include a preliminary storm sewer design, such as outlet locations and tie-ins, addressing MS4 regulations for projects exceeding one acre of impervious surface. Kimley-Horn will quantify existing and proposed impervious surfaces to determine stormwater requirements, calculate water quality volumes per MS4 criteria, and identify potential BMP sites within and near the corridor. Site constraints like soil, groundwater levels, and Wellhead Protection Areas will be assessed to evaluate infiltration feasibility and document limitations. BMP locations will be analyzed for treatment capacity, footprint, constructibility, and maintenance. A matrix comparing improvement alternatives will summarize feasibility, performance, and cost-effectiveness, with findings presented in a preliminary drainage design report outlining regulatory criteria and recommended stormwater strategies.



# 5. Work Plan

TASK	SCOPE/DELIVERABLES	KIMLEY-HORN ASSUMPTIONS	PRIMARY TASK LEAD	SECONDARY SUPPORT
<b>Task 1. Initial Site Visit and Consultations</b>				
<b>1.1 Kick-Off Meeting</b>	We will hold an initial kick-off meeting to confirm the basic project objectives, solidify a work plan, and obtain consensus on project requirements.	Kimley-Horn will schedule, prepare for, lead, and provide meeting minutes for the project management team.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>1.2 Data Review</b>	We will review all data received from the City and determine if there are areas that need further exploration or additional information.	We have assumed the City will provide all relevant project data including but not limited to CAD files of existing City utilities, LiDAR contours of the area, and as built of street and utility drawings for the project area.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>1.3 Public Open House Meetings</b>	Kimley-Horn, along with City staff, will lead public open house meetings to inform residents of the upcoming project, share the City's process for the project, share the proposed improvements, and answer questions. We will follow up on questions that come out of the engagement and will discuss feedback with city staff prior to incorporating it.	We have assumed that up to three Kimley-Horn staff members will attend each open house. We will attend up to two open house meetings. We have assumed that the City would be responsible for any mailings, residential notifications, project website updates, and reserving a meeting location. We will supply project layouts and exhibits if required.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>Task 2. Coordination Meetings</b>				
<b>2.1 Project Management Team (PMT) Meetings</b>	We will hold an initial kick-off meeting to confirm the basic project objectives, solidify a work plan, and obtain consensus on project requirements. The PMT will meet monthly to discuss design, permitting, and agency-related issues for the project.	Kimley-Horn will schedule, prepare for, lead, and provide meeting minutes for the project management team. We have assumed up to four PMT meetings with up to three Kimley-Horn staff attending each meeting.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>2.2 Public Engagement</b>	Kimley-Horn will lead a public engagement and community outreach effort as identified in our project approach. We will leverage the City's existing branding and communications standards to gather input both virtually and at in-person events. At the first PMT meeting, we will go over the communication plan with City staff and will modify the plan based on input received. As engagement efforts progress, we will evaluate the effectiveness of the outreach efforts and adjust our plan if it is needed.	Kimley-Horn will provide materials, graphics, and summaries for all community outreach events. We have assumed that the City would be responsible for mailing all notifications. At the end of each round of engagement, a report will be provided that summarizes engagements events, the number of people engaged, comments received, and key findings. We will share information with the City and use the findings to direct the project design.	<b>Ray Hayhurst</b> (Engagement Lead)	<b>Eric Fosmo</b> (Project Manager)
<b>Task 3. Preliminary Recommendations and Costs</b>				
<b>3.1 Pedestrian Accommodation Design</b>	Kimley-Horn will evaluate sidewalks, trails, and bicycle facilities along the corridor. Two members of our design team will walk the project corridor to better understand existing conditions including landscaping, grades, trees, retaining walls, and fences. We will acquire measurements from the existing curb to each tree. We will coordinate timing of the field walk with City staff so they can join if they want to provide input. We will discuss the findings with the City to minimize impacts and construction costs.	Design decisions about the section will be coordinated with the City throughout the preliminary design process. While unlikely, we have assumed that if sidewalk or trail improvements and/or construction limits go outside of existing ROW, the City would be responsible for easement acquisition and coordination with impacted properties.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>3.2 CPKC Rail Bridge Evaluation</b>	Kimley-Horn will perform a field visit to document the existing railroad bridge at 7th Street NW. This will involve collecting detailed data on the structure's geometry, vertical and horizontal clearances, the roadway below, and pedestrian facilities. Additionally, the team will review records provided by the City to identify constraints such as low clearance, limited width, and operational considerations related to the railroad structure. After completing the field visit and reviewing the existing conditions, conceptual alternatives will be developed to address the low-clearance crossing. Possible solutions may include modifications to the roadway and sidewalk profiles, changes to the roadway geometry and parking configurations, or alterations to the bridge itself. Each alternative will be assessed for feasibility, constructability, cost, and impacts on traffic, utilities, and adjacent properties.	Kimley-Horn assumes that there will one field visit and will develop up to three conceptual alternatives.	<b>Eric Tadt</b> (Structural Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>3.3 Establishing Typical Section &amp; Evaluating Safety Alternatives</b>	Kimley-Horn will evaluate existing street widths at the locations shown on the RFP. Along 7th Street, we will review alternatives to minimize impacts to trees, utilities, and other existing infrastructure. We will discuss the findings with the City to determine if reductions to roadway widths are desired.	We have assumed that all decisions related to street width narrowing would be determined in preliminary design. We have assumed that City staff will inspect and inform Kimley-Horn of existing sections of curb and gutter that are in poor condition that the City desires to be replaced.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>3.4 Preliminary Cost Analysis</b>	Kimley-Horn will evaluate high level costs for each typical section and alternative created under Task 3.3. Costs will be included in a table/matrix format.	Costs will be presented as an order of magnitude, rather than in exact monetary figures.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)



Task 4. Preliminary Design				
<b>4.1 Identify Private Utilities and Utility Relocation</b>	Kimley-Horn will perform a Gopher-One call to obtain utility mapping from private utility companies. We will incorporate this information into the layouts designed under Task 4.4.	Kimley-Horn assumes no private utility coordination will take place during preliminary design and all private utility coordination will take place under a separate contract.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>4.2 Preliminary City Utility Design</b>	Kimley-Horn will coordinate with the City's utility department to obtain existing watermain and sanitary sewer utility linework. Preliminary relocations for watermain and sanitary sewer will be incorporated into the layouts designed under Task 4.4.	We have assumed that all watermain and sanitary sewer along the corridor will be removed and replaced per the direction in the RFP.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>4.3 Preliminary Drainage Design</b>	Kimley-Horn will complete a preliminary drainage design to define regulatory criteria triggered by the project, potential stormwater treatment locations, and alternatives. The drainage design report will evaluate selected locations based on available existing data including existing storm network GIS, floodplain, LiDAR contours, soil borings, and web soil survey. Each location will be evaluated for potential treatment volume vs. cost effectiveness and a matrix of improvement options will be prepared.	We have assumed that the City will provide Kimley-Horn with the existing XPSWMM model for the project area. BMP location recommendations will be based upon best available soil data. No geotechnical exploration or soil boring are expected to be provided as part of this project.	<b>Adam Tjaden</b> (Hydraulics Engineer)	<b>Vince Barker</b> (Project Engineer)
<b>4.4 Preliminary Layouts</b>	Kimley-Horn will provide a preliminary layout for the area included in the RFP. Preliminary layouts will include a 30% design level and will be shared with the public at public open house meetings.	We will prepare up to three preliminary layouts and will update the preliminary layouts ahead of both public open house meetings to reflect the most current design.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
Task 5. Feasibility Report				
<b>5.1 Feasibility Report</b>	Kimley-Horn will provide a feasibility report consistent with City standards.	The feasibility report shall include all items outlined in the RFP, including but not limited to necessary site maps, plans, elevations, sections, details, temporary and permanent easements, and notes.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>5.2 Preliminary Construction Phasing Layout</b>	Kimley-Horn will provide preliminary construction layouts for the neighborhood streets included in the RFP.	Kimley-Horn assumes the project will begin in 2031 and, depending on the final scope of preliminary design, can span one or two construction seasons.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
<b>5.3 Preliminary Engineer's Opinion of Probable Cost</b>	Kimley-Horn will provide a cost estimate for each preliminary layout. These will be presented in both PDF and Excel format.	We have assumed that cost estimates will be split based on City-identified funding sources.	<b>Vince Barker</b> (Project Engineer)	<b>Eric Fosmo</b> (Project Manager)
Task 6. Project Management				
<b>6.1 Administration</b>	Coordination with City Project Manager and internal team, updates to project schedule, invoicing, contract amendment requests (if necessary), and cost updates.	Project management administrative tasks (invoicing, schedule, etc.) are included for all project phases in this task.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>6.2 General Coordination</b>	General coordination of the project will include scheduling of PMT meetings, agency coordination meetings, public open house meetings, utility meetings, and any other meetings as required.	Kimley-Horn will provide agendas and summaries for all meetings.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>6.3 Quality Assurance and Quality Control Functions (QA/QC)</b>	Kimley-Horn will perform QA/QC functions throughout the project duration to ensure delivery of a quality product in a timely manner.	QA/QC will be performed prior to each submittal.	<b>Eric Fosmo</b> (Project Manager)	<b>Vince Barker</b> (Project Engineer)
<b>6.4 Identifying Outside Funding Sources</b>	Kimley-Horn will investigate options to secure project funding upon completion of the preliminary design and feasibility report.	All pursuits of outside funding will be part of a separate project/contract.	<b>Ray Hayhurst</b> (Engagement Lead)	<b>Eric Fosmo</b> (Project Manager)
Task 7. Optional Tasks				
<b>7.1 Online Interactive Map and Website</b>	Prepare and host interactive map and project website with project information, layouts, schedule, contact information and public involvement opportunities.	Assumes City will want access to online interactive mapping tool for three months through preliminary design process for public comment. We have assumed up to three layouts will be provided for online interactive map. We will provide up to two project website updates.	<b>Ray Hayhurst</b> (Engagement Lead)	<b>Eric Fosmo</b> (Project Manager)
<b>7.2 Enhanced Typical Sections</b>	Kimley-Horn will utilize Beyond Typical software to develop visually enhanced typical section exhibits for public presentations.	We have assumed up to three enhanced typical section exhibits will be created, one for each of the reviewed concepts.	<b>Ray Hayhurst</b> (Engagement Lead)	<b>Eric Fosmo</b> (Project Manager)



## 6. Work Schedule

TASK NAME	MAY	JUN	JUL	AUG	SEP	OCT	NOV	
City Council Authorizes Final Design Contract		◆						
<b>TASK 1. Initial Site Visit and Consultations</b>		[Bar]						
1.1 Kick-Off Meeting		◆						
1.2 Data Review		[Bar]						
1.3 Public Open House Meetings				[Bar]				
<b>TASK 2. Coordination Meetings</b>		[Bar]						
2.1 Project Management Team (PMT) Meetings			[Bar]					
2.2 Utility Coordination		[Bar]						
<b>TASK 3. Preliminary Recommendations and Costs</b>			[Bar]					
3.1 Pedestrian Accommodation Design			[Bar]					
3.2 CPKC Rail Bridge Evaluation			[Bar]					
3.3 Establishing Typical Section & Evaluating Safety Alternatives			[Bar]					
3.4 Preliminary Cost Analysis			[Bar]					
<b>TASK 4. Preliminary Design</b>				[Bar]				
4.1 Identify Private Utilities and Utility Relocation				[Bar]				
4.2 Preliminary City Utility Design				[Bar]				
4.3 Preliminary Drainage Design				[Bar]				
4.4 Preliminary Layouts				[Bar]				
<b>TASK 5. Feasibility Report</b>					[Bar]			
5.1 Feasibility Report					[Bar]			
5.2 Preliminary Construction Phasing Layout					[Bar]			
5.3 Preliminary Engineer's Opinion of Probable Cost					[Bar]			
<b>TASK 6. Project Management</b>		[Bar]						
6.1 Administration		[Bar]						
6.2 General Coordination		[Bar]						
6.3 Quality Assurance and Quality Control (QA/QC)			[Bar]					
6.4 Identifying Outside Funding Sources			[Bar]					
<b>TASK 7. Optional Tasks</b>			[Bar]					
7.1 Online Interactive Map and Website			[Bar]					
7.2 Enhanced Typical Sections			[Bar]					

## 7. References

**Annapolis Street,  
West St. Paul**

**Ross Beckwith**  
Public Works Director/  
City Engineer  
*City of West St. Paul*  
651.552.4130  
rbeckwith@wspmn.gov

**Concord Street,  
South St. Paul**

**Kelsey Gelhar**  
City Engineer  
*City of South St. Paul*  
651.554.3219  
kgelhar@southstpaul.org

**Old Highway 8,  
New Brighton**

**Craig Schlichting, PE**  
Director of Community  
Assets and Development  
*City of New Brighton*  
651.638.2056  
craig.schlichting@  
newbrightonmn.gov

**Appendix**

# Team Resumes

Kimley»»Horn



### Professional Credentials

- Bachelor of Science, Civil Engineering, North Dakota State University
- Professional Engineer in Minnesota

## Eric Fosmo, PE Project Manager

Eric has 20 years of experience in design and project management delivering complex public infrastructure improvement projects. His experience includes all phases of project delivery, including scoping and feasibility studies, preliminary design, public engagement, final design, and construction phase services. Eric exhibits a passion for multidisciplinary projects and is adept at balancing the priorities of multiple project stakeholders and funding agency requirements to efficiently and effectively deliver projects.

### Relevant Experience

- ★ **Old Highway 8 Improvements**, New Brighton, MN — *Sr. Project Manager*
- ★ **Concord Street (TH 156) Improvements**, South St. Paul, MN — *Project Manager*
- ★ **Annapolis Street Reconstruction**, West St. Paul, MN — *Project Manager*
- ★ **Thompson and Oakdale Avenues Trail, Sidewalk, and Roundabout Improvements**, West St. Paul, MN — *Project Manager*
- ★ **Highview Avenue and Holyoke Avenue Preliminary Design**, Lakeville, MN — *Project Manager*
- ★ **Washington County Century (TH 120) North Reconstruction**, White Bear Lake and Mahtomedi, MN — *Project Manager*
- ★ **Dakota County CSAH 42 Modernization**, Apple Valley, MN — *Project Manager*
- ★ **179th Street Bridge over North Creek**, Lakeville, MN — *Project Manager*
- ★ **Dakota County CSAH 26 Preliminary Design (CP 26-60 & 26-66)**, Inver Grove Heights, MN — *Project Manager*
- ★ **Dakota County CSAH 26/CSAH 63 Improvements**, Eagan and Inver Grove Heights, MN — *Project Manager*
- ★ **Rice Creek Commons Public Infrastructure Improvements**, Arden Hills, MN — *Project Manager*
- ★ **Hennepin County CSAH 19 & CR 117 Roundabout**, Hanover, MN — *Sr. Project Advisor*
- ★ **Dakota County CR 73 (Akron Avenue) Reconstruction**, Rosemount, MN — *Project Manager*
- ★ **County Road E2 and County Road F**, New Brighton, MN — *Project Manager*



### Professional Credentials

- Bachelor of Science, Civil Engineering, Iowa State University
- Professional Engineer in Minnesota

## Vince Barker, PE

### Deputy Project Manager/Project Engineer

Vince has 7 years of experience with preliminary and final design of roadway and infrastructure projects for municipalities around the Twin Cities and Minnesota. His experience includes ADA facilities, bikeway facilities, stormwater management design, sanitary sewer, watermain, private utility relocation, cost estimation, and alternative evaluation. Vince’s technical background, strong communication skills, and knowledge of the complete project cycle allow him to provide quality deliverables for the client.

### Relevant Experience

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- ★ **Straight River Watermain Crossing**, Faribault, MN — *Project Engineer*
- ★ **Downtown Area Park**, Faribault, MN — *Project Engineer*
- ★ **Old Highway 8 Improvements**, New Brighton, MN — *Project Engineer*
- ★ **Cedar Lake Road and Louisiana Avenue Improvements**, St. Louis Park, MN — *Project Engineer*
- ★ **Station 73 Transit and Regional Improvement Program**, Plymouth, MN — *Roadway Lead*
- ★ **Concord Street (TH 156) Improvements**, South St. Paul, MN — *Roadway Lead*
- ★ **Grandview Pedestrian Bridge**, Edina, MN — *Trail Designer*
- ★ **Sturgeon Lake Road Overpass**, Red Wing, MN — *Roadway Designer*



### Professional Credentials

- Master of Science, Civil Engineering, North Dakota State University
- Master of Science, Environmental Engineering, Worcester Polytechnic Institute
- Bachelor of Technology, Civil Engineering, Nagarjuna University
- Professional Engineer in Minnesota, North Dakota, and Iowa
- Project Management Professional
- Envision Sustainability Professional

## Uma Vempati, PE, PMP, ENV SP

### Quality Manager

Uma has 25 years of experience in civil and environmental engineering, specializing in water supply, water and wastewater treatment, distribution and collection systems, and storm sewer infrastructure. He develops practical, regulation-compliant solutions that optimize existing facilities and strategically design sustainable, cost-effective systems for municipal clients.

### Relevant Experience

- ★ **MCES 1-MS-100 Condition Assessment Plan and Facility Plan**, St. Paul, MN — *Project Manager*
- ★ **Deep and Large-Diameter Tunnel Roundtable**, Chicago, IL — *Organizer and Moderator*
- ★ **MCES Meter 112 Rehabilitation**, Brooklyn Center, MN — *Project Manager*
- ★ **MCES Hastings Collection System Infrastructure Planning and Modeling**, Hastings, MN — *Project Manager*
- ★ **High Service Pump Station Condition Assessment**, Richfield, MN — *Project Manager*
- ★ **Border Water Infrastructure Capacity Upgrades**, Rio Rico, AZ — *Project Manager*
- ★ **North Metro Driver’s Exam Station Sanitary Sewer Conversion, Lift Station, and Forcemain**, Arden Hills, MN — *Project Manager*
- ★ **Little Rock Creek Water Use Conflict**, Morrison County, MN — *Project Manager*
- ★ **Minnesota Department of Corrections Water Management Plans**, Various Locations, MN — *Project Manager*
- ★ **Condition Assessment of Small Community Water Systems**, Various Locations, AZ, TX, NC — *Program Manager*



### Professional Credentials

- Bachelor of Science, Civil and Environmental Engineering, University of Wisconsin-Madison
- Professional Engineer in Minnesota

## Justin Conner, PE

### Utilities

Justin has 12 years of experience in design and construction administration of a variety of municipal utility, water and wastewater projects. He has extensive experience with municipal utility projects, storm and sanitary lift stations, watermain and sanitary sewer design and modeling, hydraulic modeling, master planning demands, pipe evaluation and assessment, trenchless pipe installation and rehabilitation, manhole rehabilitation, private utility coordination, construction phasing, and temporary conveyance. He has utilized 3D design platforms (Revit and BIM) to further design collaboration, increase efficiency, and minimize conflicts. On every project, Justin is focused on collaboration and coordination between disciplines and stakeholders which leads to quality design and sound decisions.

### Relevant Experience

- ★ **Hennepin Avenue South Reconstruction**, Minneapolis, MN — *Project Engineer*
- ★ **Robert Street Reconstruction**, St. Paul, MN — *Project Engineer, Water Main and Sanitary Sewer Design*
- ★ **West 65th Street Reconstruction**, Richfield, MN — *Project Engineer, Water Main and Sanitary Sewer Design*
- ★ **Concord Street Improvements**, South St. Paul, MN — *Project Engineer*
- ★ **MCES 1-MN-341 Interceptor Rehabilitation Phase 3-Design**, Minneapolis, MN — *Project Manager*
- ★ **Cleveland Avenue Reconstruction**, St. Paul, MN — *Project Engineer Watermain and Sanitary Sewer Design*
- ★ **Grand Avenue Reconstruction**, Minneapolis, MN — *Project Engineer, Watermain and Sanitary Sewer Design*



### Professional Credentials

- Master of Science, Civil and Environmental Engineering, University of Wisconsin
- Bachelor of Science, Civil and Environmental Engineering, University of Wisconsin
- Professional Engineer in Minnesota and Indiana
- Structural Engineer in Minnesota and Illinois

## Eric Tadt, PE, SE

### Structures

Eric brings 15 years of experience on complex, multidisciplinary projects, including rail corridor work and freight coordination. He has led the design and delivery of bridges and retaining walls within active rail environments, integrated structural solutions with track, civil, and corridor constraints, and understands compliance with railroad requirements.

He is experienced in highway, pedestrian, and rail bridge design, including prestressed precast, steel girder, and cast-in-place systems, as well as cast-in-place, sheet pile, soldier pile, and modular block retaining walls. His experience also includes structural rehabilitation and repair, with direct coordination across geotechnical, drainage, and roadway interfaces to support constructible, permit-ready designs.

As Structures Lead for the METRO Green Line Extension, Eric advanced multiple structures within a constrained urban rail corridor, including coordination with CPKC, maintaining design integration with track and systems teams. On the METRO Blue Line Extension in Crystal, he worked across disciplines and agency stakeholders to advance design phases and resolve key interface issues between agency and CPKC railroad partners.

Eric has consistently delivered coordinated structural solutions within complex, multi-agency projects including effectively managing agency and railroad coordination.

### Relevant Experience

- ★ **Old Highway 8 Retaining Walls**, New Brighton, MN — *Structural Engineer*
- ★ **2nd Avenue/Division Street Bridge and Retaining Walls**, Faribault, MN — *Structural Engineer*
- ★ **CSAH 38 Retaining Wall and Bridge Review**, Apple Valley, MN — *Structural Engineer*
- ★ **Concord Street Conceptual Design**, South St. Paul, MN — *Structural Engineer*
- ★ **Marina Village Boardwalk**, White Bear Lake, MN — *Project Engineer*
- ★ **METRO Green Line Extension**, Minneapolis, MN — *Structural Engineer*
- ★ **METRO Blue Line Extension**, Minneapolis, MN — *Structural Engineer*



### Professional Credentials

- Bachelor of Civil Engineering, Civil and Environmental, North Dakota State University
- Professional Engineer in Minnesota

## Adam Tjaden, PE

### Drainage

Adam has 9 years of experience delivering municipal stormwater design for cities, counties, and state agencies throughout Minnesota. His experience includes storm sewer and BMP analysis and design, coordination with regulatory agencies, and preparation of clear technical documentation to support funding applications and project implementation. Adam has completed regional and site scale stormwater studies, including optimized BMP treatment trains to address flooding, water quality, and regulatory requirements. Adam has experience supporting MS4 communities through stormwater plan review, erosion control inspections, SWPPP development, ensuring projects meet local standards and state and federal permit requirements. Adam is proficient with industry standard modeling and design tools including SWMM, HEC RAS, ICM, StormCAD, HydroCAD, ArcGIS, AutoCAD, OpenRoads, and MIDS Calculator.

### Relevant Experience

- ★ **Concord Street Improvements**, South St. Paul, MN — *Water Resources Engineer*
- ★ **Annapolis Street Reconstruction**, West St. Paul, MN — *Water Resources Engineer*
- ★ **CSAH 19 & CR 117 Roundabout**, Hennepin County, MN — *Hydraulics Engineer*
- ★ **Cedar Lake Road and Louisiana Avenue Improvements**, St. Louis Park, MN — *Hydraulics Engineer*
- ★ **Discovery Walk Improvements**, Rochester, MN — *Project Engineer*
- ★ **Stormwater Plan Review, Inspections, and MS4 Support**, Plymouth, MN — *Project Engineer*
- ★ **Market Boulevard Improvements**, Chanhassen, MN — *Water Resources Engineer*
- ★ **Downtown Chanhassen Regional Stormwater Framework and Grant Application**, Chanhassen, MN — *Hydraulics Engineer*
- ★ **Robert Street Reconstruction**, St. Paul, MN — *Project Engineer*
- ★ **Galpin Boulevard Corridor Study**, Chanhassen, MN — *Water Resources Engineer*
- ★ **Rice Creek Commons Public Infrastructure Improvements**, Ramsey County, MN — *Hydraulics Engineer*
- ★ **TH 12 Reconstruction SP 2713-129**, Wayzata, MN — *Hydraulics Engineer*
- ★ **TH 197 Urban Reconstruct and Roundabout - Final Design SP 0416-55**, Bemidji, MN — *Hydraulics Engineer*
- ★ **TH 11 Improvements Project**, Warroad, MN — *Hydraulics Engineer*
- ★ **TH 101 Improvements – CSAH 14 to CSAH 61**, Chanhassen, MN — *Hydraulics Engineer*
- ★ **Oxford-Louisiana Area Flood Mitigation Study**, St. Louis Park, MN — *Hydraulic Modeling and Design Lead*



### Professional Credentials

- Bachelor of Science, Landscape Architecture, North Dakota State University
- Bachelor of Science, Environmental Design North Dakota State University
- Professional Landscape Architect in Minnesota and Iowa
- American Society of Landscape Architects

## Todd Halunen, PLA, ASLA

### Streetscape

Todd has 35 years of landscape architecture and urban design experience with specific emphasis on streetscapes and streetscape planning. He has worked on more than 100 roadway and streetscape projects throughout his career, some of which have won design awards. Todd has proven his talents and ability to artfully weave the unique qualities of a place into his streetscape projects, creating functional spaces that provide exciting experiences for the user. His ability to integrate the technical requirements of his projects with meaningful design makes him an integral part of the design team, balancing function and constructability with the human element.

### Relevant Experience

- ★ **Historic Anoka Main Street Improvements**, Anoka, MN — *Landscape Architect Lead*
- ★ **Historic Hennepin Avenue Streetscape**, Minneapolis, MN — *Landscape Architect Lead*
- ★ **Nicollet Avenue Reconstruction and Streetcar Planning**, Minneapolis, MN — *Landscape Architect Lead*
- ★ **Link West Transit Village Plan Development**, Rochester, MN — *Master Planner*
- ★ **Downtown Minneapolis Washington Avenue Master Plan**, Minneapolis, MN — *Urban Design Lead*
- ★ **Hamilton Urban Design Improvements**, Savage, MN — *Landscape Architect*
- ★ **Blatnik Bridge Preliminary Engineering**, Duluth, MN — *Visual Quality Manager*
- ★ **Twin Ports Interchange Preliminary Bridge Design**, Duluth, MN — *Visual Quality Manager*
- ★ **MnDOT Bridge Aesthetics Manual**, Statewide, MN — *Senior Author*
- ★ **Downtown Hennepin Avenue Streetscape**, Minneapolis, MN — *Landscape Architect Lead*
- ★ **South Hennepin Avenue Streetscape**, Minneapolis, MN — *Landscape Architect Lead*
- ★ **Blue Line Extension**, Minneapolis to Brooklyn Park — *Architecture Lead*



### Professional Credentials

- Master of Community Planning, University of Maryland
- Bachelor of Arts, Urban Studies and Planning, State University of New York, Albany
- American Institute of Certified Planners

## Ray Hayhurst, AICP

### Engagement and Funding

Ray is a transportation planner with 14 years of comprehensive experience in multimodal corridor studies, alternative analyses, and implementation nationwide. He specializes in multimodal corridor planning, roadway safety, and Complete Streets studies and design projects. He leads inclusive, data-informed community engagement processes that build trust, elevate local voices, and shape implementable transportation solutions.

In addition, Ray co-leads Kimley-Horn’s Midwest grant program. He has led or provided strategic guidance on federal grant applications, including SS4A, TIGER, RAISE, BUILD, RCN, FTA Capital Investment Grants, HSIP, and numerous state and regional grants.

### Relevant Experience

- ★ **Hennepin County Washington Avenue RAISE/BUILD Grant Application**, Minneapolis, MN — *Project Manager*
- ★ **Hennepin County West Broadway RAISE/BUILD Grant Application**, Minneapolis, MN — *Project Manager*
- ★ **SS4A Implementation Grant Application**, Kanabec County, MN — *Project Manager*
- ★ **57th Avenue Northtown Railyard Overpass Connector-Reconnecting Communities and Neighborhoods (RCN) Program Grant Application**, Fridley, MN — *Project Manager*
- ★ **SS4A Transportation Safety Action Plan and Implementation Grant Application**, St. Paul, MN — *Project Manager/Engagement Lead*
- ★ **SS4A Action Plan**, Fridley, MN — *Project Manager*
- ★ **SS4A Action Plan**, Woodbury, MN — *Project Manager/Engagement Lead*
- ★ **Neighborhood Traffic Calming Program**, Minneapolis, MN — *Project Manager/Engagement Lead*
- ★ **Neighborhood Traffic Management Program**, Bloomington, MN — *Project Manager/Engagement Lead*



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Heather Slechta, City Clerk  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-162 Approve Low Potency Hemp Product Registrations

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### **Background:**

BMACS Inc dba Carriage House Liquor submitted an application to sell Low-Potency Hemp products at their location 32 2nd Street NE. In addition to receiving their license from the Office of Cannabis Management, Low-Potency Hemp retailers who will conduct retail sales of Low-Potency Hemp products must apply for and obtain local retail registration directly from their local government.

Until December 31, 2025, the City did not require registration of Low-Potency Hemp Edible products. This is now a requirement under Minnesota Statutes, chapter 342. It should be noted that local governments may not limit the number of local retail registrations issued for Low-Potency Hemp businesses.

### **Recommendation:**

Approve Resolution 2026-162

### **Attachments:**

1. Resolution 2026-162 Approve Low Potency Hemp Products Registration

**CITY OF FARIBAULT**

---

**RESOLUTION #2026-162**

**APPROVE LOW-POTENCY HEMP PRODUCT REGISTRATION**

**WHEREAS**, BMACS Inc dba Carriage House Liquors, 32 2<sup>nd</sup> Street NE, submitted an application for the registration of Low-Potency Hemp Products at their location.

**WHEREAS**, the above-mentioned business meets all requirements set forth by the City of Faribault City Code of Ordinances.

**WHEREAS**, the State of Minnesota Office of Cannabis Management has provided BMACS Inc dba Carriage House Liquors, 32 2<sup>nd</sup> Street NE, with a Minnesota Cannabis Business License Number.

**NOW, THEREFORE BE IT RESOLVED**, BMACS Inc dba Carriage House Liquors, 32 2<sup>nd</sup> Street NE, shall be issued Low-Potency Hemp Edibles Registration within the City of Faribault.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Heather Slechta, City Clerk  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-163 Appointing Election Judges for the 2026 Primary and General Elections

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### **Background:**

Minnesota Statute 204B.21 requires that Election Judges for precincts in a municipality be appointed by the governing body of the municipality. The Statute also permits the appointment of Election Judges on an emergency basis by the Rice County Auditor/Treasurer or the Faribault City Clerk.

### **Recommendation:**

Approve Resolution 2026-163.

### **Attachments:**

1. Resolution 2026-163 Appoint Election Judges for the 2026 Primary Election and General Election

**CITY OF FARIBAULT**

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**RESOLUTION #2026-163**

**APPOINT ELECTION JUDGES FOR THE 2026 PRIMARY ELECTION AND GENERAL ELECTION**

**WHEREAS**, Minnesota Statute 204B.21 requires that election judges for precincts in a municipality shall be appointed by the governing body of the municipality; and

**WHEREAS**, Minnesota Statute 204B.21 permits the appointment of judges of election on an emergency basis by the Rice County Auditor/Treasurer or the City of Faribault City Clerk; and

**WHEREAS**, the Rice County Auditor/Treasurer has designated the City Clerk of the City of Faribault, Minnesota, as the responsible authority for the 2026 Primary and General Election in the city of Faribault, Minnesota.

**NOW, THEREFORE BE IT RESOLVED**, that the attached list of eligible voters, listed in Exhibit A, are hereby appointed election judges for the 2026 Primary Election and General Election.

**ALSO, BE IT RESOLVED**, that the City Clerk is hereby authorized and directed to determine the number of judges in each precinct and to fill vacancies in the event that any of the aforesaid appointed judges cannot fulfill their responsibilities as required by law.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**

Exhibit A

Becker Judy	Handberg Noel	Wetzel Charlene
Crowthers Kathryn	Hohrman Larisa	Wilder Eleanor
Harpel Anderson Kymn	Horejsi Melissa	Wilder Paul
Madson Christine	Howells Mark	Odegaard, Cari
Mueller Linda	Jennings Nancy	
Munger Helen	Jensen Connie	
Nyhus Kris	Kenney Mark	
Rice Pat	Kindem Joan	
Ripley-Boysen Kari	Knutson Doug	
Sanders Grant	Laughlin Linda	
Schilling Todd	Lazicki Doreen	
Voge Todd	Madow Doug	
Brough Cindy	Mattson Edie	
Caron Sara	Mattson John	
Caron-Wagner Beverly	Mrosko Barbara	
Carver Judy	Nauman Mary	
Cindric Hanna	Nesvold Emily	
Coulter Sara	O'Flynn Michaeleen	
Crowl Donna	Paquette Irene	
DeRider Jon	Perrance Rene	
Eichhorn Sharon	Provanha Michael	
Feikema Elaine	Purdie JoDeane	
Gardner Peggy	Quinlan Patricia	
Ginter Karen	Sandberg Michael	
Gustafson Marlene	Schilling Pam	
Gustafson Robert	Slettedahl Shirley	
Haaland Rolf	Treadway Carolyn	
Hallagner Richard	Voorhies Debra	



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Travis Block, Public Works Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-164 Approve County Highway Maintenance Agreement with Rice County for 2026 & 2027

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### **Background:**

The most recent County Highway Maintenance Agreement with Rice County expired on December 31, 2025. Under the agreement, Rice County compensates the City for maintenance on County highways within City limits, including snow plowing, street sweeping, pothole patching, etc.

Staff has worked with Rice County to draft a new agreement. Under the proposed agreement, the compensation will increase 3.3% annually (matching the State maintenance agreement rate), from \$2,419.00/lane mile to \$2,501.00/lane mile in 2026 and \$2,586.00/lane mile in 2027. The County will also pay the City a lump sum of \$7,093.00 in 2026 and \$7,334.00 in 2027 for mowing operations along CSAH No. 48.

The agreement was approved by the Rice County Board of Commissioners at the May 26, 2026, meeting.

### **Recommendation:**

Approve Resolution 2026-164

### **Attachments:**

1. Resolution 2026-164
2. 5.26.2026 City of Faribault and County Highway Maintenance Agreement

**CITY OF FARIBAULT**

---

**RESOLUTION #2026- 164**

**APPROVE COUNTY HIGHWAY MAINTENANCE AGREEMENT WITH RICE COUNTY  
FOR 2026 & 2027**

**WHEREAS**, an agreement has been prepared for the City of Faribault to provide routine maintenance upon, along and adjacent to Rice County highways the limits of which are defined in said agreement, which is attached and made part of this resolution; and

**WHEREAS**, having the City provide said routine maintenance is deemed to be in the public interest for the citizens of Faribault as well as the traveling public on these roadways; and

**NOW, THEREFORE BE IT RESOLVED**, a County highway maintenance agreement between the City of Faribault and Rice County for 2026 & 2027 is hereby approved.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**

**COUNTY OF RICE AND CITY OF FARIBAULT  
COUNTY HIGHWAY MAINTENANCE AGREEMENT**

THIS AGREEMENT, made and entered into this 26<sup>th</sup> day of May, 2026 by and between the County of Rice, acting by and through its Board of County Commissioners, hereinafter referred to as the “County”, and the City of Faribault, Minnesota, acting by and through its City Council, hereinafter referred to as the “City”, WITNESSETH:

WHEREAS, Pursuant to Minnesota Statutes §160.21 and §162.17, the parties hereto desire to enter into an agreement pertaining to the maintenance of County Highways within the corporate limits of the City for the years 2026 and 2027 upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE as follows:

**I. County Highways Subject to City Maintenance**

The City will, during the calendar years 2026 and 2027, provide the maintenance as outlined in this Agreement on those portions of the following County State Aid Highways (CSAH) within the corporate limits of the City particularly described as follows:

Highway	Local Street Name	Segment Termini	Length (Miles)	# of Traffic Lanes	Lane Miles
CSAH 11	7th Street NW	T.H. 21 (Lyndale Ave.) to Wilson Ave.	0.07	4	0.28
	7th Street NW	Wilson Ave. to Western Ave.	0.58	2	1.16
	RoberdsLake Blvd	Western Ave. to Belview Trl.	0.39	3	1.17
CSAH 19	Glynview Trail	CSAH 45 (Willow St.) to Sunshine Lane	0.67	2	1.34
CSAH 45	Willow Street	CSAH 19 (Glynview Trl.) to Albers Path	0.09	3	0.27
	Willow Street	Albers Path to CSAH 47 (17th St. SW)	0.39	2	0.78
Totals			2.19		5.00

**II. Maintenance Activities by City**

The maintenance to be performed by the City on the County State Aid Highways and County Roads identified in Section I shall consist of the following:

- (a) Maintain the county highway pavement according to industry standards and practices so as to keep the same smooth and in good repair, for the passage of traffic, and free from all obstructions and impediments to safe travel, to include routine minor maintenance such as filling of “potholes” and crack sealing.
- (b) Keep the traveled roadway reasonably free and clear, according to industry standards and practices and City policies, of ice, snow and debris all months of the year and

undertake proper sanding when necessary as determined by the City of Faribault Public Works Director or his/her designee.

- (c) Perform comprehensive semi-annual street sweeping, as part of City's regular schedule for spring and fall sweeping, and provide localized sweeping in response to spills on the roadway creating a hazardous or nuisance condition as determined by the City.
- (d) Maintain roadway markings, traffic control devices and safety devices in operating and usable condition.
- (e) Keep catch basin inlets reasonably free of debris to ensure proper drainage from the pavement is being maintained.
- (f) Maintain or cause to be maintained by the adjacent property owner(s), the roadside vegetation and landscaping in a neat and orderly fashion by mowing, trimming, and providing for noxious weed control in accordance with the City Code of Ordinances and policies.
- (g) Ensure that sidewalks/walkways/paths located in the boulevards are in good repair and snow and ice are removed in accordance with the City Code of Ordinances.
- (h) Install and maintain crosswalk and school zone pavement markings in those locations as deemed appropriate by the City.
- (i) It shall not be the obligation of the City under this Agreement to do any work which shall consist of extraordinary maintenance, such as washouts, frost boils, etc., betterments, seal coating, construction or reconstruction. In the event the County should desire the City to do any such work the parties will enter into a separate agreement therefore. However, if the City becomes aware of such need, the City shall immediately notify the Rice County Highway Engineer or his/her designee of the need for extraordinary maintenance or of any conditions of these highways that would cause unnecessary or unreasonable risk to persons or property.
- (j) All materials used by the City in the performance of the work hereunder shall conform to the requirements of the current Minnesota Department of Transportation Standard Specifications for Construction, and all amendments and supplements thereto.

### **III. Limited Maintenance on CSAH No. 48 (Lyndale Ave.) from T.H. 60 to Highland Place**

The City will maintain the traffic signal system (at Division Street) and street lighting along this highway segment including bulb replacement, painting, and general maintenance of the signal or light poles. The City will also be responsible for furnishing all electrical power for said streetlights and traffic signal system. The City and County agree to split 50/50 any extraordinary costs associated with repair or replacement of the streetlights and/or traffic signal system. All signal timing will be determined by the County, and no changes will be made without the County's approval. Sweeping and sanding services may be provided by the City as a courtesy and are not included in the maintenance compensation included in this Agreement. The City will be responsible for mowing the median area and the shoulder areas and maintaining other roadside vegetation at its discretion.

#### **IV. Other Agreements**

The City shall continue to provide the maintenance activities and meet the other obligations for facilities located on County State Aid Highways and County Roads within the corporate limits covered under separate agreements as follows:

- (a) CSAH 11 (7<sup>th</sup> Street NW) from 130 feet east of Wilson Ave. to Cannon River Bridge  
1998 Cooperative Construction Agreement (SAP 66-611-08)
  - City responsible for proper maintenance of all storm sewer, sanitary sewer, and watermain facilities, and concrete sidewalks.
- (b) CSAH 19 (Glynview Trail) from CSAH 45 to 3600 feet southeast  
1991 Cooperative Construction Agreement (SAP 66-619-12)
  - City responsible for proper maintenance of all storm sewer, sanitary sewer, watermain facilities, and concrete sidewalks.
- (c) CSAH 45 (Willow Street) from CSAH 19 to 850 feet south of Allen Path  
2010 Cooperative Construction Agreement (SAP 66-645-05)
  - City responsible for proper maintenance of all sanitary sewer, watermain facilities, bituminous walkways, and concrete sidewalks.
- (d) CR 93 (Western Avenue) from Old 4<sup>th</sup> Street to City limits  
1997 Cooperative Construction Agreement (CP 93-12)
  - City responsible for proper maintenance of all storm sewer, sanitary sewer, watermain facilities, and concrete sidewalks.

#### **V. General Conditions**

- (a) The County will furnish, install and maintain at all times suitable guide signs, warning signs, route markers and center lines for the guidance of traffic on such County Highways. The City will furnish, install and maintain at all times suitable regulatory, guide and warning signs that lie within the County highway right-of-way that are deemed necessary for all intersecting City streets along the mainline County Highways.
- (b) The City may partially block said highways within its corporate limits at such times as it becomes necessary for the performance of the services under this Agreement and, in case of emergency where it is required, such highways may be wholly blocked and the passage of traffic thereon prevented by the City. At no time, however, shall the City continue to obstruct the free passage of traffic on said highways for a longer period of time than is reasonably required for making the necessary repairs thereon. The City may also permit the closing of such streets at such times as it is necessary for the repair or installation of water or gas mains, electric or telephone cables and sewers or services (reference item VI. (c) below). However, the City shall not cause any portion of said highways that is to be maintained hereunder to be closed to traffic for any reasons other than those above set forth and in no event for a time longer than shall be necessary. In the event of the total blocking or closing of such County State Aid Highways or County Roads, the City shall ensure a suitable detour is provided during such time.

- (c) The City shall issue and administer necessary permits for excavations within the limits of any of the above roadways in accordance with the terms and conditions specified in the City's Right-of-Way Management Ordinance. The County shall retain permitting authority for accesses to the County Highways.

**VI. Payments**

- (a) The County will pay to the City the sum of Two Thousand, Five Hundred One Dollars 00/100 (\$2,501.00) per lane mile in 2026 & Two Thousand Five Hundred Eighty-Six Dollars 00/100 (\$2,586.00) per lane mile in 2027 for the performance of the work and labor and the furnishings of materials as set forth in Section I on County State Aid Highways and hereinbefore particularly set forth.
- (b) The County will pay to the City the lump sum of Seven Thousand, Ninety-Three Dollars 00/100 (\$7,093.00) in 2026 & Seven Thousand, Three Hundred Thirty-Four Dollars 00/100 (\$7,334.00) in 2027 for the performance of the work and labor and the furnishing of material for the mowing operations on CSAH No. 48 as set forth in Section III.
- (c) Payment under this Agreement shall be made on an annual basis and as soon after January first of the year immediately following the year in which the maintenance was provided, upon submission by the City Director of Public Works of an invoice, approved by the County Highway Engineer of Rice County, verifying that all work was completed during the period for which payment is to be made, in full accordance with this Agreement.

**VII. Independent Contractor**

It is further understood that all persons working on such highways are employees of the City or its contractors or agents and are in no way employed by the County. All contracts and agreements made by the City, with third parties for the performance of any work to be done under this Agreement shall be subject to the terms of this Agreement and comply with all State laws and requirements relating to contracts for the construction and maintenance of County State Aid Highways and County Roads.

**VIII. Indemnification**

The parties agree with the exception of the payments due and payable or to come due and payable as herein provided, neither the County of Rice, nor the Board of Commissioners, employee or agents of the County of Rice, either in their individual or official capacity, shall be responsible or liable in any manner to the City or to any person or persons whatsoever for any claim, demand, action, or causes of action of any kind or character arising out of or by reason of the execution of this Agreement for the negligent performance and completion of the work and improvements provided for herein or arising out of any contract let by the City for the performance of any of the work provided for herein, and the City agrees to save and keep the County, Board of County Commissioners, employees and agents harmless from all such claims, demands, actions or causes of action, and to defend the County, Board of Commissioners, employees, and agents against any and all thereof, except for the failure of the County to perform extraordinary maintenance as required by Section III thereof when properly notified of the need for such extraordinary maintenance, in which case the County shall assume such liability as the laws require.

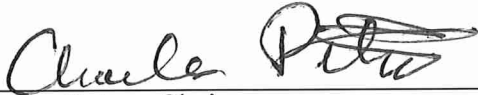
**IX. Termination**

If the City fails to perform any of the work named herein under the terms of this Agreement, the County may cause such work to be done and performed, and may retain from any moneys then due to the City under this Agreement, or thereafter becoming due, any such amount as it required for the completion of such work, provided however, that this paragraph shall not be construed to relinquish any rights of action which may accrue on behalf of the County against the City for any breach of Agreement.

Either party may terminate this Agreement by notifying the other party in writing no less than 180 days prior to the expiration of the Agreement.

**IN WITNESS THEREOF**, The City and the County have executed this Agreement by their respective officers as of the date first written above.

COUNTY OF RICE



Charles Peters, Chairperson  
Rice County Board of Commissioners

ATTEST:



Sara Folsted, County Administrator  
Rice County

CITY OF FARIBAULT

Thomas J. Spooner, Mayor  
Faribault City Council

ATTEST:

Jessica L. Kinser, City Administrator  
City of Faribault



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kevin Bushard, Human Resources Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-165 Approve Hiring Accounting Technician

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### **Background:**

Due to an approved Finance Department reorganization, there is a need to hire a Accounting Technician. The position was posted from April 28, 2026, to May 22, 2026.

Thirty-six applications were received, reviewed and scored. From that scoring, eight were selected for an interview. The interview consisted of Finance Administration and Human Resources. From the interview, staff has selected Nicole Johnson as the recommendation for hire.

Resolution 2026-165 recommends the hiring of Nicole Johnson. Nicole would be hired at grade G step 1, as per the MNPEA General Unit CBA.

### **Recommendation:**

Approve resolution 2026-165, approving the hiring of Nicole Johnson as Accounting Technician.

### **Attachments:**

1. 2026-165 Approve Hiring Accounting Technician

**CITY OF FARIBAULT**

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**RESOLUTION #2026-165**

**APPROVE HIRING ACCOUNTING TECHNICIAN**

**WHEREAS**, the City of Faribault (the "City") presently has vacant Accounting Technician position that needs to be filled by a qualified candidate; and

**WHEREAS**, the City has advertised and interviewed for the Accounting Technician position with the City; and

**WHEREAS**, the City Council desires to fill the vacant Accounting Technician position.

**NOW, THEREFORE BE IT RESOLVED**, that the City of Faribault that Nicole Johnson shall be extended an offer of employment to fill the vacant Accounting Technician position.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

---

**Jessica L. Kinser, City Administrator**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Heather Slechta, City Clerk  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-172 Approve Creation of an Ad Hoc Committee for the Study of Housing Data in the City of Faribault

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### **Background:**

At their May 19, 206 Work Session, the Council discussed creating an ad hoc committee to review and discuss various aspects of housing within the community. The ad hoc committee will research and explore solutions to problems, address specific issues, and/or brainstorm on projects.

The ad hoc committee will include Mayor Spooner, Councilor Ross and Councilor Barnes, Rice County HRA Director Joy Watson, Senior Housing Partner Jenn Korbel, Local Realtors Dave Campell and Darryl Bauer, Chamber of Commerce President Nort Johnson, Financial/Banking Partner Chad Wolff, Faribault HRA Member Deb Lyzenga and Affordable Housing Partner from Three Rivers Community Action Agency with City Administrator Jessica Kinser serving as the primary staff liaison. Community and Economic Development Director Dave Wanberg and the future HRA Executive Director may also staff this committee.

### **Recommendation:**

Approve Resolution 2026-172.

### **Attachments:**

1. Resolution 2026-172 Approve Creation of an Ad Hoc Committee for the Study of Housing Data in the City of Faribault

## **CITY OF FARIBAULT**

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### **RESOLUTION #2026-172**

#### **APPROVE CREATION OF AN AD HOC COMMITTEE FOR THE STUDY OF HOUSING DATA IN THE CITY OF FARIBAULT**

**WHEREAS**, the Faribault City Council wishes to establish a special (ad hoc) committee to research and explore solutions to problems, address specific issues, and/or brainstorm on projects related to housing in the City of Faribault; and

**WHEREAS**, Section 2.020 of the City Charter authorizes the Council to establish committees to investigate subjects of interest to the City.

**WHEREAS**, per City Council policy, the appointments to special (ad hoc) committees established at Council discretion on an issue-by-issue basis shall include the Mayor and two Councilmembers.

**NOW, THEREFORE BE IT RESOLVED**, that a special (ad hoc) committee for the purpose of researching and exploring solutions to problems, addressing specific issues, and/or brainstorm on projects related to housing in the City of Faribault

**ALSO, BE IT RESOLVED**, that Mayor Spooner, Councilor Ross and Councilor Barnes, Rice County HRA Director Joy Watson, Senior Housing Partner Jenn Korbelt, Local Realtors Dave Campell and Darryl Bauer, Chamber of Commerce President Nort Johnson, Financial/Banking Partner Chad Wolff, Faribault HRA Member Deb Lyzenga and Affordable Housing Partner from Three Rivers Community Action Agency with City Administrator Jessica Kinser serving as the primary staff liaison. Community and Economic Development Director Dave Wanberg and the future HRA Executive Director may also staff this committee.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

---

**Jessica L. Kinser, City Administrator**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Adam King, Environmental and Water Resources Coordinator  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-173 Approve the Contract for Service with River Bend Nature Center for the MN DNR ReLeaf Community Forestry Grant

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### **Background:**

The State of Minnesota executed a Grant Contract Agreement between its Department of Natural Resources and the City of Faribault for the ReLeaf Community Forestry Grant on Tuesday, June 02, 2026 and totals \$389,000. The Minnesota Department of Natural Resources (MN DNR) ReLeaf Community Forestry Grant requires professional services to administer and coordinate the grant while educating and reaching out to the community. River Bend Nature Center has the staff capacity and agrees to furnish various professional services required by the MN DNR and the City of Faribault, including but not limited to planning and conducting multilingual outreach, providing tree-care education, home site visits, and holding and hosting community workshops focused on canopy maintenance. The Contract for Service with River Bend Nature Center totals \$80,000 and is attached.

### **Recommendation:**

Approve Resolution 2026-173.

### **Attachments:**

1. Resolution 2026-173 Approve Contract for Service with River Bend Nature Center for the ReLeaf Community Forestry Grant
2. 2026\_RELEAF\_Agreement\_with\_River\_Bend\_Nature\_Center - FINAL

**CITY OF FARIBAULT**

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**RESOLUTION #2026-173**

**APPROVE THE CONTRACT FOR SERVICE WITH RIVER BEND NATURE CENTER FOR THE MN DNR RELEAF COMMUNITY FORESTRY GRANT**

**WHEREAS**, the City of Faribault has applied for and received a ReLeaf Community Forestry Grant through the Minnesota Department of Natural Resources to assist with the removal of dead and dying trees for low-income residents, and replace the removed trees; and

**WHEREAS**, the Minnesota Department of Natural Resources has executed the grant with City of Faribault on Tuesday, June 02, 2026; and

**WHEREAS**, River Bend Nature Center has staff capacity, and agrees to furnish the various professional services required by the MN DNR ReLeaf Community Forestry Grant; and

**NOW, THEREFORE BE IT RESOLVED**, the City of Faribault enters into a contract for service with River Bend Nature Center to provide services related to the ReLeaf Community Forestry Grant program including planning and conducting multilingual outreach, providing tree-care education, home site visits, holding and hosting community workshops focused on canopy maintenance, all of which is described in the consultant Service Contract, and

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**

# CONSULTANT SERVICE CONTRACT

This Contract is made this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by and between the CITY OF FARIBAULT, MINNESOTA, a Minnesota municipal corporation, 208 1st Avenue NW, Faribault, MN 55021, ("CITY"), and River Bend Nature Center, a nonprofit corporation, 1000 Rustad Road, Faribault, MN 55021, ("CONSULTANT" or "RBNC"), (collectively the "PARTIES").

WHEREAS, the RBNC is established to help people discover, inspire curiosity, enjoy, respect, understand and preserve and care for the incredible natural world through outdoor environmental classes, recreational and educational activities, and special events; and

WHEREAS, the RBNC currently has a total of eight regular staff with an additional 12 in various seasonal, job training, and national service positions related to carrying out their mission; and

WHEREAS, the CITY has applied for and received a ReLeaf Grant through the Minnesota Department of Natural Resources (MN DNR) to mitigate the impacts of the emerald ash borer (EAB) to Faribault's tree canopy by removing dead and dying ash trees and replacing them with MN DNR approved species; and

WHEREAS, the MN DNR ReLeaf Grant aligns with the mission and vision of RBNC; and

WHEREAS, CITY requires professional services in conjunction with MN DNR ReLeaf Grant (the "Project" or "Program"); and

WHEREAS, RBNC has staff capacity and agrees to furnish the various professional services required by CITY.

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

## SECTION I - CONSULTANT'S SERVICES AND RESPONSIBILITIES

### A. Scope of Services.

1. CONSULTANT agrees to perform various Project services as detailed in Exhibit 1, Scope of Services, attached hereto and incorporated herein by reference.
2. Except as otherwise specifically provided herein, the RBNC will provide services related to the Program including, but not limited to, hiring and managing all staff related to the Program, and organizing, scheduling, managing and supervising all Program events. The Program shall include, but not be limited to, planning and conducting multilingual outreach, providing tree-care education, home site visits, holding and hosting community workshops focused on canopy maintenance, all of which are described in more detail in the attached Exhibit 1

Scope of Services to this Contract.

3. The Executive Director of the RBNC, or other representative of the RBNC, shall occasionally attend as requested and deemed appropriate Environmental Commission (EC) and City Council meetings, along with the City's staff liaison. At least semi-annually, the Executive Director of the RBNC may report to the EC on the Program activities.
  4. The RBNC shall hire, compensate, and manage all personnel as may be needed for purposes of the Program, and this Contract, and all such personnel shall be RBNC employees and not City employees. Similarly, any and all volunteers who participate in the Program in any way shall be considered to be under the supervision and control of RBNC and not under the supervision or control of the City.
  5. The RBNC shall be responsible for education and outreach components of the Program and shall report periodically and upon request to the Director of Engineering (City Engineer), the City Administrator, and/or the Environmental and Water Resources Coordinator with regard to the status of the education and outreach components of the Program. The RBNC shall work cooperatively to implement the education and outreach requirements of the Program as recommended by the Environmental Commission and approved by the City Council and the RBNC Executive Board.
  6. Except as otherwise provided in this Contract or as otherwise expressly agreed between PARTIES in writing, the RBNC shall fund and pay all expenses of the education and outreach components of the Program. The RBNC shall be reimbursed by CITY for education and outreach components of the Program.
  7. Recognition of the City's contributions to the Program shall be cited by the RBNC in the following areas: Program brochures and in all advertising thanking sponsors of the Program.
- B. **Changes to Scope of Services/Additional Services.** Upon mutual agreement of the parties hereto pursuant to Section VI, Paragraph H of this Contract, a change to the scope of services detailed in Exhibit 1, attached hereto, may be authorized. In the event that such a change to the scope of services detailed in Exhibit 1, attached hereto, requires additional services by CONSULTANT, CONSULTANT shall be entitled to additional compensation consistent with Section III of this Contract. CONSULTANT shall give notice to CITY of any additional services prior to furnishing such additional services. CITY may request an estimate of additional cost from CONSULTANT, and upon receipt of the request, CONSULTANT shall furnish such cost estimate, prior to CITY's authorization of the changed scope of services.
- C. **Changed Conditions.** If CONSULTANT determines that any services it has been directed or requested to perform by CITY are beyond the scope of services detailed in Exhibit 1, attached hereto, or that, due to changed conditions or changes in the method or manner of administration of the Project, CONSULTANT's effort required to perform its services under this Contract exceeds the estimate which formed the basis for CONSULTANT's compensation, CONSULTANT shall promptly notify CITY of that fact. Upon mutual agreement of the PARTIES hereto pursuant to Section VI, Paragraph H of this Contract, additional compensation for such services, and/or an extension of time

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

- D. **Standard of Care.** Professional services provided by CONSULTANT or its subcontractors and/or sub-consultants under this Contract will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of CONSULTANT's profession.
- E. **Insurance.**
1. CONSULTANT agrees to maintain, at CONSULTANT's expense, statutory worker's compensation coverage.
  2. CONSULTANT agrees to maintain, at CONSULTANT's expense, general liability insurance coverage insuring CONSULTANT against claims for bodily injury, death or property damage arising out of CONSULTANT's general business activities (including automobile use). The liability insurance policy shall provide coverage for each occurrence in the minimum amount of \$1,000,000.00
  3. During the time in which CONSULTANT is performing any services under this Contract, CONSULTANT agrees to maintain, at CONSULTANT's expense, Professional Liability Insurance coverage insuring CONSULTANT against damages for legal liability arising from an error, omission or negligent act in the performance of professional services required by this Contract. The professional liability insurance policy shall provide coverage for each occurrence in the amount of \$1,000,000.00 and annual aggregate of \$1,000,000.00 on a claims-made basis.
  4. The City of Faribault, its officers, officials, employees, and agents shall be named as Additional Insureds on all required liability insurance policies. All coverage shall remain in effect for the duration of this Agreement.
  5. True, accurate and current certificates of insurance, showing evidence of the required insurance coverages, are hereby provided to CITY by CONSULTANT and are attached hereto as Exhibit 2.
- F. CONSULTANT acknowledges that CITY is the recipient of a grant from the Minnesota Department of Natural Resources ("DNR") for the Project and agrees that, to the extent applicable to CONSULTANT's services under this Contract, CONSULTANT shall comply with all terms, conditions, and requirements of the DNR Grant Agreement. CONSULTANT shall perform its services in a manner that ensures CITY's compliance with the Grant Agreement and shall be responsible for any costs, disallowed expenses, or repayment obligations incurred by CITY as a result of CONSULTANT's failure to comply with such requirements.

## SECTION II - CITY'S RESPONSIBILITIES

- A. CITY shall promptly compensate CONSULTANT as services are performed to the satisfaction of the Environmental and Water Resources Coordinator, in accordance with Section III of this Contract.
- B. CITY shall provide access to any and all previously acquired information relevant to the scope of services detailed in Exhibit 1, attached hereto, in its custody to CONSULTANT for its use, at CONSULTANT's request.
- C. CITY will, to the fullest extent possible, grant access to and make all provisions for entry upon both public and private property as necessary for CONSULTANT's performance of the services detailed in Exhibit 1, attached hereto.
- D. The CITY's Environmental and Water Resources Coordinator, shall serve as the liaison person to act as CITY's representative with respect to services to be rendered under this Contract. Said representative shall have the authority to transmit instructions, receive instructions, receive information, interpret and define CITY'S policies with respect to the Project and CONSULTANT's services.

Such person shall be the primary contact person between CITY and CONSULTANT with respect to the services from CONSULTANT under this Contract. CITY reserves the right to substitute the authorized contact person at any time and shall notify CONSULTANT thereof.

### SECTION III - CONSIDERATION

- A. **Fees.** CITY will compensate CONSULTANT as detailed in Exhibit 3, Compensation, which is attached hereto and incorporated herein by reference, for CONSULTANT's performance of services under this Contract.
- B. If CITY fails to make any payment due to CONSULTANT for services performed to the satisfaction of the Environmental and Water Resources Coordinator and expenses within thirty days after the date of CONSULTANT's invoice, CONSULTANT may, after giving seven days written notice to CITY, and without waiving any claim or right against CITY and without incurring liability whatsoever to CITY, suspend services and withhold project deliverables due under this Contract until CONSULTANT has been paid in full all amounts due for services, expenses and charges.
- C. The City may, upon written notice to RBNC, suspend all or any portion of the Services if: (i) grant funding is reduced, delayed, or unavailable; (ii) RBNC fails to comply with the terms of this Agreement or applicable grant requirements; or (iii) RBNC fails to make satisfactory progress toward completion of required deliverables.
- D. During any suspension period, RBNC shall cease work as directed by the City and take all reasonable steps to minimize costs. The City shall only be responsible for payment for Services properly performed and authorized prior to the effective date of suspension.

## SECTION IV -TERM AND TERMINATION

- A. **Term.** This Contract shall commence on the date the CITY has executed this Contract and shall remain in effect until June 01, 2027. By mutual agreement between the PARTIES, this Contract may be extended beyond its original term to be consistent with the deadlines of the Project.
- B. **Termination.** Notwithstanding the foregoing, this Contract may be terminated by either party for any reason or for convenience by either party upon thirty (30) days written notice. In the event of termination, CITY shall be obligated to CONSULTANT for payment of amounts due and owing including payment for services performed or furnished to the date and time of termination, computed in accordance with Section III of this Contract. In the event of termination for any reason, RBNC shall cooperate fully with the City to ensure an orderly transition of Services. Such cooperation shall include, but not be limited to: (i) timely delivery of all work product, records, and data; (ii) reasonable assistance to the City or any replacement contractor in transitioning Services; and (iii) completion of any required grant closeout activities, including compliance with applicable requirements of the Minnesota Department of Natural Resources (DNR).
- C. **Default.** If CONSULTANT fails to perform any of the provisions of this Contract, or so fails to administer the services detailed in Exhibit 1, attached hereto, in such a manner as to endanger the performance of the Contract, this shall constitute default. Unless CONSULTANT's default is excused by CITY, CITY may, upon written notice, immediately cancel this Contract or exercise any other rights or remedies available to CITY under this Contract or law.
- D. **Suspension of Work.** If any work performed by CONSULTANT is abandoned or suspended in whole or in part by CITY, CONSULTANT shall be paid for any services performed to the satisfaction of the Environmental and Water Resources Coordinator prior to CONSULTANT's receipt of written notice from CITY of such abandonment or suspension, but in no event shall the total of CITY's payments to CONSULTANT under this Contract be required to exceed a percentage of the total contract price (calculated by either the Contract price or the maximum price set forth in Exhibit 3, attached hereto) equivalent to the percentage of the scope of services completed by CONSULTANT to the satisfaction of the Environmental and Water Resources Coordinator as determined by CITY.

## SECTION V - INDEMNIFICATION

- A. CONSULTANT shall indemnify, protect, save, hold harmless and insure CITY, and its respective officers, directors, employees, volunteers and members and agents, from and against any and all claims and demands for, or litigation with respect to, all damages which may arise out of or be caused by CONSULTANT or its agents, employees, volunteers, contractors, subcontractors, or sub-consultants with respect to

CONSULTANT's performance of its obligations under this Contract. CONSULTANT shall defend CITY against the foregoing, or litigation in connection with the foregoing, at CONSULTANT's expense, with counsel reasonably acceptable to CITY. CITY, at its expense, shall have the right to participate in the defense of any Claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CITY. All indemnification obligations shall survive termination, expiration or cancellation of this Contract.

- B. CITY shall indemnify protect, save, hold harmless and insure CONSULTANT, and its respective officers, directors, employees and members and agents, from and against any and all claims and demands for, or litigation with respect to, all damages which may arise out of or be caused by CITY or its agents, employees, contractors, subcontractors or sub-consultants with respect to CITY's performance of its obligations under this Contract. CITY shall defend CONSULTANT against the foregoing, or litigation in connection with the foregoing, at CITY's expense, with counsel reasonably acceptable to CONSULTANT. CONSULTANT, at its expense, shall have the right to participate in the defense of any claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CONSULTANT. All indemnification obligations shall survive termination, expiration or cancellation of this Contract.
- C. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against CITY or CONSULTANT. CONSULTANT's services under this Contract are being performed solely for CITY's benefit, and no other entity shall have any claim against CONSULTANT because of this Contract or the performance or nonperformance of services provided hereunder.

## SECTION VI - GENERAL TERMS

- A. **Voluntary and Knowing Action.** The PARTIES, by executing this Contract, state that they have carefully read this Contract and understand fully the contents thereof; that in executing this Contract they voluntarily accept all terms described in this Contract without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- B. **Authorized Signatories.** The PARTIES each represent and warrant to the other that (1) the persons signing this Contract are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Contract against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

C. **Notices.** The PARTIES' representatives for notification for all purposes are:

**CITY:**

Adam King  
Environmental and Water Resources Coordinator  
City of Faribault  
1200 Belview Trail, Faribault, MN 55021  
Phone: 507-209-3552  
Email: aking@faribaultmn.gov

With a copy to:

Mark DuChene P.E.  
Director of Engineering  
City of Faribault  
1200 Belview Trail, Faribault, MN 55021  
Phone: 507-333-0360  
Email: mduchene@faribaultmn.gov

**CONSULTANT:**

Brad Bourn  
Executive Director  
River Bend Nature Center  
1000 Rustad Road, Faribault, MN 55021  
Phone: (507) 332-7151  
Email: bourn@rbnc.org

D. **Dispute Resolution.** The PARTIES agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their rights under law. Any claims or disputes unresolved after good faith negotiations shall first be submitted to mediation utilizing the Minnesota District Court Rule 114 Roster. If the dispute is not resolved through negotiation or mediation, the PARTIES may mutually agree in writing to submit the dispute to binding arbitration. In the absence of such mutual written agreement, either the CITY or the CONSULTANT may pursue resolution of the dispute in a court of competent jurisdiction as set forth in the Venue provision of this Contract. The PARTIES agree to require an equivalent dispute resolution process governing all contractors, subcontractors, subconsultants, suppliers, consultants, and fabricators concerned with the Project..

E. **Independent Contractor Status.** CONSULTANT, at all times and for all purposes hereunder, shall be an independent contractor and is not an employee of CITY for any purpose. No statement contained in this Contract shall be construed so as to find CONSULTANT to be an employee of CITY, and CONSULTANT shall not be entitled to any of the rights, privileges, or benefits of employees of CITY, including but not limited to, workers' compensation, health/death benefits, and indemnification

for third-party personal injury/property damage claims.

CONSULTANT acknowledges that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due CONSULTANT, and that it is CONSULTANT's sole obligation to comply with the applicable provisions of all Federal and State tax laws.

CONSULTANT shall, at all times, be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein.

CONSULTANT is responsible for hiring sufficient workers to perform the services/duties required by this Contract, withholding their taxes and paying all other employment tax obligations on their behalf.

- F. **Acceptance of Deliverables.** Each deliverable shall be subject to a verification of acceptability by CITY to ensure such deliverable satisfies stated requirements. The acceptability of any deliverable will be based on CITY's satisfaction or non-satisfaction with the deliverable based on requirements of this Contract. If any deliverable is not acceptable, CITY will notify CONSULTANT specifying reasons in reasonable detail, and CONSULTANT will, at no additional cost, conform the deliverable to stated requirements of this Contract.
- G. **Subcontracting.** CONSULTANT shall not enter into any subcontract for performance of any services contemplated under this Contract without the prior written approval of CITY. CONSULTANT shall be responsible for the performance of all subcontractors and/or sub-consultants.
- H. **Assignment.** This Contract may not be assigned by either Party without the written consent of the other Party.
- I. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Contract shall only be valid when they have been reduced to writing, and signed by the authorized representative of the PARTIES.
- J. **Records-Availability and Retention.** Pursuant to Minn. Stat. § 16C.05, subd. 5, CONSULTANT agrees that CITY, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of CONSULTANT and involve transactions relating to this Contract.

CONSULTANT agrees to maintain these records for a period of six years from the date of termination of this Contract.

- K. **Force Majeure.** The PARTIES shall each be excused from performance under this Contract while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to fire, storm, flood, earthquake, explosion, war, total or partial failure of transportation or delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either party is rendered unable wholly or in part by force majeure to carry out its obligations under this Contract then the party affected by force majeure shall give written notice with explanation to the other party immediately.
- L. **Compliance with Laws.** CONSULTANT shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Contract or to the facilities, programs and staff for which CONSULTANT is responsible.
- M. **Non-Discrimination.** The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Contract as if fully set forth herein.
- N. **Interest by City Officials.** No elected official, officer, or employee of CITY shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Contract or the proceeds thereof.
- O. **Work Product.** All materials such as reports, exhibits, models, graphics, computer files, maps, charts, and supporting documentation produced under work authorized by this Contract ("Materials") shall become the property of CITY upon completion of the work. CITY may use the information for the Project for which they were prepared. Such use by CITY shall not relieve any liability on the part of CONSULTANT. Notwithstanding any of the foregoing to the contrary; (a) CONSULTANT may reuse standard details of its Materials in the normal course of its business; and (b) CITY understands that the Materials have been prepared for a specific project and are not intended to be reused for other purposes. If CITY reuses the Materials for any other purpose, CITY waives any claims against CONSULTANT arising from such reuse and agrees to defend and indemnify CONSULTANT from any claims arising from such reuse.
- P. **Governing Law.** This Contract shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Contract without regard to its choice of law or conflict of laws principles.
- Q. **Data Practices.** The PARTIES acknowledge that this Contract is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.*

- R. **No Waiver.** Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Contract or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Contract. Any express waiver of a term of this Contract shall not be binding and effective unless made in writing and properly executed by the waiving Party.
- S. **Data Disclosure.** Under Minn. Stat. § 270C.65, Subd. 3 and other applicable law, CONSULTANT consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to CITY, to federal and state agencies and state personnel involved in the payment of CITY obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring CONSULTANT to file state tax returns, pay delinquent state tax liabilities, if any, or pay other CITY liabilities.
- T. **Patented Devices, Materials and Processes.** If this Contract requires, or the CONSULTANT desires, the use of any design, device, material or process covered by letters, patent or copyright, trademark or trade name, the CONSULTANT shall provide for such use by suitable legal agreement with the patentee or owner and a copy of said agreement shall be filed with CITY. If no such agreement is made or filed as noted, CONSULTANT shall indemnify and hold harmless CITY from any and all claims for infringement by reason of the use of any such patented designed, device, material or process, or any trademark or trade name or copyright in connection with the services agreed to be performed under the Contract, and shall indemnify and defend CITY for any costs, liability, expenses and attorney's fees that result from any such infringement.
- U. **Severability.** The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Contract to the extent of its invalidity or unenforceability, and this Contract shall be construed and enforced as if the Contract did not contain that particular provision to the extent of its invalidity or unenforceability.
- V. **Entire Contract.** These terms and conditions constitute the entire Contract between the PARTIES regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Contract.
- W. **Venue.** Any action or proceeding arising out of or relating to this Contract, or the breach thereof, shall be brought exclusively in the state or federal courts located in Rice County, Minnesota. The Parties hereby consent to the personal jurisdiction of such courts and waive any objection to venue or forum non conveniens in such courts.
- X. **Headings and Captions.** Headings and captions contained in this Contract are for

convenience only and are not intended to alter any of the provisions of this Contract and shall not be used for the interpretation of the validity of the Contract or any provision hereof.

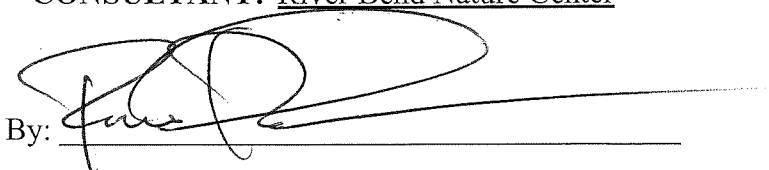
- Y. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any Party or PARTIES, and any undischarged obligations of CITY and CONSULTANT arising prior to the expiration of this Contract (whether by completion or earlier termination), shall survive such expiration.
  
- Z. **Execution.** This Contract may be executed simultaneously in two or more counterparts that, when taken together, shall be deemed an original and constitute one and the same document. The signature of any Party to the counterpart shall be deemed a signature to the Contract, and may be appended to, any other counterpart. Facsimile and email transmissions of executed signature pages shall be deemed as originals and sufficient to bind the executing Party.
  
- AA. **Mechanic's Liens.** The CONSULTANT hereby covenants and agrees that CONSULTANT will not permit or allow any mechanic's or materialman's liens to be placed on the City's interest in the Property that is the subject of the Project during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on the City's interest, the CONSULTANT shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; provided, however, that the CONSULTANT may contest any such lien provided the CONSULTANT first posts a surety bond, in favor of and insuring the City, in an amount equal to 125% of the amount of any such lien.

*Remainder of page intentionally left blank.*

**SECTION VII - SIGNATURES**

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

**CONSULTANT:** River Bend Nature Center

By:  \_\_\_\_\_

Title: Executive Director

Print Name: Brad Bourn

Date: 6-1-26

**CITY OF FARIBAULT**

By: \_\_\_\_\_

Title: City of Faribault Mayor

Print Name: Thomas J. Spooner

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: City of Faribault Administrator

Print Name: Jessica L. Kinser

Date: \_\_\_\_\_

**EXHIBIT 1**

**SCOPE OF SERVICES**

Subject to the terms of this Contract, RBNC shall perform the following services:

City of Faribault ReLeaf Grant Education and Outreach  
 Scope of Services  
 April 2026 - June 2027

Subject to the terms of the CONTRACT, the RIVER BEND NATURE CENTER shall perform the following services:

TASK	DESCRIPTION	DELIVERABLES	TIMELINE DETAILS	TARGET COMPLETION DATE	Approximate Hours	COST
<b>A. Education and outreach activities</b>						
1	Creation and adaptation of community forestry curriculum and developing door to door canvassing plans	Pamphlets/brochures and other materials approved by a certified arborist.	May / June 2026	Monday, June 15, 2026	300	\$16,500
2	Launch a multilingual education campaign on the emerald ash borer and tree removal through door to door canvassing, social media, and direct mailings	sign-up at least 100 low-income residents for tree and stump removal and new tree replacement	June - September 2026	Saturday, May 1, 2027	550	\$30,250
3	In-person training to participating residents on watering, pruning, and warranty replacement		November 2026 - April 2027	Tuesday, June 1, 2027	450	\$24,750
<b>B. Project meetings and check-ins.</b>						
1	RBNC and the City of Faribault will schedule a kickoff meeting.	discuss scheduling and targeting	Shortly after the grant agreement with the MN DNR is executed (April / May 2026)	Monday, June 1, 2026	4	\$220
2	RBNC and the City of Faribault will schedule a presentation to the Environmental Commission.	Presentation	January Environmental Commission Meeting	Monday, February 1, 2027	5	\$275
3	RBNC and the City of Faribault will schedule a presentation at a City Council Work session.	Presentation	A February City Council Work session	Monday, March 1, 2027	5	\$275
4	RBNC and the City of Faribault will schedule a final wrap-up meeting.	Lessons learned, tying up loose ends, final invoice	End of May / first part of June after	Friday, June 4, 2027	4	\$220
<b>C. Gravel-Bed Nursery Construction and stock planting</b>						
1	Construct and stock a gravel-bed nursery at River Bend Nature Center.	Stocked gravel-bed nursery	Fall 2026	Tuesday, June 1, 2027		\$7,500
<b>TOTAL:</b>						<b>\$79,990</b>

**EXHIBIT 2**

**CERTIFICATES OF REQUIRED INSURANCE COVERAGES**

*[Certificates of Insurance attached hereto]*

See next



### EXHIBIT 3

#### COMPENSATION

Subject to the limitations set forth in this Exhibit, CITY will compensate RBNC for all services under this Contract as follows:

From the execution date of the MN DNR ReLeaf Grant through June 01, 2027, the City shall pay the RBNC the sum not to exceed \$80,000.00.

For time beyond June 01, 2027, the City shall NEGOTIATE services with RBNC and AMEND this Contract based on previous year assessment; and

For time before June 01, 2027, the parties shall follow the following regarding compensation:

(a) Invoice Requirements. RBNC shall submit itemized invoices to the City that include, at a minimum: a description of Services performed, dates of performance, personnel involved, hours worked, rates charged, and total amount requested.

(b) Supporting Documentation. When applicable, each invoice shall be accompanied by sufficient supporting documentation to substantiate the charges, including but not limited to receipts, payroll records, subcontractor invoices, and any other documentation required to demonstrate compliance with applicable grant requirements.

(c) Billing Frequency. Invoices shall be submitted on a monthly basis unless otherwise approved in writing by the City.

(d) Eligible Costs. All requested payments shall be limited to costs that are eligible, reasonable, and allowable under the applicable grant agreement. RBNC shall be solely responsible for any costs determined to be ineligible, disallowed, or unsupported, and shall promptly reimburse the City for any such amounts upon demand.

(e) Condition of Payment. Payment by the City is contingent upon RBNC's compliance with this Agreement and all applicable grant requirements. The City reserves the right to withhold payment for incomplete, inadequate, or noncompliant Services.

**EXHIBIT 4**

The Grant Contract Agreement is attached hereto as Exhibit 4, and is incorporated herein by reference as if fully set forth in this Agreement.



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kevin Bushard, Human Resources Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-174 Approve Hiring Recreation Lead

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### **Background:**

Due to department reorganization and resignation, there is a need to hire two Recreation Lead positions. The positions were posted from April 24, 2026, to May 19, 2026.

Fifteen applications were received, reviewed and scored for the positions. From that scoring, eight applicants were selected for an interview. The interview panel consisted of Parks and Recreation staff. At this time, the recommendation for hire for the part-time position is Mary Tatge.

Resolution 2026-174 recommends the hiring of Mary Tatge. Mary would be hired at grade C step 3 as per the MNPEA General unit CBA 2026.

### **Recommendation:**

Approve resolution 2026-174, approving the hiring of Mary Tatge as Recreation Lead.

### **Attachments:**

1. 2026-174 Approve Hiring Recreation Lead

**CITY OF FARIBAULT**

---

**RESOLUTION #2026-174**

**APPROVE HIRING RECREATION LEAD**

**WHEREAS**, the City of Faribault (the "City") presently has a vacant Recreation Lead position that needs to be filled by qualified candidate; and

**WHEREAS**, the City has advertised and interviewed for the Recreation Lead position with the City; and

**WHEREAS**, the City Council desires to fill the vacant Recreation Lead position.

**NOW, THEREFORE BE IT RESOLVED**, that the City of Faribault that Mary Tatge shall be extended an offer of employment to fill the vacant Recreation Lead position.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Rochelle Anderholm-Parsch, Parks & Recreation Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-175 Approve Street Closure for Heritage Days Car Cruise Night

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### **Background:**

A request has been made by Devin Winjum, on behalf of the Faribault Area Chamber of Commerce, to hold a Car Cruise Night in downtown Faribault during Heritage Days. The Car Cruise Night will be held on Friday, June 12, 2026. They will use 5<sup>th</sup> Street NW from 2<sup>nd</sup> Avenue NW to Central Avenue North which is the same as they have done the last two years. This will require that section of 5<sup>th</sup> Street NW to be closed from 5-9 p.m. Cross streets will remain open as will access to all businesses as needed.

### **Recommendation:**

Approve Resolution 2026-175 as requested.

### **Attachments:**

1. Resolution 2026-175 Approve Street Closures for Heritage Days Car Cruise Night
2. Car Cruise Street Closure Request

**CITY OF FARIBAULT**

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**RESOLUTION #2026-175**  
**APPROVE STREET CLOSURE**  
**FOR HERITAGE DAYS CAR CRUISE NIGHT**

**WHEREAS**, the Faribault Chamber of Commerce is hosting a Car Cruise Night in downtown Faribault in conjunction with the Heritage Days Celebration on Friday, June 12, 2026; and

**WHEREAS**, they plan for the event to run from 5-9 p.m.; and

**WHEREAS**, the Faribault Chamber of Commerce will provide a completed event agreement including liability insurance information prior to the event; and

**WHEREAS**, the Faribault City Council is supportive of these events; and

**WHEREAS**, Section 15-57 of the Faribault Code of Ordinances provides for temporary parking restrictions by means of Council resolution.

**NOW, THEREFORE BE IT RESOLVED**, that 5<sup>th</sup> Street NW from 2<sup>nd</sup> Avenue NW to Central Avenue North will be closed from 5-9 p.m. on Friday, June 12, 2026, for the Heritage Days Car Cruise Night.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser City Administrator**



### Street Closure Application

(I) (we) hereby request consideration for closure of 5<sup>th</sup> Street NW  
Street Address

between 2nd Ave NW and Central Ave N  
(Street Name) (Street Name)

for Heritage Days Car Cruise  
(description of event)

between the hours of 5:00 pm and 9:00 pm on Date: 6/12/26

Applicant information:  
Name: Devin Wingum  
Address: 530 Wilson Ave  
Phone: 507-491-3585

2nd Contact person:  
Name: Nort Johnson  
Address: 530 Wilson Ave  
Phone: 605-490-4237

Orange traffic cones are available upon request. The applicant will be responsible for picking up and returning the cones. Applicant will make arrangements with Public Works at 333-0361 for date of pickup.

This application has been reviewed and approved on: \_\_\_\_\_

By: \_\_\_\_\_  
Public Works Department

By: \_\_\_\_\_  
Fire Department

By: \_\_\_\_\_  
Police Department



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kindra Papenfus, Finance Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-166 Accept the 2025 Audited Financial Statements

---

### **Background:**

Each year, the City engages an independent certified public accounting firm to perform an audit of its financial statements. The purpose of the audit is to provide reasonable assurance that the City's financial statements are presented fairly in accordance with generally accepted accounting principles (GAAP). The audit process also includes a review of the City's internal controls, compliance with applicable laws and regulations, and an evaluation of overall financial condition.

For the fiscal year ending December 31, 2025, the City's financial statements have been audited, and the auditors have issued their report. The audited statements provide a transparent account of the City's financial activities and position, ensuring accountability to residents, bondholders, and other stakeholders.

Acceptance of the audited financial statements by the City Council is a standard step in the financial reporting process and formally acknowledges that the Council has reviewed and received the auditor's report.

The auditors have issued an unmodified opinion on the City's 2025 financial statements, which is the highest level of assurance available. This indicates that the statements present fairly, in all material respects, the financial position and results of the City's operations.

Overall, the results of the audit reflect the City's continued commitment to sound financial stewardship, compliance with state and federal requirements, and transparency for residents and stakeholders.

### **Recommendation:**

Accept the 2025 Audited Financial Statements

**Attachments:**

1. Resolution 2026-166 Accept the 2025 Audited Financial Statements
2. City of Faribault 2025 ACFR Draft - 6.4.2026
3. City of Faribault 2025 Audit Communications Letter Draft 5.28.2026
4. City of Faribault 2025 GAS UG LC Audit Report Draft 5.28.2026

**CITY OF FARIBAULT**

---

**RESOLUTION #2026-166**

**ACCEPT THE 2025 AUDITED FINANCIAL STATEMENTS**

**WHEREAS**, the City of Faribault is required to annually undergo an independent audit of its financial statements; and

**WHEREAS**, the audit for the year ending December 31, 2025, has been completed by BerganKDV, an independent certified public accounting firm; and

**WHEREAS**, the City Council has reviewed the 2025 audited financial statements and the accompanying auditor's report.

**WHEREAS**, acceptance of the audited financial statements fulfills statutory and financial reporting requirements, provides transparency to residents, and serves as a foundation for responsible financial management.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council, that the 2025 audited financial statements, as prepared and presented by BerganKDV are hereby accepted and placed on file.

**Date Adopted:** June 9, 2026

**Faribault City Council**

---

**Thomas J. Spooner, Mayor**

**ATTEST:**

---

**Jessica L. Kinser, City Administrator**



PREPARED BY:

FINANCE DEPARTMENT

Member GFOA of U.S. and Canada  
Published

CITY OF FARIBAULT  
FARIBAULT, MINNESOTA

Annual Comprehensive Financial Report

FOR THE YEAR ENDED  
DECEMBER 31, 2025

**City of Faribault, Minnesota  
Annual Comprehensive Financial Report  
Table of Contents**

	Page
<b>Introductory Section</b>	
Letter of Transmittal	1
City Directory	5
Organizational Chart	6
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
 <b>Financial Section</b>	
Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	26
Statement of Activities	28
Fund Financial Statements	
Governmental Funds	
Balance Sheet	30
Reconciliation of the Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	35
Proprietary Funds	
Statement of Net Position - Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	38
Statement of Cash Flows	39
Fiduciary Fund	
Statement of Fiduciary Net Position	41
Statement of Changes in Fiduciary Net Position	42
Notes to Basic Financial Statements	43
 <b>Required Supplementary Information</b>	
Schedule of City's Proportionate Share of Net Pension Liability - General Employees Retirement Fund	84
Schedule of City's Proportionate Share of Net Pension Liability - Public Employees Police and Fire Retirement Fund	84
Schedule of City Contributions - General Employees Retirement Fund	85
Schedule of City Contributions - Public Employees Police and Fire Retirement Fund	85
Schedule of Changes in Total OPEB Liability and Related Ratios	86
Notes to Required Supplementary Information	89
Combining and Individual Fund Financial Statements and Schedules	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	99
Nonmajor Governmental Funds	103
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	105

**City of Faribault, Minnesota  
Annual Comprehensive Financial Report  
Table of Contents**

	Page
<b>Financial Section (Continued)</b>	
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Nonmajor Special Revenue Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	108
Budgeted Special Revenue Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Charitable Gambling Fund	110
General Government Buildings Fund	111
Public Safety Programs Fund	112
Municipal Airport Fund	113
CED Administration Fund	114
Rental Housing Rehabilitation Fund	115
SCDP Revolving Loan Fund	116
Nonmajor Capital Projects Funds	
Combining Balance Sheet	117
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	118
Budgeted Capital Projects Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Street Improvement Projects Fund	119
Park Improvements Fund	120
Capital Replacement General Fund	121
Public Facility Projects Fund	122
Debt Service Funds	
Combining Balance Sheet	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	124
Budgeted Debt Service Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
2015A G.O. S/A Imp Bond Fund	125
2015A G.O. Crossover Refunding Bond Fund	126
2021A G.O. Improvement Bond	127
2021B G.O. Refunded Bond	128
Internal Service Funds	
Combining Statement of Net Position	129
Combining Statement of Revenues, Expenses, and Changes in Net Position	130
Combining Statement of Cash Flows	131
Custodial Funds	
Combining Statement of Fiduciary Net Position	132
Combining Statement of Changes in Fiduciary Net Position	133

**City of Faribault, Minnesota  
Annual Comprehensive Financial Report  
Table of Contents**

	Page	
<b>Financial Section (Continued)</b>		
Discretely Presented Component Units		
Housing and Redevelopment Authority		
Combining Balance Sheet	134	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	135	
Schedule of Revenues, Expenditures, and Changes in Fund Balances		
- Budget and Actual		
HRA Administration Fund	136	
Public Housing Fund	137	
CRV Mobile Home Rehab	139	
Economic Development Authority		
Combining Balance Sheet	140	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	142	
Schedule of Revenues, Expenditures, and Changes in Fund Balances		
- Budget and Actual		
EDA Administration Fund	144	
Industrial Development Loan Program Fund	145	
Minnesota Investment Fund - Federal	146	
Minnesota Investment Fund	147	
EDA Revolving Fund	148	
Tax Increment Financing Funds	149	
Tax Increment Financing Funds		
Sub Combining Balance Sheet	150	
Sub Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	152	
 <b>Statistical Section (Unaudited)</b>		
	<b>Table</b>	<b>Page</b>
Financial Trends		
Net Position by Component	1	158
Change in Net Position	2	160
Governmental Activities Tax Revenues by Source	3	165
Fund Balances of Governmental Funds	4	166
Changes in Fund Balances of Governmental Funds	5	168
Revenue Capacity		
General Governmental Tax Revenues by Source	6	171
Assessed Net Tax Capacity and Estimated Market Value of Taxable Property	7	172
Property Tax Rates - Direct and Overlapping Governments	8	174
Principal Property Taxpayers	9	175
Tax Levies and Tax Collections	10	177
Debt Capacity		
Legal Debt Margin Information	11	178
Ratios of Outstanding Debt by Type	12	180
Ratios of General Bonded Debt Outstanding	13	182
Computation of Direct and Overlapping Debt	14	183
Pledged-Revenue Coverage	15	184

**City of Faribault, Minnesota  
Annual Comprehensive Financial Report  
Table of Contents**

<b>Statistical Section (Unaudited) (Continued)</b>	<b>Table</b>	<b>Page</b>
Demographic and Economic Information		
Demographic and Economic Statistics	16	185
Employment/Unemployment Data	17	186
Principal Employers	18	187
Operating Information		
Full-Time Equivalent City Government Employees by Function	19	188
Operating Indicators by Function	20	190
Capital Asset Statistics by Function	21	192

PRELIMINARY

**INTRODUCTORY SECTION**

**CITY OF FARIBAULT  
FARIBAULT, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2025**

PRELIMINARY



June 9, 2026

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

The Annual Comprehensive Financial Report (ACFR) for the City of Faribault for the fiscal year ended December 31, 2025, is hereby submitted. Minnesota State Statutes requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standard by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the City of Faribault. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Faribault has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Faribault's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Faribault'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 respects.

The City of Faribault's financial statements have been audited by BerganKDV, 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 Faribault 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 Faribault'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 require 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 Faribault's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

---

The City of Faribault, incorporated in 1872, is the county seat of Rice County and is located approximately 50 miles south of Minneapolis/St. Paul on Interstate 35. The City encompasses an area of approximately 15.882 square miles and has a current estimated population of 25,047. The City of Faribault is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

## Profile of the Government (Continued)

---

The City of Faribault operates under a home rule charter adopted in 1975 and operates under a Council/Administrator form of government. The Faribault City Council is charged with exercising legislative power and determining local policy. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and approving certain personnel actions as authorized in the City Charter and negotiated personnel contracts. The City Administrator is the Chief Administrative Officer directly accountable to the City Council for all matters of municipal operation. The Council is comprised of the Mayor, who serves a four-year term, and six City Council members who serve staggered four-year terms. All members are elected at large.

The City of Faribault provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; airport services; culture and recreational activities; and general administrative services. This report also includes the following entities as component units of the City of Faribault due to the nature of their relationship with the City in a discrete presentation.

Faribault Housing and Redevelopment Authority (HRA)  
Faribault Economic Development Authority (EDA)

The annual budget serves as the foundation for the City of Faribault's financial planning and control. All departments of the City of Faribault are required to submit requests for appropriation to the City Administrator in July each year. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed budget to the City Council for review. The City Council is required to hold public meetings on the proposed budget and to adopt a final budget by no later than December 31st, which is also the end of the City of Faribault's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads prepare budget revisions that are reviewed by the City Administrator and require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General fund, this comparison is presented on [page 35](#) as part of the basic financial statements for the governmental funds. For governmental funds, other than the General fund, with appropriated annual budgets, this comparison is presented in the government fund subsection of this report, which starts on [page 103](#).

### Factors Affecting Financial Condition

---

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Faribault operates.

**Local economy.** Faribault is the Rice County seat, with the Rice County Government Services Center and the County Courthouse located on the west edge of the city's downtown area. A number of state-owned institutions are also located in Faribault, which include the Minnesota Correctional Facility and the Minnesota Academies for the Deaf and Blind.

The labor force averaged 10,849 people in 2025, which is an increase of 69 people compared to the prior year. In 2025, the average annual unemployment rate in Faribault was 4.9%, which is up from 3.8% in 2024, and is compared to the national average of 4.3%.

Overall, the City of Faribault continues to work to encourage growth and economic development. Due to the City's population, its location along Interstate 35, and its proximity to the Minneapolis/Saint Paul metropolitan area, it is attractive to businesses that need affordable land and labor costs to expand their operations. A feasibility study for an interchange on Interstate 35 at County State Aid Highway 9 was completed in 2024, and there is an increased interest in development on the north side of the community. The City approved a voluntary annexation of 67.5 acres in 2025, extending the northern city limits to County State Aid Highway 9. Owner-initiated annexations continue to drive boundary changes in the community. The City also adopted a Highway 60 Master Plan in 2024, which promotes commercial development along State Highway 60, west of the Interstate 35 interchange.

## **Factors Affecting Financial Condition (Continued)**

---

Foundational pieces have been laid for continued commercial and industrial growth in 2025.

**Relevant Financial Policies.** The City Council has adopted several financial management policies. The financial management policies include investment, debt, purchasing, revenues, and fund balance. The fund balance policy is relevant for management of adequate balances to operate during the period between tax collections, which are received from Rice County in three installments of June, July and December. The current policy requires unrestricted-unassigned fund balance for the General Fund to be not less than 35% and a maximum of 50% of the succeeding year's appropriations. The City has met this requirement at the 2025 fiscal year end.

## **Awards and Acknowledgements**

---

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Faribault, Minnesota for its Annual Comprehensive Financial Report for fiscal year ended December 31, 2024. This was the 34<sup>th</sup> consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfies both GAAP and other applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the professional, efficient services of many dedicated people. I would like to express my appreciation to all Finance Department personnel for their dedication and professional contributions put forth throughout the year and to the City of Faribault leadership team for their assistance and support. Finally, further recognition goes to the Mayor and the members of the Council for their interest and support in planning and conducting the financial operations of the City in a responsible and professional manner. The City's excellent financial status is a tribute to these unified efforts.

Respectfully Submitted,



Kindra Papenfus  
Finance Director

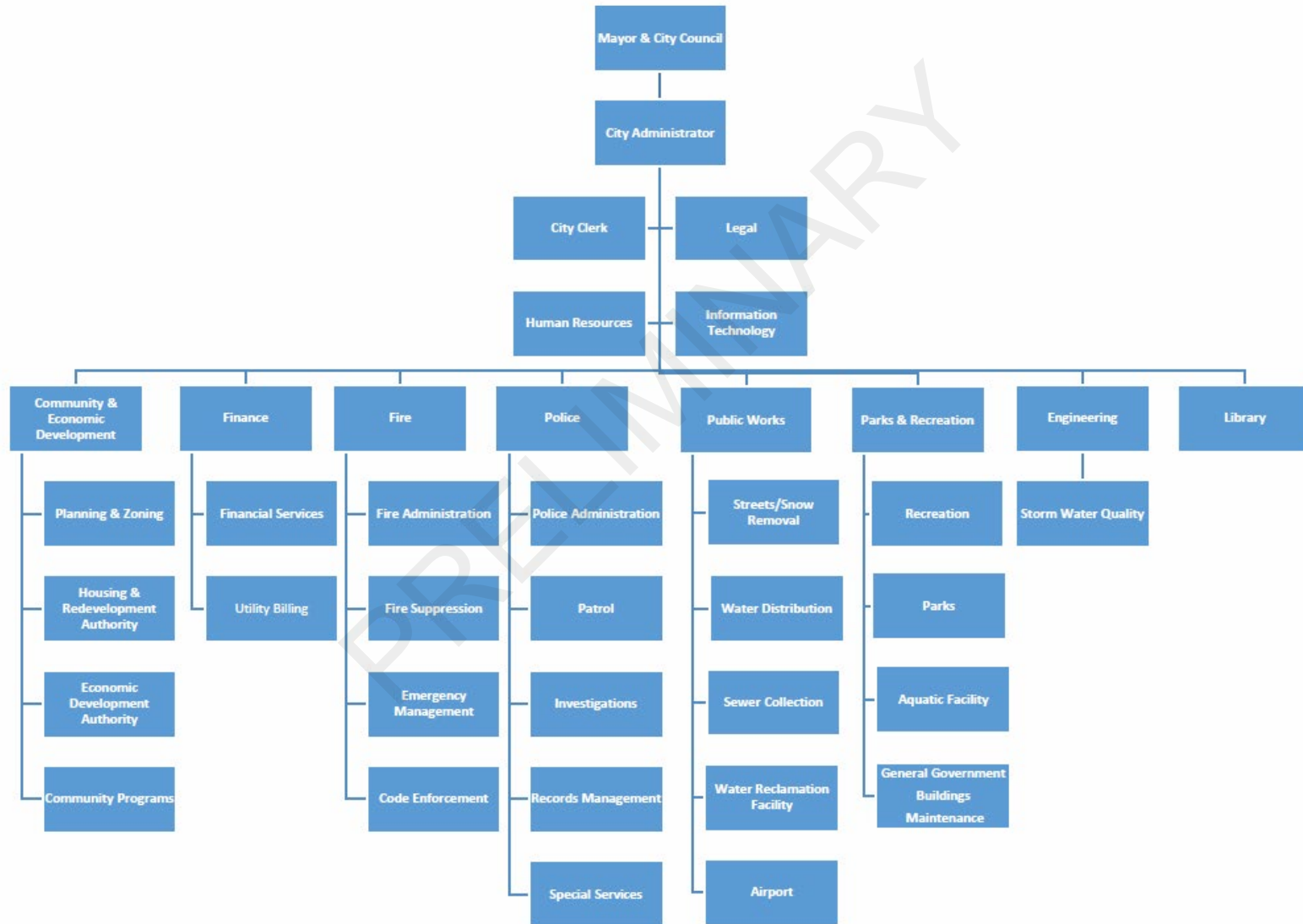
PRELIMINARY

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**City of Faribault, Minnesota  
City Directory  
December 31, 2025**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Thomas Spooner	Mayor	January 1, 2029
John Rowan	Council Member	January 1, 2027
Mandy Barnes	Council Member	January 1, 2029
Chuck Thiele	Council Member	January 1, 2029
Peter Van Sluis	Council Member	January 1, 2027
Royal Ross	Council Member	January 1, 2029
Adamas Youhn Doumbouya	Council Member	January 1, 2027
 <u>Administration</u> 		
Jessica Kinser	City Administrator	
Kindra Papenfus	Finance Director	
Kevin Bushard	Human Resources Director	
Travis Block	Public Works Director	
John Sherwin	Chief of Police	
Dustin Dienst	Fire and Code Services Director	
Mark DuChene	Director of Engineering	
Delane James	Director of Library Services	
David Wanberg	Community and Economic Development Director	
Rochelle Anderholm-Parsch	Parks and Recreation Director	

**City of Faribault  
Organizational Chart  
December 31, 2025**



City of Faribault  
GFOA Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Faribault  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2024

*Christopher P. Morill*

Executive Director/CEO

PRELIMINARY

**FINANCIAL SECTION**

**CITY OF FARIBAULT  
FARIBAULT, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2025**

PRELIMINARY

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Faribault  
Faribault, Minnesota

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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.

#### Responsibilities of Management for the Financial Statements

The City of Faribault's management is responsible for the preparation and fair presentation of the 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'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 GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents 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 GASB, 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 of Faribault's basic financial statements. The combining and individual fund statements and schedules identified in the Table of Contents 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 relates 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 combining and individual fund 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 included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections 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 June 9, 2026, on our consideration of the City of Faribault'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 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.

Minneapolis, Minnesota  
June 9, 2026

PRELIMINARY

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## City of Faribault, Minnesota Management's Discussion and Analysis

As management of the City of Faribault, Minnesota, (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.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$216,923,570 (*net position*). Of this amount, \$33,239,484 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,525,418 over the prior year, including an increase of \$1,372,727 attributable to governmental activities, and an increase of \$4,152,691 attributable to business-type activities.
- A significant part of the increase in governmental activities net position was related to the acquisition of capital assets which were either contributed or funded by grants or other forms of aid. The various utility operations continued to produce healthy financial results leading to the increase in business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,133,456, a decrease of \$3,362,312 in comparison with the prior year. The decrease is primarily related to the costs for the Viaduct Park project, which were funded by an internal loan from the sewer utility fund. Approximately 64% of the ending fund balances, or \$12,179,339, is non-spendable, restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$10,809,648 or approximately 45 percent of total 2026 General fund budgeted expenditures. This amount is in the range for the fund balance policy of maintaining 35 to 50 percent of the following year's expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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.

**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, deferred outflows of resources, 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.

**City of Faribault, Minnesota**  
**Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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, community development, and airport. The business-type activities of the City include water, sewer, and storm water operations.

The government-wide financial statements start on page 26 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 three categories: governmental funds, proprietary funds, and fiduciary 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 26 individual governmental funds, four of which are Debt Service funds. 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, Street Improvement Projects fund, and Public Facility Projects fund all of which are considered to be major funds. 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 and schedules* elsewhere in this report.

**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The City adopts an annual appropriated budget for all funds. The budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 30 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, sewer, and storm water operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for the funding of workers' compensation and property/liability insurance to other functions of the City.

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 the water, sewer, and storm water, which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 36 of this report.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 42 of this report.

**Notes to 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 start on page 45 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pensions and other postemployment benefits to its employees.

Required supplementary information can be found on page 85 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information.

Combining and individual fund statements and schedules start on page 97 of this report.

**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**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 by \$216,923,570 at the close of the most recent fiscal year.

**City of Faribault's Summary of Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 24,512,835	\$ 29,116,765	\$ 36,489,733	\$ 26,913,400	\$ 61,002,568	\$ 56,030,165
Capital assets	113,982,168	109,730,811	86,662,529	86,032,300	200,644,697	195,763,111
Total assets	<u>138,495,003</u>	<u>138,847,576</u>	<u>123,152,262</u>	<u>112,945,700</u>	<u>261,647,265</u>	<u>251,793,276</u>
Deferred outflows of resources	6,361,687	8,107,306	184,119	244,743	6,545,806	8,352,049
Long-term liabilities outstanding	12,816,760	14,603,525	18,785,901	13,912,499	31,602,661	28,516,024
Other liabilities	5,297,110	5,295,866	3,169,532	2,653,366	8,466,642	7,949,232
Total liabilities	<u>18,113,870</u>	<u>19,899,391</u>	<u>21,955,433</u>	<u>16,565,865</u>	<u>40,069,303</u>	<u>36,465,256</u>
Deferred inflows of resources	9,790,132	11,475,530	1,410,066	806,387	11,200,198	12,281,917
Net position						
Net investment in capital assets	108,362,740	102,308,215	73,464,647	71,129,458	181,827,387	173,437,673
Restricted	1,856,699	3,133,835	-	-	1,856,699	3,133,835
Unrestricted	<u>6,733,249</u>	<u>10,137,911</u>	<u>26,506,235</u>	<u>24,688,733</u>	<u>33,239,484</u>	<u>34,826,644</u>
Total net position	<u>\$ 116,952,688</u>	<u>\$ 115,579,961</u>	<u>\$ 99,970,882</u>	<u>\$ 95,818,191</u>	<u>\$ 216,923,570</u>	<u>\$ 211,398,152</u>

A major portion of the City's net position (\$181,827,387 or 84%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is 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.

An additional portion of the City's net position (\$1,856,699 or 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, (\$33,239,484 or 15%), 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. The same situation held true for the prior fiscal year.

**Governmental activities** - Governmental activities increased the City's net position by \$1,372,727. Key elements of this increase include additional property tax revenues and better than expected investment earnings.

**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**City of Faribault's Changes in Net Position**

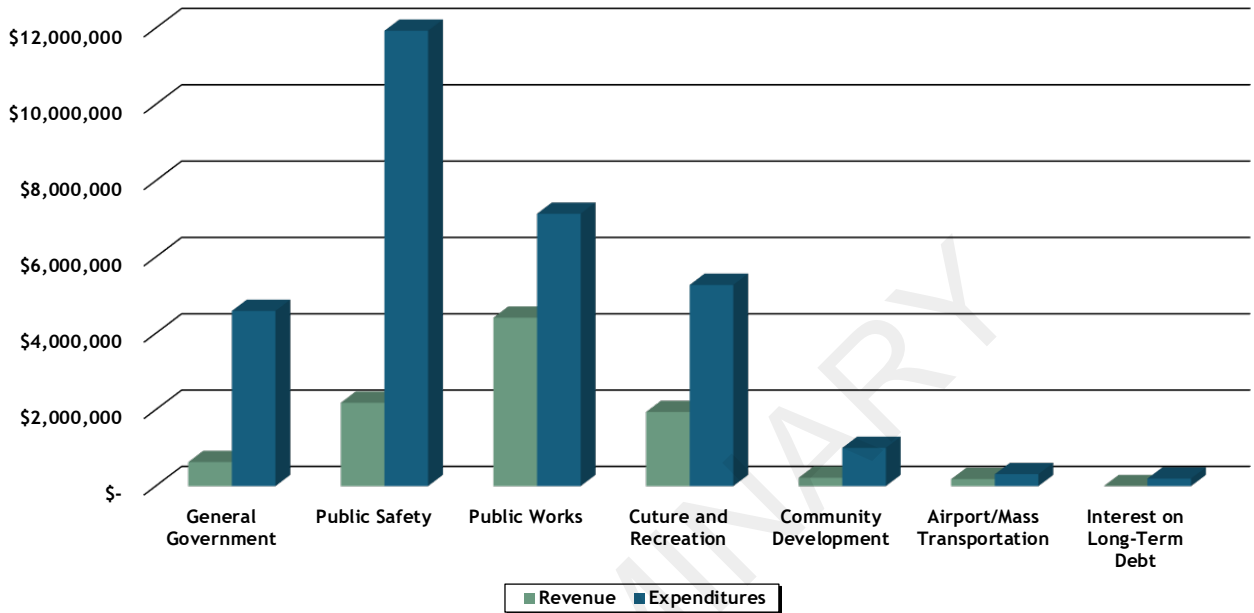
The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 5,591,347	\$ 6,073,154	\$ 13,451,458	\$ 13,167,634	\$ 19,042,805	\$ 19,240,788
Operating grants and contributions	2,913,741	3,463,190	224,680	212,114	3,138,421	3,675,304
Capital grants and contributions	1,075,757	1,721,027	113,980	57,659	1,189,737	1,778,686
General revenues						
Property taxes/tax increments	13,508,423	12,019,508	-	-	13,508,423	12,019,508
Franchise fees	161,174	189,478	-	-	161,174	189,478
Other taxes	186,627	177,804	-	-	186,627	177,804
Grants and contributions not restricted to specific programs	7,068,705	6,529,948	-	-	7,068,705	6,529,948
Unrestricted investment earnings	957,228	1,204,489	1,251,673	1,051,875	2,208,901	2,256,364
Gain/(loss) on sale of capital assets	59,887	210,690	203,227	-	263,114	210,690
<b>Total revenues</b>	<b>31,522,889</b>	<b>31,589,288</b>	<b>15,245,018</b>	<b>14,489,282</b>	<b>46,767,907</b>	<b>46,078,570</b>
<b>Expenses</b>						
General Government	4,591,989	3,349,662	-	-	4,591,989	3,349,662
Public Safety	11,933,614	9,845,725	-	-	11,933,614	9,845,725
Public Works	7,137,637	7,003,409	-	-	7,137,637	7,003,409
Culture and Recreation	5,272,889	4,290,386	-	-	5,272,889	4,290,386
Community Development	1,002,575	1,872,319	-	-	1,002,575	1,872,319
Airport and Mass Transportation	313,941	189,693	-	-	313,941	189,693
Interest on Long-Term Debt	197,517	160,536	-	-	197,517	160,536
Water	-	-	3,914,428	2,679,130	3,914,428	2,679,130
Sewer	-	-	6,015,605	5,928,820	6,015,605	5,928,820
Storm Water	-	-	862,294	1,029,954	862,294	1,029,954
<b>Total expenses</b>	<b>30,450,162</b>	<b>26,711,730</b>	<b>10,792,327</b>	<b>9,637,904</b>	<b>41,242,489</b>	<b>36,349,634</b>
Change in net position before transfers	1,072,727	4,877,558	4,452,691	4,851,378	5,525,418	9,728,936
Transfers in (out)	300,000	306,618	(300,000)	(306,618)	-	-
Net Position, January 1	115,579,961	110,395,785	95,818,191	91,273,431	211,398,152	201,669,216
Net Position, December 31	\$ 116,952,688	\$ 115,579,961	\$ 99,970,882	\$ 95,818,191	\$ 216,923,570	\$ 211,398,152

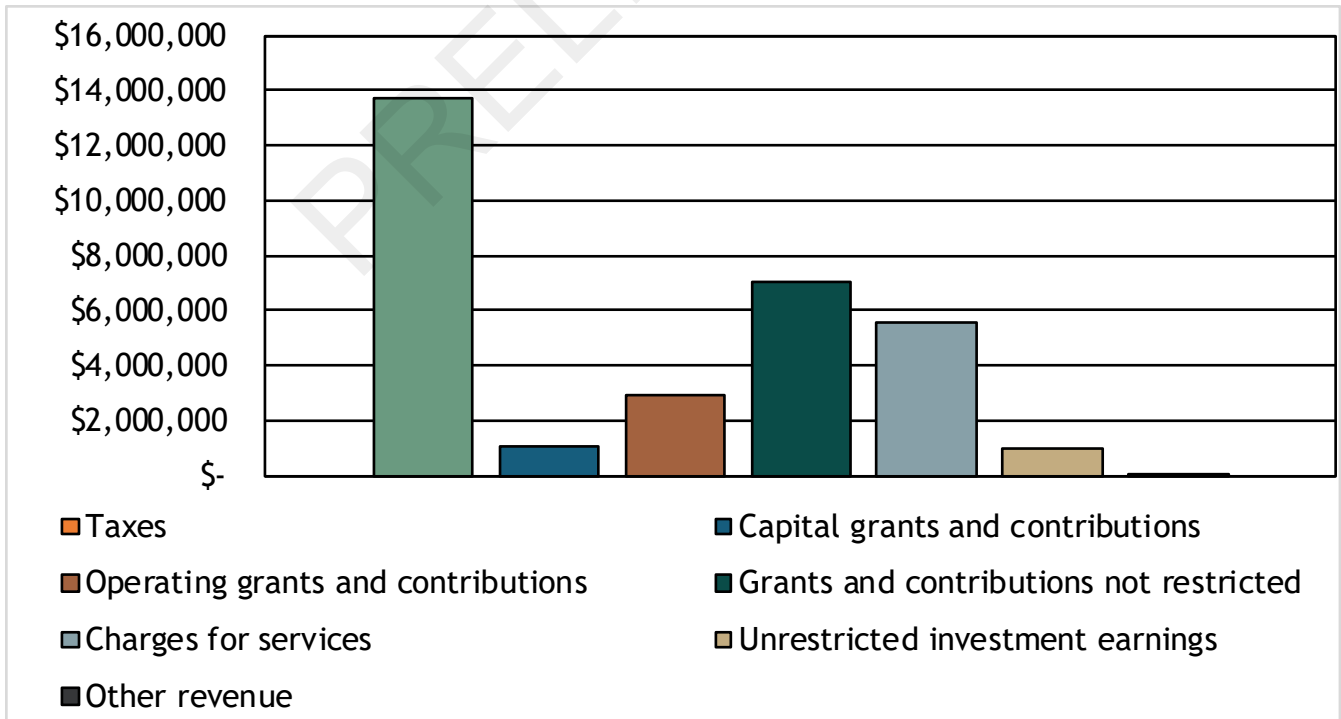
**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Expenditures and Revenues - Governmental Activities**



**Revenue by Source – Governmental Activities**

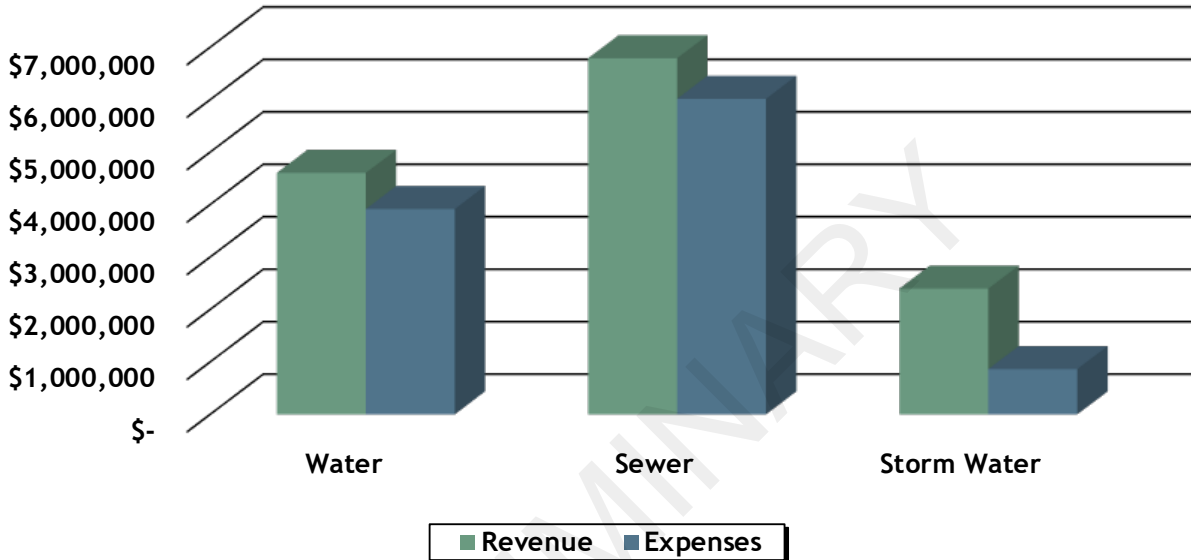


**City of Faribault, Minnesota  
Management's Discussion and Analysis**

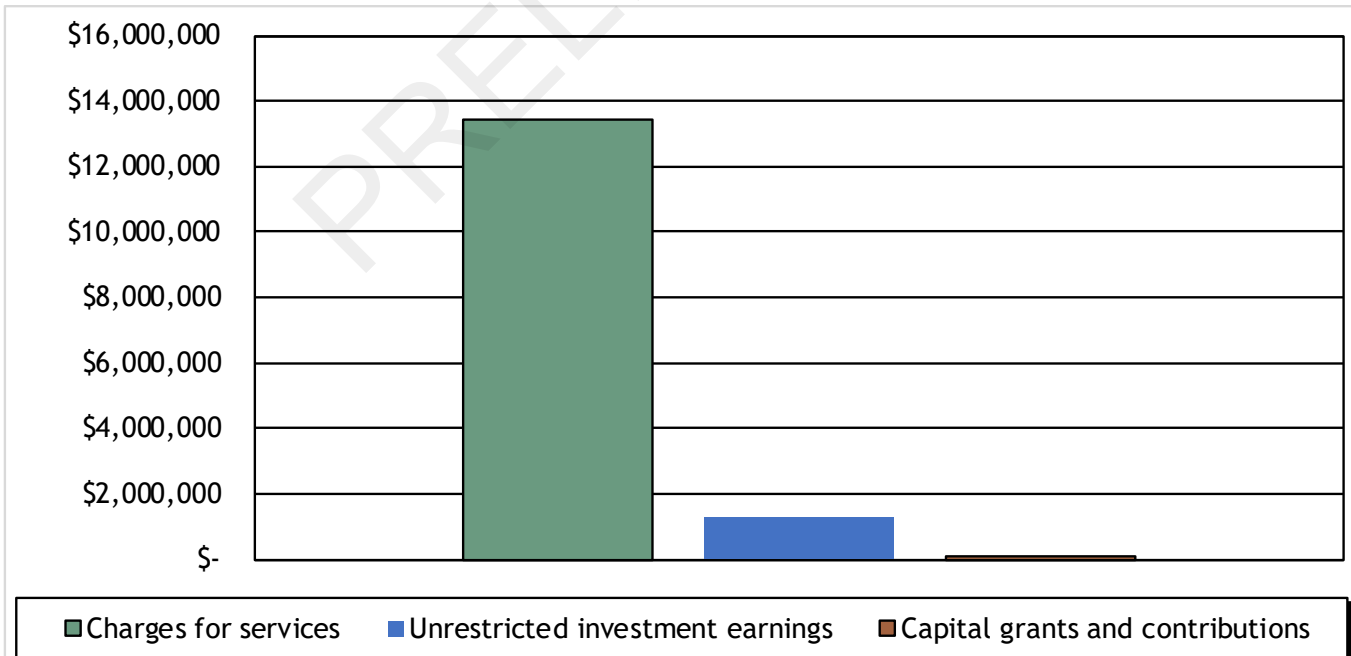
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

*Business-type activities* - Business-type activities increased the City's net position by \$4,152,691. Key elements of this increase were due to utility rate changes and investment earnings.

**Expenditures and Revenues – Business-type Activities**



**Revenue by Source – Business Type Activities**



**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,133,456, a decrease of \$3,362,312 in comparison with the prior year. Approximately 36 percent of this total amount, \$6,954,117, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance consists of the following: Nonspendable (\$1,771,910), Restricted (\$1,842,148), Committed (\$4,382,520), or Assigned (\$4,182,761) for specific purposes.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2025	2024	
<i>General</i>	\$ 14,312,843	\$ 14,239,761	\$ 73,082

- Expenditures were under budget more notably than revenues leading to a slight increase in the fund balance position during 2025. More information is included on the following page in that regard.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2025	2024	
<i>Street Improvement Projects</i>	\$ 1,856,228	\$ 1,119,967	\$ 736,261
<i>Park Improvements</i>	(3,855,531)	4,157	(3,859,688)

- Fund balance increased in the Street Improvement Projects Fund given significant revenues to cover related expenditures, notably from intergovernmental sources.
- The Park Improvements Fund also had significant planned expenditures in 2025 totaling \$4,968,456 primarily related to Viaduct Park. These costs are being financed by an internal loan from the Sewer Utility Fund.

*Nonmajor Government funds* have a total fund balance of \$6,819,916. The net decrease in the collective fund balance during 2025 was \$311,967. The decrease is due to planned capital-related purchases.

**Proprietary funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Unrestricted net position of the business-type activities at the end of the year amounted to \$26,506,235. The total increase in net position for business-type activities was \$4,152,691. This positive result was driven by continued operating surpluses for each of the three utilities as well as investment earnings.

**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**General Fund Budgetary Highlights**

The City's General fund budget was amended during the year. The final budget reflected an increase in expenditures of \$101,384, from the original budget, primarily due to increased salary costs in Public Safety. Actual revenues and other sources were under budget by \$176,252 and expenditures were under budget by \$383,201 (not including other financing sources and uses).

- The largest negative variance for revenues related to taxes, which were under budget by \$140,119, or approximately 1%, due to less collections than anticipated.
- Expenditures were under budget in the public safety category by \$744,366. This variance was primarily due to underspending on compensation due to position vacancies. This variance is also notably offset by the variance of \$364,264 related to amounts shown as debt service in the budget to actual statement as those costs are lease payment for police vehicles which are part of the public safety budget total.

**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, was \$200,644,697 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Overall, the City's total assets less accumulated depreciation increased in 2025 by approximately 2.5%.

**City of Faribault's Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 11,602,008	\$ 11,543,219	\$ 594,574	\$ 594,574	\$ 12,196,582	\$ 12,137,793
Construction in progress	8,868,821	6,316,362	4,683,035	3,316,497	13,551,856	9,632,859
Buildings and structures	19,835,778	20,089,003	27,562,138	28,887,335	47,397,916	48,976,338
Improvements other than buildings	2,030,674	2,624,307	50,454,172	51,795,863	52,484,846	54,420,170
Machinery and equipment	5,511,037	4,631,028	3,254,656	1,328,615	8,765,693	5,959,643
Infrastructure and airport	64,919,334	62,502,668	-	-	64,919,334	62,502,668
Subscription asset	886,837	1,691,209	113,954	109,416	1,000,791	1,800,625
Lease assets	327,679	333,015	-	-	327,679	333,015
<b>Total</b>	<b>\$ 113,982,168</b>	<b>\$ 109,730,811</b>	<b>\$ 86,662,529</b>	<b>\$ 86,032,300</b>	<b>\$ 200,644,697</b>	<b>\$ 195,763,111</b>

Additional information on the City's capital assets can be found in Note 6.

**City of Faribault, Minnesota  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,313,857. The additional long-term debt is defined below related to bonded indebtedness and other long-term debt.

**City of Faribault's Outstanding Debt**

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 2,945,000	\$ 4,045,000	\$ -	\$ -	\$ 2,945,000	\$ 4,045,000
General obligation						
assessment improvement bonds	1,015,000	1,225,000	-	-	1,015,000	1,225,000
General obligation revenue bonds	-	-	19,685,000	14,489,000	19,685,000	14,489,000
Bond premium	437,360	546,313	231,497	-	668,857	546,313
Lease liability	335,946	543,403	-	-	335,946	543,403
Subscription liability	886,122	1,062,880	128,627	182,712	1,014,749	1,245,592
Compensated absences payable	2,125,362	1,107,284	264,998	166,418	2,390,360	1,273,702
<b>Total</b>	<b>\$ 7,744,790</b>	<b>\$ 8,529,880</b>	<b>\$ 20,310,122</b>	<b>\$ 14,838,130</b>	<b>\$ 28,054,912</b>	<b>\$ 23,368,010</b>

**Credit Rating**

**AA** The City maintains a long-term "AA/Stable" rating from Standard and Poor's for general obligation debt. The rating agency highlighted the City's very strong management, very strong budgetary flexibility with an available funds balance of 36% of operating expenditures, and strong debt and contingent liability position.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$67,063,986 which is in excess of the City's outstanding general obligation debt of \$3,960,000.

Additional information on the City's long-term debt can be found in Note 7.

**Economic Factors and Next Year's Budgets and Rates**

The 2026 budget was conservatively developed to account for economic and legislative activity. It provides for a balanced budget, leaving 1 percent of General Fund expenditures in reserve to provide flexibility for special projects. The 2026 budget also brought wages back into alignment with the median of the City's comparable group. The City continues to see slight increases in Local Government Aid (LGA) distributions, allowing the City to offset the tax levy needed to fund operations in the General Fund.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Finance Director, City of Faribault, 208 1st Avenue NW, Faribault, MN 55021-5105.

PRELIMINARY

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PRELIMINARY

**BASIC FINANCIAL STATEMENTS**

**City of Faribault  
Statement of Net Position  
December 31, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Housing and Redevelopment Authority
<b>Assets</b>					
Cash and investments	\$ 25,410,451	\$ 20,040,507	\$ 45,450,958	\$ 2,809,938	\$ 3,148,505
Cash and investments held in escrow	-	-	-	-	15,640
Restricted cash	-	7,009,558	7,009,558	-	-
Property tax receivable	278,770	-	278,770	16,312	17,570
Accounts receivable	718,345	1,666,062	2,384,407	-	29,626
Interest receivable	75,536	180,312	255,848	9,739	213
Notes receivable	3,167	-	3,167	518,069	18,364
Leases receivable	576,564	1,004,961	1,581,525	-	-
Special assessments receivable	1,577,424	358,819	1,936,243	-	-
Due from other governments	259,042	116,780	375,822	-	-
Due from component units	160,194	736,059	896,253	-	-
Advances between funds	(5,120,714)	5,120,714	-	-	-
Inventory	-	248,824	248,824	-	-
Land held for resale	219,100	-	219,100	-	-
Prepaid items	354,956	7,137	362,093	10,000	-
Capital assets not being depreciated					
Land	11,602,008	594,574	12,196,582	91,834	594,041
Construction in progress	8,868,821	4,683,035	13,551,856	-	-
Capital assets being depreciated					
Buildings and structures	33,471,757	50,990,589	84,462,346	-	3,525,546
Improvements other than buildings	11,942,756	79,634,939	91,577,695	-	-
Machinery and equipment	13,348,138	5,352,125	18,700,263	-	-
Infrastructure and airport	107,710,619	-	107,710,619	-	-
Less accumulated depreciation	(74,176,447)	(54,706,687)	(128,883,134)	-	(2,354,904)
Assets being amortized					
Machinery and equipment	647,887	-	647,887	-	-
Subscription asset	1,394,550	373,508	1,768,058	-	-
Less accumulated amortization	(827,921)	(259,554)	(1,087,475)	-	-
Total assets	<u>138,495,003</u>	<u>123,152,262</u>	<u>261,647,265</u>	<u>3,455,892</u>	<u>4,994,601</u>
<b>Deferred Outflows of Resources</b>					
Pension related items	5,867,165	97,176	5,964,341	-	-
OPEB related items	494,522	86,943	581,465	-	-
Total deferred outflows of resources	<u>6,361,687</u>	<u>184,119</u>	<u>6,545,806</u>	<u>-</u>	<u>-</u>
 Total assets and deferred outflows of resources	 <u>\$ 144,856,690</u>	 <u>\$ 123,336,381</u>	 <u>\$ 268,193,071</u>	 <u>\$ 3,455,892</u>	 <u>\$ 4,994,601</u>

**City of Faribault**  
**Statement of Net Position**  
**December 31, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Housing and Redevelopment Authority
<b>Liabilities</b>					
Accounts payable	\$ 748,604	\$ 495,886	\$ 1,244,490	\$ 275,075	\$ 9,483
Salaries and benefits payable	560,112	600	560,712	-	-
Deposits payable	229,769	-	229,769	2,885	15,606
Contracts payable	411,257	162,316	573,573	-	-
Due to other governments	92,759	24,053	116,812	-	89,170
Due to primary government	-	-	-	786,033	110,220
Interest payable	5,392	89,754	95,146	77,091	-
Unearned revenue	297,388	125,000	422,388	6,957	3,222
Net G.O. bonds payable					
Payable within one year	1,375,000	2,043,000	3,418,000	-	-
Payable after one year	3,022,360	17,873,497	20,895,857	-	-
Subscription liability					
Payable within one year	194,822	107,959	302,781	-	-
Payable after one year	691,300	20,668	711,968	-	-
Lease liability					
Payable within one year	161,861	-	161,861	-	-
Payable after one year	174,085	-	174,085	-	-
Compensated absences payable					
Payable within one year	1,094,263	120,967	1,215,230	-	-
Payable after one year	1,031,099	144,031	1,175,130	-	-
Net pension liability					
Payable after one year	6,147,455	417,818	6,565,273	-	-
Total OPEB liability					
Payable within one year	125,883	-	125,883	-	-
Payable after one year	1,750,461	329,884	2,080,345	-	-
Total liabilities	<u>18,113,870</u>	<u>21,955,433</u>	<u>40,069,303</u>	<u>1,148,041</u>	<u>227,701</u>
<b>Deferred Inflows of Resources</b>					
Pension related items	8,601,950	297,575	8,899,525	-	-
OPEB related items	611,618	107,530	719,148	-	-
Leases receivable	576,564	1,004,961	1,581,525	-	-
Total deferred inflows of resources	<u>9,790,132</u>	<u>1,410,066</u>	<u>11,200,198</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>					
Net investment in capital assets	108,362,740	73,464,647	181,827,387	91,834	1,764,683
Restricted for					
Debt service	941,905	-	941,905	-	-
Charitable gambling	43,626	-	43,626	-	-
Public safety programs	13,069	-	13,069	-	-
Rehabilitation projects	374,765	-	374,765	-	-
Revolving loans	483,334	-	483,334	1,010,965	-
Mobile home rehab	-	-	-	-	80,823
Public housing	-	-	-	-	1,477,734
Unrestricted	6,733,249	26,506,235	33,239,484	1,205,052	1,443,660
Total net position	<u>116,952,688</u>	<u>99,970,882</u>	<u>216,923,570</u>	<u>2,307,851</u>	<u>4,766,900</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 144,856,690</u>	 <u>\$ 123,336,381</u>	 <u>\$ 268,193,071</u>	 <u>\$ 3,455,892</u>	 <u>\$ 4,994,601</u>

See notes to basic financial statements.

**City of Faribault  
Statement of Activities  
Year Ended December 31, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 4,591,989	\$ 474,630	\$ 88,321	\$ 67,120
Public safety	11,933,614	1,182,368	962,033	41,948
Public works	7,137,637	2,148,523	1,300,785	966,689
Culture and recreation	5,272,889	1,419,367	523,236	-
Community development	1,002,575	218,048	2,992	-
Mass transportation and airport	313,941	148,411	36,374	-
Interest on long-term debt	197,517	-	-	-
Total governmental activities	<u>30,450,162</u>	<u>5,591,347</u>	<u>2,913,741</u>	<u>1,075,757</u>
Business-type activities				
Water	3,914,428	4,529,978	-	73,888
Sewer	6,015,605	6,525,136	224,680	39,940
Storm water	862,294	2,396,344	-	152
Total business-type activities	<u>10,792,327</u>	<u>13,451,458</u>	<u>224,680</u>	<u>113,980</u>
Total primary government	<u>\$ 41,242,489</u>	<u>\$ 19,042,805</u>	<u>\$ 3,138,421</u>	<u>\$ 1,189,737</u>
<b>Component Units</b>				
Economic Development Authority	\$ 803,824	\$ 1,450	\$ 16,422	\$ -
Housing and Redevelopment Authority	608,988	926,572	830	-
Total component units	<u>\$ 1,412,812</u>	<u>\$ 928,022</u>	<u>\$ 17,252</u>	<u>\$ -</u>
General revenues				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Franchise fees				
Tax increments				
Other taxes				
Unrestricted investment income				
Grants and contributions not restricted to specific programs				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenues and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Housing and Redevelopment Authority
\$ (3,961,918)	\$ -	\$ (3,961,918)	\$ -	\$ -
(9,747,265)	-	(9,747,265)	-	-
(2,721,640)	-	(2,721,640)	-	-
(3,330,286)	-	(3,330,286)	-	-
(781,535)	-	(781,535)	-	-
(129,156)	-	(129,156)	-	-
(197,517)	-	(197,517)	-	-
<u>(20,869,317)</u>	<u>-</u>	<u>(20,869,317)</u>	<u>-</u>	<u>-</u>
-	689,438	689,438	-	-
-	774,151	774,151	-	-
-	1,534,202	1,534,202	-	-
-	<u>2,997,791</u>	<u>2,997,791</u>	-	-
<u>(20,869,317)</u>	<u>2,997,791</u>	<u>(17,871,526)</u>	-	-
			(785,952)	-
			-	318,414
			<u>(785,952)</u>	<u>318,414</u>
12,134,742	-	12,134,742	409,361	425,432
1,373,681	-	1,373,681	-	-
161,174	-	161,174	-	-
-	-	-	570,326	-
186,627	-	186,627	-	372
957,228	1,251,673	2,208,901	116,678	19,745
7,068,705	-	7,068,705	-	-
59,887	203,227	263,114	-	-
300,000	(300,000)	-	-	-
<u>22,242,044</u>	<u>1,154,900</u>	<u>23,396,944</u>	<u>1,096,365</u>	<u>445,549</u>
<u>1,372,727</u>	<u>4,152,691</u>	<u>5,525,418</u>	<u>310,413</u>	<u>763,963</u>
<u>115,579,961</u>	<u>95,818,191</u>	<u>211,398,152</u>	<u>1,997,438</u>	<u>4,002,937</u>
<u>\$ 116,952,688</u>	<u>\$ 99,970,882</u>	<u>\$ 216,923,570</u>	<u>\$ 2,307,851</u>	<u>\$ 4,766,900</u>

**City of Faribault**  
**Balance Sheet - Governmental Funds**  
**December 31, 2025**

	Capital Project				Total Governmental Funds
	General	Park Improvements	Street Improvement Projects	Nonmajor Governmental Funds	
<b>Assets</b>					
Cash and investments	\$ 13,346,326	\$ 1,232,180	\$ 1,557,312	\$ 8,585,664	\$ 24,721,482
Taxes receivable - current	70,190	-	290	9,480	79,960
Taxes receivable - delinquent	189,391	13	100	9,306	198,810
Accounts receivable	92,737	145,532	393,382	86,694	718,345
Interest receivable	39,624	-	3,075	30,470	73,169
Due from other funds	170,555	-	-	-	170,555
Due from other governments	121,267	-	-	137,775	259,042
Advances to other funds	1,600,000	-	-	-	1,600,000
Due from component unit	-	-	-	160,194	160,194
Notes receivable	-	-	-	3,167	3,167
Leases receivable	265,287	-	-	311,277	576,564
Special assessment receivable					
Current	-	-	4,079	565	4,644
Delinquent	1,101	-	3,972	300	5,373
Deferred	109,759	-	1,310,104	147,544	1,567,407
Land held for resale	-	219,100	-	-	219,100
Prepaid items	352,768	-	-	2,188	354,956
<b>Total assets</b>	<b>\$ 16,359,005</b>	<b>\$ 1,596,825</b>	<b>\$ 3,272,314</b>	<b>\$ 9,484,624</b>	<b>\$ 30,712,768</b>
<b>Liabilities</b>					
Accounts payable	\$ 419,540	\$ 14,205	\$ 7,715	\$ 307,144	\$ 748,604
Salaries and benefits payable	560,112	-	-	-	560,112
Deposits payable	228,843	-	-	926	229,769
Contracts payable	-	317,128	94,129	-	411,257
Due to other funds	-	-	-	170,555	170,555
Due to other governments	14,298	296	66	78,099	92,759
Advances from other funds	-	5,120,714	-	1,600,000	6,720,714
Unearned revenue	257,831	-	-	39,557	297,388
<b>Total liabilities</b>	<b>1,480,624</b>	<b>5,452,343</b>	<b>101,910</b>	<b>2,196,281</b>	<b>9,231,158</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	189,391	13	100	9,306	198,810
Unavailable revenue - special assessments	110,860	-	1,314,076	147,844	1,572,780
Deferred inflows of resources related to leases receivable	265,287	-	-	311,277	576,564
<b>Total deferred inflows of resources</b>	<b>565,538</b>	<b>13</b>	<b>1,314,176</b>	<b>468,427</b>	<b>2,348,154</b>
<b>Fund Balances</b>					
Nonspendable	1,769,722	-	-	2,188	1,771,910
Restricted	133,701	-	-	1,708,447	1,842,148
Committed	-	-	-	4,382,520	4,382,520
Assigned	1,599,772	-	1,856,228	726,761	4,182,761
Unassigned	10,809,648	(3,855,531)	-	-	6,954,117
<b>Total fund balances</b>	<b>14,312,843</b>	<b>(3,855,531)</b>	<b>1,856,228</b>	<b>6,819,916</b>	<b>19,133,456</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,359,005</b>	<b>\$ 1,596,825</b>	<b>\$ 3,272,314</b>	<b>\$ 9,484,624</b>	<b>\$ 30,712,768</b>

See notes to basic financial statements.

**City of Faribault**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**December 31, 2025**

Total fund balances - governmental funds \$ 19,133,456

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	186,944,099
Less accumulated depreciation	(74,176,447)
Cost of leased assets	647,887
Cost of subscription assets	1,394,550
Less accumulated amortization	(827,921)

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:

G.O. bonds payable	(3,960,000)
Unamortized bond premiums	(437,360)
Subscription liability	(886,122)
Lease liability	(335,946)
Compensated absences payable	(2,125,362)
Total OPEB liability	(1,876,344)
Net pension liability	(6,147,455)

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes	198,810
Special assessments	5,373

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds.

Deferred inflows of resources related to pensions	(8,601,950)
Deferred inflows of resources related to OPEB	(611,618)
Deferred outflows of resources related to pensions	5,867,165
Deferred outflows of resources related to OPEB	494,522

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred special assessments	1,567,407
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Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.

(5,392)

Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental activities Statement of Net Position.

691,336

Total net position - governmental activities \$ 116,952,688

**City of Faribault**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2025**

	<u>Capital Project</u>				Total Governmental Funds
	General	Park Improvements	Street Improvement Projects	Nonmajor Governmental Funds	
<b>Revenues</b>					
Taxes	\$ 11,773,466	\$ 22	\$ 455	\$ 2,027,408	\$ 13,801,351
Special assessments	24,173	-	385,885	45,161	455,219
Licenses and permits	776,491	-	-	-	776,491
Intergovernmental	8,243,982	-	2,221,129	235,602	10,700,713
Charges for services	1,956,268	767,921	1,452,540	674,245	4,850,974
Fines and forfeitures	111,454	-	-	-	111,454
Miscellaneous					
Investment income	389,106	31,383	89,481	415,927	925,897
Contributions and donations	43,651	223,442	-	1,409	268,502
Other	65,022	-	3,635	95,986	164,643
Total revenues	<u>23,383,613</u>	<u>1,022,768</u>	<u>4,153,125</u>	<u>3,495,738</u>	<u>32,055,244</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	3,639,166	-	-	238,789	3,877,955
Public safety	9,956,488	-	-	23,330	9,979,818
Public works	3,374,657	-	55,604	20,260	3,450,521
Culture and recreation	5,139,626	-	-	37,525	5,177,151
Community development	-	59,936	-	547,927	607,863
Mass transportation and airport	30,785	-	-	149,239	180,024
<b>Debt service</b>					
Principal	346,154	-	-	1,310,000	1,656,154
Interest and other charges	18,110	96,970	-	231,600	346,680
<b>Capital outlay</b>					
General government	-	-	-	375,842	375,842
Public safety	-	-	-	1,055,992	1,055,992
Public works	-	-	3,525,260	493,356	4,018,616
Culture and recreation	31,853	-	-	81,070	112,923
Community development	-	4,811,550	-	-	4,811,550
Mass transportation and airport	-	-	-	126,354	126,354
Total expenditures	<u>22,536,839</u>	<u>4,968,456</u>	<u>3,580,864</u>	<u>4,691,284</u>	<u>35,777,443</u>
Excess of revenues over (under) expenditures	846,774	(3,945,688)	572,261	(1,195,546)	(3,722,199)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital asset	24,600	-	-	35,287	59,887
Transfers in	-	86,000	164,000	2,448,292	2,698,292
Transfers out	(798,292)	-	-	(1,600,000)	(2,398,292)
Total other financing sources (uses)	<u>(773,692)</u>	<u>86,000</u>	<u>164,000</u>	<u>883,579</u>	<u>359,887</u>
Net change in fund balances	73,082	(3,859,688)	736,261	(311,967)	(3,362,312)
<b>Fund Balances</b>					
Beginning of year	<u>14,239,761</u>	<u>4,157</u>	<u>1,119,967</u>	<u>7,131,883</u>	<u>22,495,768</u>
End of year	<u>\$ 14,312,843</u>	<u>\$ (3,855,531)</u>	<u>\$ 1,856,228</u>	<u>\$ 6,819,916</u>	<u>\$ 19,133,456</u>

See notes to basic financial statements.

City of Faribault  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances to the  
 Statement of Activities - Governmental Funds  
 Year Ended December 31, 2025

Total net change in fund balances - governmental funds \$ (3,362,312)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	10,546,766
Depreciation expense	(5,126,123)
Amortization expense	(809,708)
Disposed assets	(359,578)

Some expenses are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

Compensated absences payable	(1,018,078)
Total OPEB liability	(101,712)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities.

Bond principal payments	1,310,000
Lease payments	189,071
Subscription payments	157,083

Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

108,953

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires 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.

40,210

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments	(3,036)
Other	(733,752)

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

Pension expense	479,370
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (loss) of internal service funds are reported with governmental activities.

26,301

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes	54,873
Special assessments	(25,601)

Change in net position - governmental activities	\$ 1,372,727
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PRELIMINARY

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**City of Faribault**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 11,784,528	\$ 11,913,585	\$ 11,773,466	\$ (140,119)
Special assessments	3,000	8,100	24,173	16,073
Licenses and permits	731,520	740,198	776,491	36,293
Intergovernmental	8,106,639	8,323,689	8,243,982	(79,707)
Charges for services	1,914,918	2,025,818	1,956,268	(69,550)
Fines and forfeitures	133,000	133,000	111,454	(21,546)
Miscellaneous revenues				
Investment income	296,030	287,150	389,106	101,956
Contributions and donations	15,000	42,440	43,651	1,211
Other	-	85,885	65,022	(20,863)
Total revenues	22,984,635	23,559,865	23,383,613	(176,252)
<b>Expenditures</b>				
<b>Current</b>				
General government	3,469,812	3,479,812	3,639,166	159,354
Public safety	10,648,579	10,700,854	9,956,488	(744,366)
Public works	3,429,280	3,429,280	3,374,657	(54,623)
Culture and recreation	5,270,985	5,310,094	5,139,626	(170,468)
Mass transportation and airport	-	-	30,785	30,785
<b>Debt service</b>				
Principal	-	-	346,154	346,154
Interest and other charges	-	-	18,110	18,110
<b>Capital outlay</b>				
Culture and recreation	-	-	31,853	31,853
Total expenditures	22,818,656	22,920,040	22,536,839	(383,201)
Excess of revenues over (under) expenditures	165,979	639,825	846,774	206,949
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	22,100	24,600	2,500
Transfers out	-	(798,292)	(798,292)	-
Total other financing sources (uses)	-	(776,192)	(773,692)	2,500
Net change in fund balance	\$ 165,979	\$ (136,367)	73,082	\$ 209,449
<b>Fund Balances</b>				
Beginning of year			14,239,761	
End of year			\$ 14,312,843	

See notes to basic financial statements.

**City of Faribault**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Water (603)	Total	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 8,056,963	\$ 6,643,426	\$ 5,340,118	\$ 20,040,507	\$ 688,969
Restricted cash	7,009,558	-	-	7,009,558	-
Accounts receivable	570,280	787,969	307,813	1,666,062	-
Interest receivable	53,301	108,164	18,847	180,312	2,367
Leases receivable	976,232	28,729	-	1,004,961	-
Advances to other funds	-	5,120,714	-	5,120,714	-
Due from other governments	-	116,780	-	116,780	-
Due from component unit	-	736,059	-	736,059	-
Special assessments receivable					
Current	5,880	2,101	907	8,888	-
Delinquent	1,538	-	-	1,538	-
Inventory	237,993	10,831	-	248,824	-
Prepaid items	7,137	-	-	7,137	-
<b>Total current assets</b>	<b>16,918,882</b>	<b>13,554,773</b>	<b>5,667,685</b>	<b>36,141,340</b>	<b>691,336</b>
<b>Noncurrent assets</b>					
Special assessments receivable	197,158	3,400	147,835	348,393	-
Capital assets not being depreciated					
Land	34,483	218,847	341,244	594,574	-
Construction in progress	486,319	3,719,848	476,868	4,683,035	-
Capital assets being depreciated					
Buildings and structures	14,303,365	36,687,224	-	50,990,589	-
Machinery and equipment	2,736,456	1,952,858	662,811	5,352,125	-
Improvements other than buildings	33,001,859	29,197,609	17,435,471	79,634,939	-
Less accumulated depreciation	(16,087,773)	(32,073,894)	(6,545,020)	(54,706,687)	-
Assets being amortized					
Subscription assets	224,589	95,696	53,223	373,508	-
Less accumulated amortization	(169,457)	(59,206)	(30,891)	(259,554)	-
Net capital assets	34,529,841	39,738,982	12,393,706	86,662,529	-
Total noncurrent assets	34,726,999	39,742,382	12,541,541	87,010,922	-
<b>Total assets</b>	<b>51,645,881</b>	<b>53,297,155</b>	<b>18,209,226</b>	<b>123,152,262</b>	<b>691,336</b>
<b>Deferred Outflows of Resources</b>					
Pension related items	19,093	71,032	7,051	97,176	-
OPEB related items	22,948	53,717	10,278	86,943	-
<b>Total deferred outflows     of resources</b>	<b>42,041</b>	<b>124,749</b>	<b>17,329</b>	<b>184,119</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 51,687,922</b>	<b>\$ 53,421,904</b>	<b>\$ 18,226,555</b>	<b>\$ 123,336,381</b>	<b>\$ 691,336</b>

**City of Faribault**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Water (603)	Total	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 211,242	\$ 225,695	\$ 58,949	\$ 495,886	\$ -
Contracts payable	-	162,316	-	162,316	-
Salaries and benefits payable	600	-	-	600	-
Interest payable	38,013	51,741	-	89,754	-
Unearned revenue	125,000	-	-	125,000	-
Due to other governments	20,860	3,193	-	24,053	-
Bonds payable due within one year	689,000	1,354,000	-	2,043,000	-
Subscription liability due within one year	64,362	28,875	14,722	107,959	-
Current compensated absences	29,941	79,279	11,747	120,967	-
<b>Total current liabilities</b>	<u>1,179,018</u>	<u>1,905,099</u>	<u>85,418</u>	<u>3,169,535</u>	<u>-</u>
<b>Noncurrent liabilities</b>					
Compensated absences	33,232	95,766	15,033	144,031	-
Subscription liability	7,027	6,821	6,820	20,668	-
Bonds payable	13,601,497	4,272,000	-	17,873,497	-
Total OPEB liability	87,071	203,817	38,996	329,884	-
Net pension liability	82,091	305,411	30,316	417,818	-
<b>Total noncurrent liabilities</b>	<u>13,810,918</u>	<u>4,883,815</u>	<u>91,165</u>	<u>18,785,898</u>	<u>-</u>
<b>Total liabilities</b>	<u>14,989,936</u>	<u>6,788,914</u>	<u>176,583</u>	<u>21,955,433</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Pension related items	58,466	217,518	21,591	297,575	-
OPEB related items	28,382	66,437	12,711	107,530	-
Leases receivable	976,232	28,729	-	1,004,961	-
<b>Total deferred inflows     of resources</b>	<u>1,063,080</u>	<u>312,684</u>	<u>34,302</u>	<u>1,410,066</u>	<u>-</u>
<b>Net Position</b>					
Net investment in capital assets	27,177,513	33,914,970	12,372,164	73,464,647	-
Unrestricted	8,457,393	12,405,336	5,643,506	26,506,235	691,336
<b>Total net position</b>	<u>35,634,906</u>	<u>46,320,306</u>	<u>18,015,670</u>	<u>99,970,882</u>	<u>691,336</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 51,687,922</u>	<u>\$ 53,421,904</u>	<u>\$ 18,226,555</u>	<u>\$ 123,336,381</u>	<u>\$ 691,336</u>

**City of Faribault**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Water (603)	Totals	
<b>Operating Revenues</b>					
Charges for sales	\$ 4,148,081	\$ -	\$ -	\$ 4,148,081	\$ -
Charges for services	331,108	6,525,136	2,396,344	9,252,588	-
Total operating revenues	<u>4,479,189</u>	<u>6,525,136</u>	<u>2,396,344</u>	<u>13,400,669</u>	<u>-</u>
<b>Operating Expenses</b>					
Personnel services	590,762	1,391,724	270,578	2,253,064	-
Materials and supplies	471,022	652,169	25,041	1,148,232	-
Depreciation and amortization	1,318,678	2,003,941	432,655	3,755,274	-
Claims	-	3,571	-	3,571	19,628
Other services and charges	1,176,130	1,797,454	162,930	3,136,514	-
Total operating expenses	<u>3,556,592</u>	<u>5,848,859</u>	<u>891,204</u>	<u>10,296,655</u>	<u>19,628</u>
Operating income (loss)	922,597	676,277	1,505,140	3,104,014	(19,628)
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	548,315	495,088	208,270	1,251,673	31,331
Special assessment interest	3,259	-	-	3,259	-
Gain on sale of assets	48,842	203,227	30,000	282,069	-
Intergovernmental	-	116,776	-	116,776	-
Interest and other charges	(406,678)	(166,746)	(1,090)	(574,514)	-
Other income	121,418	147,844	152	269,414	14,598
Total nonoperating revenues (expenses)	<u>315,156</u>	<u>796,189</u>	<u>237,332</u>	<u>1,348,677</u>	<u>45,929</u>
Income before transfers	1,237,753	1,472,466	1,742,472	4,452,691	26,301
Transfers out	<u>(94,630)</u>	<u>(205,370)</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Change in net position	1,143,123	1,267,096	1,742,472	4,152,691	26,301
<b>Net Position</b>					
Beginning of year	<u>34,491,783</u>	<u>45,053,210</u>	<u>16,273,198</u>	<u>95,818,191</u>	<u>665,035</u>
End of year	<u>\$ 35,634,906</u>	<u>\$ 46,320,306</u>	<u>\$ 18,015,670</u>	<u>\$ 99,970,882</u>	<u>\$ 691,336</u>

**City of Faribault**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Water (603)	Total	
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 4,578,782	\$ 6,711,008	\$ 2,255,566	\$ 13,545,356	\$ -
Payments to suppliers	(1,533,256)	(2,322,715)	(135,485)	(3,991,456)	(19,628)
Payments to employees	(716,582)	(1,660,924)	(322,344)	(2,699,850)	-
Other operating receipts	-	-	-	-	14,598
Net cash flows					
- operating activities	<u>2,328,944</u>	<u>2,727,369</u>	<u>1,797,737</u>	<u>6,854,050</u>	<u>(5,030)</u>
<b>Cash Flows - Noncapital</b>					
<b>Financing activities</b>					
Intergovernmental revenue	-	116,776	-	116,776	-
Advances to other funds	-	(3,956,961)	-	(3,956,961)	-
Transfer to other funds	(94,630)	(205,370)	-	(300,000)	-
Net cash flows - noncapital financing activities	<u>(94,630)</u>	<u>(4,045,555)</u>	<u>-</u>	<u>(4,140,185)</u>	<u>-</u>
<b>Cash Flows - Capital and Related</b>					
<b>Financing Activities</b>					
Principal paid on debt	(464,000)	(1,320,000)	-	(1,784,000)	-
Interest paid on debt	(395,944)	(179,061)	(1,090)	(576,095)	-
Principal paid on subscriptions	(22,346)	(21,579)	(10,160)	(54,085)	-
Proceeds from debt issuance	7,211,497	-	-	7,211,497	-
Proceeds from sale of capital assets	48,842	357,718	30,000	436,560	-
Acquisition of capital assets	(1,161,810)	(2,759,338)	(687,662)	(4,608,810)	-
Net cash flows					
- capital and related financing activities	<u>5,216,239</u>	<u>(3,922,260)</u>	<u>(668,912)</u>	<u>625,067</u>	<u>-</u>
<b>Cash Flows - Investing Activities</b>					
Interest and dividends received	<u>516,829</u>	<u>498,387</u>	<u>201,929</u>	<u>1,217,145</u>	<u>31,000</u>
Net change in cash and cash equivalents	7,967,382	(4,742,059)	1,330,754	4,556,077	25,970
<b>Cash and Cash Equivalents</b>					
January 1	<u>7,099,139</u>	<u>11,385,485</u>	<u>4,009,364</u>	<u>22,493,988</u>	<u>662,999</u>
December 31	<u>\$ 15,066,521</u>	<u>\$ 6,643,426</u>	<u>\$ 5,340,118</u>	<u>\$ 27,050,065</u>	<u>\$ 688,969</u>

**City of Faribault**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water (601)	Sewer (602)	Storm Water (603)	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 922,597	\$ 676,277	\$ 1,505,140	\$ 3,104,014	\$ (19,628)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Other revenues	124,677	147,844	152	272,673	14,598
Depreciation and amortization	1,318,678	2,003,941	432,655	3,755,274	-
Net pension expense	(165,765)	(321,920)	(73,568)	(561,253)	-
OPEB expense	10,859	(2,671)	7,624	15,812	-
Accounts receivable	(51,499)	(45,822)	(32,948)	(130,269)	-
Special assessments receivable	(30,405)	81,414	(107,982)	(56,973)	-
Due from other governments	56,820	2,436	-	59,256	-
Prepaid items	1,021	8,372	3,844	13,237	-
Inventory	(13,375)	2,660	-	(10,715)	-
Accounts payable	110,745	121,364	48,642	280,751	-
Due to other governmental units	15,505	(1,917)	-	13,588	-
Salaries payable	75	-	-	75	-
Compensated absences payable	29,011	55,391	14,178	98,580	-
Total adjustments	<u>1,406,347</u>	<u>2,051,092</u>	<u>292,597</u>	<u>3,750,036</u>	<u>14,598</u>
Net cash flows - operating activities	<u>\$ 2,328,944</u>	<u>\$ 2,727,369</u>	<u>\$ 1,797,737</u>	<u>\$ 6,854,050</u>	<u>\$ (5,030)</u>

**City of Faribault**  
**Statement of Fiduciary Net Position**  
**December 31, 2025**

	<u>Custodial Funds</u>
<b>Assets</b>	
Current	
Cash and investments	\$ 1,791,545
Restricted cash	14,180
Accounts receivable	22,574
Due from other governments	89,170
Total current assets	1,917,469
Capital assets	
Land	62,426
Buildings	1,904,047
Building equipment	226,297
Maintenance equipment	86,643
Less accumulated depreciation	(1,847,019)
Total capital assets	432,394
Total assets	2,349,863
<b>Liabilities</b>	
Accounts payable	15,542
Accrued property taxes	8,749
Unearned revenue	1,267
Deposits payable	14,441
Due to other governments	53,586
Total liabilities	93,585
<b>Net Position</b>	2,256,278
Total liabilities and net position	\$ 2,349,863

**City of Faribault**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2025**

	<u>Custodial Funds</u>
<b>Additions</b>	
Rental income	\$ 212,427
Intergovernmental	371,720
Interest	27,840
Sewer charges	127,734
Other	2,912
Total additions	742,633
<b>Deductions</b>	
Utilities	61,043
Sewer expenses	117,854
Depreciation	59,236
Miscellaneous	361,821
Total deductions	599,954
Change in net position	142,679
<b>Net Position</b>	
Beginning of year	2,113,599
End of year	\$ 2,256,278

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Faribault (the City) operates under the Home Rule Charter form of government in accordance with applicable State of *Minnesota Statutes*. The City was organized as a municipality in 1872 in Rice County.

The City provides a full range of municipal services including public safety (police and fire protection), highways and streets, public improvements, planning and zoning, culture, recreation and parks, water and sewer service, and general administrative services.

The form of government established by Section 1.01, Chapter 1, of the City's Charter is the "Council-Administrator Plan". The City Council is composed of a mayor and six City Council members who are qualified electors and elected at large. The City Council exercises the legislative power to the City and determines all matter of policy. The City Administrator is the head of the administrative branch of the City government and is responsible to the City Council for the proper administration of all affairs relating to the City.

The powers of the City include all powers, which a municipal corporation in this State may exercise in harmony with the constitutions of the State and of the United States. It is the intention of the City chapter that every power, which the people of the City might lawfully confer upon themselves as a municipal corporation, by specific enumeration in the charter, shall be deemed to have been so conferred by the provisions of Section 1.02, Chapter 1 of the City Charter. The Charter is to be construed liberally in favor of the City, and the specific mention of particular powers in the Charter shall not be construed as limiting in any way the generality of the power conferred.

The Mayor serves for a term of four years and until a successor is elected and qualifies. The Mayor presides at meetings of the City Council and votes as a member. The City Administrator is appointed for an indefinite term by the City Council. The City Administrator is the Chief Administrative Officer of the City, whose powers and duties are provided for in the Faribault Home Rule Charter, Chapter 6.

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 by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or (2) there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units for which the City has been determined to be financially accountable can be blended with the primary government or be included as a discrete presentation. Each discretely presented component unit is reported in a separate column in the government-wide financial statements.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

Included in the City's reporting entity, based upon the application of these criteria, are the following discretely presented component units.

**1. Faribault Housing and Redevelopment Authority (HRA)**

The HRA was created by the City to carry out certain redevelopment and low rent assistance programs pursuant to State law. The HRA is primarily responsible for residential development and redevelopment. The governing board is appointed by the City Council and approved the HRA's tax levy. The HRA is governed by seven board members, one of which is a City Council member and six are City residents. The HRA can impose a financial benefit or burden on the City. It is the criterion that results in the HRA being reported as a discretely presented component unit. The HRA is presented as a governmental fund type.

**2. Faribault Economic Development Authority (EDA)**

The 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 governing board is appointed by the City Council and approved the EDA's tax levy. The EDA is governed by seven board members, two of which are City Council members and five are City residents. The EDA can impose a financial benefit or burden on the City. It is the criterion that results in the EDA being reported as a discretely presented component unit. The EDA is presented as a governmental fund type.

Separate financial statements for the HRA and EDA are not prepared.

**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 nonfiduciary activities of the City. The fiduciary funds are only reported in the Statement of Fiduciary Net Position at the fund financial statement level. 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.

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. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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. Internally dedicated revenues are reported as general revenues rather than program 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.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The Custodial Funds are presented in the fiduciary fund financial statements. Since, by definition, the assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, these Funds are not incorporated into the government-wide statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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, entitlement, 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 nonexchange transactions must also be available before it can be recognized.

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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds:**

The City reports the following Major Governmental Funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Park Improvements - Capital Projects Fund - This fund is used for the acquisition, development, or improvement of parks, playgrounds, and trails.

Street Improvement Projects - Capital Projects Fund - This fund is used to account for the costs associated with the street projects completed within the City.

The City reports the following Major Proprietary Funds:

Water Fund - This fund accounts for the operating, maintenance, and capital improvement of the City's water distribution system.

Sewer Fund - This fund accounts for the operating, maintenance, and capital improvement of the City's sewer collection operations.

Storm Water Fund - This fund accounts for the operation, maintenance, and capital improvements of the City's storm water system.

Additionally, the City reports the following fund types:

Internal Service Funds - These funds account for insurance costs related to property and liability deductible expenses and reserved balance for one outstanding workers compensation claim.

Fiduciary Funds - These funds are used to account for assets held by the City in a custodial capacity for others. The City's Custodial Funds account for activities of Robinwood Manor and Roberds Lake Sewer District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility 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 and of the City's internal service 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 nonoperating revenues and expenses.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. 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 investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

Cash and investments include balances from all funds that are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from pooled investments are allocated to the individual funds based on the applicable participation by each of the funds.

*Minnesota Statutes* authorizes the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City are reported at fair value as disclosed in Note 2. 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.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at 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.

**2. Restricted Cash**

The City has receives funds from time to time that are restricted for specific purposes.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**3. Receivables**

Accounts receivable include amounts billed for services provided before year end. Rent receivable of the primary government and the discretely presented housing and redevelopment component unit have been reported net of uncollectible amounts. Delinquent utility charges are annually certified to the county for collection. As a result, there is no allowance for uncollectible amounts in the other enterprise funds.

Property tax receivables are shown at a gross amount since they are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Rice County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year. Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are 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.

**4. Inventory and Prepaid Items**

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. Prepaid items are recorded as an expenditure at the time of consumption.

Inventory is valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**5. 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 City as assets with an initial, individual cost of more than \$5,000 except for infrastructure which ranges from \$25,000 to \$100,000 and an estimated useful life in excess of one year. Such purchased assets are recorded at historical cost or estimated historical cost if historical cost is not available. Assets acquired prior to 1986 are recorded at estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

The cost 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 improvement are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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:

<u>Classification</u>	<u>Years</u>
Buildings	20 - 50
Furniture and equipment	3 - 15
Licensed motor vehicle equipment	5 - 7
Machinery and equipment	10 - 15
Other improvements	40
Computer technology	3 - 5

**6. Deferred Outflows/Inflows 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 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 that time. The City has two items that qualify for reporting in this category. The City presents deferred outflows of resources on the statement of net position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**6. Deferred Outflows/Inflows of Resources (Continued)**

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 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 three items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Funds Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and State shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statement of Net Position for deferred inflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years. Finally, deferred inflows of resources related to leases receivable are reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

**7. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for unused sick leave is reported in the government-wide and proprietary fund financial statements for leave that is more likely than not to be used or paid. 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.

The liability for compensated absences reported in the Statement of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**8. 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 deferred and amortized over the life of the bonds using the straight-line method.

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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**9. 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 the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association 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.

**10. Fund Balance Classifications**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. Classifications of fund balance that will be used are as follows:

- **Nonspendable Fund Balances** - These are amounts that cannot be spent because they are not in spendable form as they are legally or contractually required to be maintained intact and include prepaid items.
- **Restricted Fund Balances** - These are amounts subject to externally enforceable legal restrictions.
- **Committed Fund Balances** - The government's highest level of decision-making authority is the City Council. These amounts are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Committed amounts cannot be used for any other purpose.
- **Assigned Fund Balances** - These are 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 City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator and Finance Director.
- **Unassigned Fund Balances** - The residual classification for the General Fund and also negative residual amounts in other funds.

The City will spend restricted funds first for expenditures that meet the intended purpose before using unrestricted fund balance. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made for the purposes intended.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**10. Fund Balance Classifications (Continued)**

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of not less than 35% and a maximum unassigned fund balance of not more than 50% of the following year's General Fund budgeted expenditures to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, unexpected expenditures due to local disasters, and unexpected revenue shortfalls.

**11. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**E. Use of Estimates**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**F. Budgetary Information**

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing on January 1 of the following year. At least one special City Council meeting is conducted to obtain public comments as required by the State Truth in Taxation Law.

The budgets are prepared by fund, function, and activities. The budgets are adopted on a basis consistent with general accepted accounting principles and all appropriations lapse at the end of the budget year to the extent that they have not been expended. The expenditures appropriated in the budget resolution may not legally exceed estimated revenues available from various sources.

The City Council annually adopts budgets prior to January 1 for the City's General and Special Revenue Funds with the exception of the Library Donations Fund. Budgets are also adopted for the Capital Project Funds, as well as the Debt Service Funds in accordance with the bond indenture provisions. A separate budget report is issued at the beginning of each year. Formal budgetary integration is employed as a management control device during the year. Budget revisions between functions or activities may be made by the City Administrator. Budget revisions at the fund level are authorized by the City Council in accordance with the City Charter at the request of the City Administrator. The legal level of budgetary control is therefore at the fund level.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**A. Deposits**

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks authorized by the City Council.

The cash and investments for both discretely presented component units are pooled with the City's cash and investments.

**Custodial Credit Risk - Deposits:** This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy that requires the City's deposits be collateralized in accordance with *Minnesota Statutes* § 118A for an amount exceeding FDIC, SAIF, BIF, or FCUA coverage. As of December 31, 2025, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the City's name. The bank and book balances for deposits as of December 31, 2025 were \$11,133,887 and \$10,822,848, respectively.

**B. Investments**

As of December 31, 2025, the City had the following investments:

Investment Type	Fair Value	Investment Maturities				Fair Value Measurement
		Less than One Year	1-2 Years	3-5 Years	Greater than 5 Years	
Pooled investments						
4M	\$ 14,000,740	\$ 14,000,740	\$ -	\$ -	\$ -	N/A
Brokered money market funds	159,953	159,953	-	-	-	N/A
Non-pooled investments						
Government securities	3,731,955	986,325	1,449,565	165,587	1,130,478	Level 2
Municipal bonds	26,576,959	7,506,646	8,945,294	8,043,475	2,081,544	Level 2
Negotiable certificates of deposit	4,944,305	992,051	1,477,939	2,227,722	246,593	Level 2
<b>Total</b>	<b>\$ 49,413,912</b>	<b>\$ 23,645,715</b>	<b>\$ 11,872,798</b>	<b>\$ 10,436,784</b>	<b>\$ 3,458,615</b>	

An investment with a fair value measurement with a Level 1 input is valued using quoted market prices while a Level 2 input is valued using a matrix pricing model.

Government securities and municipal bonds were rated from BBB to AAA by Standard & Poor's. Other investments were not rated.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments should be diversified to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. At December 31, 2025, the City had no individual investments that exceeded 5% of the value total portfolio.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* limit investments based on investment type.

**Interest Rate Risk:** This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City typically limits its exposure by purchasing insured or registered investments.

Summary of cash deposits and investments as of December 31, 2025, were as follows:

Petty cash	\$ 29,820
Deposits	10,796,592
Investments	<u>49,413,912</u>
Total	<u>\$ 60,240,324</u>

Deposits and investments are presented in the December 31, 2025, basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 58,418,959
Cash held in escrow	15,640
Statement of Fiduciary Net Position	
Cash and investments	1,791,545
Restricted cash	<u>14,180</u>
Total deposits and investments	<u>\$ 60,240,324</u>

**NOTE 3 - LOANS RECEIVABLE**

**Primary Government**

The City has made loans to local businesses and individuals that qualify for the Minnesota small cities development program. The businesses and individuals pay varying installments on the loans. The loans balances at year end totaled \$3,167.

**Discretely Presented Component Units**

The Housing and Redevelopment Authority has loans receivable from homeowners who qualified for the Minnesota Housing Finance Agency's CRV program and through the HRA's corridor rehab program. Homeowners are paying varying monthly installments. The balance at year end totals \$18,364.

The Economic Development Authority has loans receivable from businesses that made improvements that qualified for the industrial development loan program, Minnesota Investment Fund and EDA Revolving Fund. The businesses and individuals make monthly payments. The balance at year end on the programs total \$1,217,749, including an allowance for uncollectible accounts of \$699,680 that are not expected to be collected on.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 4 - LEASES RECEIVABLE**

The City has various leases for radio towers, agricultural land, and private airport hangar land leases. At December 31, 2025, there were governmental-type leases that included six airport hangar leases, two airport agricultural land leases, and one billboard lease. In addition, business-type activities include one water tower lease, two wi-fi leases, and one sewer agricultural land lease. The lease agreements include annual principal and interest payments. Interest and discount rates on the loan agreements range from 2.0% to 5.0%. Revenues from these leases for the year ended December 31, 2025, totaled \$88,909.

The City's schedule of future payments included in the measurement of the leases receivable is as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 25,404	\$ 14,217	\$ 39,621
2027	22,554	14,549	37,103
2028	11,556	13,717	25,273
2029	12,726	13,392	26,118
2030	13,967	13,034	27,001
2031-2035	91,235	58,442	149,677
2036-2040	97,198	44,106	141,304
2041-2045	70,167	32,752	102,919
2046-2050	53,384	24,831	78,215
2051-2055	65,982	18,580	84,562
2056-2065	75,861	17,465	93,326
2066-2075	26,796	7,645	34,441
2076-2078	9,734	598	10,332
Total	<u>\$ 576,564</u>	<u>\$ 273,328</u>	<u>\$ 849,892</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 4 - LEASES RECEIVABLE (CONTINUED)**

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 36,719	\$ 23,765	\$ 60,484
2027	36,902	25,335	62,237
2028	23,862	24,043	47,905
2029	25,845	23,365	49,210
2030	27,920	22,630	50,550
2031-2035	174,260	153,363	327,623
2036-2040	242,443	71,367	313,810
2041-2045	248,730	34,405	283,135
2046-2050	84,295	14,836	99,131
2051-2055	103,985	5,464	109,449
Total	\$ 1,004,961	\$ 398,573	\$ 1,403,534

**NOTE 5 - INTERFUND ACTIVITY**

**A. Interfund Transfers**

Transfers during the year ended December 31, 2025, were as follows:

	Transfers In			Total
	Street Improvement Projects Fund	Park Improvements Fund	Nonmajor Funds	
Transfers out				
General Fund	\$ -	\$ -	\$ 798,292	\$ 798,292
Nonmajor Funds	-	-	1,600,000	1,600,000
Water Fund	51,130	27,500	16,000	94,630
Sewer Fund	112,870	58,500	34,000	205,370
Total	\$ 164,000	\$ 86,000	\$ 2,448,292	\$ 2,698,292

Transfers were made from the General Fund to the Capital Replacement Fund to transfer fund balance. Transfers were made from the General Fund to the CED Admin fund to cover year end fund balance deficit. Transfers were made from the Debt Service Fund to the Capital Replacement fund to finance capital equipment purchases. Transfers were made from TIF District #8 to TIF District #13 to paydown an internal loan. Transfers were made from the Water Fund and the Sewer Fund to the Street Improvement Projects Fund, Park Improvements Fund, Crossover Refunding Bond Fund, and Public Facility Projects Fund for operating purposes. Transfers made from the Water and Sewer Funds were based on specific budgeted items/projects.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 5 - INTERFUND ACTIVITY (CONTINUED)**

**B. Interfund Balances**

Advances and due from/to other funds during the year ended December 31, 2025, were as follows:

	Advances from Other Funds		
	Park Improvements Fund	Nonmajor Funds	Total
Advances to Other Funds			
General Fund	\$ -	\$ 1,600,000	\$ 1,600,000
Sewer Fund	5,120,714	-	5,120,714
Total	\$ 5,120,714	\$ 1,600,000	\$ 6,720,714

The City established an internal loan of \$1,600,000 between the General Fund and Debt Service Fund (which then provided the funding to the Capital Replacement General Fund). This internal loan is to pay for the costs of the 2025 equipment replacement. The loan is to be repaid over 8 years utilizing ad valorem taxes with an interest rate of 2.5%.

The City established an internal loan from the Sewer Fund to the Park Improvements Fund. This internal loan is to pay for the costs of phase 1 of the Viaduct Park project. The loan is to be repaid with available revenues over 10 years with an interest rate of 5%.

	Due from Other Funds
	General Fund
Due to Other Funds	
Nonmajor Funds	\$ 170,555

The amounts due to the General Fund from various nonmajor funds relates to negative cash positions in those funds. Repayment will occur as those funds generate sufficient revenue.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS**

Governmental capital and lease asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 11,543,219	\$ 244,089	\$ (185,300)	\$ 11,602,008
Construction in progress	6,316,362	7,383,806	(4,831,347)	8,868,821
Total capital assets not being depreciated	<u>17,859,581</u>	<u>7,627,895</u>	<u>(5,016,647)</u>	<u>20,470,829</u>
Capital assets being depreciated				
Buildings and structures	33,479,525	259,470	(267,238)	33,471,757
Improvements other than buildings	11,855,380	403,562	(316,186)	11,942,756
Machinery and equipment	12,626,906	1,799,891	(1,078,659)	13,348,138
Infrastructure and airport	102,423,324	5,287,295	-	107,710,619
Total capital assets being depreciated	<u>160,385,135</u>	<u>7,750,218</u>	<u>(1,662,083)</u>	<u>166,473,270</u>
Less accumulated depreciation for				
Buildings and structures	13,390,522	512,695	(267,238)	13,635,979
Improvements other than buildings	9,231,073	881,944	(200,935)	9,912,082
Machinery and equipment	7,995,878	860,855	(1,019,632)	7,837,101
Infrastructure and airport	39,920,656	2,870,629	-	42,791,285
Total accumulated depreciation	<u>70,538,129</u>	<u>5,126,123</u>	<u>(1,487,805)</u>	<u>74,176,447</u>
Total capital assets being depreciated, net	<u>89,847,006</u>	<u>2,624,095</u>	<u>(174,278)</u>	<u>92,296,823</u>
Governmental activities capital assets, net	<u>\$ 107,706,587</u>	<u>\$ 10,251,990</u>	<u>\$ (5,190,925)</u>	<u>\$ 112,767,652</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Lease assets being amortized				
Machinery and equipment	\$ 753,922	\$ -	\$ (106,035)	\$ 647,887
Subscription asset	1,868,464	-	(473,914)	1,394,550
Total assets being amortized	<u>2,622,386</u>	<u>-</u>	<u>(579,949)</u>	<u>2,042,437</u>
Less accumulated amortization for				
Machinery and equipment	293,996	132,247	(106,035)	320,208
Subscription asset	304,166	677,461	(473,914)	507,713
Total accumulated amortization	<u>598,162</u>	<u>809,708</u>	<u>(579,949)</u>	<u>827,921</u>
Total lease assets, net	<u>2,024,224</u>	<u>(809,708)</u>	<u>-</u>	<u>1,214,516</u>
Governmental activities capital assets, net	<u>\$ 109,730,811</u>	<u>\$ 9,442,282</u>	<u>\$ (5,190,925)</u>	<u>\$ 113,982,168</u>

PRELIMINARY

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Business-type capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 594,574	\$ -	\$ -	\$ 594,574
Construction in progress	3,316,497	2,442,951	(1,076,413)	4,683,035
Total capital assets not being depreciated	<u>3,911,071</u>	<u>2,442,951</u>	<u>(1,076,413)</u>	<u>5,277,609</u>
Capital assets being depreciated				
Buildings and structures	50,706,433	284,156	-	50,990,589
Improvements other than buildings	79,258,407	376,531	-	79,634,938
Machinery and equipment	3,598,087	2,436,622	(682,583)	5,352,126
Total capital assets not being depreciated	<u>133,562,927</u>	<u>3,097,309</u>	<u>(682,583)</u>	<u>135,977,653</u>
Less accumulated depreciation for				
Buildings and structures	21,819,098	1,609,353	-	23,428,451
Improvements other than buildings	27,462,544	1,718,222	-	29,180,766
Machinery and equipment	2,269,473	356,085	(528,088)	2,097,470
Total accumulated depreciation	<u>51,551,115</u>	<u>3,683,660</u>	<u>(528,088)</u>	<u>54,706,687</u>
Total capital assets being depreciated, net	<u>82,011,812</u>	<u>(586,351)</u>	<u>(154,495)</u>	<u>81,270,966</u>
Business-type activities capital assets, net	<u>\$ 85,922,883</u>	<u>\$ 1,856,600</u>	<u>\$ (1,230,908)</u>	<u>\$ 86,548,575</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Lease assets being amortized				
Subscription asset	\$ 297,356	\$ 76,152	\$ -	\$ 373,508
Less accumulated amortization for				
Subscription asset	187,940	71,614	-	259,554
Total lease assets, net	<u>109,416</u>	<u>4,538</u>	<u>-</u>	<u>113,954</u>
Business-type activities capital assets, net	<u>\$ 86,032,299</u>	<u>\$ 1,861,138</u>	<u>\$ (1,230,908)</u>	<u>\$ 86,662,529</u>

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 248,673
Public safety	1,556,663
Public works	3,484,613
Culture and recreation	601,872
Airport	41,542
Community development	<u>2,468</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 5,935,831</u>
Business-type activities	
Water	\$ 1,318,678
Sewer	2,003,941
Storm water	<u>432,655</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 3,755,274</u>

**A. Discretely Presented Component Unit**

Activity for the EDA for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 91,834	\$ -	\$ -	<u>\$ 91,834</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**A. Discretely Presented Component Units (Continued)**

Activity for the HRA for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 594,041	\$ -	\$ -	\$ 594,041
Capital assets being depreciated				
Buildings and structures	3,525,546	-	-	3,525,546
Less accumulated depreciation for Buildings and structures	2,282,403	72,501	-	2,354,904
Total capital assets being depreciated, net	1,243,143	(72,501)	-	1,170,642
Total HRA capital assets, net	<u>\$ 1,837,184</u>	<u>\$ (72,501)</u>	<u>\$ -</u>	<u>\$ 1,764,683</u>

Depreciation expense was charged to functions/programs of the discretely presented HRA as follows:

Housing and redevelopment authority	<u>\$ 72,501</u>
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**NOTE 7 - LONG-TERM DEBT**

**A. General Obligation Bonds**

The City issues general obligation (G.O.) bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, G.O. bonds have been issued to refund G.O. bonds. G.O. bonds are direct obligations and pledge the full faith and credit of the City.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Primary Government**

**B. Components of Long-Term Liabilities**

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities						
Governmental activities						
G.O. Bonds						
G.O. Crossover Refunding						
Bonds 2015A	11/18/2015	2.75 - 3.00 %	\$ 1,685,000	12/15/2027	\$ 345,000	\$ 170,000
G.O. Improvement						
Bonds 2015A	11/18/2015	2.75 - 3.00 %	1,375,000	12/15/2030	520,000	100,000
G.O. State Aid						
Bonds 2021A	5/13/2021	1.20 - 2.00 %	1,505,000	12/15/2031	935,000	150,000
G.O. Refunding						
Bonds 2021B	12/2/2021	3.00 - 5.00 %	5,610,000	12/15/2029	2,160,000	955,000
Total G.O. Bonds					<u>3,960,000</u>	<u>1,375,000</u>
Unamortized bond premium					437,360	-
Lease liability					335,946	161,861
Subscription liability					886,122	194,822
Compensated absences					<u>2,125,362</u>	<u>1,094,263</u>
Total governmental activities					<u>7,744,790</u>	<u>2,825,946</u>
Business-type activities						
Notes from direct borrowing						
G.O. Water Revenue						
PFA Note 2019	5/15/2019	1.00%	10,205,719	8/20/2039	6,673,000	447,000
G.O. Sewer Revenue						
PFA Note 2009	7/28/2009	2.55%	21,258,552	8/20/2029	5,626,000	1,354,000
G.O. Water Revenue						
PFA Note 2021	11/12/2021	1.00%	522,527	8/20/2042	406,000	22,000
G.O. Water Revenue						
PFA Note 2025A	4/22/2025	4.125 - 5.00 %	6,980,000	12/15/2045	6,980,000	220,000
Total notes from direct borrowing					<u>19,685,000</u>	<u>2,043,000</u>
Unamortized debt premium					231,497	-
Subscription liability					128,627	107,959
Compensated absences					<u>264,998</u>	<u>120,967</u>
Total business-type activities					<u>20,310,122</u>	<u>2,271,926</u>
Total all long-term liabilities					<u>\$ 28,054,912</u>	<u>\$ 5,097,872</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Primary Government (Continued)**

**C. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities					
Bonds payable					
G.O. Bonds	\$ 4,045,000	\$ -	\$ (1,100,000)	\$ 2,945,000	\$ 1,155,000
G.O. Improvement Bonds	1,225,000	-	(210,000)	1,015,000	220,000
Total bonds payable	<u>5,270,000</u>	<u>-</u>	<u>(1,310,000)</u>	<u>3,960,000</u>	<u>1,375,000</u>
Bond premium	546,313	-	(108,953)	437,360	-
Subscription liability	1,062,880	-	(176,758)	886,122	194,822
Lease liability	543,403	-	(207,457)	335,946	161,861
Compensated absences payable*	<u>1,107,284</u>	<u>1,018,078</u>	<u>-</u>	<u>2,125,362</u>	<u>1,094,263</u>
Governmental activities long-term liabilities	<u>\$ 8,529,880</u>	<u>\$ 1,018,078</u>	<u>\$ (1,803,168)</u>	<u>\$ 7,744,790</u>	<u>\$ 2,825,946</u>
Business-type activities					
Notes from direct borrowing					
G.O. PFA Revenue Notes	\$ 14,489,000	\$ 6,980,000	\$ (1,784,000)	\$ 19,685,000	\$ 2,043,000
Subscription liability	182,712	-	(54,085)	128,627	107,959
Unamortized premium	-	231,497	-	231,497	-
Compensated absences payable*	<u>166,418</u>	<u>98,580</u>	<u>-</u>	<u>264,998</u>	<u>120,967</u>
Total business-type activities	<u>\$ 14,838,130</u>	<u>\$ 7,310,077</u>	<u>\$ (1,838,085)</u>	<u>\$ 20,310,122</u>	<u>\$ 2,271,926</u>

\*The change in the compensated absences liability is presented as a net change.

**D. Lease Liability**

The City's governmental activities has seventeen lease agreements for police vehicles. The lease agreements include annual principal and interest payments as noted. Interest and discount rates on the lease agreements are 3.0%.

**E. Subscription Liability**

The City has several subscription agreements with various terms. The subscription agreements include annual principal and interest payments as noted.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Primary Government (Continued)**

**F. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term liabilities:

Year Ending December 31,	Governmental Activities		
	G.O. Bonds		
	Principal	Interest	Total
2026	\$ 1,155,000	\$ 97,093	\$ 1,252,093
2027	740,000	48,518	788,518
2028	570,000	24,980	594,980
2029	160,000	5,280	165,280
2030	160,000	3,680	163,680
2031	160,000	1,920	161,920
Total	<u>\$ 2,945,000</u>	<u>\$ 181,471</u>	<u>\$ 3,126,471</u>

Year Ending December 31,	Governmental Activities		
	G.O. Improvement Bonds		
	Principal	Interest	Total
2026	\$ 220,000	\$ 33,050	\$ 253,050
2027	225,000	24,800	249,800
2028	230,000	17,550	247,550
2029	230,000	9,663	239,663
2030	110,000	3,025	113,025
Total	<u>\$ 1,015,000</u>	<u>\$ 88,088</u>	<u>\$ 1,103,088</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Primary Government (Continued)**

**F. Minimum Debt Payments (Continued)**

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	SBITA Lease Liability			Notes from direct borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 194,822	\$ 26,952	\$ 221,774	\$ 2,043,000	\$ 518,828	\$ 2,561,828
2027	106,762	21,026	127,788	2,091,000	468,611	2,559,611
2028	110,009	17,779	127,788	2,141,000	416,987	2,557,987
2029	113,355	14,433	127,788	2,198,000	363,905	2,561,905
2030	116,803	10,985	127,788	753,000	309,095	1,062,095
2031-2035	244,371	11,205	255,576	4,056,000	1,258,105	5,314,105
2036-2040	-	-	-	4,031,000	760,965	4,791,965
2041-2045	-	-	-	2,372,000	291,705	2,663,705
<b>Total</b>	<b>\$ 886,122</b>	<b>\$ 102,380</b>	<b>\$ 988,502</b>	<b>\$ 19,685,000</b>	<b>\$ 4,388,201</b>	<b>\$ 24,073,201</b>

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Lease Liability			SBITA Lease Liability		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 161,861	\$ 7,865	\$ 169,726	\$ 107,959	\$ 3,912	\$ 111,871
2027	127,874	3,234	131,108	6,684	629	7,313
2028	46,211	541	46,752	6,888	425	7,313
2029	-	-	-	7,096	217	7,313
<b>Total</b>	<b>\$ 335,946</b>	<b>\$ 11,640</b>	<b>\$ 347,586</b>	<b>\$ 128,627</b>	<b>\$ 5,183</b>	<b>\$ 133,810</b>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 8 - FUND BALANCE**

A summary of governmental fund balance classifications at December 31, 2025, is as follows:

	General Fund	Park Improvements	Street Improvement Projects	Nonmajor Governmental Funds	Total
Primary Government					
Nonspendable					
Prepaid items	\$ 352,768	\$ -	\$ -	\$ 2,188	\$ 354,956
Interfund loan	1,416,954	-	-	-	1,416,954
Total nonspendable	<u>1,769,722</u>	<u>-</u>	<u>-</u>	<u>2,188</u>	<u>1,771,910</u>
Restricted					
Debt Service	-	-	-	793,653	793,653
Charitable Gambling	-	-	-	43,626	43,626
Public Safety Programs	-	-	-	13,069	13,069
Rehabilitation Projects	-	-	-	374,765	374,765
Revolving Loans	-	-	-	483,334	483,334
Fire Insurance Escrow	62,160	-	-	-	62,160
Youth Baseball (Peter Smith Fund)	71,541	-	-	-	71,541
Total restricted	<u>133,701</u>	<u>-</u>	<u>-</u>	<u>1,708,447</u>	<u>1,842,148</u>
Committed					
Encumbrances	-	-	-	1,216,821	1,216,821
Government Buildings	-	-	-	128,730	128,730
Library	-	-	-	3,036,969	3,036,969
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,382,520</u>	<u>4,382,520</u>
Assigned					
K-9 Program	2,938	-	-	-	2,938
Childrens Program	36,499	-	-	-	36,499
CED Interfund Loan	183,046	-	-	-	183,046
Fair Value Adjustments	152,538	-	-	-	152,538
Compensated Absences	684,409	-	-	-	684,409
Hazardous Properties	10,000	-	-	-	10,000
Library	3,500	-	-	-	3,500
Public Safety Aid	116,573	-	-	-	116,573
State Local Housing Aid	207,596	-	-	-	207,596
Donations	202,673	-	-	-	202,673
Future Capital Improvements	-	-	1,856,228	726,761	2,582,989
Total assigned	<u>1,599,772</u>	<u>-</u>	<u>1,856,228</u>	<u>726,761</u>	<u>4,182,761</u>
Unassigned	10,809,648	(3,855,531)	-	-	6,954,117
Total fund balances	<u>\$ 14,312,843</u>	<u>\$ (3,855,531)</u>	<u>\$ 1,856,228</u>	<u>\$ 6,819,916</u>	<u>\$ 19,133,456</u>

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 9 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT) for workers' compensation and property and casualty insurance coverage. The LMCIT is a risk sharing pool with approximately 800 other governmental units.

The City pays an annual premium to the LMCIT for its workers' compensation and property and liability insurance. The LMCIT is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each insured event. 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 (IBNR). The City has a deductible under the LMCIT policy of \$5,000 per occurrence.

The City has one open worker's compensation claim from 2013, when the City was self-insured, that has not been settled and estimated losses are retained in the City's Worker's Compensation internal service fund.

The general liability and property damage activities are accounted for in the Property/Liability Insurance internal service fund. For liability insurance, the first \$50,000 for each occurrence and an annual aggregate of \$100,000 is retained by the City. All property is insured at replacement value with a \$50,000 deductible. These amounts are used to promote an aggressive maintenance program to help limit liability losses.

There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the prior three years.

**NOTE 10 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2025, was \$583,928. The components of pension expense are noted in the following plan summaries.

The General Fund, Water, Sewer, and Storm Water Funds typically liquidate the liability related to the pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *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.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

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 Retirement Plan (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* § 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.

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 5 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 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 the 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 90 and normal retirement age is 65. Members can receive a reduced requirement 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 a 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.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

General Employees Plan Benefits (Continued)

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 reduced prorated increase.

Police and Fire Plan Benefits

Benefits for the 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 increases by 10% each full year of service until members are 100% vested after 10 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 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 post-retirement 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 reduced 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

Coordinated 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 \$624,687. The City's contributions were equal to the required contributions as set by state statute.

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 \$928,504. The City's contributions were equal to the required contributions as set by state statute.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$2,800,248 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 \$67,551.

City's proportionate share of the net pension liability	\$ 2,800,248
State of Minnesota's proportionate share of the net pension liability associated with the City	67,551
Total	\$ 2,867,799

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 0.0845% at the end of the measurement period and 0.0852% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of \$(296,939) for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized and additional \$13,520 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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 271,466	\$ -
Changes in actuarial assumptions	67,469	685,422
Net collective difference between projected and actual investment earnings	-	1,077,975
Changes in proportion	-	230,969
Contributions paid to PERA subsequent to the measurement date	312,344	-
Total	\$ 651,279	\$ 1,994,366

The \$312,344 reported as deferred outflows of resources related to pensions resulting from City 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 deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2026	\$ (421,017)
2027	(643,129)
2028	(392,240)
2029	(199,045)
Total	\$ (1,655,431)

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs**

At December 31, 2025, the City reported a liability of \$3,765,025 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 0.3213% at the end of the measurement period and 0.3186% 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 \$130,514.

City's proportionate share of the net pension liability	\$ 3,765,025
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>130,514</u>
Total	<u><u>\$ 3,895,539</u></u>

For the year ended December 31, 2025, the City recognized pension expense of \$880,867 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$28,921 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 Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension 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 \$29,923 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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,779,244	\$ -
Changes in actuarial assumptions	3,025,506	4,954,601
Net collected difference between projected actual investment earnings	-	1,628,170
Changes in proportion	44,060	322,387
Contributions paid to PERA subsequent to the measurement date	464,252	-
Total	\$ 5,313,062	\$ 6,905,158

The \$464,252 reported as deferred outflows of resources related to pensions resulting from City 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:

Year Ending December 31,	Pension Expense Amount
2026	\$ 893,425
2027	(910,978)
2028	(1,990,398)
2029	(153,012)
2030	104,615
Total	\$ (2,056,348)

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0 %</u>	

**F. Actuarial Methods and 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 7.0%. The 7.0% assumption is based on a review of inflation and investments 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 for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.5% for the General Employees Plan and 1% for the Police and Fire Plan.

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 and 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 and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

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 and 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:

**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.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (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, 2048 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 7.0%. 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 positions 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. Therefore, 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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (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:

	1% Decrease in Discount Rate (6%)	Current Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's proportionate share of the General Employees Fund net pension liability	\$ 6,801,368	\$ 2,800,250	\$ (445,557)
	1% Decrease in Discount Rate (6%)	Current Discount Rate (7%)	1% Increase in Discount Rate (8%)
City's proportionate share of the Police and Fire Fund net pension liability	\$ 9,865,158	\$ 3,765,023	\$ (1,244,151)

**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](http://www.mnpera.org).

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

Council members of the City are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan 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.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 10 - PENSION PLANS (CONTINUED)**

**I. Pension Plan Fiduciary Net Position (Continued)**

**Public Employees Defined Contribution Plan (Defined Contribution Plan) (Continued)**

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *Minnesota Statutes* Chapter 353D and 356 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% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percent of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. 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% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2025 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 3,585	\$ 3,585	5%	5%	5%

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Blue Cross Blue Shield. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

**B. Benefits Provided**

Retirees receiving benefits contribute 100% of their premium costs, except those receiving disability benefits. Retirees and their spouses contribute to the health care plan at the same rate as active employees.

**C. Contributions**

Contribution requirements are established by the City, based on the contract terms with Blue Cross Blue Shield. The required contributions are based on projected pay-as-you-go financing requirements. For 2025, the City contributed \$82,863 for retirees receiving health care benefits.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**D. Members**

As of December 31, 2023, the following were covered by the benefit terms:

Active employees electing coverage	83
Active employees waiving coverage	47
Retirees electing coverage	7
Total	137

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation measured as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	4.08% net of investment expense
Salary increases	3.25% including inflation
Inflation	2.50%
Healthcare cost trend increases	6.9% for 2024, gradually decreasing over several decades to an ultimate rate of 3.9% in 2075 and later years.
 Mortality assumption	 Pub-2010 General (General) and Public Safety (Police and Fire) mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

The discount rate used to measure the total OPEB liability was 4.08% based on 20-year municipal bond rates.

**F. Total OPEB Liability**

The City's total OPEB liability of \$2,206,228 was measured as of December 31, 2025, and was determined by an actuarial valuation as of December 31, 2024.

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability (Continued)**

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at January 1, 2025	<u>\$ 2,146,361</u>
Changes for the year	
Service cost	135,531
Interest	84,465
Differences between expected and actual economic experience	(13,278)
Employer contributions	-
Changes of assumptions	(63,989)
Benefit payments	(82,862)
Net changes	<u>59,867</u>
Balance at December 31, 2025	<u><u>\$ 2,206,228</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.77% in 2024 to 4.08% in 2025.

The General Fund, and the Water, Sewer, and Storm Water Enterprise Funds typically liquidate the liability related to OPEB.

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 4.08% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability		
1% Decrease in Discount Rate (3.08%)	Current Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
\$ 2,420,981	\$ 2,206,228	\$ 2,014,460

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

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 healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability		
1% Decrease in Trend Rate (5.9% Decreasing to 2.9%)	Current Trend Rate (6.9% Decreasing to 3.9%)	1% Increase in Trend Rate (7.9% Decreasing to 4.9%)
\$ 1,927,642	\$ 2,206,228	\$ 2,536,526

**H. 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 \$189,235. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	\$ 134,310	\$ 330,771
Changes of assumptions	364,292	388,377
Contributions between measurement date and reporting date	82,863	-
Total	\$ 581,465	\$ 719,148

**City of Faribault  
Notes to Basic Financial Statements**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

The amount of \$82,863 reported as deferred outflows of resources related to OPEB resulting from City contributions 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 of resources related to OPEB will be recognized in pension expense as follows:

Year Ending December 31,	Total
2026	\$ (35,424)
2027	(55,931)
2028	(77,287)
2029	(208)
2030	(5,624)
Thereafter	(46,072)
Total	\$ (220,546)

**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS**

The City participates in various jointly governed organizations that generally have separate governing boards composed of representative of each member organization. During 2025, the City did not have any related party transactions involving the jointly governed organizations. The City participated in the following jointly governed organizations in 2025:

- Cannon River Drug and Violent Offender Task Force (CRDVOTF)
- South Metro SWAT
- Rice & Steel County Dispatch
- MN Financial Crimes Task Force
- MN Internet Crimes Against Children (ICAC)

The City does not have a significant ongoing financial interest or responsibility with these organizations. The financial statements for the jointly governed organization can be obtained by contacting the City at City Hall, 208 NW 1st Avenue, Faribault, Minnesota, 55021-5105.

**NOTE 13 - COMMITTED CONTRACTS**

At December 31, 2025, the City had commitments of \$3,960,219 for ongoing construction contracts that have not been completed.

**City of Faribault**  
**Notes to Basic Financial Statements**

**NOTE 14 - CONTINGENT LIABILITIES**

The Housing and Redevelopment Authority (HRA) in the course of business has obtained various deferred loans from governmental agencies. Generally, the entire loan amounts will be forgiven unless the HRA defaults on the conditions noted in the deferred loan agreements. HRA management has indicated that their intent is to meet their conditions. The deferred loans are not recorded as a liability in the HRA's financial statements; however, if the HRA were to default, the unforgiven portion would have to be repaid to the original funding source.

**NOTE 15 - CONDUIT DEBT**

The City of Faribault issued a Tax-Exempt Refunding Note, Series 2022 for Shattuck St. Mary's to refinance the Taxable Refunding Note, Series 2021. The note is secured by the property financed and is payable solely from private sector entity revenues. Upon repayment of the note, ownership of the acquired facilities transfers to the private-sector entity served by the note issuance. Neither the City of Faribault or the State of Minnesota, or 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 Series 2022 Note remains outstanding.

**NOTE 16 - NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 103, *Financial Reporting Model Improvements*. The changes required by this Statement provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities. This Statement will be effective for the year ending December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets. This Statement will be effective for the year ending December 31, 2026.

PRELIMINARY

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Faribault**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability - General Employees Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0826%	\$ 6,706,710	\$ 87,614	\$ 6,794,324	\$ 5,126,319	130.8%	68.9%
2017	0.0821%	5,241,210	65,935	5,307,145	5,291,600	99.0%	75.9%
2018	0.0847%	4,698,809	154,168	4,852,977	5,691,880	82.6%	79.5%
2019	0.0863%	4,771,334	148,160	4,919,494	6,105,160	78.2%	80.2%
2020	0.0907%	5,437,879	167,690	5,605,569	6,469,093	84.1%	79.1%
2021	0.0938%	4,005,680	122,370	4,128,050	6,752,613	59.3%	87.0%
2022	0.0930%	7,365,631	216,104	7,581,735	6,967,920	105.7%	76.7%
2023	0.0922%	5,155,721	142,063	5,297,784	7,330,053	70.3%	83.1%
2024	0.0852%	3,149,697	81,445	3,231,142	7,210,733	43.7%	89.1%
2025	0.0845%	2,800,248	67,551	2,867,799	7,653,027	36.6%	90.8%

**Schedule of City's Proportionate Share**  
**of Net Pension Liability - Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.3310%	\$ 13,283,606	\$ -	\$ 13,283,606	\$ 3,113,844	426.6%	63.9%
2017	0.3290%	4,441,892	-	4,441,892	3,376,877	131.5%	85.4%
2018	0.3344%	3,534,264	-	3,534,264	3,524,494	100.3%	88.8%
2019	0.3544%	3,725,102	-	3,725,102	3,738,492	99.6%	89.3%
2020	0.3415%	4,470,600	106,060	4,576,660	3,854,378	118.7%	87.2%
2021	0.3365%	2,567,138	116,764	2,683,902	4,062,499	66.1%	93.7%
2022	0.3419%	14,878,137	650,076	15,528,213	4,153,757	373.8%	70.5%
2023	0.3377%	5,831,640	234,901	6,066,541	4,434,898	136.8%	86.5%
2024	0.3186%	4,191,378	159,774	4,351,152	4,411,621	98.6%	90.2%
2025	0.3213%	3,765,025	130,514	3,895,539	4,876,893	79.9%	91.8%

See notes to required supplementary information.

**City of Faribault  
Schedule of City Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 396,870	\$ 396,870	\$ -	\$ 5,291,600	7.50%
2017	390,596	390,596	-	5,207,947	7.50%
2018	440,818	440,818	-	5,877,573	7.50%
2019	490,385	490,385	-	6,538,467	7.50%
2020	538,375	538,375	-	7,178,333	7.50%
2021	616,151	616,151	-	8,215,347	7.50%
2022	531,237	531,237	-	7,083,161	7.50%
2023	549,136	549,136	-	7,321,813	7.50%
2024	525,458	525,458	-	7,006,107	7.50%
2025	624,687	624,687	-	8,329,160	7.50%

**Schedule of City Contributions  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 547,054	\$ 547,054	\$ -	\$ 3,376,877	16.20%
2017	583,424	583,424	-	3,601,383	16.20%
2018	585,729	585,729	-	3,615,611	16.20%
2019	630,783	630,783	-	3,721,434	16.95%
2020	695,780	695,780	-	3,930,960	17.70%
2021	648,105	648,105	-	3,661,610	17.70%
2022	734,718	734,718	-	4,150,946	17.70%
2023	767,848	767,848	-	4,338,124	17.70%
2024	790,411	790,411	-	4,465,599	17.70%
2025	928,504	928,504	-	5,245,785	17.70%

**City of Faribault**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
<b>Total OPEB Liability</b>				
Service cost	\$ 61,075	\$ 69,506	\$ 81,896	\$ 104,806
Interest	70,363	67,670	87,373	45,784
Differences between expected and actual experience	-	-	(924,672)	(7,231)
Changes of assumptions	150,785	255,387	135,711	160,150
Benefit payments	(89,470)	(96,608)	(91,968)	(94,837)
Net change in total OPEB liability	<u>192,753</u>	<u>295,955</u>	<u>(711,660)</u>	<u>208,672</u>
Beginning of year	<u>1,830,446</u>	<u>2,023,199</u>	<u>2,319,154</u>	<u>1,607,494</u>
End of year	<u><u>\$ 2,023,199</u></u>	<u><u>\$ 2,319,154</u></u>	<u><u>\$ 1,607,494</u></u>	<u><u>\$ 1,816,166</u></u>
Covered employee payroll	\$ 9,371,206	\$ 9,801,191	\$ 9,154,947	\$ 10,684,652
Total OPEB liability as a percentage of covered employee payroll	21.6%	23.7%	17.6%	17.0%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.  
No assets are accumulated in a trust for OPEB.

December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
\$ 121,663	\$ 157,490	114,847	135,531
38,255	43,489	78,809	84,465
83,878	5,623	106,693	(13,278)
238,931	(491,864)	61,953	(63,989)
(50,174)	(85,384)	(94,014)	(82,862)
432,553	(370,646)	268,288	59,867
1,816,166	2,248,719	1,878,073	2,146,361
<u>\$ 2,248,719</u>	<u>\$ 1,878,073</u>	<u>\$ 2,146,361</u>	<u>\$ 2,206,228</u>
\$ 12,053,650	\$ 11,194,310	12,628,531	12,628,531
18.7%	16.8%	17.0%	17.5%

PRELIMINARY

PRELIMINARY

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**City of Faribault**  
**Notes to Required Supplementary Information**

**General Employees Fund**

**2025 Changes**

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.

**2024 Changes**

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**2023 Changes**

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million was 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% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**City of Faribault**  
**Notes to Required Supplementary Information**

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.

PRELIMINARY

**City of Faribault**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- 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 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- 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% to 3.00%, beginning July 1, 2018.

**City of Faribault**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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. This 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 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**City of Faribault**  
**Notes to Required Supplementary Information**

**Police and Fire Fund**

**2025 Changes**

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.

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, 2048 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 Changes**

Changes in Plan Provisions

- 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% 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% 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).

**City of Faribault**  
**Notes to Required Supplementary Information**

**2023 Changes**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- 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% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% 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.

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- 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 MP-2020.

**City of Faribault  
Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2021 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- 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 resulted 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 resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Postretirement benefit annual increases were changed to 1.00% 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% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.

**City of Faribault**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, 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 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% 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% 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% to 60%.
- 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 annual benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**City of Faribault**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan**

**2025 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 3.77% to 4.08%.

**2024 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 4.05% to 3.77%.

**2023 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 1.84% to 4.05%.

**2022 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 2.00% to 1.84%.

**2021 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 2.75% to 2.00%.

**2020 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 3.71% to 2.75%.

Changes in Plan Provisions

- Retiree premiums and disabled public safety contribution amounts were updated to current levels.

**2019 Changes**

Changes in Actuarial Assumptions

- The discount rate changed from 3.31% to 3.71%.

PRELIMINARY

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

City of Faribault  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance -  
Budget and Actual  
Year Ended December 31, 2025  
With Comparative Actual Amounts for the Year Ended December 31, 2024

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes					
Property taxes	\$ 11,464,528	\$ 11,628,585	\$ 11,490,552	\$ (138,033)	\$ 10,240,500
Franchise fees	200,000	165,000	161,174	(3,826)	189,478
Miscellaneous taxes	120,000	120,000	121,740	1,740	119,219
Total taxes	<u>11,784,528</u>	<u>11,913,585</u>	<u>11,773,466</u>	<u>(140,119)</u>	<u>10,549,197</u>
Special assessments	3,000	8,100	24,173	16,073	6,216
Licenses and permits					
Business	89,700	92,928	88,805	(4,123)	91,845
Non-business	641,820	647,270	687,686	40,416	643,261
Total licenses and permits	<u>731,520</u>	<u>740,198</u>	<u>776,491</u>	<u>36,293</u>	<u>735,106</u>
Intergovernmental revenue					
Local government aid	6,982,826	6,982,826	6,982,826	-	6,528,073
Agricultural market value credit	1,500	1,500	-	(1,500)	-
PERA aid	22,500	22,500	(21,294)	(43,794)	8,756
MSA	-	-	161,172	161,172	-
Federal grants	-	21,905	114,379	92,474	148,617
County grants	-	-	228,383	228,383	-
Other grants and aids	1,099,813	1,294,958	778,516	(516,442)	1,239,060
Total intergovernmental revenue	<u>8,106,639</u>	<u>8,323,689</u>	<u>8,243,982</u>	<u>(79,707)</u>	<u>7,924,506</u>
Charges for services					
General government	61,726	129,302	135,626	6,324	43,932
Public safety	512,252	556,628	615,797	59,169	552,308
Public works	736,000	753,665	552,451	(201,214)	842,889
Culture and recreation	604,940	586,223	652,394	66,171	550,976
Total charges for services	<u>1,914,918</u>	<u>2,025,818</u>	<u>1,956,268</u>	<u>(69,550)</u>	<u>1,990,105</u>
Fines and forfeitures	133,000	133,000	111,454	(21,546)	115,666
Miscellaneous revenues					
Investment income	296,030	287,150	389,106	101,956	714,802
Contributions and donations	15,000	42,440	43,651	1,211	49,948
Other	-	85,885	65,022	(20,863)	46,385
Total miscellaneous revenues	<u>311,030</u>	<u>415,475</u>	<u>497,779</u>	<u>82,304</u>	<u>811,135</u>
Total revenues	<u>22,984,635</u>	<u>23,559,865</u>	<u>23,383,613</u>	<u>(176,252)</u>	<u>22,131,931</u>

City of Faribault  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual  
Year Ended December 31, 2025  
With Comparative Actual Amounts for the Year Ended December 31, 2024

Continued

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Expenditures</b>					
<b>Current</b>					
General government					
Council					
Personnel services	\$ 81,548	\$ 81,548	\$ 135,443	\$ 53,895	\$ 81,508
Supplies	4,825	4,825	6,595	1,770	4,955
Other services and charges	431,092	441,092	429,040	(12,052)	463,863
Total council	<u>517,465</u>	<u>527,465</u>	<u>571,078</u>	<u>43,613</u>	<u>550,326</u>
Administrator and elections					
Personnel services	320,408	320,408	322,546	2,138	446,555
Supplies	6,250	6,250	5,166	(1,084)	13,574
Other services and charges	59,547	59,547	58,664	(883)	22,767
Total administrator and elections	<u>386,205</u>	<u>386,205</u>	<u>386,376</u>	<u>171</u>	<u>482,896</u>
Communications					
Personnel services	103,323	103,323	117,343	14,020	102,492
Supplies	1,400	1,400	308	(1,092)	294
Other services and charges	24,888	24,888	20,127	(4,761)	26,020
Total administrator and elections	<u>129,611</u>	<u>129,611</u>	<u>137,778</u>	<u>8,167</u>	<u>128,806</u>
Finance					
Personnel services	431,389	431,389	321,959	(109,430)	377,972
Supplies	7,102	7,102	21,125	14,023	3,952
Other services and charges	164,177	224,177	492,926	268,749	403,556
Total finance	<u>602,668</u>	<u>662,668</u>	<u>836,010</u>	<u>173,342</u>	<u>785,480</u>
Legal					
Other services and charges	281,000	281,000	305,134	24,134	317,598
Personnel administration					
Personnel services	301,483	301,483	305,770	4,287	341,617
Supplies	4,604	4,604	5,678	1,074	5,924
Other services and charges	125,363	125,363	116,716	(8,647)	82,521
Total personnel administration	<u>431,450</u>	<u>431,450</u>	<u>428,164</u>	<u>(3,286)</u>	<u>430,062</u>
Planning and zoning					
Personnel services	400,417	400,417	366,753	(33,664)	368,803
Supplies	3,400	3,400	1,765	(1,635)	188
Other services and charges	79,117	79,117	68,254	(10,863)	81,387
Total planning and zoning	<u>482,934</u>	<u>482,934</u>	<u>436,772</u>	<u>(46,162)</u>	<u>450,378</u>
City hall maintenance					
Personnel services	79,510	79,510	78,291	(1,219)	69,521
Supplies	14,650	14,650	18,279	3,629	8,257
Other services and charges	61,546	61,546	53,927	(7,619)	48,416
Total city hall maintenance	<u>155,706</u>	<u>155,706</u>	<u>150,497</u>	<u>(5,209)</u>	<u>126,194</u>
Information technology					
Personnel services	201,827	201,827	206,632	4,805	179,054
Supplies	5,415	5,415	5,394	(21)	10,505
Other services and charges	215,215	215,215	175,015	(40,200)	214,591
Total information technology	<u>422,457</u>	<u>422,457</u>	<u>387,041</u>	<u>(35,416)</u>	<u>404,150</u>

City of Faribault  
 General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances -  
 Budget and Actual  
 Year Ended December 31, 2025  
 With Comparative Actual Amounts for the Year Ended December 31, 2024

Continued

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Expenditures (Continued)</b>					
Current (continued)					
General government (continued)					
Other services and charges	\$ 60,316	\$ 316	\$ 316	\$ -	\$ 316
Total general government	<u>3,469,812</u>	<u>3,479,812</u>	<u>3,639,166</u>	<u>159,354</u>	<u>3,676,206</u>
Public safety					
Police					
Personnel services	6,495,059	6,495,059	6,251,622	(243,437)	5,455,493
Supplies	286,315	309,331	296,323	(13,008)	670,481
Other services and charges	796,015	817,024	510,861	(306,163)	651,034
Total police	<u>7,577,389</u>	<u>7,621,414</u>	<u>7,058,806</u>	<u>(562,608)</u>	<u>6,777,008</u>
Civil defense					
Supplies	500	500	1,878	1,378	1,915
Other services and charges	6,250	6,250	1,178	(5,072)	3,631
Total civil defense	<u>6,750</u>	<u>6,750</u>	<u>3,056</u>	<u>(3,694)</u>	<u>5,546</u>
Code enforcement					
Personnel services	557,340	557,340	540,651	(16,689)	383,567
Supplies	11,550	11,550	11,994	444	7,551
Other services and charges	195,125	195,125	151,096	(44,029)	119,278
Total code enforcement	<u>764,015</u>	<u>764,015</u>	<u>703,741</u>	<u>(60,274)</u>	<u>510,396</u>
Fire					
Personnel services	2,028,109	2,028,109	2,002,905	(25,204)	1,809,227
Supplies	118,150	123,800	99,685	(24,115)	211,138
Other services and charges	154,166	156,766	88,295	(68,471)	90,986
Total fire	<u>2,300,425</u>	<u>2,308,675</u>	<u>2,190,885</u>	<u>(117,790)</u>	<u>2,111,351</u>
Total public safety	<u>10,648,579</u>	<u>10,700,854</u>	<u>9,956,488</u>	<u>(744,366)</u>	<u>9,404,301</u>
Public works					
Administration					
Personnel services	135,240	135,240	134,713	(527)	124,400
Supplies	550	550	607	57	161
Other services and charges	129,830	129,830	260,801	130,971	113,837
Total administration	<u>265,620</u>	<u>265,620</u>	<u>396,121</u>	<u>130,501</u>	<u>238,398</u>

City of Faribault  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual  
Year Ended December 31, 2025  
With Comparative Actual Amounts for the Year Ended December 31, 2024

Continued

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Expenditures (Continued)</b>					
Current (continued)					
Public works (continued)					
Maintenance					
Personnel services	\$ 1,413,469	\$ 1,413,469	\$ 1,378,175	\$ (35,294)	\$ 1,322,882
Supplies	562,200	562,200	492,627	(69,573)	555,473
Other services and charges	483,712	483,712	435,125	(48,587)	427,262
Total maintenance	<u>2,459,381</u>	<u>2,459,381</u>	<u>2,305,927</u>	<u>(153,454)</u>	<u>2,305,617</u>
Engineering					
Personnel services	626,975	626,975	601,548	(25,427)	554,776
Supplies	29,900	29,900	29,112	(788)	9,048
Other services and charges	47,404	47,404	41,949	(5,455)	41,948
Total engineering	<u>704,279</u>	<u>704,279</u>	<u>672,609</u>	<u>(31,670)</u>	<u>605,772</u>
Total public works	<u>3,429,280</u>	<u>3,429,280</u>	<u>3,374,657</u>	<u>(54,623)</u>	<u>3,149,787</u>
Culture and recreation					
Parks and recreation					
Personnel services	3,611,955	3,577,201	3,535,791	(41,410)	3,167,828
Supplies	547,100	628,624	554,746	(73,878)	461,077
Other services and charges	1,111,930	1,104,269	1,049,089	(55,180)	1,064,388
Total culture and recreation	<u>5,270,985</u>	<u>5,310,094</u>	<u>5,139,626</u>	<u>(170,468)</u>	<u>4,693,293</u>
Total culture and recreation	<u>5,270,985</u>	<u>5,310,094</u>	<u>5,139,626</u>	<u>(170,468)</u>	<u>4,693,293</u>
Mass transportation and airport					
Airport					
Other services and charges	-	-	30,785	30,785	26,360
Total airport	<u>-</u>	<u>-</u>	<u>30,785</u>	<u>30,785</u>	<u>26,360</u>
Debt Service					
Principal	-	-	346,154	346,154	316,130
Interest and other charges	-	-	18,110	18,110	21,230
Total debt service	<u>-</u>	<u>-</u>	<u>364,264</u>	<u>364,264</u>	<u>337,360</u>
Capital outlay					
General government	-	-	-	-	1,124,187
Culture and recreation	-	-	31,853	31,853	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>31,853</u>	<u>31,853</u>	<u>1,124,187</u>
Total expenditures	<u>22,818,656</u>	<u>22,920,040</u>	<u>22,536,839</u>	<u>(383,201)</u>	<u>22,411,494</u>
Excess of revenues over (under) expenditures	165,979	639,825	846,774	206,949	(279,563)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital asset	-	22,100	24,600	2,500	-
Lease issuance	-	-	-	-	360,378
Subscription issuance	-	-	-	-	774,513
Transfers in	-	-	-	-	169,162
Transfers out	-	(798,292)	(798,292)	-	(103,855)
Total other financing sources (uses)	<u>-</u>	<u>(776,192)</u>	<u>(773,692)</u>	<u>2,500</u>	<u>1,200,198</u>
Net change in fund balance	<u>\$ 165,979</u>	<u>\$ (136,367)</u>	<u>73,082</u>	<u>\$ 209,449</u>	<u>920,635</u>
<b>Fund Balance</b>					
Beginning of year			14,239,761		13,319,126
End of year			<u>\$ 14,312,843</u>		<u>\$ 14,239,761</u>

**City of Faribault  
Nonmajor Governmental Funds**

**Nonmajor Special Revenue Funds**

Special revenue funds are established to account for specific revenue or other sources that are designated for financing particular functions or activities as required by deferral regulations, *Minnesota Statute*, City charter provisions, local ordinances, or specific grant agreements. Most of the special revenue funds are related to specific federal and state housing programs or grants for specific activities.

**Nonmajor Capital Projects Funds**

Capital project funds are established to account for the resources used for the acquisition of capital facilities and infrastructure for the City with the exception of those financed by the enterprise funds.

**Nonmajor Debt Service Funds**

The Debt Service funds are established to account for the collection of ad valorem taxes, special assessments, and tax increment revenue transfers, as well as the payment of principal and interest of general long-term debt.

**Internal Service Funds**

The Internal Service Fund is to account for the financing of goods and services provided by one fund to the other departments of the City. These services are provided on a cost reimbursement basis or are partially or fully self-funded through interest earnings on dedicated reserves.

PRELIMINARY

City of Faribault  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2025

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 4,739,827	\$ 1,471,841	\$ 2,373,996	\$ 8,585,664
Taxes receivable - current	2,810	-	6,670	9,480
Taxes receivable - delinquent	3,448	58	5,800	9,306
Accounts receivable	7,698	69,024	9,972	86,694
Interest receivable	15,589	5,424	9,457	30,470
Due from other governments	137,775	-	-	137,775
Due from component unit	110,220	49,974	-	160,194
Notes receivable	3,167	-	-	3,167
Leases receivable	311,277	-	-	311,277
Special assessments receivable				
Current	-	-	565	565
Delinquent	-	-	300	300
Deferred	-	-	147,544	147,544
Prepaid items	2,188	-	-	2,188
	<u>5,333,999</u>	<u>1,596,321</u>	<u>2,554,304</u>	<u>9,484,624</u>
Total assets	<u>\$ 5,333,999</u>	<u>\$ 1,596,321</u>	<u>\$ 2,554,304</u>	<u>\$ 9,484,624</u>
<b>Liabilities</b>				
Accounts payable	\$ 91,250	\$ 211,661	\$ 4,233	\$ 307,144
Deposits payable	926	-	-	926
Due to other funds	-	167,781	1,602,774	1,770,555
Due to other governments	78,099	-	-	78,099
Unearned revenue	39,557	-	-	39,557
Interest payable	-	-	-	-
Total liabilities	<u>209,832</u>	<u>379,442</u>	<u>1,607,007</u>	<u>2,196,281</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	3,448	58	5,800	9,306
Unavailable revenue - special assessments	-	-	147,844	147,844
Leases receivable	311,277	-	-	311,277
Total deferred inflows of resources	<u>314,725</u>	<u>58</u>	<u>153,644</u>	<u>468,427</u>
<b>Fund Balances</b>				
Nonspendable	2,188	-	-	2,188
Restricted	914,794	-	793,653	1,708,447
Committed	3,165,699	1,216,821	-	4,382,520
Assigned	726,761	-	-	726,761
Total fund balances	<u>4,809,442</u>	<u>1,216,821</u>	<u>793,653</u>	<u>6,819,916</u>
	<u>\$ 5,333,999</u>	<u>\$ 1,596,321</u>	<u>\$ 2,554,304</u>	<u>\$ 9,484,624</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,333,999</u>	<u>\$ 1,596,321</u>	<u>\$ 2,554,304</u>	<u>\$ 9,484,624</u>

**City of Faribault**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 653,630	\$ 97	\$ 1,373,681	\$ 2,027,408
Special assessments	-	-	45,161	45,161
Intergovernmental	36,374	36,948	162,280	235,602
Charges for services	365,796	267,520	40,929	674,245
Miscellaneous				
Investment income	206,655	94,597	114,675	415,927
Contributions and donations	1,409	-	-	1,409
Other	3,655	92,331	-	95,986
Total revenues	<u>1,267,519</u>	<u>491,493</u>	<u>1,736,726</u>	<u>3,495,738</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	64,634	174,155	-	238,789
Public safety	3,480	19,850	-	23,330
Public works	-	20,260	-	20,260
Culture and recreation	5,113	32,412	-	37,525
Community development	547,927	-	-	547,927
Mass transportation and airport	149,239	-	-	149,239
<b>Debt service</b>				
Principal	-	-	1,310,000	1,310,000
Interest and other charges	-	-	231,600	231,600
<b>Capital outlay</b>				
Public safety	-	1,055,992	-	1,055,992
Public works	-	493,356	-	493,356
Culture and recreation	44,424	36,646	-	81,070
Mass transportation and airport	126,354	-	-	126,354
Total expenditures	<u>941,171</u>	<u>2,208,513</u>	<u>1,541,600</u>	<u>4,691,284</u>
Excess of revenues over (under) expenditures	326,348	(1,717,020)	195,126	(1,195,546)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	35,287	-	35,287
Transfers in	219,367	2,203,925	25,000	2,448,292
Transfers out	-	-	(1,600,000)	(1,600,000)
Total other financing sources (uses)	<u>219,367</u>	<u>2,239,212</u>	<u>(1,575,000)</u>	<u>883,579</u>
Net change in fund balances	545,715	522,192	(1,379,874)	(311,967)
<b>Fund Balances</b>				
Beginning of year	<u>4,263,727</u>	<u>694,629</u>	<u>2,173,527</u>	<u>7,131,883</u>
End of year	<u>\$ 4,809,442</u>	<u>\$ 1,216,821</u>	<u>\$ 793,653</u>	<u>\$ 6,819,916</u>

City of Faribault  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
December 31, 2025

	Special Revenue			
	Charitable Gambling (210)	General Government Buildings (211)	Forfeiture Fund (215)	Library Donation (217)
<b>Assets</b>				
Cash and investments	\$ 37,162	\$ 129,423	\$ 13,024	\$ 3,026,589
Taxes receivable - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Accounts receivable	6,345	-	-	-
Interest receivable	119	446	45	10,380
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Notes receivable	-	-	-	-
Leases receivable	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 43,626</b>	<b>\$ 129,869</b>	<b>\$ 13,069</b>	<b>\$ 3,036,969</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 133	\$ -	\$ -
Deposits payable	-	926	-	-
Due to other governments	-	80	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,139</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Deferred inflows of resources related to leases receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted				
Charitable gambling	43,626	-	-	-
Forfeited and seized assets	-	-	13,069	-
Rehabilitation projects	-	-	-	-
Revolving loans	-	-	-	-
Committed				
General government buildings	-	128,730	-	-
Library donation	-	-	-	3,036,969
Assigned				
Capital improvements	-	-	-	-
<b>Total fund balances</b>	<b>43,626</b>	<b>128,730</b>	<b>13,069</b>	<b>3,036,969</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 43,626</b>	<b>\$ 129,869</b>	<b>\$ 13,069</b>	<b>\$ 3,036,969</b>

Special Revenue

Municipal Airport (225)	CED Administration (239, 240)	Rental Housing Rehabilitation (241)	SCDP Revolving Loan Fund (242)	Total Nonmajor Special Revenue Funds
\$ 708,478	\$ 148,764	\$ 197,645	\$ 478,742	\$ 4,739,827
-	2,810	-	-	2,810
-	3,448	-	-	3,448
1,353	-	-	-	7,698
2,525	649	-	1,425	15,589
60,192	77,583	-	-	137,775
-	110,220	-	-	110,220
-	-	-	3,167	3,167
311,277	-	-	-	311,277
2,188	-	-	-	2,188
<u>\$ 1,086,013</u>	<u>\$ 343,474</u>	<u>\$ 197,645</u>	<u>\$ 483,334</u>	<u>\$ 5,333,999</u>
\$ 5,794	\$ 85,323	\$ -	\$ -	\$ 91,250
-	-	-	-	926
436	77,583	-	-	78,099
39,557	-	-	-	39,557
<u>45,787</u>	<u>162,906</u>	<u>-</u>	<u>-</u>	<u>209,832</u>
-	3,448	-	-	3,448
311,277	-	-	-	311,277
<u>311,277</u>	<u>3,448</u>	<u>-</u>	<u>-</u>	<u>314,725</u>
2,188	-	-	-	2,188
-	-	-	-	43,626
-	-	-	-	13,069
-	177,120	197,645	-	374,765
-	-	-	483,334	483,334
-	-	-	-	128,730
-	-	-	-	3,036,969
726,761	-	-	-	726,761
<u>728,949</u>	<u>177,120</u>	<u>197,645</u>	<u>483,334</u>	<u>4,809,442</u>
<u>\$ 1,086,013</u>	<u>\$ 343,474</u>	<u>\$ 197,645</u>	<u>\$ 483,334</u>	<u>\$ 5,333,999</u>

**City of Faribault**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	Special Revenue			
	Charitable Gambling (210)	General Government Buildings (211)	Forfeiture Fund (215)	Library Donation (217)
<b>Revenues</b>				
Taxes	\$ 54,598	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services				
Program fees	-	-	-	-
Rents	-	13,314	-	-
Miscellaneous				
Investment income	1,636	5,527	634	142,403
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>56,234</u>	<u>18,841</u>	<u>634</u>	<u>142,403</u>
<b>Expenditures</b>				
Current				
General government	58,497	6,137	-	-
Public safety	-	-	3,480	-
Culture and recreation	-	-	-	5,113
Community development	-	-	-	-
Mass transportation and airport	-	-	-	-
Capital outlay				
Culture and recreation	-	-	-	44,424
Mass transportation and airport	-	-	-	-
Total expenditures	<u>58,497</u>	<u>6,137</u>	<u>3,480</u>	<u>49,537</u>
Excess of revenues over (under) expenditures	(2,263)	12,704	(2,846)	92,866
<b>Other Financing Sources</b>				
Transfers in	-	-	-	-
Net change in fund balances	(2,263)	12,704	(2,846)	92,866
<b>Fund Balances</b>				
Beginning of year	<u>45,889</u>	<u>116,026</u>	<u>15,915</u>	<u>2,944,103</u>
End of year	<u>\$ 43,626</u>	<u>\$ 128,730</u>	<u>\$ 13,069</u>	<u>\$ 3,036,969</u>

Special Revenue

Municipal Airport (225)	CED Administration (239, 240)	Rental Housing Rehabilitation (241)	SCDP Revolving Loan Fund (242)	Total Nonmajor Special Revenue Funds
\$ -	\$ 599,032	\$ -	\$ -	\$ 653,630
36,374	-	-	-	36,374
-	204,071	-	-	204,071
148,411	-	-	-	161,725
34,735	4,137	(607)	18,190	206,655
1,409	-	-	-	1,409
-	2,992	-	663	3,655
<u>220,929</u>	<u>810,232</u>	<u>(607)</u>	<u>18,853</u>	<u>1,267,519</u>
-	-	-	-	64,634
-	-	-	-	3,480
-	-	-	-	5,113
-	547,927	-	-	547,927
149,239	-	-	-	149,239
-	-	-	-	44,424
126,354	-	-	-	126,354
<u>275,593</u>	<u>547,927</u>	<u>-</u>	<u>-</u>	<u>941,171</u>
(54,664)	262,305	(607)	18,853	326,348
-	219,367	-	-	219,367
(54,664)	481,672	(607)	18,853	545,715
783,613	(304,552)	198,252	464,481	4,263,727
<u>\$ 728,949</u>	<u>\$ 177,120</u>	<u>\$ 197,645</u>	<u>\$ 483,334</u>	<u>\$ 4,809,442</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Charitable Gambling Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 40,000	\$ 40,000	\$ 54,598	\$ 14,598	\$ 44,775
Miscellaneous					
Investment income	1,610	1,610	1,636	26	2,126
Total revenues	<u>41,610</u>	<u>41,610</u>	<u>56,234</u>	<u>14,624</u>	<u>46,901</u>
<b>Expenditures</b>					
Current					
General government					
Other services and charges	30,850	30,850	58,497	27,647	49,658
Total expenditures	<u>30,850</u>	<u>30,850</u>	<u>58,497</u>	<u>27,647</u>	<u>49,658</u>
Net change in fund balances	<u>\$ 10,760</u>	<u>\$ 10,760</u>	(2,263)	<u>\$ (13,023)</u>	(2,757)
<b>Fund Balances</b>					
Beginning of year			45,889		48,646
End of year			<u>\$ 43,626</u>		<u>\$ 45,889</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**General Government Buildings Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Charges for services					
Rent	\$ 14,400	\$ 14,400	\$ 13,314	\$ (1,086)	\$ 13,590
Miscellaneous					
Investment income	3,060	3,060	5,527	2,467	5,398
Other	-	-	-	-	191
Total revenues	<u>17,460</u>	<u>17,460</u>	<u>18,841</u>	<u>1,381</u>	<u>19,179</u>
<b>Expenditures</b>					
Current					
General government					
Supplies	500	500	-	(500)	-
Other services and charges	8,179	8,179	6,137	(2,042)	4,875
Total expenditures	<u>8,679</u>	<u>8,679</u>	<u>6,137</u>	<u>(2,542)</u>	<u>4,875</u>
Net change in fund balances	<u>\$ 8,781</u>	<u>\$ 8,781</u>	12,704	<u>\$ 3,923</u>	14,304
<b>Fund Balances</b>					
Beginning of year			116,026		101,722
End of year			<u>\$ 128,730</u>		<u>\$ 116,026</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Municipal Airport Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Charges for services					
Rents	\$ 152,100	\$ 152,100	\$ 148,411	\$ (3,689)	\$ 125,140
Intergovernmental					
Federal	1,267,500	61,750	-	(61,750)	32,000
State	229,636	32,000	36,374	4,374	23,945
Miscellaneous					
Investment income	19,170	19,170	34,735	15,565	103,272
Contributions and donations	-	1,409	1,409	-	-
Other	-	-	-	-	13,311
Total revenues	<u>1,668,406</u>	<u>266,429</u>	<u>220,929</u>	<u>(45,500)</u>	<u>297,668</u>
<b>Expenditures</b>					
Current					
Supplies	7,900	9,400	11,856	2,456	10,127
Other services and charges	133,717	213,352	137,383	(75,969)	158,993
Capital outlay					
Mass transportation and airport	1,577,000	-	126,354	126,354	397
Total expenditures	<u>1,718,617</u>	<u>222,752</u>	<u>275,593</u>	<u>52,841</u>	<u>169,517</u>
Excess of revenues over (under) expenditures	(50,211)	43,677	(54,664)	(98,341)	128,151
<b>Other Financing Sources</b>					
Proceeds from sale of capital asset	2,000	2,000	-	(2,000)	-
Lease issuance	-	-	-	-	27,965
Total other financing sources	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>27,965</u>
Net change in fund balances	<u>\$ (48,211)</u>	<u>\$ 45,677</u>	(54,664)	<u>\$ (100,341)</u>	156,116
<b>Fund Balances</b>					
Beginning of year			<u>783,613</u>		<u>627,497</u>
End of year			<u>\$ 728,949</u>		<u>\$ 783,613</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**CED Administration Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ 687,837	\$ 598,287	\$ 599,032	\$ 745	\$ 473,144
Charges for services					
Program fees	132,110	132,110	204,071	71,961	64,793
Miscellaneous					
Investment income	500	500	4,137	3,637	-
Other	2,400	2,400	2,992	592	25
Total revenues	<u>822,847</u>	<u>733,297</u>	<u>810,232</u>	<u>76,935</u>	<u>537,962</u>
<b>Expenditures</b>					
<b>Current</b>					
Community development					
Personnel services	488,827	488,827	472,802	(16,025)	272,494
Supplies	3,900	3,900	1,545	(2,355)	1,617
Other services and charges	275,338	275,338	73,580	(201,758)	706,631
Debt service					
Principal	-	-	-	-	1,292
Interest and other charges	-	-	-	-	54
Total expenditures	<u>768,065</u>	<u>768,065</u>	<u>547,927</u>	<u>(220,138)</u>	<u>982,088</u>
Excess of revenues over (under) expenditures	54,782	(34,768)	262,305	297,073	(444,126)
<b>Other Financing Sources</b>					
Transfers in	-	(219,367)	219,367	438,734	-
Net change in fund balances	<u>\$ 54,782</u>	<u>\$ (254,135)</u>	481,672	<u>\$ 735,807</u>	(444,126)
<b>Fund Balances</b>					
Beginning of year			(304,552)		139,574
End of year			<u>\$ 177,120</u>		<u>\$ (304,552)</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Rental Housing Rehabilitation Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 5,600	\$ 5,600	\$ (607)	\$ (6,207)	\$ 9,171
<b>Fund Balances</b>					
Beginning of year			198,252		189,081
End of year			\$ 197,645		\$ 198,252

PRELIMINARY

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**SCDP Revolving Loan Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Miscellaneous					
Investment income	\$ 15,440	\$ 15,440	\$ 18,190	\$ 2,750	\$ 18,383
Other	1,679	1,679	663	(1,016)	2,749
Total revenues	<u>17,119</u>	<u>17,119</u>	<u>18,853</u>	<u>1,734</u>	<u>21,132</u>
<b>Expenditures</b>					
Current					
Community development					
Other services and charges	84,000	-	-	-	-
Net change in fund balances	<u>\$ (66,881)</u>	<u>\$ 17,119</u>	18,853	<u>\$ 1,734</u>	21,132
<b>Fund Balances</b>					
Beginning of year			<u>464,481</u>		<u>443,349</u>
End of year			<u>\$ 483,334</u>		<u>\$ 464,481</u>

City of Faribault  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet -  
 December 31, 2025

	Capital Projects		Total Nonmajor Capital Projects Funds
	Capital Replacement General (431)	Public Facility Projects (437)	
<b>Assets</b>			
Cash and investments	\$ 1,471,841	\$ -	\$ 1,471,841
Taxes receivable - delinquent	45	13	58
Accounts receivable	18,362	50,662	69,024
Interest receivable	5,424	-	5,424
Due from component unit	-	49,974	49,974
<b>Total assets</b>	<u>\$ 1,495,672</u>	<u>\$ 100,649</u>	<u>\$ 1,596,321</u>
<b>Liabilities</b>			
Accounts payable	\$ 210,650	\$ 1,011	\$ 211,661
Due to other funds	-	167,781	167,781
<b>Total liabilities</b>	<u>210,650</u>	<u>168,792</u>	<u>379,442</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	45	13	58
<b>Fund Balances</b>			
Committed			
Encumbrances	1,284,977	(68,156)	1,216,821
<b>Total fund balances</b>	<u>1,284,977</u>	<u>(68,156)</u>	<u>1,216,821</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,495,672</u>	<u>\$ 100,649</u>	<u>\$ 1,596,321</u>

**City of Faribault**  
**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	Capital Projects		Total Nonmajor Capital Projects Funds
	Capital Replacement General (431)	Public Facility Projects (437)	
<b>Revenues</b>			
Taxes	\$ 76	\$ 21	\$ 97
Intergovernmental	36,948	-	36,948
Charges for services	59,562	207,958	267,520
Miscellaneous			
Investment income	94,892	(295)	94,597
Other	89,832	2,499	92,331
Total revenues	<u>281,310</u>	<u>210,183</u>	<u>491,493</u>
<b>Expenditures</b>			
Current			
General government	153,865	20,290	174,155
Public safety	-	19,850	19,850
Public works	-	20,260	20,260
Culture and recreation	7,211	25,201	32,412
Capital outlay			
General government	206,966	168,876	375,842
Public safety	1,055,992	-	1,055,992
Public works	493,356	-	493,356
Culture and recreation	36,646	-	36,646
Total expenditures	<u>1,954,036</u>	<u>254,477</u>	<u>2,208,513</u>
Excess of revenues over (under) expenditures	(1,672,726)	(44,294)	(1,717,020)
<b>Other Financing Sources</b>			
Proceeds from sale of capital asset	35,287	-	35,287
Transfers in	2,178,925	25,000	2,203,925
Total other financing sources	<u>2,214,212</u>	<u>25,000</u>	<u>2,239,212</u>
Net change in fund balances	541,486	(19,294)	522,192
<b>Fund balances</b>			
Beginning of year	<u>743,491</u>	<u>(48,862)</u>	<u>694,629</u>
End of year	<u>\$ 1,284,977</u>	<u>\$ (68,156)</u>	<u>\$ 1,216,821</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Street Improvement Projects Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 455	\$ 455	\$ 734
Special assessments	189,961	189,961	385,885	195,924	338,287
Intergovernmental	668,478	668,478	2,221,129	1,552,651	1,504,240
Charges for services	1,563,000	1,563,000	1,452,540	(110,460)	1,820,918
Miscellaneous					
Investment income	106,070	106,070	89,481	(16,589)	65,561
Other	-	-	3,635	3,635	1,826
Total revenues	<u>2,527,509</u>	<u>2,527,509</u>	<u>4,153,125</u>	<u>1,625,616</u>	<u>3,731,566</u>
<b>Expenditures</b>					
<b>Current</b>					
Public works	100,000	133,820	55,604	(78,216)	1,461,210
<b>Capital outlay</b>					
Public works	4,669,500	6,391,709	3,525,260	(2,866,449)	4,601,411
Total expenditures	<u>4,769,500</u>	<u>6,525,529</u>	<u>3,580,864</u>	<u>(2,944,665)</u>	<u>6,062,621</u>
Excess of revenues over (under) expenditures	(2,241,991)	(3,998,020)	572,261	4,570,281	(2,331,055)
<b>Other Financing Sources</b>					
Transfers in	164,000	164,000	164,000	-	164,000
Net change in fund balances	<u>\$ (2,077,991)</u>	<u>\$ (3,834,020)</u>	736,261	<u>\$ 4,570,281</u>	(2,167,055)
<b>Fund Balances</b>					
Beginning of year			<u>1,119,967</u>		<u>3,287,022</u>
End of year			<u>\$ 1,856,228</u>		<u>\$ 1,119,967</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Park Improvements Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 22	\$ 22	\$ 23
Charges for services	650,000	619,500	767,921	148,421	330,467
Miscellaneous					
Investment income	15,180	15,180	31,383	16,203	56,331
Contributions and donations	-	-	223,442	223,442	-
Total revenues	<u>665,180</u>	<u>634,680</u>	<u>1,022,768</u>	<u>388,088</u>	<u>386,821</u>
<b>Expenditures</b>					
Current					
Community development	-	-	59,936	59,936	362
Other charges	-	-	96,970	96,970	11,815
Capital outlay					
Community development	5,813,100	5,336,247	4,811,550	(524,697)	1,225,501
Total expenditures	<u>5,813,100</u>	<u>5,336,247</u>	<u>4,968,456</u>	<u>(367,791)</u>	<u>1,237,678</u>
Excess of revenues over (under) expenditures	(5,147,920)	(4,701,567)	(3,945,688)	755,879	(850,857)
<b>Other Financing Sources</b>					
Proceeds from sale of capital asset	-	-	-	-	98,000
Debt issuance	5,300,000	5,136,247	-	(5,136,247)	-
Transfers in	86,000	86,000	86,000	-	86,000
Total other financing sources	<u>5,386,000</u>	<u>5,222,247</u>	<u>86,000</u>	<u>(5,136,247)</u>	<u>184,000</u>
Net change in fund balances	<u>\$ 238,080</u>	<u>\$ 520,680</u>	(3,859,688)	<u>\$ (4,380,368)</u>	(666,857)
<b>Fund Balances</b>					
Beginning of year			4,157		671,014
End of year			<u>\$ (3,855,531)</u>		<u>\$ 4,157</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Capital Replacement General Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 76	\$ 76	\$ 81
Intergovernmental	274,700	286,126	36,948	(249,178)	444,148
Charges for services	58,000	59,000	59,562	562	59,380
Miscellaneous					
Investment income	30,640	30,640	94,892	64,252	34,054
Other	-	-	89,832	89,832	-
Total revenues	<u>363,340</u>	<u>375,766</u>	<u>281,310</u>	<u>(94,456)</u>	<u>537,663</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	194,148	194,148	153,865	(40,283)	158,247
Culture and recreation	-	-	7,211	7,211	208,149
<b>Capital outlay</b>					
Public safety	898,627	1,087,546	1,055,992	(31,554)	175,979
Public works	483,000	459,067	493,356	34,289	260,304
Culture and recreation	50,500	50,500	36,646	(13,854)	246,013
Total expenditures	<u>1,934,675</u>	<u>1,998,236</u>	<u>1,954,036</u>	<u>(44,200)</u>	<u>1,048,692</u>
Excess of revenues over (under) expenditures	(1,571,335)	(1,622,470)	(1,672,726)	(50,256)	(511,029)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital asset	18,000	22,200	35,287	13,087	141,636
Debt issuance	1,600,000	1,600,000	-	(1,600,000)	-
Transfers in	16,600	578,925	2,178,925	1,600,000	110,473
Transfers out	-	-	-	-	(169,162)
Total other financing sources (uses)	<u>1,634,600</u>	<u>2,201,125</u>	<u>2,214,212</u>	<u>13,087</u>	<u>82,947</u>
Net change in fund balances	<u>\$ 63,265</u>	<u>\$ 578,655</u>	541,486	<u>\$ (37,169)</u>	(428,082)
<b>Fund Balances</b>					
Beginning of year			<u>743,491</u>		<u>1,171,573</u>
End of year			<u>\$ 1,284,977</u>		<u>\$ 743,491</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Public Facility Projects Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 21	\$ 21	\$ 23
Charges for services	162,000	162,000	207,958	45,958	207,314
Miscellaneous					
Investment income	6,930	-	(295)	(295)	-
Other	-	3,500	2,499	(1,001)	2,499
Total revenues	<u>168,930</u>	<u>165,500</u>	<u>210,183</u>	<u>44,683</u>	<u>209,836</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	50,000	50,000	20,290	(29,710)	63,939
Public safety	-	-	19,850	19,850	8,419
Public works	-	-	20,260	20,260	-
Culture and recreation	-	-	25,201	25,201	70,541
<b>Capital outlay</b>					
General government	238,000	172,060	168,876	(3,184)	466,074
Public safety	12,000	12,000	-	(12,000)	8,416
Public works	-	-	-	-	-
Culture and recreation	100,000	100,000	-	(100,000)	112,462
Total expenditures	<u>400,000</u>	<u>334,060</u>	<u>254,477</u>	<u>(79,583)</u>	<u>729,851</u>
Excess of revenues over (under) expenditures	(231,070)	(168,560)	(44,294)	124,266	(520,015)
<b>Other Financing Sources</b>					
Proceeds from sale of capital asset	338,000	-	-	-	-
Transfers in	25,000	25,000	25,000	-	25,000
Total other financing sources	<u>363,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balances	<u>\$ 131,930</u>	<u>\$ (143,560)</u>	(19,294)	<u>\$ 124,266</u>	(495,015)
<b>Fund Balances</b>					
Beginning of year			(48,862)		446,153
End of year			<u>\$ (68,156)</u>		<u>\$ (48,862)</u>

City of Faribault  
Nonmajor Debt Service Funds  
Combining Balance Sheet  
December 31, 2025

	Debt Service Fund (301)	2015A G.O. S/A Imp Bond (346)	2015A G.O. Crossover Refunding Bond (347)	2021A G.O. Improvement Bond (348)	2021B G.O. Refunding Bond (349)	Total
<b>Assets</b>						
Cash and investments	\$ -	\$ 210,686	\$ 704,533	\$ -	\$ 1,458,777	\$ 2,373,996
Taxes receivable - current	183	363	904	-	5,220	6,670
Taxes receivable - delinquent	-	311	781	-	4,708	5,800
Accounts receivable	-	-	-	-	9,972	9,972
Interest receivable	-	830	2,574	131	5,922	9,457
Special assessment receivable						
Current	-	-	194	-	371	565
Delinquent	-	300	-	-	-	300
Deferred	-	67,545	-	-	79,999	147,544
<b>Total assets</b>	<b>\$ 183</b>	<b>\$ 280,035</b>	<b>\$ 708,986</b>	<b>\$ 131</b>	<b>\$ 1,564,969</b>	<b>\$ 2,554,304</b>
<b>Liabilities</b>						
Accounts payable	\$ 3,333	\$ 225	\$ 225	\$ 225	\$ 225	\$ 4,233
Due to other funds	183	-	-	2,591	-	2,774
Advances from other funds	1,600,000	-	-	-	-	1,600,000
<b>Total liabilities</b>	<b>1,603,516</b>	<b>225</b>	<b>225</b>	<b>2,816</b>	<b>225</b>	<b>1,607,007</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue						
- property taxes	-	311	781	-	4,708	5,800
Unavailable revenue						
- special assessments	-	67,845	-	-	79,999	147,844
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>68,156</b>	<b>781</b>	<b>-</b>	<b>84,707</b>	<b>153,644</b>
<b>Fund Balances</b>						
Restricted	-	211,654	707,980	-	1,480,037	2,399,671
Unassigned	(1,603,333)	-	-	(2,685)	-	(1,606,018)
<b>Total fund balances</b>	<b>(1,603,333)</b>	<b>211,654</b>	<b>707,980</b>	<b>(2,685)</b>	<b>1,480,037</b>	<b>793,653</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 183</b>	<b>\$ 280,035</b>	<b>\$ 708,986</b>	<b>\$ 131</b>	<b>\$ 1,564,969</b>	<b>\$ 2,554,304</b>

**City of Faribault**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	Debt Service Fund (301)	2015A G.O. S/A Imp Bond (346)	2015A G.O. Crossover Refunding Bond (347)	2021A G.O. Improvement Bond (348)	2021B G.O. Refunding Bond (349)	Total
<b>Revenues</b>						
Taxes	\$ 40,000	\$ 74,485	\$ 186,024	\$ -	\$ 1,073,172	\$ 1,373,681
Special assessments	-	18,436	-	-	26,725	45,161
Intergovernmental	-	-	-	162,280	-	162,280
Charges for services	-	-	-	-	40,929	40,929
Miscellaneous						
Investment income	-	11,309	32,364	213	70,789	114,675
Total revenues	<u>40,000</u>	<u>104,230</u>	<u>218,388</u>	<u>162,493</u>	<u>1,211,615</u>	<u>1,736,726</u>
<b>Expenditures</b>						
Current						
Debt service						
Principal	-	95,000	165,000	145,000	905,000	1,310,000
Interest and other charges	43,333	16,275	12,137	19,130	140,725	231,600
Total expenditures	<u>43,333</u>	<u>111,275</u>	<u>177,137</u>	<u>164,130</u>	<u>1,045,725</u>	<u>1,541,600</u>
Excess of revenues over (under) expenditures	(3,333)	(7,045)	41,251	(1,637)	165,890	195,126
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	25,000	25,000
Transfers out	(1,600,000)	-	-	-	-	(1,600,000)
Total other financing sources (uses)	<u>(1,600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(1,575,000)</u>
Net change in fund balances	(1,603,333)	(7,045)	41,251	(1,637)	190,890	(1,379,874)
<b>Fund Balances</b>						
Beginning of year	-	218,699	666,729	(1,048)	1,289,147	2,173,527
End of year	<u>\$ (1,603,333)</u>	<u>\$ 211,654</u>	<u>\$ 707,980</u>	<u>\$ (2,685)</u>	<u>\$ 1,480,037</u>	<u>\$ 793,653</u>

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**2015A G.O. S/A Imp Bond Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ 73,990	\$ 74,485	\$ 495	\$ 75,717
Special assessments	-	41,720	18,436	(23,284)	19,104
Miscellaneous					
Investment income	-	6,830	11,309	4,479	10,037
Total revenues	-	122,540	104,230	(18,310)	104,858
<b>Expenditures</b>					
Debt service					
Principal	-	95,000	95,000	-	95,000
Interest and other charges	-	15,700	16,275	575	19,039
Total expenditures	-	110,700	111,275	575	114,039
Net change in fund balances	\$ -	\$ 11,840	(7,045)	\$ (18,885)	(9,181)
<b>Fund Balances</b>					
Beginning of year			218,699		227,880
End of year			\$ 211,654		\$ 218,699

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**2015A G.O. Crossover Refunding Bond Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ 184,866	\$ 186,024	\$ 1,158	\$ 182,309
Special assessments	-	-	-	-	232
Miscellaneous					
Investment income	-	18,600	32,364	13,764	30,785
Total revenues	-	203,466	218,388	14,922	213,326
<b>Expenditures</b>					
Debt service					
Principal	-	165,000	165,000	-	160,000
Interest and other charges	-	11,563	12,137	574	13,713
Total expenditures	-	176,563	177,137	574	173,713
Net change in fund balances	\$ -	\$ 26,903	41,251	\$ 14,348	39,613
<b>Fund Balances</b>					
Beginning of year			666,729		627,116
End of year			\$ 707,980		\$ 666,729

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**2021A G.O. Improvement Bond**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 162,280	\$ 162,280	\$ -	\$ 165,180
Miscellaneous					
Investment income	-	-	213	213	-
Total revenues	<u>-</u>	<u>162,280</u>	<u>162,493</u>	<u>213</u>	<u>165,180</u>
<b>Expenditures</b>					
Debt service					
Principal	-	145,000	145,000	-	145,000
Interest and other charges	-	17,780	19,130	1,350	20,180
Total expenditures	<u>-</u>	<u>162,780</u>	<u>164,130</u>	<u>1,350</u>	<u>165,180</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (500)</u>	<u>(1,637)</u>	<u>\$ (1,137)</u>	<u>-</u>
<b>Fund Balances</b>					
Beginning of year			<u>(1,048)</u>		<u>(1,048)</u>
End of year			<u>\$ (2,685)</u>		<u>\$ (1,048)</u>

PRELIMINARY

**City of Faribault**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**2021B G.O. Refunding Bond**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Taxes	\$ -	\$ 1,066,549	\$ 1,073,172	\$ 6,623	\$ 1,060,787
Special assessments	-	30,649	26,725	(3,924)	30,527
Charges for services	-	51,500	40,929	(10,571)	40,769
Miscellaneous					
Investment income	-	34,810	70,789	35,979	21,089
Total revenues	-	<u>1,183,508</u>	<u>1,211,615</u>	<u>28,107</u>	<u>1,153,172</u>
<b>Expenditures</b>					
Debt service					
Principal	-	905,000	905,000	-	860,000
Interest and other charges	-	140,450	140,725	275	184,316
Total expenditures	-	<u>1,045,450</u>	<u>1,045,725</u>	<u>275</u>	<u>1,044,316</u>
Excess of revenues over (under) expenditures	-	138,058	165,890	27,832	108,856
<b>Other Financing Sources</b>					
Transfers in	-	25,000	25,000	-	25,000
Net change in fund balances	<u>\$ -</u>	<u>\$ 163,058</u>	190,890	<u>\$ 27,832</u>	133,856
<b>Fund Balances</b>					
Beginning of year			<u>1,289,147</u>		<u>1,155,291</u>
End of year			<u>\$ 1,480,037</u>		<u>\$ 1,289,147</u>

**City of Faribault**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**December 31, 2025**

	Workers Compensation (704)	Property/ Liability Insurance (705)	Total
<b>Assets</b>			
Cash and investments	\$ 343,749	\$ 345,220	\$ 688,969
Interest receivable	1,179	1,188	2,367
Total assets	<u>\$ 344,928</u>	<u>\$ 346,408</u>	<u>\$ 691,336</u>
<b>Net Position</b>			
Unrestricted	<u>\$ 344,928</u>	<u>\$ 346,408</u>	<u>\$ 691,336</u>

PRELIMINARY

**City of Faribault**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Year Ended December 31, 2025**

	Workers Compensation (704)	Property/ Liability Insurance (705)	Total
<b>Operating Expenses</b>			
Claims	\$ -	\$ 19,628	\$ 19,628
<b>Nonoperating Revenues</b>			
Investment income	15,054	16,277	31,331
Miscellaneous revenue	-	14,598	14,598
Total nonoperating revenues	<u>15,054</u>	<u>30,875</u>	<u>45,929</u>
Change in net position	15,054	11,247	26,301
Net position, January 1	<u>329,874</u>	<u>335,161</u>	<u>665,035</u>
Net position, December 31	<u>\$ 344,928</u>	<u>\$ 346,408</u>	<u>\$ 691,336</u>

PRELIMINARY

City of Faribault  
Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended December 31, 2025

	Workers Compensation (704)	Property/ Liability Insurance (705)	Total
<b>Cash Flows - Operating Activities</b>			
Payments to suppliers	\$ -	\$ (19,628)	\$ (19,628)
Other operating receipts	-	14,598	14,598
Net cash flows - operating activities	<u>-</u>	<u>(5,030)</u>	<u>(5,030)</u>
<b>Cash Flows - Investing Activities</b>			
Interest received	<u>14,885</u>	<u>16,115</u>	<u>31,000</u>
Net change in cash and cash equivalents	14,885	11,085	25,970
Cash and Cash Equivalents, January 1	<u>328,864</u>	<u>334,135</u>	<u>662,999</u>
Cash and Cash Equivalents, December 31	<u>\$ 343,749</u>	<u>\$ 345,220</u>	<u>\$ 688,969</u>
<b>Reconciliation of Operating Loss to Net Cash Flows - Operating Activities</b>			
Operating loss	\$ -	\$ (19,628)	\$ (19,628)
Adjustments to reconcile operating loss to net cash flows - loss to net cash flows - operating activities			
Other revenues	-	14,598	14,598
Total adjustments	<u>-</u>	<u>14,598</u>	<u>14,598</u>
Net cash flows - operating activities	<u>\$ -</u>	<u>\$ (5,030)</u>	<u>\$ (5,030)</u>

**City of Faribault**  
**Combining Statement of Fiduciary Net Position**  
**December 31, 2025**

	Custodial Funds		
	Robinwood Manor	Roberds Lake Sewer District	Total
<b>Assets</b>			
<b>Current</b>			
Cash and investments	\$ 1,776,150	\$ 15,395	\$ 1,791,545
Restricted cash	14,180	-	14,180
Accounts receivable	7,311	15,263	22,574
Due from other governments	89,170	-	89,170
Total current assets	<u>1,886,811</u>	<u>30,658</u>	<u>1,917,469</u>
<b>Capital assets</b>			
Land	62,426	-	62,426
Buildings	1,904,047	-	1,904,047
Building equipment	226,297	-	226,297
Maintenance equipment	86,643	-	86,643
Less accumulated depreciation	(1,847,019)	-	(1,847,019)
Total capital assets	<u>432,394</u>	<u>-</u>	<u>432,394</u>
Total assets	<u>2,319,205</u>	<u>30,658</u>	<u>2,349,863</u>
<b>Liabilities</b>			
Accounts payable	15,542	-	15,542
Accrued property taxes	8,749	-	8,749
Unearned revenue	1,267	-	1,267
Deposits payable	14,441	-	14,441
Due to other governments	43,907	9,679	53,586
Total liabilities	<u>83,906</u>	<u>9,679</u>	<u>93,585</u>
<b>Net position</b>	<u>2,235,299</u>	<u>20,979</u>	<u>2,256,278</u>
Total liabilities and net position	<u>\$ 2,319,205</u>	<u>\$ 30,658</u>	<u>\$ 2,349,863</u>

**City of Faribault**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2025**

	Custodial Funds		
	Robinwood Manor	Roberds Lake Sewer District	Total
<b>Additions</b>			
Rental income	\$ 212,427	\$ -	\$ 212,427
Intergovernmental	371,720	-	371,720
Investment Income	27,840	-	27,840
Sewer charges	-	127,734	127,734
Other	2,912	-	2,912
Total additions	<u>614,899</u>	<u>127,734</u>	<u>742,633</u>
<b>Deductions</b>			
Utilities	61,043	-	61,043
Sewer expenses	-	117,854	117,854
Depreciation	59,236	-	59,236
Miscellaneous	361,821	-	361,821
Total deductions	<u>482,100</u>	<u>117,854</u>	<u>599,954</u>
Change in net position	132,799	9,880	142,679
<b>Net Position</b>			
Beginning of year	<u>2,102,500</u>	<u>11,099</u>	<u>2,113,599</u>
End of year	<u>\$ 2,235,299</u>	<u>\$ 20,979</u>	<u>\$ 2,256,278</u>

City of Faribault  
Housing and Redevelopment Authority Component Unit  
Combining Balance Sheet  
December 31, 2025

	Housing Redevelopment Authority Administration (290)	Special Revenue		Total
		Scattered Site (291, 294)	CRV Mobile Home Rehab (292)	
<b>Assets</b>				
Cash and investments	\$ 1,207,560	\$ 1,878,699	\$ 62,246	\$ 3,148,505
Cash and investments held in escrow	-	15,640	-	15,640
Taxes receivable - current	2,447	-	-	2,447
Taxes receivable - delinquent	15,123	-	-	15,123
Accounts receivable	-	29,626	-	29,626
Interest receivable	-	-	213	213
Due from other funds	250,000	-	-	250,000
Notes receivable	-	-	18,364	18,364
<b>Total assets</b>	<b>\$ 1,475,130</b>	<b>\$ 1,923,965</b>	<b>\$ 80,823</b>	<b>\$ 3,479,918</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,123	\$ 3,360	\$ -	\$ 9,483
Deposits payable	-	15,606	-	15,606
Due to other funds	-	339,170	-	339,170
Due to primary governments	25,347	84,873	-	110,220
Advances from other funds	-	-	-	-
Unearned revenue	-	3,222	-	3,222
<b>Total liabilities</b>	<b>31,470</b>	<b>446,231</b>	<b>-</b>	<b>477,701</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	15,123	-	-	15,123
<b>Total deferred inflows of resources</b>	<b>15,123</b>	<b>-</b>	<b>-</b>	<b>15,123</b>
<b>Fund Balances</b>				
Restricted				
Public housing	-	1,477,734	-	1,477,734
Mobile home rehab	-	-	80,823	80,823
Unassigned	1,428,537	-	-	1,428,537
<b>Total fund balances</b>	<b>1,428,537</b>	<b>1,477,734</b>	<b>80,823</b>	<b>2,987,094</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,475,130</b>	<b>\$ 1,923,965</b>	<b>\$ 80,823</b>	<b>\$ 3,479,918</b>
<b>Total fund balances reported above</b>				<b>\$ 2,987,094</b>

Amounts reported for the Housing and Redevelopment Authority in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds

Cost of capital assets	4,119,587
Less: accumulated depreciation	(2,354,904)

Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds

Delinquent taxes receivable	15,123
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<b>Total net position - Housing and Redevelopment Authority</b>	<b>\$ 4,766,900</b>
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City of Faribault  
Housing and Redevelopment Authority Component Unit  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2025

	Housing Redevelopment Authority Administration (290)	Special Revenue		Total
		Scattered Site (291, 294)	CRV Mobile Home Rehab (292)	
<b>Revenues</b>				
Property taxes	\$ 415,136	\$ -	\$ -	\$ 415,136
Intergovernmental	565	-	-	565
Charges for services	-	926,572	-	926,572
Miscellaneous				
Investment income	(2,228)	19,247	2,726	19,745
Other	265	-	-	265
Total revenues	<u>413,738</u>	<u>945,819</u>	<u>2,726</u>	<u>1,362,283</u>
<b>Expenditures</b>				
Current				
Supplies	-	21,737	-	21,737
Other services and charges	118,026	396,724	-	514,750
Total expenditures	<u>118,026</u>	<u>418,461</u>	<u>-</u>	<u>536,487</u>
Excess of revenues over (under) expenditures	295,712	527,358	2,726	825,796
<b>Fund Balances</b>				
Beginning of year	<u>1,132,825</u>	<u>950,376</u>	<u>78,097</u>	<u>2,161,298</u>
End of year	<u>\$ 1,428,537</u>	<u>\$ 1,477,734</u>	<u>\$ 80,823</u>	<u>\$ 2,987,094</u>

Amounts reported for the Housing and Redevelopment Authority in the Statement of Activities are different because:

Net change in fund balances - Housing and Redevelopment Authority \$ 825,796

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense (72,501)

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.

Property taxes 10,668

Change in net position - Housing and Redevelopment Authority \$ 763,963

**City of Faribault**  
**Housing and Redevelopment Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**HRA Administration Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2024			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Property taxes	\$ 416,418	\$ 416,418	\$ 415,136	\$ (1,282)	\$ 379,823
Intergovernmental	-	-	565	565	31
Miscellaneous					
Investment income	11,190	11,190	(2,228)	(13,418)	14,256
Other	1,200	1,200	265	(935)	2,735
Total revenues	<u>428,808</u>	<u>428,808</u>	<u>413,738</u>	<u>(15,070)</u>	<u>396,845</u>
<b>Expenditures</b>					
<b>Current</b>					
Housing and redevelopment					
Other services and charges	527,513	527,513	118,026	(409,487)	394,983
Excess of revenues over (under) expenditures	(98,705)	(98,705)	295,712	394,417	1,862
<b>Other Financing Sources</b>					
Proceeds from sale of asset	-	-	-	-	28,500
Net change in fund balances	<u>\$ (98,705)</u>	<u>\$ (98,705)</u>	295,712	<u>\$ 394,417</u>	30,362
<b>Fund Balances</b>					
Beginning of year			<u>1,132,825</u>		<u>1,102,463</u>
End of year			<u>\$ 1,428,537</u>		<u>\$ 1,132,825</u>

**City of Faribault**  
**Housing and Redevelopment Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Public Housing Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Rents	\$ 631,000	\$ 631,000	\$ 926,572	\$ 295,572	\$ 686,041
Investment income	-	-	19,247	19,247	606
Other	6,000	6,000	-	(6,000)	2,256
Total revenues	<u>637,000</u>	<u>637,000</u>	<u>945,819</u>	<u>308,819</u>	<u>688,903</u>
<b>Expenditures</b>					
Current					
Housing and redevelopment					
Other services and charges	452,769	452,769	396,724	(56,045)	232,153
Supplies	23,000	23,000	21,737	(1,263)	27,380
Capital outlay					
Housing and redevelopment	-	-	-	-	76,407
Total expenditures	<u>475,769</u>	<u>475,769</u>	<u>418,461</u>	<u>(57,308)</u>	<u>335,940</u>
Net change in fund balances	<u>\$ 161,231</u>	<u>\$ 161,231</u>	527,358	<u>\$ 366,127</u>	352,963
<b>Fund Balances</b>					
Beginning of year			<u>950,376</u>		<u>597,413</u>
End of year			<u>\$ 1,477,734</u>		<u>\$ 950,376</u>

PRELIMINARY

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**City of Faribault**  
**Housing and Redevelopment Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - CRV Mobile Home Rehab**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)	Actual Amounts
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 1,690	\$ 1,690	\$ 2,726	\$ 1,036	\$ 2,766
<b>Fund Balances</b>					
Beginning of year			78,097		75,331
End of year			\$ 80,823		\$ 78,097

PRELIMINARY

**City of Faribault**  
**Economic Development Authority Component Unit**  
**Combining Balance Sheet**  
**December 31, 2025**

	Economic Development Authority Administration (250)	Special Revenue		
		Industrial Development Loan Program (252)	MN Investment Fund - Federal (253)	MN Investment Fund (254)
<b>Assets</b>				
Cash and investments	\$ 1,424,997	\$ 282,615	\$ 684,696	\$ 20,139
Taxes receivable - current	2,398	-	-	-
Taxes receivable - delinquent	6,957	-	-	-
Interest receivable	5,827	128	2,348	69
Due from other funds	33,465	-	-	-
Notes receivable	228,400	20,970	-	-
Prepaid items	10,000	-	-	-
<b>Total assets</b>	<b>\$ 1,712,044</b>	<b>\$ 303,713</b>	<b>\$ 687,044</b>	<b>\$ 20,208</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,037	\$ -	\$ -	\$ -
Escrow payable	-	-	-	-
Due to primary government	-	-	-	-
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
<b>Total liabilities</b>	<b>5,037</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	6,957	-	-	-
<b>Total deferred inflows of resources</b>	<b>6,957</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted				
Revolving loans	-	303,713	687,044	20,208
Assigned for revolving loans	-	-	-	-
Unassigned	1,700,050	-	-	-
<b>Total fund balances</b>	<b>1,700,050</b>	<b>303,713</b>	<b>687,044</b>	<b>20,208</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,712,044</b>	<b>\$ 303,713</b>	<b>\$ 687,044</b>	<b>\$ 20,208</b>

Total fund balances reported above

Amounts reported for the Economic Development Authority in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore,  
are not reported as assets in governmental funds  
Cost of capital assets

Some receivables are not available soon enough to pay for the current period's expenditures,  
and therefore are reported as unavailable revenue in the fund  
Delinquent taxes receivable

Total net position - Economic Development Authority

Capital Projects

EDA Revolving Fund (251)	TIF Capital Projects	Total
\$ -	\$ 397,491	\$ 2,809,938
-	-	2,398
-	-	6,957
107	1,260	9,739
-	-	33,465
268,699	-	518,069
-	-	10,000
<u>\$ 268,806</u>	<u>\$ 398,751</u>	<u>\$ 3,390,566</u>
\$ -	\$ 270,038	\$ 275,075
2,885	-	2,885
-	786,033	786,033
33,465	-	33,465
-	77,091	77,091
<u>36,350</u>	<u>1,133,162</u>	<u>1,174,549</u>
-	-	6,957
-	-	6,957
-	-	1,010,965
232,456	-	232,456
-	(734,411)	965,639
<u>232,456</u>	<u>(734,411)</u>	<u>2,209,060</u>
<u>\$ 268,806</u>	<u>\$ 398,751</u>	<u>\$ 3,390,566</u>
		\$ 2,209,060
		91,834
		<u>6,957</u>
		<u>\$ 2,307,851</u>

**City of Faribault**  
**Economic Development Authority Component Unit**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	Economic Development Authority Administration (250)	Special Revenue		
		Industrial Development Loan Program (252)	MN Investment Fund - Federal (253)	MN Investment Fund (254)
<b>Revenues</b>				
Taxes	\$ 406,770	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Intergovernmental	554	-	-	-
Charges for services	1,450	-	-	-
Miscellaneous				
Investment income	65,176	1,451	29,990	885
Other	11,390	1,756	-	-
Total revenues	<u>485,340</u>	<u>3,207</u>	<u>29,990</u>	<u>885</u>
<b>Expenditures</b>				
Current				
Supplies	75	-	-	-
Other services and charges	118,721	-	-	-
Debt service				
Interest and other charges	-	-	-	-
Total expenditures	<u>118,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	366,544	3,207	29,990	885
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	366,544	3,207	29,990	885
<b>Fund Balances</b>				
Beginning of year	<u>1,333,506</u>	<u>300,506</u>	<u>657,054</u>	<u>19,323</u>
End of year	<u>\$ 1,700,050</u>	<u>\$ 303,713</u>	<u>\$ 687,044</u>	<u>\$ 20,208</u>

Net change in fund balances - Economic Development Authority

Amounts reported for the Economic Development Authority in the statement of activities are different because:

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

Property taxes

Change in net position - Economic Development Authority

Capital Projects

<u>EDA Revolving Fund (251)</u>	<u>TIF Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ 406,770
-	570,326	570,326
-	-	554
-	-	1,450
7,573	11,603	116,678
2,722	-	15,868
<u>10,295</u>	<u>581,929</u>	<u>1,111,646</u>
-	-	75
-	649,837	768,558
-	35,191	35,191
<u>-</u>	<u>685,028</u>	<u>803,824</u>
10,295	(103,099)	307,822
-	66,338	66,338
-	(66,338)	(66,338)
<u>-</u>	<u>-</u>	<u>-</u>
10,295	(103,099)	307,822
222,161	(631,312)	1,901,238
<u>\$ 232,456</u>	<u>\$ (734,411)</u>	<u>\$ 2,209,060</u>
		\$ 307,822
		<u>2,591</u>
		<u>\$ 310,413</u>

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**EDA Administration Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Property taxes	\$ 408,089	\$ 408,089	\$ 406,770	\$ (1,319)	\$ 372,231
Charges for service	2,500	2,500	1,450	(1,050)	1,150
Intergovernmental	-	-	554	554	125,031
Miscellaneous					
Investment income	29,360	29,360	65,176	35,816	61,635
Other	500	500	11,390	10,890	23,576
Total revenues	<u>440,449</u>	<u>440,449</u>	<u>485,340</u>	<u>44,891</u>	<u>583,623</u>
<b>Expenditures</b>					
Current					
Economic development					
Other services and charges	864,265	864,265	118,721	(745,544)	564,396
Supplies	1,000	1,000	75	(925)	67
Total expenditures	<u>865,265</u>	<u>865,265</u>	<u>118,796</u>	<u>(746,469)</u>	<u>564,463</u>
Excess of revenues over (under) expenditures	(424,816)	(424,816)	366,544	791,360	19,160
<b>Other Financing Sources</b>					
Transfers in	-	210,000	-	(210,000)	-
Net change in fund balances	<u>\$ (424,816)</u>	<u>\$ (214,816)</u>	366,544	<u>\$ 581,360</u>	19,160
<b>Fund Balances</b>					
Beginning of year			<u>1,333,506</u>		<u>1,314,346</u>
End of year			<u>\$ 1,700,050</u>		<u>\$ 1,333,506</u>

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Industrial Development Loan Program Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 7,800	\$ 7,800	\$ 1,451	\$ (6,349)	\$ 1,050
Other	30,865	30,865	1,756	(29,109)	3,936
Total revenues	<u>38,665</u>	<u>38,665</u>	<u>3,207</u>	<u>(35,458)</u>	<u>4,986</u>
<b>Expenditures</b>					
Current					
Economic development					
Other services and charges	100,000	100,000	-	(100,000)	-
Net change in fund balances	<u>\$ (61,335)</u>	<u>\$ (61,335)</u>	3,207	<u>\$ 64,542</u>	4,986
<b>Fund Balances</b>					
Beginning of year			<u>300,506</u>		<u>295,520</u>
End of year			<u>\$ 303,713</u>		<u>\$ 300,506</u>

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Minnesota Investment Fund - Federal**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 18,570	\$ 18,570	\$ 29,990	\$ 11,420	\$ 30,433
<b>Fund Balances</b>					
Beginning of year			657,054		626,621
End of year			\$ 687,044		\$ 657,054

PRELIMINARY

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Minnesota Investment Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Miscellaneous					
Investment income	\$ 420	\$ 420	\$ 885	\$ 465	\$ 895
Other	-	-	-	-	4,375
Total revenues	<u>420</u>	<u>420</u>	<u>885</u>	<u>465</u>	<u>5,270</u>
Net change in fund balance	<u>\$ 420</u>	<u>\$ 420</u>	885	<u>\$ 465</u>	5,270
<b>Fund Balance</b>					
Beginning of year			<u>19,323</u>		<u>14,053</u>
End of year			<u>\$ 20,208</u>		<u>\$ 19,323</u>

PRELIMINARY

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**EDA Revolving Fund**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Investment income	\$ 11,180	\$ 11,180	\$ 7,573	\$ (3,607)	\$ 10,535
Other	-	-	2,722	2,722	5,169
Total revenues	<u>11,180</u>	<u>11,180</u>	<u>10,295</u>	<u>(885)</u>	<u>15,704</u>
<b>Expenditures</b>					
Current					
Economic development					
Loans and grants	100,000	100,000	-	(100,000)	200,000
	(88,820)	(88,820)	10,295	99,115	(184,296)
<b>Other Financing Sources</b>					
Transfers in	-	210,000	-	(210,000)	-
Net change in fund balances	<u>\$ (88,820)</u>	<u>\$ 121,180</u>	10,295	<u>\$ (110,885)</u>	(184,296)
<b>Fund Balances</b>					
Beginning of year			<u>222,161</u>		<u>406,457</u>
End of year			<u>\$ 232,456</u>		<u>\$ 222,161</u>

**City of Faribault**  
**Economic Development Authority**  
**(Discretely Presented Component Unit)**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Tax Increment Financing Funds**  
**Year Ended December 31, 2025**  
**With Comparative Actual Amounts for the Year Ended December 31, 2024**

	2025			Variance with Final Budget - Over (Under)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues</b>					
Tax increments	\$ 570,798	\$ 570,798	\$ 570,326	\$ (472)	\$ 425,066
Investment income	5,590	5,590	11,603	6,013	15,916
Total revenues	<u>576,388</u>	<u>576,388</u>	<u>581,929</u>	<u>5,541</u>	<u>440,982</u>
<b>Expenditures</b>					
Current					
Economic development	544,942	633,624	649,837	16,213	366,342
Debt service					
Interest and other charges	34,702	34,702	35,191	489	33,996
Total expenditures	<u>579,644</u>	<u>668,326</u>	<u>685,028</u>	<u>16,702</u>	<u>400,338</u>
Excess of revenues over (under) expenditures	(3,256)	(91,938)	(103,099)	(11,161)	40,644
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	66,338	66,338	-
Transfers out	-	-	(66,338)	(66,338)	(193,379)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,379)</u>
Net change in fund balances	<u>\$ (3,256)</u>	<u>\$ (91,938)</u>	(103,099)	<u>\$ (11,161)</u>	(152,735)
<b>Fund Balances</b>					
Beginning of year			<u>(631,312)</u>		<u>(478,577)</u>
End of year			<u>\$ (734,411)</u>		<u>\$ (631,312)</u>

**City of Faribault  
Tax Increment Financing Funds  
Sub Combining Balance Sheet  
December 31, 2025**

	TIF District #8 River Ridge (256)	TIF District #9 Faribault Road (257)	TIF District #13 Hamilton (259)
<b>Assets</b>			
Cash and investments	\$ -	\$ 93,514	\$ 53,667
Interest receivable	-	321	60
	<u>\$ -</u>	<u>\$ 93,835</u>	<u>\$ 53,727</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 51,253	\$ 28,749
Due to primary government	-	-	703,656
Interest payable	-	-	73,140
Total liabilities	<u>-</u>	<u>51,253</u>	<u>805,545</u>
<b>Fund Balances</b>			
Restricted for economic development	-	42,582	-
Unassigned	-	-	(751,818)
Total fund balances	<u>-</u>	<u>42,582</u>	<u>(751,818)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 93,835</u>	<u>\$ 53,727</u>

TIF District #14 Straight River Apts (260)	TIF District #15 Lofts at Evergreen (261)	TIF District #16 Farmer Seed (262)	TIF District #17 Riverchase Apts (263)	TIF District #18 Willow St Apts (264)	Total
\$ 146,751	\$ 23,759	\$ -	\$ 65,498	\$ 14,302	\$ 397,491
512	81	-	234	52	1,260
<u>\$ 147,263</u>	<u>\$ 23,840</u>	<u>\$ -</u>	<u>\$ 65,732</u>	<u>\$ 14,354</u>	<u>\$ 398,751</u>
\$ 101,499	\$ 12,505	\$ 4,110	\$ 57,603	\$ 14,319	\$ 270,038
49,974	-	-	15,908	16,495	786,033
-	-	-	2,301	1,650	77,091
<u>151,473</u>	<u>12,505</u>	<u>4,110</u>	<u>75,812</u>	<u>32,464</u>	<u>1,133,162</u>
-	11,335	-	-	-	53,917
(4,210)	-	(4,110)	(10,080)	(18,110)	(788,328)
<u>(4,210)</u>	<u>11,335</u>	<u>(4,110)</u>	<u>(10,080)</u>	<u>(18,110)</u>	<u>(734,411)</u>
<u>\$ 147,263</u>	<u>\$ 23,840</u>	<u>\$ -</u>	<u>\$ 65,732</u>	<u>\$ 14,354</u>	<u>\$ 398,751</u>

PRELIMINARY

**City of Faribault**  
**Tax Increment Financing Funds**  
**Sub Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Year Ended December 31, 2025**

	TIF District #6 Housing (263)	TIF District #8 River Ridge (256)	TIF District #9 Faribault Road (257)	TIF District #13 Hamilton (259)
<b>Revenues</b>				
Tax increments	\$ -	\$ -	\$ 104,139	\$ 63,723
Investment income	2,344	2,875	2,067	(15)
Total revenues	<u>2,344</u>	<u>2,875</u>	<u>106,206</u>	<u>63,708</u>
<b>Expenditures</b>				
Current				
Economic development	97,075	5,529	96,575	60,201
Debt service				
Interest and other charges	-	-	-	31,072
Total expenditures	<u>97,075</u>	<u>5,529</u>	<u>96,575</u>	<u>91,273</u>
Excess of revenues over (under) expenditures	(94,731)	(2,654)	9,631	(27,565)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	66,338
Transfers out	-	(66,338)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(66,338)</u>	<u>-</u>	<u>66,338</u>
Net change in fund balances	(94,731)	(68,992)	9,631	38,773
<b>Fund Balances</b>				
Beginning of year	<u>94,731</u>	<u>68,992</u>	<u>32,951</u>	<u>(790,591)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,582</u>	<u>\$ (751,818)</u>

IIF District #14 Straight River Apts (260)	TIF District #15 Lofts at Evergreen (261)	TIF District #16 Farmer Seed (262)	TIF District #17 Riverchase Apts (263)	TIF District #18 Willow St Apts (264)	Total
\$ 213,526	\$ 27,626	\$ 1,245	\$ 127,481	\$ 32,586	\$ 570,326
2,850	651	(3)	707	127	11,603
<u>216,376</u>	<u>28,277</u>	<u>1,242</u>	<u>128,188</u>	<u>32,713</u>	<u>581,929</u>
205,700	27,713	3,322	121,545	32,177	649,837
2,499	-	-	795	825	35,191
<u>208,199</u>	<u>27,713</u>	<u>3,322</u>	<u>122,340</u>	<u>33,002</u>	<u>685,028</u>
8,177	564	(2,080)	5,848	(289)	(103,099)
-	-	-	-	-	66,338
-	-	-	-	-	(66,338)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,177	564	(2,080)	5,848	(289)	(103,099)
(12,387)	10,771	(2,030)	(15,928)	(17,821)	(631,312)
<u>\$ (4,210)</u>	<u>\$ 11,335</u>	<u>\$ (4,110)</u>	<u>\$ (10,080)</u>	<u>\$ (18,110)</u>	<u>\$ (734,411)</u>

PRELIMINARY

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**STATISTICAL SECTION (UNAUDITED)**

**CITY OF FARIBAULT  
FARIBAULT, MINNESOTA**

**FOR THE YEAR ENDED  
DECEMBER 31, 2025**

PRELIMINARY

PRELIMINARY

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**City of Faribault  
Statistical Section (Unaudited)**

This part of the City of Faribault'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 City'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.*

- Table 1 - Net Position by Component
- Table 2 - Changes in Net Position
- Table 3 - Governmental Activities Tax Revenue by Source
- Table 4 - Fund Balances of Governmental Funds
- Table 5 - Changes in Fund Balances of Governmental Funds

**Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.*

- Table 6 - General Government Tax Revenues by Source
- Table 7 - Assessed Net Tax Capacity and Estimated Market Value of Taxable Property
- Table 8 - Property Tax Rates-Direct and Overlapping Governments
- Table 9 - Principal Property Taxpayers
- Table 10 - Tax Levies and Collections

**Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.*

- Table 11 - Legal Debt Margin Information
- Table 12 - Ratios of Outstanding Debt by Type
- Table 13 - Ratio of General Bonded Debt Outstanding
- Table 14 - Computation of Direct and Overlapping Debt
- Table 15 - Pledged Revenue Coverage

**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.*

- Table 16 - Demographic and Economic Statistics
- Table 17 - Employment and Unemployment Data
- Table 18 - Principal Employers

**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 activities it performs.*

- Table 19 - Full-time Equivalent City Government Employees by Function
- Table 20 - Operating Indicators by Function
- Table 21 - Capital Asset Statistics by Function

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

CITY OF FARIBAULT, MINNESOTA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 67,488,244	\$ 73,260,607	\$ 74,950,690	\$ 79,601,458
Restricted	6,739,340	6,453,086	5,903,592	5,826,032
Unrestricted	<u>10,719,739</u>	<u>9,811,044</u>	<u>8,762,919</u>	<u>7,694,919</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b><u>\$ 84,947,323</u></b>	<b><u>\$ 89,524,737</u></b>	<b><u>\$ 89,617,201</u></b>	<b><u>\$ 93,122,409</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 47,111,389	\$ 47,495,068	\$ 53,108,071	\$ 55,404,002
Unrestricted	<u>14,619,101</u>	<u>16,314,469</u>	<u>16,910,137</u>	<u>18,388,868</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b><u>\$ 61,730,490</u></b>	<b><u>\$ 63,809,537</u></b>	<b><u>\$ 70,018,208</u></b>	<b><u>\$ 73,792,870</u></b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 114,599,633	\$ 120,755,675	\$ 128,058,761	\$ 135,005,460
Restricted	6,739,340	6,453,086	5,903,592	5,826,032
Unrestricted	<u>25,338,840</u>	<u>26,125,513</u>	<u>25,673,056</u>	<u>26,083,787</u>
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<b><u>\$ 146,677,813</u></b>	<b><u>\$ 153,334,274</u></b>	<b><u>\$ 159,635,409</u></b>	<b><u>\$ 166,915,279</u></b>

PRELIMINARY

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 83,536,004	\$ 85,729,980	\$ 91,958,483	\$ 96,404,494	\$ 102,308,215	\$ 108,362,740
5,542,687	5,206,636	2,109,444	2,227,566	3,133,835	1,856,699
9,532,266	14,526,531	10,480,189	11,763,725	10,137,911	6,733,249
<u>\$ 98,610,957</u>	<u>\$ 105,463,147</u>	<u>\$ 104,548,116</u>	<u>\$ 110,395,785</u>	<u>\$ 115,579,961</u>	<u>\$ 116,952,688</u>
\$ 57,515,982	\$ 61,043,364	\$ 64,318,882	\$ 67,740,160	\$ 71,129,458	\$ 73,464,647
20,417,185	20,909,603	20,970,325	23,533,271	24,688,733	26,506,235
<u>\$ 77,933,167</u>	<u>\$ 81,952,967</u>	<u>\$ 85,289,207</u>	<u>\$ 91,273,431</u>	<u>\$ 95,818,191</u>	<u>\$ 99,970,882</u>
\$ 141,051,986	\$ 146,773,344	\$ 156,277,365	\$ 164,144,654	\$ 173,437,673	\$ 181,827,387
5,542,687	5,206,636	2,109,444	2,227,566	3,133,835	1,856,699
29,949,451	35,436,134	31,450,514	35,296,996	34,826,644	33,239,484
<u>\$ 176,544,124</u>	<u>\$ 187,416,114</u>	<u>\$ 189,837,323</u>	<u>\$ 201,669,216</u>	<u>\$ 211,398,152</u>	<u>\$ 216,923,570</u>

CITY OF FARIBAULT, MINNESOTA  
 CHANGES IN NET POSITION - CONTINUED ON THE FOLLOWING PAGES  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
<b>EXPENSES</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 2,851,055	\$ 2,131,092	\$ 2,368,227	\$ 2,721,903
Public safety	8,658,872	7,733,758	7,312,906	8,004,680
Public works	5,120,421	4,888,232	8,222,401	13,717,203
Culture and recreation	3,821,787	3,811,718	4,080,387	4,751,610
Community development	388,888	660,096	651,932	936,868
Mass transportation and airport	625,844	225,456	242,615	222,172
Interest on long-term debt	661,745	424,567	307,295	272,362
<b>TOTAL GOVERNMENTAL ACTIVITIES EXPENSES</b>	<b>22,128,612</b>	<b>19,874,919</b>	<b>23,185,763</b>	<b>30,626,798</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water	1,952,799	2,438,794	2,015,307	2,084,318
Sewer	5,277,036	5,786,198	5,065,094	4,844,902
Storm water	510,763	654,176	653,226	608,973
<b>TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES</b>	<b>7,740,598</b>	<b>8,879,168</b>	<b>7,733,627</b>	<b>7,538,193</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 29,869,210</b>	<b>\$ 28,754,087</b>	<b>\$ 30,919,390</b>	<b>\$ 38,164,991</b>
<b>PROGRAM REVENUES</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
Charges for services				
General government	\$ 635,666	\$ 169,182	\$ 175,327	\$ 201,483
Public safety	885,141	900,636	676,128	840,838
Public works	468,551	449,056	570,042	1,272,154
Culture and recreation	545,566	532,209	538,894	603,334
Community development	419,738	435,317	405,648	434,377
Mass transportation and airport	110,060	104,264	99,466	93,981
Interest on long-term debt	-	-	-	-
Operating grants and contributions	2,164,499	1,578,268	3,802,002	2,501,109
Capital grants and contributions	2,061,960	961,195	2,434,639	11,322,660
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES</b>	<b>7,291,181</b>	<b>5,130,127</b>	<b>8,702,146</b>	<b>17,269,936</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Charges for services				
Water	2,724,160	2,905,732	3,089,689	3,198,518
Sewer	6,046,637	6,222,069	6,247,682	6,305,254
Storm water	694,647	727,178	748,647	853,335
Operating grants and contributions	117,017	85,006	40,821	92,578
Capital grants and contributions	554,404	631,360	1,325,858	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES</b>	<b>10,136,865</b>	<b>10,571,345</b>	<b>11,452,697</b>	<b>10,449,685</b>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 17,428,046</b>	<b>\$ 15,701,472</b>	<b>\$ 20,154,843</b>	<b>\$ 27,719,621</b>

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 4,370,454	\$ 3,451,666	\$ 4,465,592	\$ 2,793,971	\$ 3,349,662	\$ 4,591,989
8,373,772	7,723,127	9,897,831	10,355,241	9,845,725	11,933,614
5,561,386	6,040,400	6,791,025	7,099,760	7,003,409	7,137,637
4,386,138	4,057,914	4,883,533	5,370,222	4,290,386	5,272,889
733,871	839,840	1,774,560	1,473,668	1,872,319	1,002,575
166,711	124,849	439,371	124,769	189,693	313,941
247,642	310,497	253,792	220,058	160,536	197,517
<u>23,839,974</u>	<u>22,548,293</u>	<u>28,505,704</u>	<u>27,437,689</u>	<u>26,711,730</u>	<u>30,450,162</u>
2,239,264	3,005,169	2,947,860	3,177,209	2,679,130	3,914,428
5,100,830	5,034,296	5,543,828	5,792,857	5,928,820	6,015,605
697,719	821,394	793,545	740,307	1,029,954	862,294
<u>8,037,813</u>	<u>8,860,859</u>	<u>9,285,233</u>	<u>9,710,373</u>	<u>9,637,904</u>	<u>10,792,327</u>
<u>\$ 31,877,787</u>	<u>\$ 31,409,152</u>	<u>\$ 37,790,937</u>	<u>\$ 37,148,062</u>	<u>\$ 36,349,634</u>	<u>\$ 41,242,489</u>
\$ 548,188	\$ 623,072	\$ 674,827	\$ 707,943	\$ 451,192	\$ 474,630
855,597	744,977	989,449	1,211,093	1,040,755	1,182,368
785,940	981,291	2,337,502	2,573,239	2,771,841	2,148,523
464,627	741,770	775,074	1,298,691	880,113	1,419,367
389,546	292,818	318,319	186,058	804,113	218,048
117,942	119,048	137,298	149,681	125,140	148,411
51,500	-	-	-	-	-
5,559,212	6,077,902	4,244,690	4,401,143	3,463,190	2,913,741
3,533,090	3,189,927	1,489,851	3,811,145	1,721,027	1,075,757
<u>12,305,642</u>	<u>12,770,805</u>	<u>10,967,010</u>	<u>14,338,993</u>	<u>11,257,371</u>	<u>9,580,845</u>
3,570,779	3,787,623	4,062,415	4,533,999	4,436,871	4,529,978
6,573,529	6,414,426	6,650,746	7,289,882	6,885,833	6,525,136
996,731	1,171,959	1,400,406	1,571,740	1,844,930	2,396,344
27,178	1,740,209	-	93,014	212,114	224,680
-	188,301	1,987,816	1,292,264	57,659	113,980
<u>11,168,217</u>	<u>13,302,518</u>	<u>14,101,383</u>	<u>14,780,899</u>	<u>13,437,407</u>	<u>13,790,118</u>
<u>\$ 23,473,859</u>	<u>\$ 26,073,323</u>	<u>\$ 25,068,393</u>	<u>\$ 29,119,892</u>	<u>\$ 24,694,778</u>	<u>\$ 23,370,963</u>

CITY OF FARIBAULT, MINNESOTA  
 CHANGES IN NET POSITION - CONTINUED  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
NET (EXPENSE)/REVENUE				
Governmental activities	\$ (14,837,431)	\$ (14,744,792)	\$ (14,483,617)	\$ (13,356,862)
Business-type activities	2,396,267	1,692,177	3,719,070	2,911,492
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b><u>\$ (12,441,164)</u></b>	<b><u>\$ (13,052,615)</u></b>	<b><u>\$ (10,764,547)</u></b>	<b><u>\$ (10,445,370)</u></b>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
GOVERNMENTAL ACTIVITIES				
Taxes				
Property taxes	\$ 7,567,441	\$ 8,019,866	\$ 8,709,587	\$ 9,193,281
Other taxes	1,312,839	1,333,459	1,058,594	1,164,118
Franchise fees	-	-	-	-
Grants and contributions not restricted to specific programs	5,448,723	5,410,978	5,608,821	5,686,466
Unrestricted investment earnings	342,406	255,037	197,058	785,447
Gain on sale of assets	47,084	121,877	132,050	219,490
Transfers	-	-	247,547	(186,732)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>14,718,493</u></b>	<b><u>15,141,217</u></b>	<b><u>15,953,657</u></b>	<b><u>16,862,070</u></b>
BUSINESS-TYPE ACTIVITIES				
Unrestricted investment earnings	151,056	159,000	162,182	676,438
Other	-	-	-	-
Gain on disposal of capital assets	3,550	-	45,700	-
Transfers	-	-	(247,547)	186,732
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>154,606</u></b>	<b><u>159,000</u></b>	<b><u>(39,665)</u></b>	<b><u>863,170</u></b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 14,873,099</u></b>	<b><u>\$ 15,300,217</u></b>	<b><u>\$ 15,913,992</u></b>	<b><u>\$ 17,725,240</u></b>
CHANGE IN NET POSITION				
Governmental activities	\$ (118,938)	\$ 396,425	\$ 1,470,040	\$ 3,505,208
Business-type activities	2,550,873	1,851,177	3,679,405	3,774,662
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 2,431,935</u></b>	<b><u>\$ 2,247,602</u></b>	<b><u>\$ 5,149,445</u></b>	<b><u>\$ 7,279,870</u></b>

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (11,534,332)	\$ (9,777,488)	\$ (17,538,694)	\$ (13,098,696)	\$ (15,454,359)	\$ (20,869,317)
3,130,404	4,441,659	4,816,150	5,070,526	3,799,503	2,997,791
<u>\$ (8,403,928)</u>	<u>\$ (5,335,829)</u>	<u>\$ (12,722,544)</u>	<u>\$ (8,028,170)</u>	<u>\$ (11,654,856)</u>	<u>\$ (17,871,526)</u>
\$ 9,779,553	\$ 10,202,070	\$ 10,630,173	\$ 11,216,835	12,019,508	13,508,423
44,890	180,295	199,770	201,642	177,804	186,627
250,579	-	-	-	189,478	161,174
5,987,725	6,049,176	6,266,052	6,123,355	6,529,948	7,068,705
596,563	(117,163)	(1,049,309)	992,430	1,204,489	957,228
731,606	15,300	276,977	103,330	210,690	59,887
(368,036)	300,000	300,000	308,773	306,618	300,000
<u>17,022,880</u>	<u>16,629,678</u>	<u>16,623,663</u>	<u>18,946,365</u>	<u>20,638,535</u>	<u>22,242,044</u>
641,857	(121,859)	(1,177,663)	1,215,470	1,051,875	1,251,673
-	-	-	-	-	-
-	-	(2,247)	7,000	-	203,227
368,036	(300,000)	(300,000)	(308,773)	(306,618)	(300,000)
<u>1,009,893</u>	<u>(421,859)</u>	<u>(1,479,910)</u>	<u>913,697</u>	<u>745,257</u>	<u>1,154,900</u>
<u>\$ 18,032,773</u>	<u>\$ 16,207,819</u>	<u>\$ 15,143,753</u>	<u>\$ 19,860,062</u>	<u>\$ 21,383,792</u>	<u>\$ 23,396,944</u>
\$ 5,488,548	\$ 6,852,190	\$ (915,031)	\$ 5,847,669	\$ 5,184,176	\$ 1,372,727
4,140,297	4,019,800	3,336,240	5,984,223	4,544,760	4,152,691
<u>\$ 9,628,845</u>	<u>\$ 10,871,990</u>	<u>\$ 2,421,209</u>	<u>\$ 11,831,892</u>	<u>\$ 9,728,936</u>	<u>\$ 5,525,418</u>

PRELIMINARY

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CITY OF FARIBAULT, MINNESOTA  
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

Table 3

Fiscal Year	Property Tax	Franchise/Other Tax	Total
2016	\$ 7,567,441	\$ 1,312,839	\$ 8,880,280
2017	8,006,752	1,333,459	9,340,211
2018	8,709,587	1,058,594	9,768,181
2019	9,228,216	1,152,457	10,380,673
2020	9,776,001	280,002	10,056,003
2021	10,261,049	405,207	10,666,256
2022	10,637,995	426,063	11,064,058
2023	11,018,447	404,486	11,422,933
2024	12,019,158	367,602	12,386,760
2025	13,508,423	347,801	13,856,224

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
GENERAL FUND				
Nonspendable	\$ 28,558	\$ 144,522	\$ 51,880	\$ 63,952
Restricted	45,955	60,752	32,657	51,599
Committed	8,800	-	-	-
Assigned	1,200,294	1,109,922	1,116,301	1,772,605
Unassigned	7,105,050	6,679,473	6,329,661	6,858,653
TOTAL GENERAL FUND	<u>\$ 8,388,657</u>	<u>\$ 7,994,669</u>	<u>\$ 7,530,499</u>	<u>\$ 8,746,809</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 750	\$ -	\$ -	\$ 1,570
Restricted	11,491,037	5,582,699	5,262,116	5,328,587
Committed	336,364	623,686	1,810,701	1,436,325
Assigned	9,970,256	9,144,171	9,327,750	7,714,122
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 21,798,407</u>	<u>\$ 15,350,556</u>	<u>\$ 16,400,567</u>	<u>\$ 14,480,604</u>

PRELIMINARY

Table 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 76,482	\$ 76,053	\$ 69,096	\$ 132,986	\$ 417,435	\$ 1,769,722
91,819	151,608	74,166	661,121	77,314	133,701
384,121	66,000	85,600	95,600	69,240	-
639,106	411,088	699,672	1,656,830	1,683,842	1,599,772
9,230,527	9,258,990	9,818,404	10,772,589	11,991,930	10,809,648
<u>\$ 10,422,055</u>	<u>\$ 9,963,739</u>	<u>\$ 10,746,938</u>	<u>\$ 13,319,126</u>	<u>\$ 14,239,761</u>	<u>\$ 14,312,843</u>
\$ 150	\$ 10,090	\$ 8,625	\$ 3,500	\$ 3,500	\$ 2,188
5,056,322	12,649,890	2,691,575	2,951,597	2,902,221	1,708,447
1,231,998	1,649,062	5,021,625	5,313,713	3,835,404	4,382,520
7,935,004	8,743,043	4,298,984	3,898,512	1,514,882	2,582,989
-	-	-	-	-	(3,855,531)
<u>\$ 14,223,474</u>	<u>\$ 23,052,085</u>	<u>\$ 12,020,809</u>	<u>\$ 12,167,322</u>	<u>\$ 8,256,007</u>	<u>\$ 4,820,613</u>

CITY OF FARIBAULT, MINNESOTA  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
<b>REVENUES</b>				
Taxes	\$ 8,892,617	\$ 9,340,211	\$ 9,760,408	\$ 10,380,673
Licenses and permits	579,910	584,291	435,191	573,029
Intergovernmental	8,194,106	6,868,543	10,677,803	17,670,476
Charges for services	2,487,899	1,934,400	2,020,639	2,844,027
Fines and forfeitures	139,988	139,203	134,306	153,884
Special assessments	676,339	745,351	800,103	674,505
Investment earnings	320,586	235,964	182,633	774,752
Miscellaneous	576,111	271,182	59,351	93,896
<b>TOTAL REVENUES</b>	<b>21,867,556</b>	<b>20,119,145</b>	<b>24,070,434</b>	<b>33,165,242</b>
<b>EXPENDITURES</b>				
General government	2,483,904	2,171,456	2,354,599	2,242,493
Public safety	6,173,674	6,469,054	6,866,411	7,422,539
Public works	2,508,656	2,435,326	2,697,960	2,768,585
Culture and recreation	3,386,036	3,506,685	3,788,067	4,047,403
Community development	368,414	615,266	637,923	975,502
Mass transportation and airport	157,408	225,456	242,615	222,172
Capital outlay	4,827,744	3,899,445	6,959,273	15,845,818
Debt service				
Principal	2,226,500	7,241,500	1,301,500	1,376,500
Interest and other	682,902	480,423	315,842	283,311
<b>TOTAL EXPENDITURES</b>	<b>22,815,238</b>	<b>27,044,611</b>	<b>25,164,190</b>	<b>35,184,323</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(947,682)</b>	<b>(6,925,466)</b>	<b>(1,093,756)</b>	<b>(2,019,081)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,068,224	1,128,477	2,785,000	946,434
Transfers out	(1,059,090)	(1,196,727)	(1,237,453)	(671,434)
Debt issued	-	-	-	-
Refunding Bond Payment	-	-	-	-
Premiums (discounts) on debt issued	-	-	-	-
Loans issued	-	-	-	-
Lease issuance				
Subscription agreement issuance				
Insurance recoveries				820,938
Sale of capital assets	47,084	121,877	132,050	219,490
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>56,218</b>	<b>53,627</b>	<b>1,679,597</b>	<b>1,315,428</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (891,464)</b>	<b>\$ (6,871,839)</b>	<b>\$ 585,841</b>	<b>\$ (703,653)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>15.4%</b>	<b>34.1%</b>	<b>7.5%</b>	<b>5.6%</b>

Table 5

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 10,056,003	\$ 10,666,256	\$ 11,064,058	\$ 11,638,414	\$ 12,386,790	\$ 13,801,351
546,332	489,278	694,627	912,539	735,106	776,491
11,804,719	10,637,519	10,603,948	13,830,548	10,094,019	10,700,713
2,672,179	2,736,626	4,218,226	4,930,238	4,652,476	4,850,974
102,929	173,652	131,057	144,379	115,666	111,454
645,690	606,399	412,955	338,518	394,366	455,219
587,226	(112,123)	(1,027,887)	968,778	1,126,456	925,897
789,451	3,140,318	965,903	371,003	116,934	433,145
<u>27,204,529</u>	<u>28,337,925</u>	<u>27,062,887</u>	<u>33,134,417</u>	<u>29,621,813</u>	<u>32,055,244</u>
4,177,023	3,170,209	3,087,777	2,898,868	3,952,925	3,877,955
7,879,433	8,184,223	8,829,088	8,983,450	9,412,810	9,979,818
2,940,856	2,986,321	3,186,041	3,222,411	4,610,997	3,450,521
3,444,812	4,144,362	4,648,290	4,715,962	4,971,983	5,177,151
698,253	853,420	1,702,632	1,449,443	2,051,616	607,863
166,711	124,849	123,530	122,310	195,480	180,024
7,388,664	5,905,389	8,608,654	8,117,383	6,744,780	10,501,277
1,436,500	2,591,500	2,094,251	1,426,740	1,577,422	1,656,154
256,774	319,859	415,277	330,577	270,347	346,680
<u>28,389,026</u>	<u>28,280,132</u>	<u>32,695,540</u>	<u>31,267,144</u>	<u>33,788,360</u>	<u>35,777,443</u>
<u>(1,184,497)</u>	<u>57,793</u>	<u>(5,632,653)</u>	<u>1,867,273</u>	<u>(4,166,547)</u>	<u>(3,722,199)</u>
1,458,097	2,064,294	3,077,118	362,974	579,635	2,698,292
(1,158,097)	(1,764,294)	(2,777,118)	(54,201)	(273,017)	(2,398,292)
-	7,115,000	-	-	-	-
-	-	(5,215,000)	-	-	-
-	882,202	-	-	-	-
-	-	-	-	-	-
-	-	22,599	439,325	360,378	-
1,571,007	-	-	-	241,270	-
731,606	15,300	276,977	103,330	267,601	59,887
<u>2,602,613</u>	<u>8,312,502</u>	<u>(4,615,424)</u>	<u>851,428</u>	<u>1,175,867</u>	<u>359,887</u>
-	-	-	-	-	-
<u>\$ 1,418,116</u>	<u>\$ 8,370,295</u>	<u>\$ (10,248,077)</u>	<u>\$ 2,718,701</u>	<u>\$ (2,990,680)</u>	<u>\$ (3,362,312)</u>
<u>8%</u>	<u>14%</u>	<u>9%</u>	<u>7%</u>	<u>7%</u>	<u>8%</u>

PRELIMINARY

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CITY OF FARIBAULT, MINNESOTA  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Table 6

Fiscal Year	Franchise Tax	Property Tax	Charitable Gambling Tax	Miscellaneous Taxes	Total
2016	\$ 1,291,883	\$ 7,579,778	\$ 20,956	\$ -	\$ 8,892,617
2017	1,306,960	8,006,752	26,499	-	9,340,211
2018*	1,028,160	8,701,811	30,433	-	9,760,404
2019	1,117,811	9,228,216	34,646	-	10,380,673
2020	250,579	9,776,001	29,423	-	10,056,003
2021	237,281	10,261,049	51,437	116,489	10,666,256
2022	239,270	10,637,995	42,791	144,002	11,064,058
2023	215,481	11,018,447	47,234	141,771	11,422,933
2024	189,478	12,019,508	44,775	133,029	12,386,790
2025	161,174	13,463,839	54,598	121,740	13,801,351

\* Note: Beginning in 2018 internal franchise fees for the Water/Sewer Fund were classified as a transfer rather than a franchise Fee. Beginning in 2021 lodging taxes were reported as a revenue rather than a pass-through on the balance sheet.

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
 ASSESSED NET TAX CAPACITY AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Table 7

Fiscal Year Ended December 31,	Assessed Net Tax Capacity					Total Direct Tax Rate	Taxable Market Value	Ratio of Assessed Tax Capacity to Market Value
	Real Property	Personal Property	Total Real & Personal Property	Less Tax Exempt Real Property	Net Tax Capacity			
2016	\$ 13,539,891	\$ 581,532	\$ 14,121,423	\$ 200,218	\$ 13,921,205	56.253	\$ 1,118,578,500	1.25
2017	14,200,555	606,129	14,806,684	206,069	14,600,615	55.696	1,174,945,200	1.24
2018	14,929,623	665,254	15,594,877	207,042	15,387,835	57.182	1,241,695,100	1.24
2019	16,647,837	680,284	17,328,121	184,224	17,143,897	54.803	1,361,660,500	1.26
2020	17,854,012	686,874	18,540,886	187,152	18,353,734	53.137	1,474,959,900	1.24
2021	18,584,506	744,841	19,329,347	208,810	19,120,537	52.574	1,554,252,000	1.23
2022	20,038,004	393,836	20,431,840	254,980	20,176,860	51.680	1,661,037,400	1.22
2023	23,118,569	454,975	23,573,544	305,930	23,267,614	47.444	1,952,217,600	1.19
2024	25,289,714	461,328	25,751,042	448,837	25,302,205	46.727	2,204,748,400	1.15
2025	26,139,207	517,792	26,656,999	576,165	26,080,834	50.605	2,235,466,200	1.17

Source: Rice County Department of Property Tax and Elections

Note: The county assessor must assess at least one-fifth of the listed parcels in the county each year. The county assesses property at approximately 95 to 105 percent of actual value for all types of real and personal property. Assessed Net Tax Capacity is determined by taking the market value multiplied by the statutory class rates for the property.

Property tax classifications are set by state statute and are amended regularly by the Legislature (Minnesota Statute 273.13).

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING (1) GOVERNMENTS  
LAST TEN FISCAL YEARS

Table 8

Fiscal Year	City of Faribault			Overlapping Rates				Total (3)
	General Fund	Debt Service Fund	Total	Rice County	School District		Other Districts	
					ISD #656			
					Tax Capacity Based	Market Value Based (2)		
2016	0.45044	0.11209	0.56253	0.42535	0.20267	0.00200	0.03025	1.22080
2017	0.45343	0.10353	0.55696	0.41566	0.22064	0.00171	0.02863	1.22189
2018	0.48175	0.09007	0.57182	0.41810	0.15812	0.00170	0.02851	1.17655
2019	0.48649	0.06154	0.54803	0.39515	0.14941	0.00174	0.02700	1.11959
2020	0.47307	0.05830	0.53137	0.39527	0.12857	0.00193	0.02718	1.08239
2021	0.45459	0.07115	0.52574	0.39852	0.15556	0.00189	0.03031	1.11013
2022	0.45627	0.06053	0.51680	0.39335	0.14690	0.00205	0.03002	1.08707
2023	0.41455	0.05845	0.47300	0.36702	0.12973	0.00206	0.02762	0.99737
2024	0.40875	0.05051	0.45926	0.36323	0.12835	0.00187	0.02924	0.98008
2025	0.45426	0.05121	0.50547	0.37298	0.12973	0.00187	0.03093	1.03911

Source: Rice County Department of Property Tax and Elections

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Faribault. Not all overlapping rates apply to all City of Faribault property owners (e.g. the rates for the school district will only apply to the portion of the property owners located within the geographic boundaries of the school district.)

(2) Market value based property tax rates are based on \$100 of market valuation.

(3) Total Direct and Overlapping Rates do not include the market value based tax rates for the School District.

CITY OF FARIBAULT, MINNESOTA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Type of Business	2025			2016		
		Net Tax Capacity	Rank	Percentage of Total Taxable Net Tax Capacity	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Faribault Foods, Inc.	Manufacturing/Food Processing	\$ 999,034	1	3.75%	\$ 153,049	3	1.10 %
Aldi, Inc	Commercial/Industrial	576,956	2	2.16%	56,584	10	0.41 %
Xcel Energy/Northern States Power C	Utility	462,778	3	1.74%	452,804	1	3.25 %
Sage Electrochromics	Commercial/Industrial	371,582	4	1.39%			
Daikin Applied Americas Inc.	Manufacturing	351,086	5	1.32%			
Allina Health System	Medical Clinic	256,068	6	0.96%	107,922	7	0.78 %
Wal-Mart	Commercial	234,376	7	0.88%	257,976	2	1.85 %
MDC Development IV LLC	Commerical	213,676	8	0.80%			
Tru Vue, Inc	Manufacturing	209,822	9	0.79%	108,966	5	0.78 %
Straight River Apartments LLC	Multi-Family Housing	199,595	10	0.75%			
MN Municipal Power	Utility				134,098	4	0.96 %
Faribault Crossroads	Commercial				108,168	6	0.78 %
Northern Tool & Equipment Co.	Commercial				89,878	8	0.65 %
State Bank of Faribault	Commercial				88,348	9	0.63 %
<b>Total</b>		<b>\$ 3,874,973</b>		<b>14.54%</b>	<b>\$ 1,557,793</b>		<b>11.19 %</b>

Source: Rice County Department of Property Taxes

PRELIMINARY

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CITY OF FARIBAULT, MINNESOTA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ended December 31	Total Tax Levy for 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
2016	\$ 7,503,833	\$ 7,451,568	99.30%	\$ 50,912	\$ 7,502,480	99.98%
2017	7,999,280	7,933,140	99.17%	64,788	7,997,927	99.98%
2018	8,658,704	8,566,760	98.94%	91,561	8,658,321	100.00%
2019	9,250,896	9,172,217	99.15%	78,421	9,250,638	100.00%
2020	9,752,651	9,676,424	99.22%	75,402	9,751,826	99.99%
2021	10,162,266	10,093,377	99.32%	67,688	10,161,065	99.99%
2022	10,559,078	10,496,766	99.41%	56,326	10,553,092	99.94%
2023	11,184,332	11,114,572	99.38%	66,553	11,181,125	99.97%
2024	12,032,605	11,943,816	99.26%	-	11,943,816	99.26%
2025	13,489,714	13,357,818	99.02%	58,369	13,416,188	99.45%

Source: Rice County Department of Property Tax and Elections

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	33,557,355	35,248,356	37,250,853	40,849,815
Total net debt applicable to limit	<u>13,795,080</u>	<u>9,990,997</u>	<u>7,556,534</u>	<u>12,201,584</u>
Legal debt margin	<u>\$ 19,762,275</u>	<u>\$ 25,257,359</u>	<u>\$ 29,694,319</u>	<u>\$ 28,648,231</u>
Total net debt applicable to the limit as a percentage of debt limit	41.1%	28.3%	20.3%	29.9%

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable market value

Debt limit (Note A)

Debt applicable to limit  
 General obligation bonds  
 Less amount available in  
 Debt Service funds (Note B)

Total net debt applicable to limit

Legal debt margin

Note A: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Note B: M.S.A. Section 475.51 (definitions) Subdivision 4.

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited
2. Warrant or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a Permanent Improvement Revolving fund.
5. Obligations issued for the acquisition and betterment of public water works system and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from
6. Not applicable.
7. Amount of all money and face value of all securities held as a Debt Service fund for the extinguishment of
8. Obligation to repay loans made under section 216C37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of
10. Obligations issued to pay pension fund liabilities under section 457.52, subdivision 6, or any charter authority.
11. All other obligations which under the provisions of law authorizing their issuance are not to be included in

Table 11

Fiscal Year					
2020	2021	2022	2023	2024	2025
44,248,797	46,627,560	49,831,122	58,566,528	64,638,165	67,063,986
7,255,000	12,013,974	6,038,146	4,520,761	4,045,000	2,945,000
<u>\$ 36,993,797</u>	<u>\$ 34,613,586</u>	<u>\$ 43,792,976</u>	<u>\$ 54,045,767</u>	<u>60,593,165</u>	<u>64,118,986</u>
16.4%	25.8%	12.1%	7.7%	6.7%	4.6%
					<u>\$ 2,235,466,200</u>
					<u>\$ 67,063,986</u>
					3,960,000
					<u>(2,371,586)</u>
					<u>1,588,414</u>
					<u>\$ 65,475,572</u>

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	GO Special Assessment Bonds	Bonds Premium	Loans Payable	Leases	SBITA
2016	\$ 18,600,000	\$ 2,945,000	\$ -	\$ 379,250	\$ -	\$ -
2017	11,650,000	2,715,000	-	317,750	-	-
2018	10,540,000	2,585,000	-	256,250	-	-
2019	9,405,000	2,405,000	-	194,750	-	-
2020	8,250,000	2,185,000	-	133,250	-	-
2021	13,180,000	1,840,000	-	71,750	-	-
2022	6,150,000	1,640,000	762,247	10,250	62,739	-
2023	5,100,000	1,430,000	653,948	-	333,896	988,864
2024	4,045,000	1,225,000	546,313	-	543,403	1,062,880
2025	2,945,000	1,015,000	437,360	-	335,946	886,122

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\*See the Schedule of Economic and Economic Statistics (Table 16) for personal income and population data.

Table 12

<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Estimated Actual Value of Taxable Property</u>	<u>Percentage of Personal Income*</u>	<u>Per Capita*</u>
<u>General Obligation Revenue Bonds</u>	<u>SBITA</u>				
\$ 16,391,000	\$ -	\$ 38,315,250	29.19	4.59	\$ 1,619
15,312,000	-	29,994,750	39.17	3.58	1,262
14,205,000	-	27,586,250	45.01	3.29	1,161
23,275,719	-	35,280,469	38.60	4.21	1,479
20,191,417	-	30,759,667	47.95	2.64	1,286
19,650,795	-	34,742,545	44.74	2.69	1,430
17,946,269	-	26,571,505	62.51	2.01	1,094
16,236,000	93,446	24,836,154	78.60	1.86	1,026
14,489,000	182,712	22,094,308	99.79	1.64	897
19,685,000	128,627	25,433,055	87.90	1.89	1,032

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Value of Taxable Property*	Per Capita**
2016	\$ 21,545,000	\$ 3,708,131	\$ 17,836,869	1.5946	\$ 752
2017	14,365,000	3,799,822	10,565,178	0.8992	444
2018	13,125,000	3,594,597	9,530,403	0.7675	399
2019	11,810,000	3,420,851	8,389,149	0.6161	351
2020	10,435,000	3,118,010	7,316,990	0.4961	299
2021	15,020,000	3,006,026	12,013,974	0.7730	494
2022	8,552,242	1,751,854	6,800,388	0.4094	276
2023	8,516,709	1,983,162	6,533,547	0.3347	270
2024	7,422,596	2,141,428	5,281,168	0.2395	214
2025	4,547,535	2,371,586	2,175,949	0.0973	87

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\*See the Schedule of Assessed Net Tax Capacity and Estimate Market Value of Taxable Property (Table 7) for property value data.

\*\*See the Schedule of Economic and Economic Statistics (Table 16) for population data.

PRELIMINARY

CITY OF FARIBAUT, MINNESOTA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 DECEMBER 31, 2025

Table 14

	Net General Obligation Debt	Percentage Applicable to City	Amount Applicable to City of Faribault Share of Debt
Direct debt			
City of Faribault	\$ 7,422,596	100%	\$ 7,422,596
Overlapping debt			
Rice County	56,035,000	25.69%	14,525,981
School District 656	13,917,578	56.78%	7,956,775
Total overlapping debt	<u>69,952,578</u>		<u>22,482,756</u>
Total direct and overlapping debt	<u>\$ 77,375,174</u>		<u>\$ 29,905,352</u>

Source: Outstanding debt data provided by Rice 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 the City, This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the resident 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.

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

Table 15

		General Obligation Revenue Bonds						
Fiscal Year		Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Total	Coverage
					Principal	Interest		
2016	*	\$ 6,045,959	\$ 2,677,772	\$ 3,368,187	\$ 1,052,000	\$ 444,796	\$ 1,496,796	225.03
2017	*	6,221,970	3,230,187	2,991,783	1,079,000	417,970	1,496,970	199.86
2018	*	6,246,397	2,840,135	3,406,262	1,107,000	390,456	1,497,456	227.47
2019	**	9,502,351	4,327,976	5,174,375	1,135,000	362,228	1,497,228	345.60
2020	**	10,139,670	4,702,473	5,437,197	1,665,420	364,366	2,029,786	267.87
2021	**	10,175,091	4,654,310	5,520,781	1,660,000	382,796	2,042,796	270.26
2022	**	10,699,805	5,711,883	4,987,922	1,704,527	360,371	2,064,898	241.56
2023	**	11,714,609	6,060,344	5,654,265	1,710,268	326,527	2,036,795	277.61
2024	**	11,188,436	5,361,607	5,826,829	1,747,000	296,688	2,043,688	285.11
2025	**	11,004,325	6,082,832	4,921,493	1,784,000	422,719	2,206,719	223.02

(1) Operating revenue includes connection charges.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest on revenue bonds only.

\* Includes Only Sewer Pledged Coverage

\*\*Includes Water and Sewer Pledged Coverage

CITY OF FARIBAULT, MINNESOTA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Table 16

Fiscal Year	Population (1)	Personal Income (2)	Personal Income Per Capita (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2016	23,718	\$ 950,237,952	\$ 40,064	36.6	3,696	3.5
2017	23,769	993,948,273	41,817	37.6	3,566	3.7
2018	23,884	1,038,762,928	43,492	36.4	3,540	3.8
2019	23,912	1,062,290,600	44,425	37.7	3,551	4.5
2020	24,453	1,164,916,467	47,639	37.9	3,434	4.2
2021	24,298	1,291,633,084	53,158	38.4	3,302	4.2
2022	24,679	1,320,795,401	53,519	38.3	3,271	3.5
2023	24,217	1,332,903,680	55,040	38.7	3,375	3.3
2024	24,628	1,407,736,480	57,160	38.4	3,029	3.8
2025	Estimate 25,047	(7)	(7)	38.7	3,042	4.9

Source:

- (1) Minnesota State Demographic Center - <https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/pop-finder2.jsp>
- (2) US Census Bureau
- (3) US Dept. of Commerce- Bureau of Economic Analysis
- (4) US Census Bureau
- (5) Independent School District #656
- (6) Minnesota Department of Employment and Economic Development
- (7) This information is not yet available

CITY OF FARIBAULT, MINNESOTA  
 EMPLOYMENT/UNEMPLOYMENT DATA  
 LAST TEN FISCAL YEARS

Table 17

Fiscal Year	Average Employment Rice County	Average Unemployment Rice County	Average Unemployment State of Minnesota
2016	33,689	3.8	3.9
2017	34,031	3.4	3.5
2018	34,275	3.1	3.0
2019	34,679	3.4	3.3
2020	34,912	5.8	6.3
2021	34,260	3.7	3.7
2022	34,424	2.6	2.5
2023	35,035	2.8	2.8
2024	35,872	3.1	3.1
2025	36,396	3.9	3.9

Source: Minnesota Department of Employment and Economic Development.

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

Table 18

	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Daikin Applied	900	1	8.30 %	440	4	4.23 %
Jennie-O Turkey Store	750	2	6.91 %	600	2	5.77 %
Minnesota Correctional Facility	556	3	5.12 %	646	1	6.21 %
Faribault Public Schools	550	4	5.07 %	582	3	5.60 %
Faribault Foods Inc	425	5	3.92 %	319	8	3.07 %
Rice County	485	6	4.47 %	345	6	3.32 %
Allina Health/District One	350	7	3.23 %	324	7	3.12 %
Hy-Vee Food Stores	230	8	2.12 %	365	5	3.51 %
Met-Con Companies	265	9	2.44 %			
Wal Mart	289	10	2.66 %			
Faribault Education Association				307	9	2.95 %
Innovative Food Processors, Inc.				300	10	2.88 %
<b>Total</b>	<b>4,800</b>		<b>44.24 %</b>	<b>4,228</b>		<b>40.65 %</b>

Sources: Minnesota Department of Employment and Economic Development.  
& Individual Phone Calls to Companies

PRELIMINARY

CITY OF FARIBAULT, MINNESOTA  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of December 31			
	2016	2017	2018	2019
General government	16.30	11.97	15.70	15.70
Public safety				
Police				
Officers	33.11	35.07	35.03	35.03
Civilians	10.36	9.67	9.85	9.65
Fire				
Firefighters and officers	11.23	11.39	11.22	11.26
Civilians	3.25	2.95	5.30	5.30
Streets and highways				
Engineering	4.21	4.48	4.42	4.47
Maintenance	12.00	11.91	14.44	14.61
Culture and recreation				
Parks	6.85	7.81	8.69	8.66
Library	9.07	10.53	11.13	10.22
Recreation programs	24.41	25.15	25.53	24.44
Housing and economic development	5.50	5.50	6.00	6.00
Water	3.44	6.60	3.57	3.00
Sewer	13.65	16.70	12.94	12.98
<b>Total</b>	<b>153.38</b>	<b>159.73</b>	<b>163.82</b>	<b>161.32</b>

Source: City Human Resource Records

\* Number reflects COVID 19 layoffs/reduction in hours

Table 19

Full-Time Equivalent Employees as of December 31					
2020	2021	2022	2023	2024	2025
16.00	16.19	16.73	20.00	20.00	20.00
35.01	34.01	34.00	34.00	39.00	36.00
9.92	9.44	9.67	8.30	6.84	4.45
10.48 *	10.95	10.99	11.00	10.65	12.47
4.07 *	4.00	5.47	5.38	5.38	5.50
5.44	6.00	6.00	6.00	6.00	7.02
14.50	14.46	15.38	13.38	13.00	11.36
7.56 *	7.87	7.78	8.22	8.69	9.77
8.50 *	8.47	10.80	10.54	11.14	8.91
14.59 *	24.25	25.74	27.34	23.70	24.79
6.00	6.00	7.00	7.00	6.00	5.00
3.25	3.26	3.31	3.00	3.19	3.69
11.69	11.49	11.60	11.66	11.67	11.79
<u>147.01</u>	<u>156.39</u>	<u>164.47</u>	<u>165.82</u>	<u>165.26</u>	<u>160.75</u>

CITY OF FARIBAULT, MINNESOTA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General government</b>					
Ordinances & Resolutions adopted	315	305	301	291	248
Administration - Licenses processed	171	149	136	144	146
<b>Police</b>					
Total part I crimes most serious	576	641	498	551	524
Total part II crimes	978	869	900	917	778
Youth liaison cases	2,412	141	97	315	164
Investigative cases handled	443	346	406	413	325
Public safety calls for service	27,876	27,817	28,452	28,504	26,103
Traffic citations issued	2,216	2,479	2,285	2,597	2,691
Parking tickets issued	1,007	1,223	793	1,137	356
<b>Fire</b>					
Number of calls answered	2,348	2,280	2,560	2,728	2,543
<b>Code enforcement</b>					
Building permits issued	1,104	1,231	1,244	1,429	1,294
<b>Highways and streets</b>					
Seal coating (blocks)	100	80	95	51	52
Gravel maintenance (hours)	300	456	465	460	431
Bituminous materials (Rock) (Tons)	900	1,008	1,148	1,000	1,155
<b>Culture and recreation</b>					
Indoor pool attendance	23,826	21,879	22,751	27,559	13,845
Outdoor pool attendance	30,152	22,672	24,068	22,356	-
Athletics and sports program participation	3,164	2,954	3,112	5,062	2,966
Library circulation	172,584	162,473	159,894	160,404	79,727
Library program attendance	21,073	18,652	18,465	20,536	23,114
<b>Water</b>					
Water pumped (billion gallons)	1.37	1.25	1.35	1.27	1.29
Residential meters replaced/repaired *	156	56	41	55	82
Water main breaks repaired	7	9	9	12	11
<b>Wastewater</b>					
Total Flow (billion gallons)	1.40	1.50	1.60	1.78	1.61
Miles of sewer mains cleaned	60	57	31	51	50

Sources: Various government departments.

\*Major meter replacement project

\*\*Low attendance due to COVID-19 Restrictions

\*\*\*Several of the Library's Storytime Videos on YouTube and Facebook went Viral in 2022

Table 20

Fiscal Year				
2021	2022	2023	2024	2025
298	310	274	280	381
159	157	143	155	144
433	526	394	341	681
640	593	522	450	125
201	356	324	353	287
234	304	345	332	318
28,973	24,754	26,594	28,843	24,852
2,887	1,979	1,855	923	1,110
558	614	608	69	139
2,953	2,966	2,953	3,173	3,345
1,281	1,910	1,591	1,911	1,664
55	78	73	63	75
368	175	207	85	81
1,105	894	1,075	638	2,051
20,790	21,759	29,815	33,685	30,538
18,086	23,170	27,195	18,494	22,015
2,687	3,102	4,696	4,018	3,872
160,404	108,950	111,365	110,555	127,421
20,536	121,622 ***	23,353	18,747	30,250
1.35	1.35	1.45	1.30	1.30
65	116	113	620	231
15	19	11	16	26
1.40	1.35	1.45	1.70	1.67
39	61	50	38	25

CITY OF FARIBAULT, MINNESOTA  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 LAST TEN FISCAL YEARS

Function	2016	2017	Fiscal Year 2018	2019	2020
Public safety					
Police					
Stations	1	1	1	1	1
Fire					
Stations	1	1	1	1	1
Public works					
Street division					
Miles of street	105	105	105	105	105
Culture and recreation					
Area in acres	392	392	392	392	392
Outdoor ice rinks	3	3	3	3	3
Swimming pools	2	2	2	2	2
Water					
Municipal water					
Water meters	7,371	7,242	7,422	7,482	7,512
Maximum production capacity	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Miles of water main	137.01	137.01	133.00	141.00	141.00
Municipal water treatment					
Lift stations	9	9	9	11	11
Miles of sanitary sewer	115.18	115.18	120.00	120.00	120.00
Storm drains					
Miles of storm sewer	72.00	86.00	88.00	88.00	88.00

Source: City of Faribault Financial Records.

Note: No capital asset indicators are available for the general government function.

**Table 21**

<u>2021</u>	<u>2022</u>	Fiscal Year <u>2023</u>	<u>2024</u>	<u>2025</u>
1	1	1	1	1
1	1	1	1	1
105	105	114	114	114
392	392	403	403	403
3	3	4	3	3
2	2	2	2	2
7,370	7,574	7,300	7,437	7,458
7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
142.40	142.40	143.64	161.9	161.58
11	11	12	12	12
120.05	120.05	121.19	132.45	132.56
89.46	89.46	91.36	99.88	100.52



**City of Faribault  
Rice County, Minnesota**

**Communications Letter**

**For the Audit  
of the Year Ended  
December 31, 2025**

PRELIMINARY

**City of Faribault  
Table of Contents**

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements	1
Required Communication	3
Financial Analysis	8
Emerging Issues	20

PRELIMINARY



## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members of the  
City Council and Management  
City of Faribault  
Faribault, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Faribault, Minnesota, as of and for the year ended December 31, 2025, 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, 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

There were no material weaknesses identified during the audit.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated **May 28, 2026**, on such statements.

This purpose of this communication, which is an integral part of our audit, is to describe for the members of the City Council and management and others within the City and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Minneapolis, Minnesota  
**May 28, 2026**

PRELIMINARY

**City of Faribault  
Required Communication**

We have audited the basic financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2025. Professional standards require that we advise you of the following matters related to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, as part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit was not to provide an opinion on compliance with those provisions.

**Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)***

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examine, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

**City of Faribault  
Required Communication**

**Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (Continued)***

In planning and performing our audit of compliance, we consider the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

**Significant Risks**

We have addressed the following significant risks of material misstatement that were identified during our planning procedures:

- Management Override of Controls - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- Misappropriation of Assets - If duties cannot be appropriately segregated, there is a risk of unauthorized disbursements being made by the City. In addition, generally this results in less review taking place as transactions are recorded in the financial statements.
- Improper Revenue Recognition - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the government's operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- Lease Valuation - Leases Receivable and Related Deferred Inflows of Resources - These are material to the financial statements and involve significant estimates.
- Pension Valuation - Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions - These are generally material to the financial statements and involve significant estimates.
- Other Post-Employment Benefits Valuation - Total OPEB Liability, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB - These are generally material to the financial statements and involve significant estimates.
- Capital Assets Valuation - Capital Assets and Related Depreciation - These are material to the financial statements and involve significant estimates.

**City of Faribault  
Required Communication**

**Qualitative Aspects of the City's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

*Significant Accounting Estimates*

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on 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 basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation - The City is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Total Other Post-Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the City for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **City of Faribault Required Communication**

### **Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified during the audit were considered to be material either individually or in the aggregate.

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI 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.

**City of Faribault  
Required Communication**

**Other Information Included in Annual Reports (Continued)**

With respect to the supplementary information accompanying the financial statements, 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 basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the other information accompanying the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PRELIMINARY

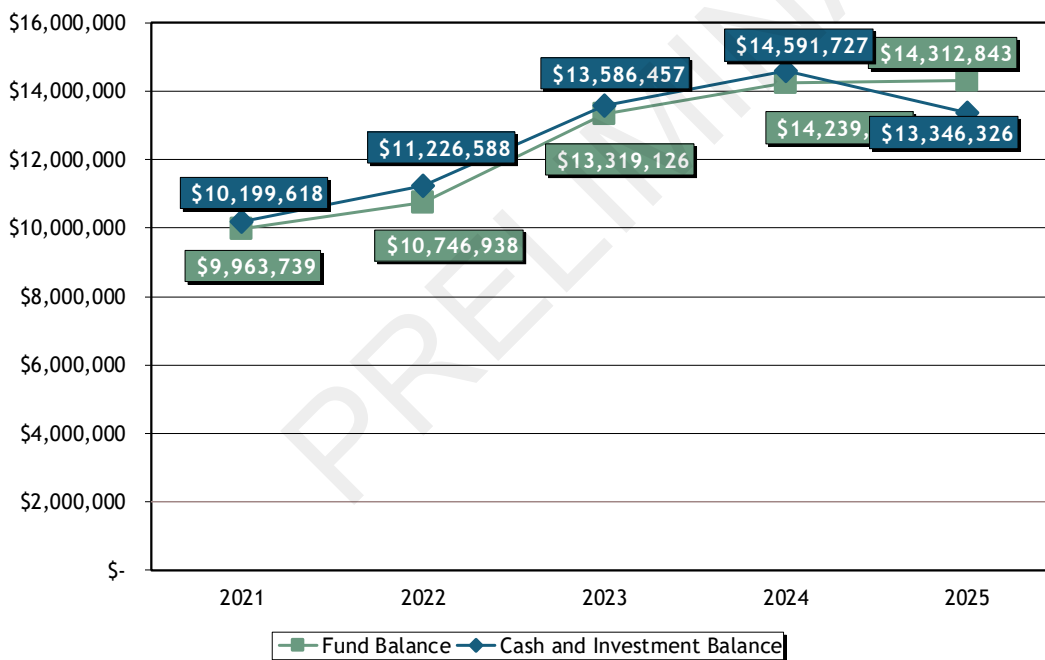
## City of Faribault Financial Analysis

The following pages provide graphic representations of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

### General Fund - Fund Balance

The following graph illustrates the relationship between cash and investments and fund balance over the past five years. At December 31, 2025, the General Fund balance consisted of \$352,768 nonspendable, \$133,701 restricted, \$3,016,726 assigned, and \$10,809,648 unassigned. The total unassigned fund balance represented approximately six months of expenditures at current levels. The City's Fund Balance Policy states that the City will maintain an unassigned fund balance amount not less than 35% and a maximum of 50% of the next year's budgeted expenditures in the General Fund. Based on the 2026 budget of \$24.4 million, the City's unassigned General Fund balance was at 44% at December 31, 2025.

**Cash and Investments and Fund Balance**



On the following pages, we will discuss the revenues and expenditures of the General Fund and the variations in the fund balance.

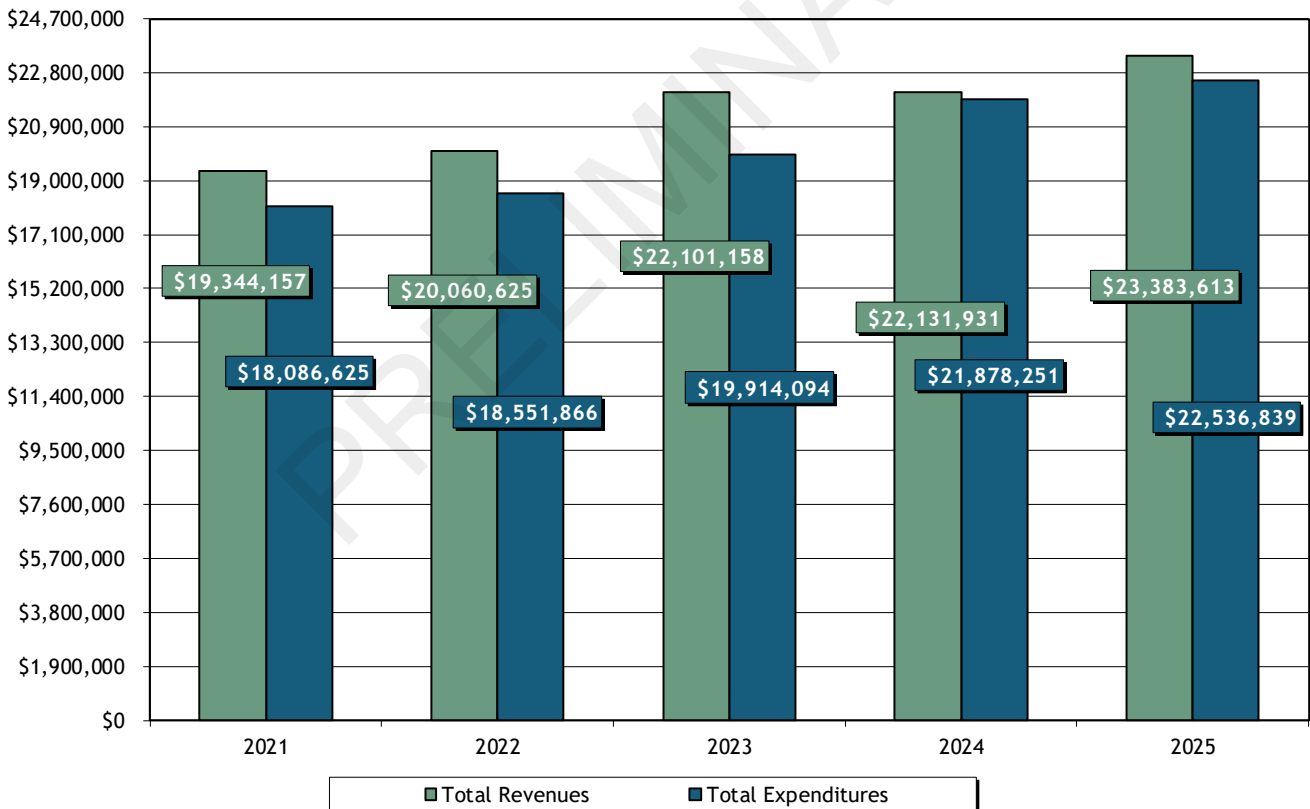
## City of Faribault Financial Analysis

### General Fund - Revenues and Expenditures

The following table and graph show the overall operations of the General Fund. Revenues have increased over each of the five years shown with a high in 2025 of \$23,383,613. Overall, from 2021 to 2025, revenues have increased by \$4 million. Similarly, expenditures have increased over each of the five years presented. In 2025, expenditures increased by 3% compared to 2024. Costs were up notably in 2024 as a result of the new ERP system.

	2021	2022	2023	2024	2025
Revenues	\$ 19,344,157	\$ 20,060,625	\$ 22,101,158	\$ 22,131,931	\$ 23,383,613
Expenditures	18,086,625	18,483,299	19,914,094	21,878,251	22,536,839
Capital asset sales/new debt	-	22,599	439,325	601,648	24,600
Net transfers	(1,715,848)	(748,159)	(54,201)	65,307	(798,292)
<b>Net change in fund balance</b>	<b>\$ (458,316)</b>	<b>\$ 851,766</b>	<b>\$ 2,572,188</b>	<b>\$ 920,635</b>	<b>\$ 73,082</b>

**Revenues and Expenditures**



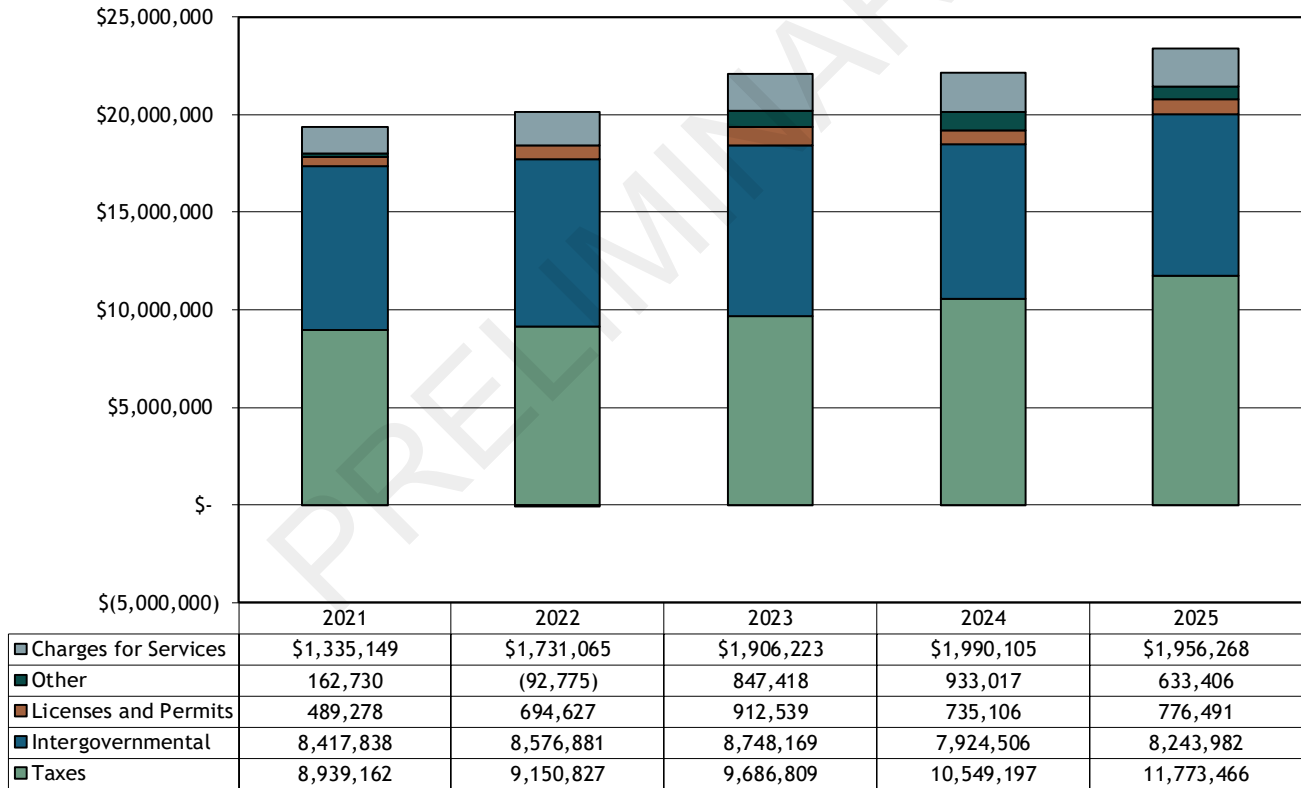
## City of Faribault Financial Analysis

### General Fund - Revenues

The following graph presents comparisons of revenues by type, illustrating the majority of revenue for the City is from taxes, intergovernmental sources, and charges for services. These three sources represent 50%, 35%, and 8% of total General Fund revenues, respectively. Other revenues include items such as licenses and permits, fines and forfeitures, special assessments, investment earnings, and other miscellaneous items.

Revenues of the General Fund increased from 2024 to 2025 by \$1,251,682. Taxes increased \$1,224,269 due to an increase in the amount of property tax levied for the General Fund. Intergovernmental revenues increased \$319,476 due to an increase in local government aid. Other revenues decreased \$299,611 due to decreased investment earnings. All other revenues remained similar to prior year.

**General Fund Revenues**



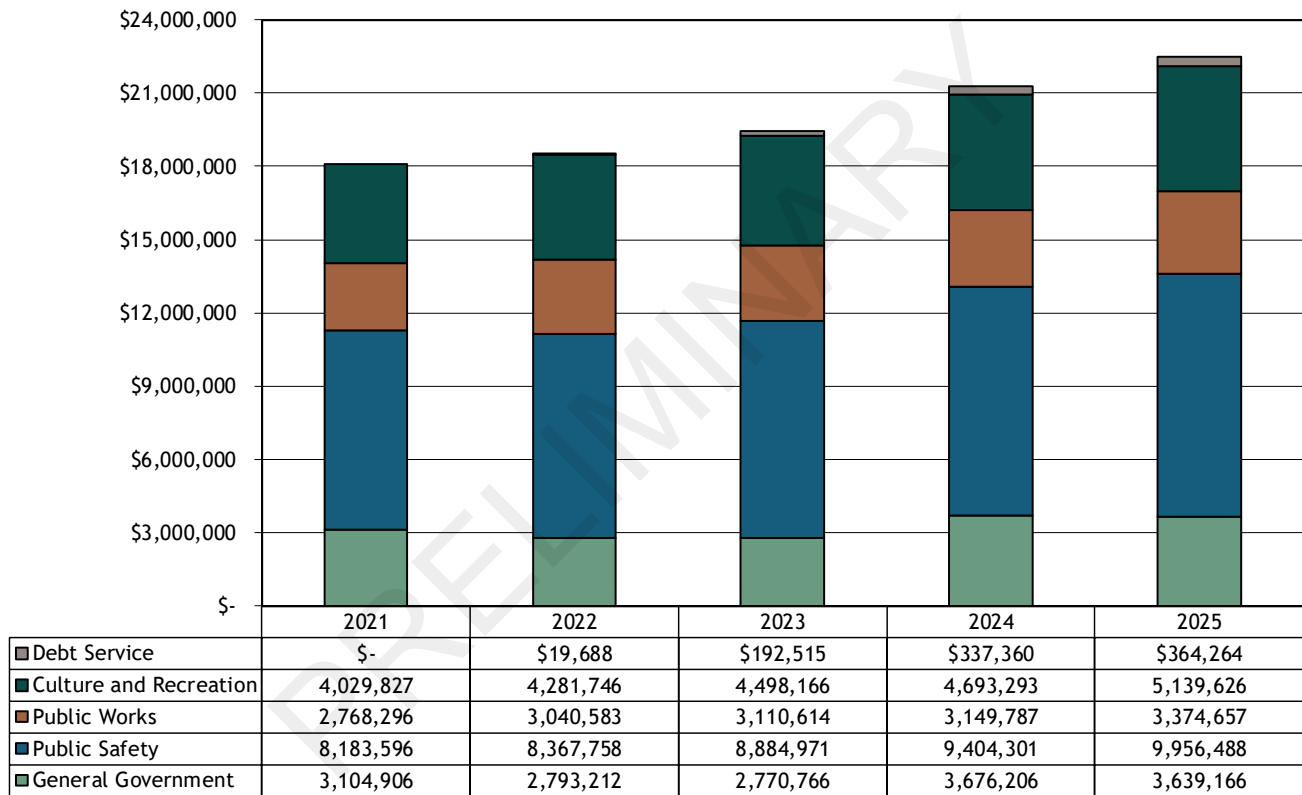
## City of Faribault Financial Analysis

### General Fund - Expenditures

The graph below represents the breakdown of expenditures by department. Public safety continues to comprise the largest portion of General Fund expenditures, representing 44%. Overall, General Fund expenditures increased by \$658,588 compared to 2024.

The public safety category had the largest increase approximating \$552,000, primarily related to increased wage costs and software support costs.

**General Fund Expenditures (excluding capital outlay)**



**City of Faribault  
Financial Analysis**

**General Fund - Budgetary Comparison**

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget - Over (Under)
<b>Revenues</b>				
Property taxes	\$ 11,784,528	\$ 11,913,585	\$ 11,773,466	\$ (140,119)
Special assessments	3,000	8,100	24,173	16,073
Licenses and permits	731,520	740,198	776,491	36,293
Intergovernmental	8,106,639	8,323,689	8,243,982	(79,707)
Charges for services	1,914,918	2,025,818	1,956,268	(69,550)
Fines and forfeitures	133,000	133,000	111,454	(21,546)
Miscellaneous revenues	311,030	329,590	497,779	168,189
Total revenue	22,984,635	23,473,980	23,383,613	(90,367)
<b>Expenditures</b>				
General government	3,469,812	3,479,812	3,639,166	159,354
Public safety	10,648,579	10,700,854	9,956,488	(744,366)
Public works	3,429,280	3,429,280	3,374,657	(54,623)
Culture and recreation	5,270,985	5,310,094	5,139,626	(170,468)
Mass transportation and airport	-	-	30,785	30,785
Debt service	-	-	364,264	364,264
Capital outlay	-	-	31,853	31,853
Total expenditures	22,818,656	22,920,040	22,536,839	(383,201)
Excess of revenue over (under) expenditures	165,979	553,940	846,774	292,834
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	22,100	24,600	2,500
Net transfers	-	(798,292)	(798,292)	-
Net change in fund balances	\$ 165,979	\$ (222,252)	\$ 73,082	\$ 295,334

Overall, actual revenue was \$90,367, or less than 0.4%, under the amended budget. The largest variance was in the miscellaneous category due primarily to a conservative budget for investment income.

Overall, actual expenditures were less than budgeted amounts by \$383,201, or 1.7%. The largest program variance was in public safety due to unfilled police positions. The variance for debt service relates to public safety as that represents lease payments on police vehicles.

## City of Faribault Financial Analysis

### Water Enterprise Fund

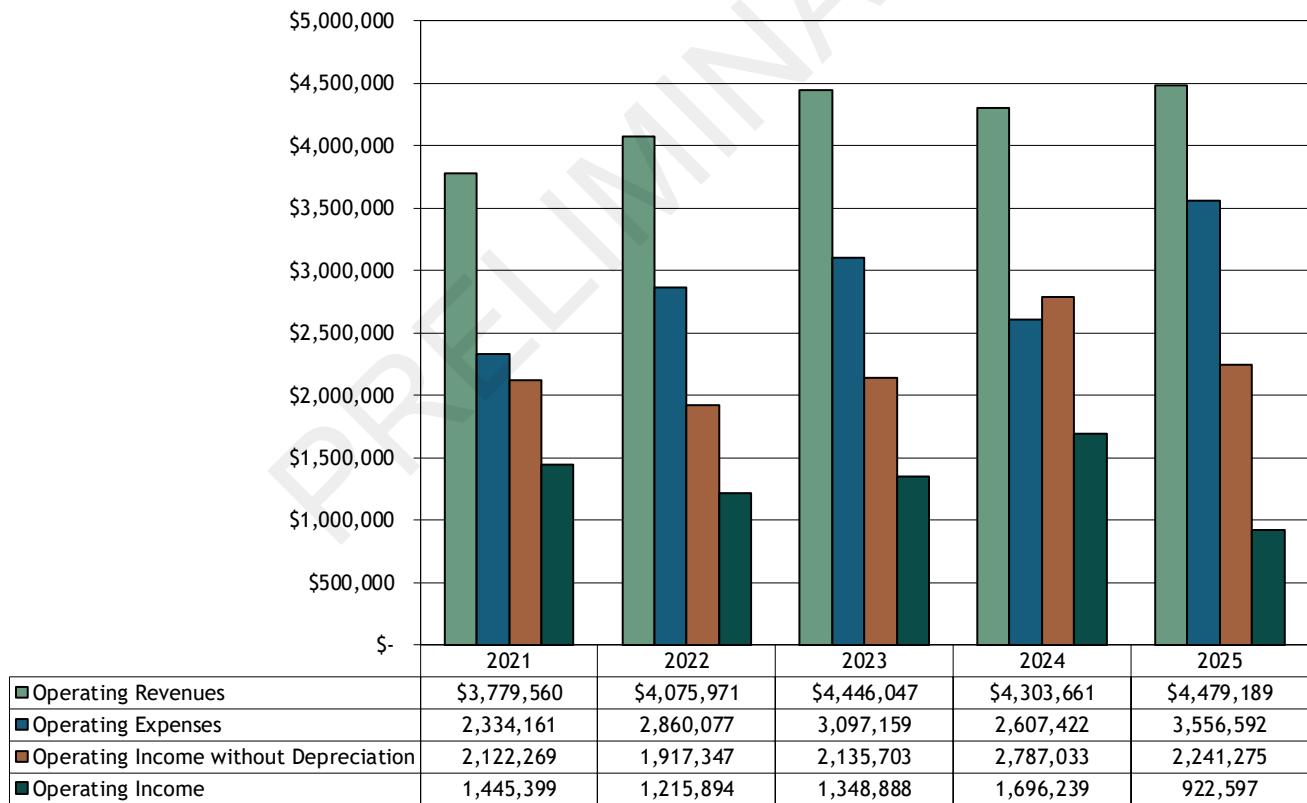
The following graph illustrates the current operations of the Water Fund for the past five years. Operating income is shown with and without depreciation below.

Operating revenue increased by \$175,000, or 4.1%, from 2024 due to increased water access charges from the prior year.

Operating expenses decreased by \$949,000, or 36%. The increase is driven by more professional service costs and increased repairs and maintenance needs.

Enterprise funds may be used to account for any activity in which a fee is charged. It is not required to have the fee support the entire activity; however, the basic premise in establishing an enterprise fund is that the activity will be operated similar to a business. Therefore, it is expected the enterprise fund would at least be able to meet its obligations currently and into the future.

**Water Operations**

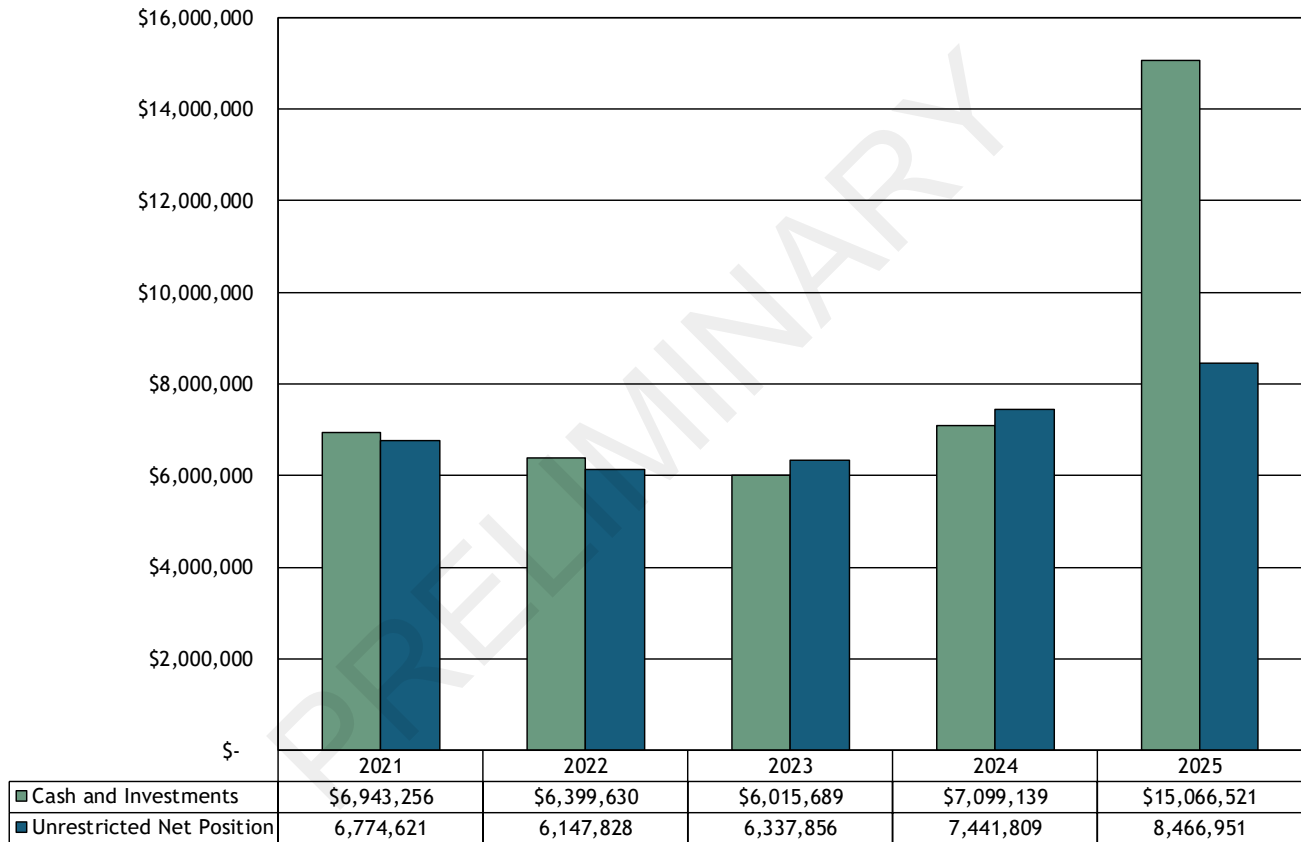


**City of Faribault  
Financial Analysis**

**Water Enterprise Fund (Continued)**

This graph shows the cash and investment and unrestricted net position balances as of December 31 for the last five years. The Water Fund cash and investment balance increased significantly in 2025 as a result of debt issued for which most all of the proceeds had not yet been utilized as of the end of the year. Unrestricted net position has increased by approximately \$1.7 million, or 25%, since the end of 2021.

**Water Fund**



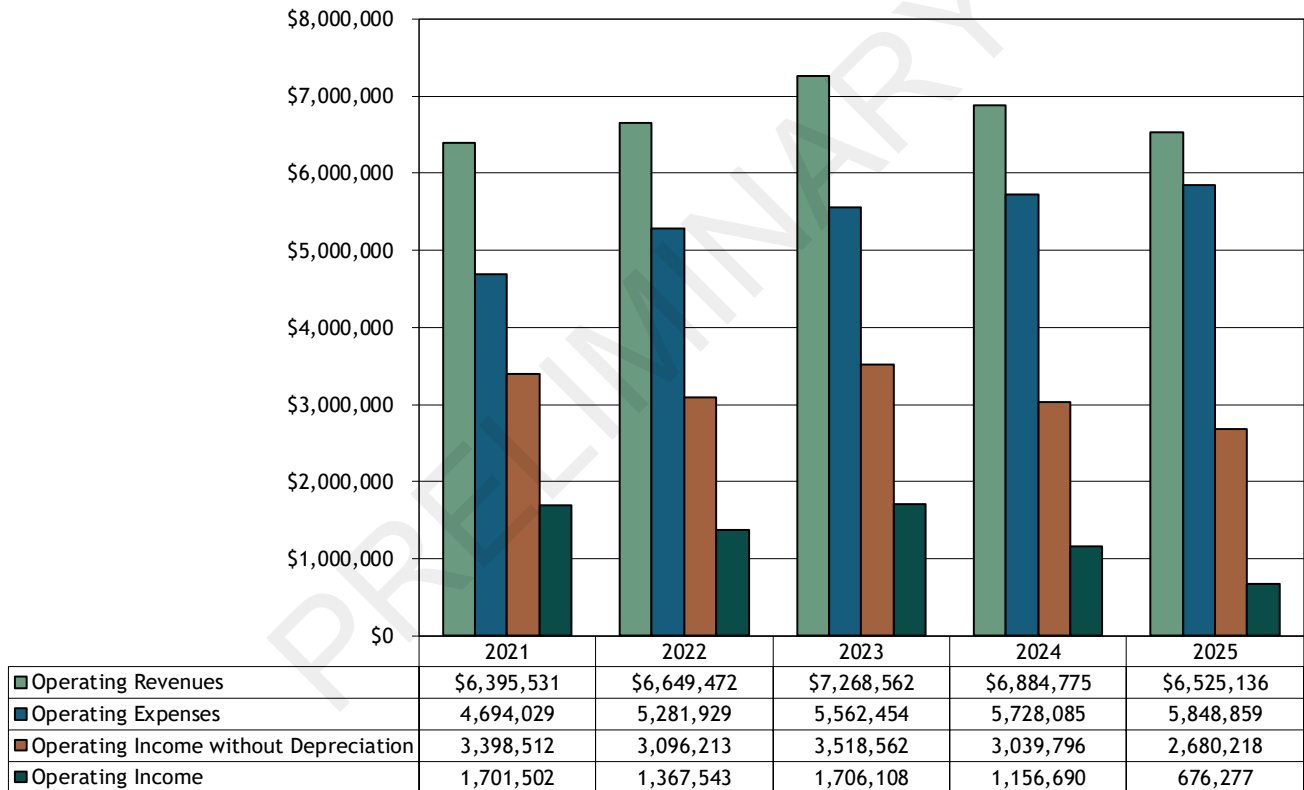
## City of Faribault Financial Analysis

### Sewer Enterprise Fund

The following graph illustrates the current operations of the Sewer Fund for the past five years. Operating income is shown with and without depreciation below.

The Sewer Fund has shown an operating income in each of the five years presented. In 2025, the Fund showed an operating income of nearly \$680,000. This is a decrease in operating income of \$480,000 compared to 2024. The fund experienced a decrease of 5.2% in operating revenue due primarily to decreased SIU discharge and fewer access charges. Operating expenses increased by 2% over 2024, which was impacted by repair costs.

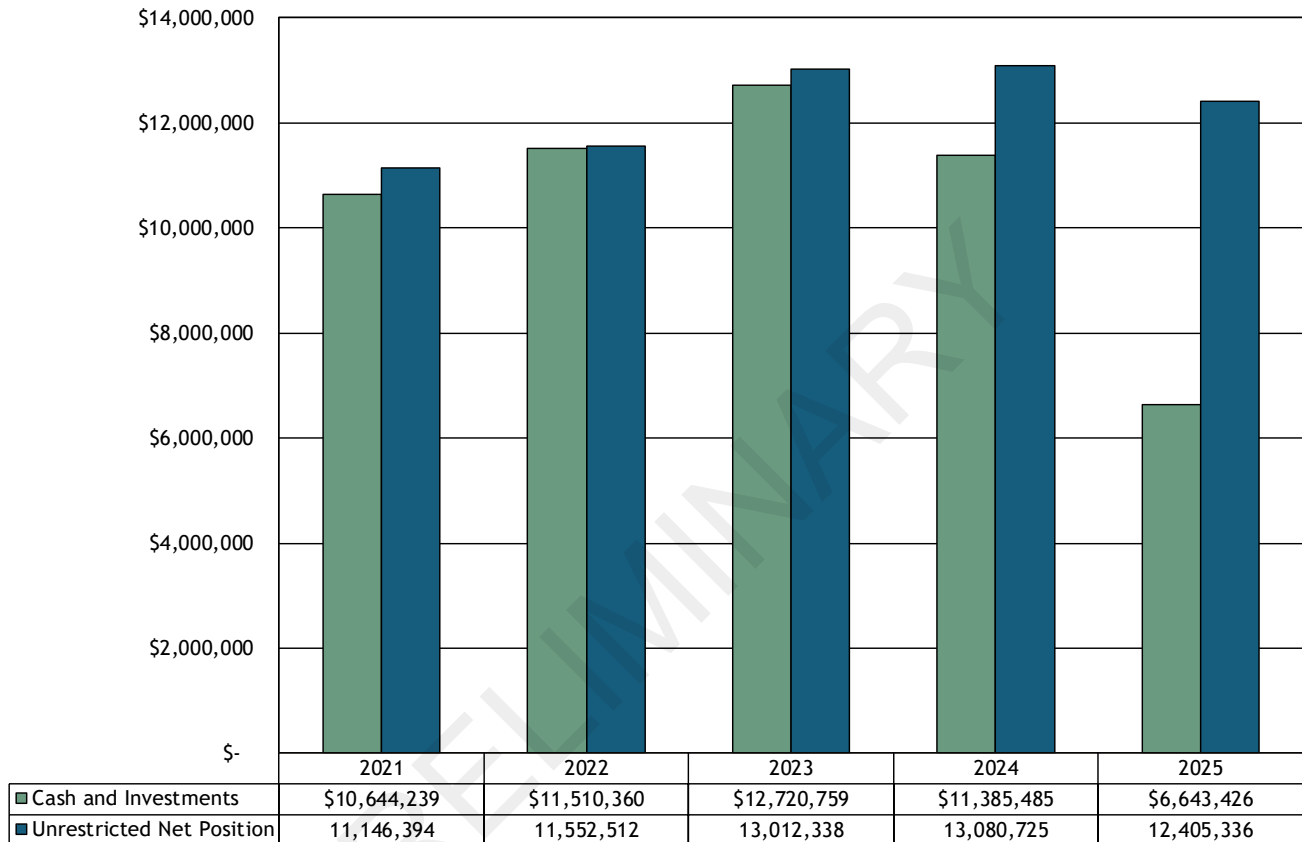
**Sewer Operations**



**City of Faribault  
Financial Analysis**

**Sewer Enterprise Fund (Continued)**

**Sewer Fund**



The graph above shows the cash and investment and unrestricted net position balances as of December 31 for the last five years. The cash and investment balance has decreased by \$4 million since 2021 while unrestricted net position has increased by \$1.2 million over the same time period. The reason for the decrease in cash is due to the advance to the Park Improvements capital projects fund that is expected to be repaid to the Sewer Fund over a period of several years.

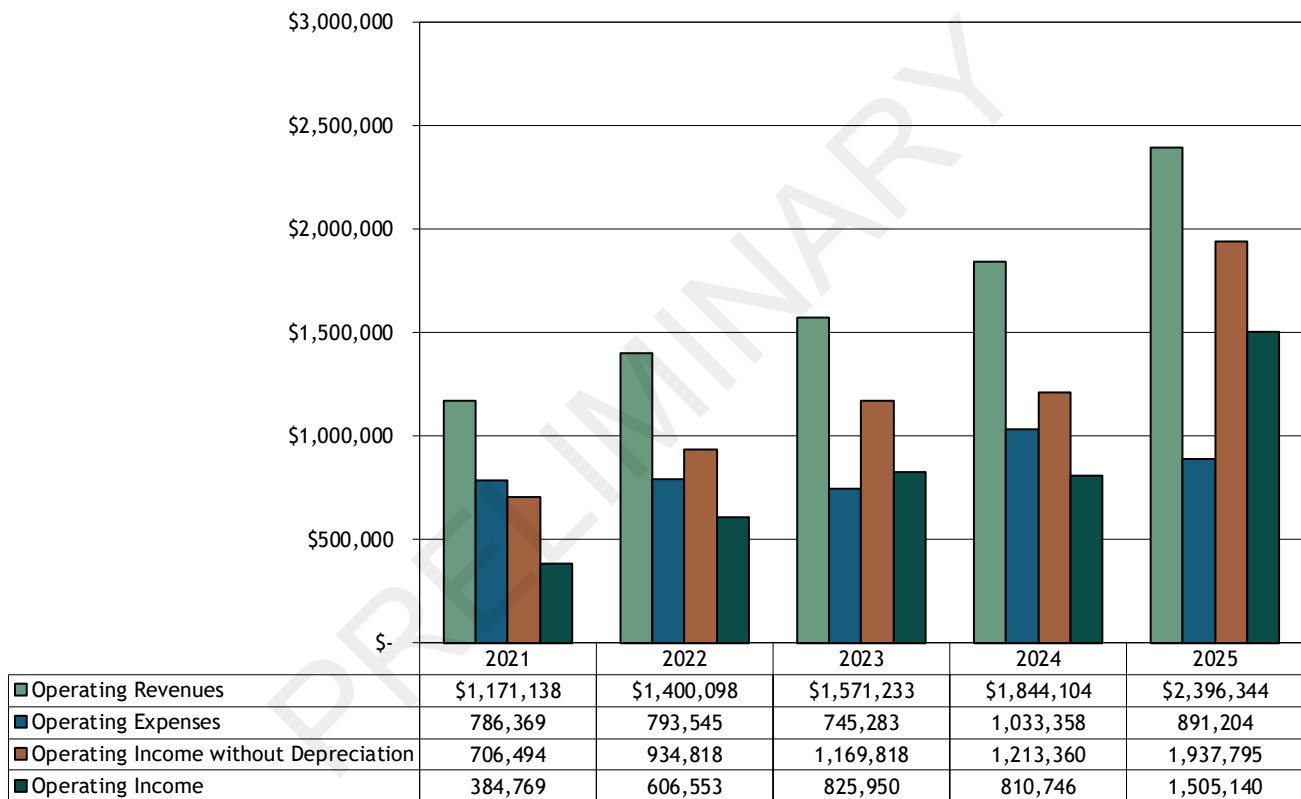
The dip in the unrestricted net position is due to the reasons noted on the previous page - decrease in certain revenues coupled with increased repair costs.

## City of Faribault Financial Analysis

### Storm Water Enterprise Fund

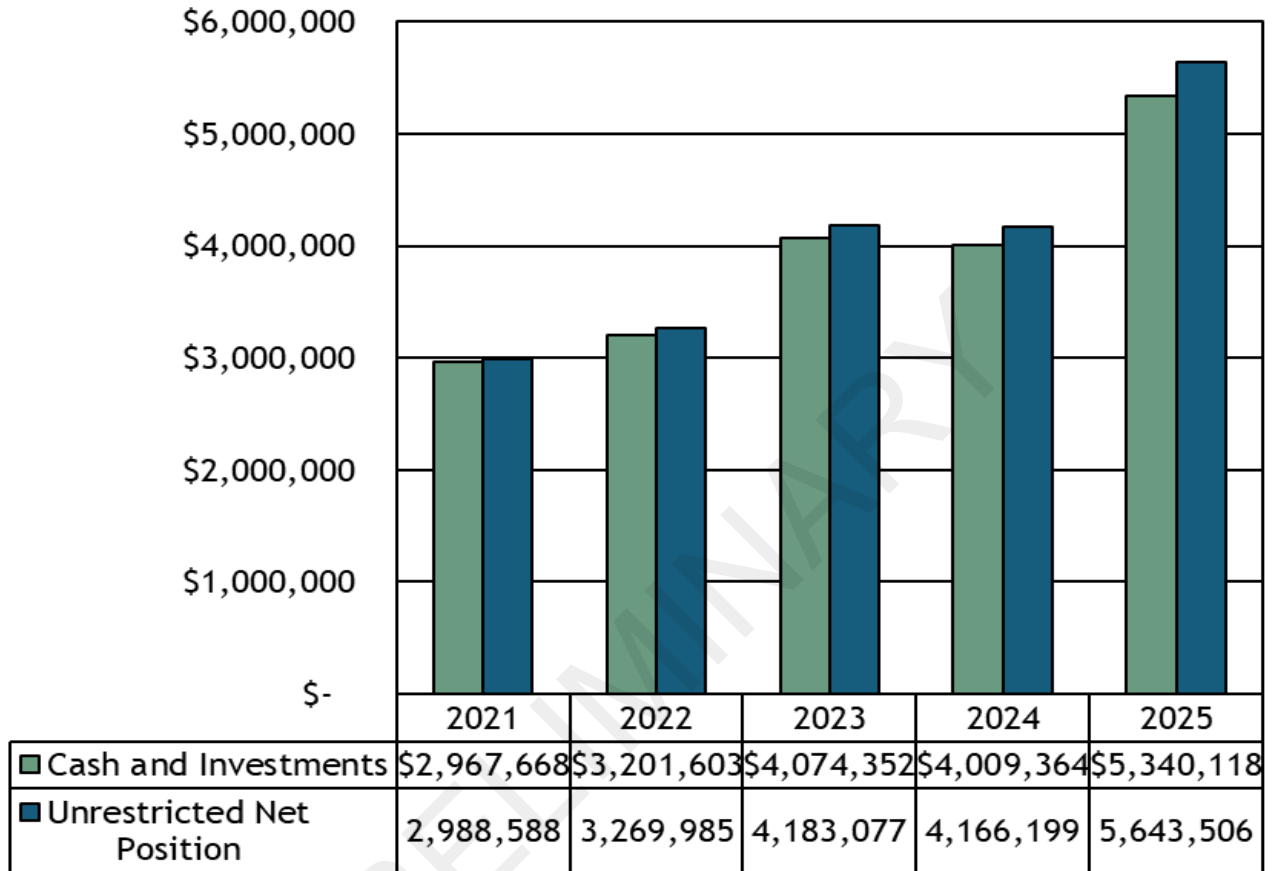
The following graph illustrates the current operations of the Storm Water Fund for the past five years. For all five years shown, the City's Storm Water Fund has generated an operating income with a high level mark in 2025. Operating revenue increased by \$552,000 or 30%, while expenses decreased by \$142,000, or 14%, compared to 2024. Revenue increased with increased rates and residential lot equivalents. The net effect of the changes in revenues and expenses is operating income of \$1,505,140.

**Storm Water Operations**



**City of Faribault  
Financial Analysis**

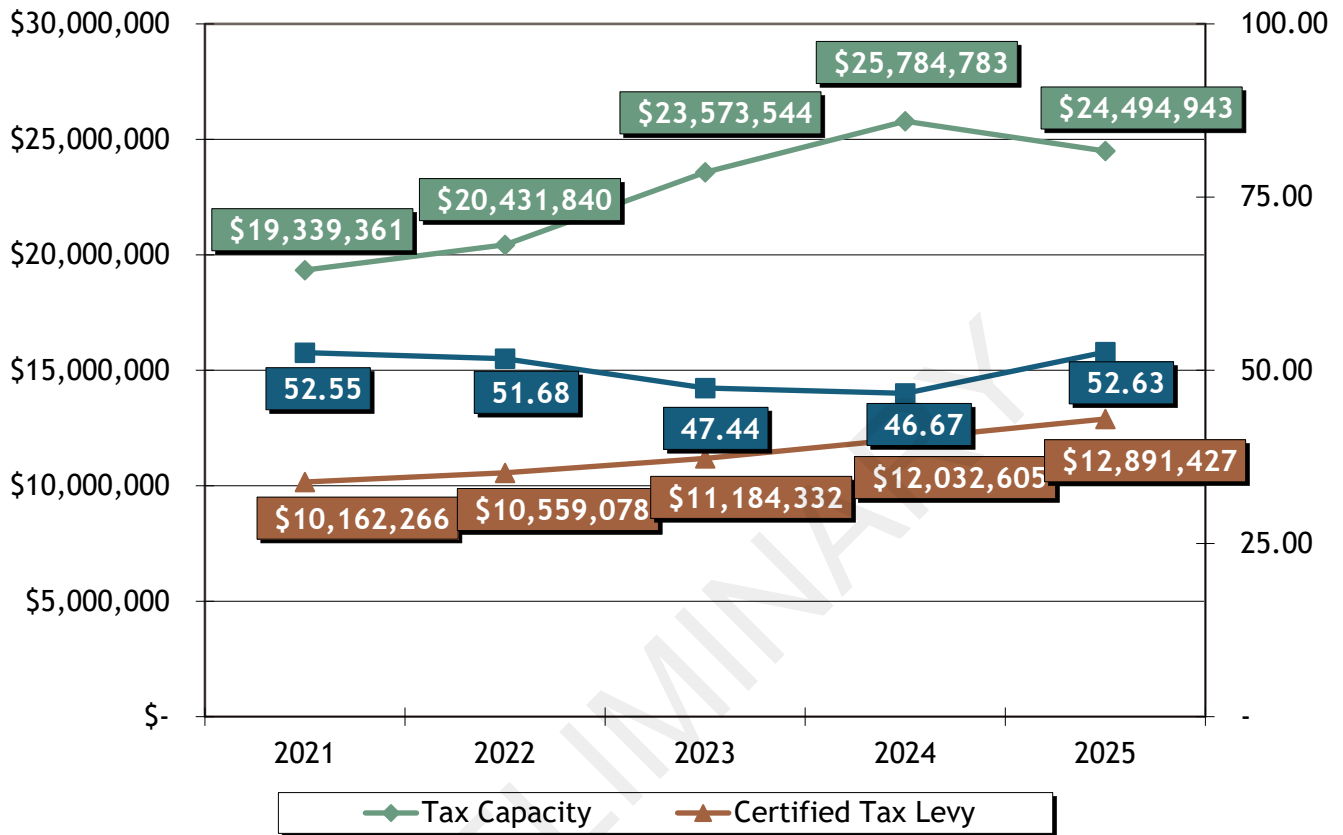
**Storm Water Enterprise Fund (Continued)**



The cash and investments position increased by \$1.3 million during 2025 and unrestricted net position increased by \$1.4 million based on the increase in revenues and decrease in expenses as noted on the previous page. The cash and investments and unrestricted net position have increased by approximately 80% since 2021.

City of Faribault  
Financial Analysis

**Tax Capacity, Levy, and Rates**



The chart above graphs the tax capacity, tax capacity rate and certified tax levy for 2021 through 2025. The tax capacity is based on total tax capacity, prior to adjustments for captured TIF.

Comparing 2021 through 2025, the City's tax capacity has increased by 26.7%. The City's certified levy over this same time frame has increased by 26.9%. This has resulted in a very similar tax rate when comparing 2025 to 2021.

## City of Faribault Emerging Issues

### Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.

- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

**City of Faribault  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Faribault  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Faribault  
Rice County, Minnesota**

**Reports on Compliance with  
*Government Auditing Standards,*  
Uniform Guidance, and Legal Compliance**

**December 31, 2025**



**City of Faribault  
Table of Contents**

<b>Schedule of Expenditures of Federal Awards</b>	1
<b>Notes to Schedule of Expenditures of Federal Awards</b>	2
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	3
<b>Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance</b>	5
<b>Schedule of Findings and Questioned Costs</b>	8
<b>Minnesota Legal Compliance</b>	10

PRELIMINARY

**City of Faribault**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2025**

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>		
Received directly		
Section 8 Housing Choice Vouchers	14.871	\$ <u>371,720</u>
<b>U.S. Department of Justice</b>		
Received directly		
COPS Anti-Methamphetamine Program (CAMP)	16.072	2,402
Law Enforcement Assistance National Instant Criminal Background Check System	16.309	<u>15,000</u>
Total U.S. Department of Justice		<u>17,402</u>
<b>U.S. Department of Transportation</b>		
Passed through the State of Minnesota		
Highway Planning and Construction	20.205	815,791
State and Community Highway Safety	20.600	<u>14,764</u>
Total U.S. Department of Transportation		<u>830,555</u>
<b>U.S. Department of Homeland Security</b>		
Passed through the State of Minnesota		
Disaster Grants - Public Assistance	97.036	<u>155,303</u>
 Total Expenditures of Federal Awards		 <u><u>\$ 1,374,980</u></u>

**City of Faribault**  
**Notes to Schedule of Expenditures of Federal Awards**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year-ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - PASS-THROUGH GRANT NUMBERS**

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

**NOTE 4 - INDIRECT COST RATE**

The City did not elect to use the de minimis indirect cost rate of up to 15%, as allowed under the Uniform Guidance.



**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***

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Faribault  
Faribault, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Faribault, Minnesota as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **May 28, 2026.**

**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.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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*.

**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 result 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.

Minneapolis, Minnesota

May 28, 2026

PRELIMINARY



**Report on Compliance for each Major Federal Program  
and Report on Internal Control over Compliance in Accordance with  
the Uniform Guidance**

**Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Faribault  
Faribault, Minnesota

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

### **Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Faribault, Minnesota, as of and for the year ended December 31, 2025, and the related notes to financial statements which collectively comprise the City's basic financial statements. We issued our report thereon dated **May 28, 2026**, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Minneapolis, Minnesota

**May 28, 2026**

**City of Faribault  
Schedule of Findings and Questioned Costs**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:  
 ◆ Material weakness(es) identified? No  
 ◆ Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:  
 ◆ Material weakness(es) identified? No  
 ◆ Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

**Identification of Major Programs**

Assistance Listing No.: 20.205  
 Name of Federal Program or Cluster: Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low risk auditee? No

**City of Faribault  
Schedule of Findings and Questioned Costs**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted

**SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None

PRELIMINARY



## Minnesota Legal Compliance

### Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Faribault  
Faribault, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Faribault, Minnesota as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **May 28, 2026**.

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 *Minnesota Statute § 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.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Minneapolis, Minnesota  
**May 28, 2026**



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kindra Papenfus, Finance Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-168 Awarding the Sale of \$3,710,000 Taxable General Obligation Tax Abatement Bonds, Series 2026A

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### **Background:**

On April 28, 2026, the City Council approved a property tax abatement following a duly noticed public hearing. The abatement covers certain properties within the City over a 15-year period in an approximate amount of \$3,805,000. The purpose of the abatement is to provide financing for the construction of public infrastructure improvements at Viaduct Park, specifically the construction of an outdoor covered ice rink and related financing costs. The Council found that the Abatement Project benefits the Abatement Parcels and provides access to services for City residents, and that the maximum bond principal does not exceed the estimated sum of abatements from the parcels over the authorized term.

At the April 28, 2026 meeting, the Council adopted a resolution declaring its intention to issue and sell Taxable General Obligation Tax Abatement Bonds, Series 2026A, in the approximate principal amount of \$3,710,000 to finance the Abatement Project.

The City Council is now asked to award the sale of the Bonds to the purchaser, fix the form and specifications of the Bonds, direct their execution and delivery, and provide for their payment through a pledge of tax abatement revenues from the Abatement Parcels and direct ad valorem taxes, backed by the full faith and credit of the City.

### **Recommendation:**

Award the sale of Taxable GO Tax Abatement bonds, Series 2026A

### **Attachments:**

HONESTY • RESPECT • DEDICATED • VISIONARY • ACCOUNTABILITY

1. Resolution 2026-168 Awarding the Sale of \$3,710,000 Taxable General Obligation Tax Abatement Bonds, Series 2026A

EXTRACT OF MINUTES OF MEETING  
OF THE CITY COUNCIL OF  
CITY OF FARIBAULT  
RICE COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of City of Faribault, Rice County, Minnesota, was duly held in the City on June 9, 2026, commencing at 6:00 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION NO. 2026-168**

**RESOLUTION AWARDING THE SALE OF TAXABLE GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2026A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$[3,710,000]; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED by the City Council (the “Council”) of City of Faribault, Rice County, Minnesota (the “City”), as follows:

Section 1.        Findings, Determinations; Sale of Bonds.

1.01    Background. It is hereby determined that:

(a)        The City is authorized by Minnesota Statutes, Chapter 475, as amended (the “Act”), and Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the “Abatement Act”) to issue general obligation tax abatement bonds.

(b)        Pursuant to a resolution adopted by the Council on April 28, 2026, (the “Abatement Resolution”), following a duly noticed public hearing, the Council approved a property tax abatement (the “Abatements”) in the approximate amount of \$3,805,000 for certain property in the City (the “Abatement Parcels”) over a period of fifteen (15) years in an amount sufficient to provide financing for the construction of public infrastructure improvements to the Viaduct Park, located in the City, including the construction of an outdoor covered ice rink (the “Abatement Project”), and related financing costs.

(c)        In the Abatement Resolution, the City found and determined that the Abatement Project benefits the Abatement Parcels, that the Abatement Project will provide access to services for residents in the City, and that the maximum principal amount of bonds to be secured by Abatements does not exceed the estimated sum of Abatements from the Abatement Parcels for the term authorized under the Abatement Resolution.

(d)        On April 28, 2026, the Council adopted a resolution (the “Intent Resolution”), stating its intention to issue and sell its Taxable General Obligation Tax Abatement Bonds, Series 2026A (the “Bonds”), pursuant to the Act and the Abatement Act, in the original aggregate principal amount of approximately \$3,710,000 to finance the Abatement Project.

(e)        The City is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale because the City has retained Northland Securities, Inc., (the “Municipal Advisor”) to serve as the City’s independent municipal advisor in connection with the sale of the Bonds. The actions of the City staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all respects.

1.02. Award of Sale to the Purchaser and Interest Rates. The proposal of [Purchaser][, as syndicate manager] (the “Purchaser”), to purchase the Bonds of the City is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$ \_\_\_\_\_ (par amount of the Bonds of \$[3,710,000], plus original issue premium of \$ \_\_\_\_\_, [less original issue discount of \$ \_\_\_\_\_,] less an underwriter’s discount of \$ \_\_\_\_\_), plus accrued interest, if any, to date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2027	0.00%	2034	0.00%
2028	0.00%	2035	0.00%
2029	0.00%	2036	0.00%
2029	0.00%	2037	0.00%
2030	0.00%	2038	0.00%
2031	0.00%	2039	0.00%
2032	0.00%	2040	0.00%
2033	0.00%	2041	0.00%

*[\*Term Bonds]*

True interest cost: \_\_\_\_\_%

1.03. Purchase Contract. The execution and delivery of a contract, dated as of June 9, 2026 (the “Purchase Agreement”), between the City and the Purchaser, is hereby ratified and confirmed in the form set forth in EXHIBIT A to this resolution (the “Resolution”). The Bonds shall be issued and delivered in accordance with the terms and conditions of the Purchase Agreement and this Resolution. The amount proposed by the Purchaser in excess of the minimum bid, if any, shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the Finance Director in consultation with the Municipal Advisor. The Municipal Advisor is directed to receive and retain the good faith payment of the Purchaser in accordance with the terms of the Purchase Agreement, pending completion of the sale of the Bonds. The Mayor and the City Administrator are authorized and directed to execute and deliver the Purchase Agreement on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City shall forthwith issue and sell the Bonds pursuant to the Act and the Abatement Act, in the total principal amount of \$[3,710,000], originally dated July 9, 2026, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1 upward, bearing interest as above set forth, and maturing serially on December 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$0.00	2034	\$0.00
2028	\$0.00	2035	\$0.00
2029	\$0.00	2036	\$0.00
2029	\$0.00	2037	\$0.00
2030	\$0.00	2038	\$0.00
2031	\$0.00	2039	\$0.00
2032	\$0.00	2040	\$0.00
2033	\$0.00	2041	\$0.00

*[\*Term Bonds]*

1.05. Schedule of Maturities. The schedule of maturities satisfies the requirements of Section 475.54, subdivision 1 of the Act.

1.06. Optional Redemption. The City may elect on December 15, 2034, and on any day thereafter to prepay Bonds due on or after December 15, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for optional redemption, the City shall notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC shall determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments shall be at a price of par plus accrued interest to the date of optional redemption.

[1.07 Mandatory Sinking Fund Redemptions; Term Bonds. The Bonds maturing on December 15, 20\_\_\_, shall hereinafter be referred to collectively as the "Term Bonds." The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

### **Mandatory Sinking Fund Redemptions**

Year	December 15, 20___ Principal Amount
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\* *Maturity*

The principal amount of Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine.]

#### Section 2. Registration and Payment.

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

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

2.03. Registration. The City shall appoint a bond registrar (the “Registrar”), authenticating agent (the “Authenticating Agent”), and paying agent (the “Paying Agent”). Except as specifically provided otherwise in Section 7 hereof, the effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

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

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

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

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

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

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

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

(h) Mutilated, Lost, Stolen, or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost the Registrar shall deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Registrar evidence satisfactory to it that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar shall be

cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in whole in accordance with its terms it is not necessary to issue a new Bond prior to payment.

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

2.04. Appointment of Initial Registrar, Paying Agent, and Authenticating Agent. The City appoints U.S. Bank Trust Company, National Association, St. Paul, Minnesota (“U.S. Bank Trust Company”), as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with U.S. Bank Trust Company, as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. Upon merger or consolidation of the Registrar, Paying Agent, and Authenticating Agent with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar, Paying Agent, and Authenticating Agent. The City agrees to pay the reasonable and customary charges of the Registrar, Paying Agent, and Authenticating Agent for the services performed. The City reserves the right to remove the Registrar, Paying Agent, or Authenticating Agent upon thirty (30) days’ notice and upon the appointment of a successor Registrar, Paying Agent, or Authenticating Agent, in which event the predecessor Registrar, Paying Agent, or Authenticating Agent must deliver all cash and Bonds in its possession to the successor Registrar, Paying Agent, or Authenticating Agent and the Registrar must deliver the Bond Register to the successor Registrar. On or before three (3) business days prior to each principal or interest due date, without further order of the Council, the Finance Director must transmit to the Paying Agent money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication, and Delivery. The Bonds shall be prepared under the direction of the City Administrator and executed on behalf of the City by the signatures of the Mayor and City Administrator, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Authenticating Agent. Certificates of authentication on different Bonds need not be signed by the same representative of the Authenticating Agent. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed, and authenticated the City Administrator shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds shall be printed or typewritten in substantially the form attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to accompany each Bond.

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

4.01. Debt Service Fund. The Bonds shall be payable from the Taxable General Obligation Tax Abatement Bonds, Series 2026A Debt Service Fund (the "Debt Service Fund") hereby created, and Abatements from the Abatement Parcels and ad valorem taxes are hereby pledged to the Debt Service Fund. The amounts to be applied to pay the principal of and interest on the Bonds shall be deposited in the Debt Service Fund at least three (3) business days prior to each respective interest payment date and principal payment date. There is appropriated to the Debt Service Fund amounts over the minimum purchase price of the Bonds paid by the Purchaser to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof.

4.02. Construction Fund. The City hereby creates the Taxable General Obligation Tax Abatement Bonds, Series 2026A Construction Fund (the "Construction Fund"). Proceeds of the Bonds (reduced by the appropriation made in accordance with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Bonds made in accordance with Section 4.01 hereof) shall be deposited in the Construction Fund and used solely to pay costs of the Abatement Project. Any balance remaining in the Construction Fund after completion of the Abatement Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Bonds for such new use and purpose, or credited to the Debt Service Fund or other City debt service fund, all in accordance with Section 475.65 of the Act.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith and credit and taxing powers of the City are hereby irrevocably pledged. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director must pay such principal or interest from the general fund of the City, and the general fund shall be reimbursed for those advances out of the proceeds of taxes levied herein, when collected.

4.04. Pledge of Taxes. For the purpose of paying a portion of the principal and interest on the Bonds, there are levied direct annual irrevocable ad valorem taxes (the "Taxes") upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes shall be credited to the Debt Service Fund above provided and shall be levied in the years and amounts attached hereto as EXHIBIT C to this Resolution, and, in the event the Taxes so levied are ever insufficient to pay the principal and interest on the Bonds, additional taxes are hereby authorized to be levied without limitation as to rate or amount. Said tax levies shall be irrevocable as long as any of these Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by the Act (specifically, Section 475.61 of the Act)

4.05. Debt Service Coverage. It is determined that the estimated collection of Abatements and Taxes herein pledged shall produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies herein provided shall be irrevocable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the City Administrator may certify to the County Auditor-Treasurer of Rice County, Minnesota (the "County Auditor") that the City made

an irrevocable appropriation of a specified amount to the Debt Service Fund of money actually on hand or if there is on hand any excess amount in the Debt Service Fund and the County Auditor shall thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Registration of Resolution. The City Administrator is authorized and directed to file a certified copy of this Resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

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

5.02. Certification as to Official Statement. The Mayor, City Administrator, and the Finance Director, or any of their authorized designees, are authorized and directed to certify that they have examined the final Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the final Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the final Official Statement and further that said final Official Statement did not (as of the date of the final Official Statement) and does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

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

5.04. Payment of Costs of Issuance. The City shall pay the costs of issuance from Bond proceeds allocated to such expenses.

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

Section 6. [Intentionally omitted.]

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

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

7.02. Participants. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any broker-dealers, banks, and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar, and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments shall be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of this Resolution. Upon delivery by DTC to City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” shall refer to such new nominee of DTC; and upon receipt of such a notice, City Administrator shall promptly deliver a copy of the same to the Registrar and Paying Agent.

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

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

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

Section 8. Continuing Disclosure.

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

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

Section 9. Defeasance. When all of the Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the holders of the Bonds shall cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by \_\_\_\_\_ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

**EXHIBIT A**  
**PURCHASE AGREEMENT**

**EXHIBIT B**  
**FORM OF BOND**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF RICE  
CITY OF FARIBAULT

TAXABLE GENERAL OBLIGATION TAX ABATEMENT BONDS  
SERIES 2026A

No. R-\_\_\_\_ \$\_\_\_\_\_

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
0.000%	December 15, 20__	July 9, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Faribault, a duly organized and existing municipal corporation in Rice County, Minnesota (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable June 15 and December 15 in each year, commencing June 15, 2027, to the person in whose name this Bond is registered at the close of business on the first day (whether or not a business day) of the month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check, draft or wire by U.S. Bank Trust Company, National Association, St. Paul, Minnesota, as Registrar, Paying Agent, and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on December 15, 2034, and on any date thereafter to prepay Bonds maturing on or after December 15, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such order as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest to the optional redemption date.

[The Bonds maturing on December 15, 20\_\_\_\_, shall hereinafter be referred to collectively as the “Term Bonds.” The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

**Mandatory Sinking Fund Redemptions**

February 1, 20____	
Year	Principal Amount

\* *Maturity*

The principal amount of Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine.]

This Bond is one of an issue in the aggregate principal amount of \$[3,710,000] all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council of the City (the “Council”) on June 9, 2026 (the “Resolution”), for the purpose of providing money to aid in financing certain public improvements in the City, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Sections 469.1812 through 469.1815, as amended. The principal hereof and interest hereon are payable in part from tax abatement revenues collected from certain property in the City and in part from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency of tax abatements revenues and ad valorem taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

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

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

IT IS HEREBY CERTIFIED, RECITED, COVENANTED, AND AGREED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed preliminary to and in the issuance of this Bond in order to make this Bond a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened, and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

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

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

Dated: July 9, 2026

**CITY OF FARIBAULT, RICE COUNTY,  
MINNESOTA**

\_\_\_\_\_  
(Facsimile)  
Mayor

\_\_\_\_\_  
(Facsimile)  
City Administrator

\_\_\_\_\_

**CERTIFICATE OF AUTHENTICATION**

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

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**

By \_\_\_\_\_  
Its Authorized Representative

**ASSIGNMENT**

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

Dated: \_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_

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

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

Name and Address: \_\_\_\_\_

\_\_\_\_\_

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

Please insert federal identification or other identifying number of assignee

\_\_\_\_\_

**PROVISIONS AS TO REGISTRATION**

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

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
July 9, 2026	Cede & Co. Federal ID #13-2555119	_____

STATE OF MINNESOTA            )  
  )  
COUNTY OF RICE                ) ss.  
  )  
CITY OF FARIBAULT             )

I, the undersigned, being the duly qualified City Administrator of the City of Faribault, Rice County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on the date specified above, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to the issuance and sale of the City’s Taxable General Obligation Tax Abatement Bonds, Series 2026A, in the original aggregate principal amount of \$[3,710,000].

WITNESS My hand officially as such City Administrator this \_\_\_\_\_ day June, 2026.

\_\_\_\_\_  
City Administrator  
City of Faribault, Rice County, Minnesota



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kindra Papenfus, Finance Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-169 Awarding the Sale of \$3,610,000 General Obligation Sewer Revenue Bonds, Series 2026B

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### **Background:**

On April 28, 2026, the City Council approved its intent to issue General Obligation Sewer Revenue Bonds, Series 2026B, in the approximate amount of \$3,610,000 to finance improvements to the City's sewer utility system, including related financing costs. During the meeting, the Council also committed the City to the provisions of Minnesota Statutes, Section 446A.086, which provides a state-level safety net — if the City were ever to notify the State of a potential default on debt service payments, the State is authorized to step in and cover those payments. That commitment stays in place for the life of the Bonds.

Repayment will come primarily from net revenues of the City's sewer utility system, backed by the City's full faith and credit as a fallback. The City is committing to run its utility system as a public utility, keep proper records and adequate insurance, set rates high enough to cover debt service, and levy property taxes if utility revenues ever fall short. The Bonds are also designated as "qualified tax-exempt obligations" under federal tax law, which can be advantageous for financial institutions that purchase them. The Council is now being asked to award the bond sale, approve the form and terms of the Bonds, and authorize their execution and delivery.

### **Recommendation:**

Award the Sale of General Obligation Sewer Revenue Bonds, Series 2026B

### **Attachments:**

1. Resolution 2026-169 Awarding the Sale of \$3,610,000 General Obligation Sewer Revenue Bonds, Series 2026B

EXTRACT OF MINUTES OF MEETING  
OF THE CITY COUNCIL OF THE  
CITY OF FARIBAULT  
RICE COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Faribault, Minnesota, was duly held in the City Hall in said City on Tuesday, June 9, 2026, commencing at 6:00 o'clock p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following written resolution, and moved its adoption:

**RESOLUTION NO. 2026-169**

**RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2026B, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$[3,610,000]; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED By the City Council (the “Council”) of the City of Faribault, Rice County, Minnesota (the “City”), as follows:

Section 1.        Findings, Determinations; Sale of Bonds.

1.01    Background. It is hereby determined that:

(a)        The City is authorized by Minnesota Statutes, Chapter 475, as amended (the “Act”) and Minnesota Statutes, Chapter 444, as amended (“Chapter 444”), to issue general obligation revenue bonds to finance the costs of improvements to the City’s waterworks facilities.

(b)        On April 28 2026, the Council adopted a resolution (the “Intent Resolution”) stating the intention of the City to issue and sell its General Obligation Sewer Revenue Bonds, Series 2026B (the “Bonds”), pursuant to the Act and Chapter 444, in the original aggregate principal amount of approximately \$3,610,000, to finance water utility improvements in the City (the “Project”), and related financing costs.

(c)        Pursuant to a resolution of the Council dated April 28, 2026, the City covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086, as amended, which provides for payment by the State of Minnesota of the debt service on the Bonds in the event the City notifies the State of Minnesota of a potential default by the City in the timely payment of the debt service on the Bonds. The City understands that as a result of its covenant to be bound by said provisions, these provisions shall be binding as long as the Bonds remain outstanding.

(d)        The City is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale because the City has retained Northland Securities, Inc., (the “Municipal Advisor”) to serve as its independent municipal advisor in connection with the sale of the Bonds. The actions of the City staff and the Municipal Advisor in negotiating the sale of the Bonds are ratified and confirmed in all respects.

1.02.    Award to the Purchaser and Interest Rates. The proposal of [Purchaser] [, as syndicate manager] (the “Purchaser”), to purchase the Bonds of the City is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$ \_\_\_\_\_ (par amount of \$[3,610,000], plus original issue premium of \$ \_\_\_\_\_, less original issue discount of \$ \_\_\_\_\_, less an underwriter’s discount of \$ \_\_\_\_\_), plus accrued interest, if any, to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2027	0.000%	2035	0.000%
2028	0.000%	2036	0.000%
2029	0.000%	2037	0.000%
2030	0.000%	2038	0.000%
2031	0.000%	2039	0.000%
2032	0.000%	2040	0.000%
2033	0.000%	2041	0.000%
2034	0.000%		

True interest cost: \_\_\_\_\_

1.03. Purchase Contract. The execution and delivery of a contract to purchase and sell the Bonds, dated as of June 9, 2026 (the “Purchase Agreement”), between the City and the Purchaser, is hereby ratified and confirmed. The Bonds shall be issued and delivered in accordance with the terms and conditions of the Purchase Agreement and this resolution (the “Resolution”). The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the Finance Director in consultation with the Municipal Advisor. The Municipal Advisor is directed to receive and retain the good faith payment of the Purchaser in accordance with the terms of the Purchase Agreement, pending completion of the sale of the Bonds. The Mayor and City Administrator are authorized and directed to execute and deliver the Purchase Agreement on behalf of the City.

1.04. Terms and Principal Amount of Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act and Chapter 444, in the total principal amount of \$[3,610,000], originally dated July 9, 2026, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing serially on December 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$0.00	2035	\$0.00
2028	\$0.00	2036	\$0.00
2029	\$0.00	2037	\$0.00
2030	\$0.00	2038	\$0.00
2031	\$0.00	2039	\$0.00
2032	\$0.00	2040	\$0.00
2033	\$0.00	2041	\$0.00
2034	\$0.00		

1.05. Schedule of Maturities. The schedule of maturities satisfies the requirements of Section 475.54, subdivision 1 of the Act.

1.06. Optional Redemption. The City may elect on December 15, 2034, and on any day thereafter to prepay Bonds maturing on or after December 15, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of

such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest to the date of optional redemption.

## Section 2. Registration and Payment.

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

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

2.03. Registration. The City shall appoint a bond registrar (the "Registrar"), authenticating agent (the "Authenticating Agent"), and paying agent (the "Paying Agent"). Except as specifically provided otherwise in Section 7 hereof, the effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

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

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

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

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

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

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

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

(h) Mutilated, Lost, Stolen, or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost the Registrar shall deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Registrar evidence satisfactory to it that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in whole in accordance with its terms it is not necessary to issue a new Bond prior to payment.

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

2.04. Appointment of Initial Registrar, Paying Agent, and Authenticating Agent. The City appoints U.S. Bank Trust Company, National Association, St. Paul, Minnesota ("U.S. Bank Trust Company"), as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with U.S. Bank Trust Company as the initial Registrar, Paying Agent, and Authenticating Agent with respect to the Bonds. Upon merger or consolidation of the Registrar, Paying Agent, and Authenticating Agent with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar, Paying Agent, and Authenticating Agent. The City agrees to pay the reasonable and customary charges of the Registrar, Paying Agent, and Authenticating Agent for the services performed. The City reserves the right to remove the Registrar, Paying Agent, or Authenticating Agent upon thirty (30) days' notice and upon the appointment of a successor Registrar, Paying Agent, or Authenticating Agent, in which event the predecessor Registrar, Paying Agent, or Authenticating Agent must deliver all cash and Bonds in its possession to the successor Registrar, Paying Agent, or Authenticating Agent and the Registrar must deliver the Bond Register to the successor Registrar. On or before three (3) business days prior to each principal or interest due date, without further order of the Council, the Financing Director must transmit to the Paying Agent money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the Clerk and executed on behalf of the City by the signatures of the Mayor and City Administrator, provided that those signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Authenticating Agent. Certificates of authentication on different Bonds need not be signed by the same representative of the Authenticating Agent. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed, and authenticated the City Administrator shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Form of Bond. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT B attached hereto.

3.02. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to accompany each Bond.

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

4.01. Debt Service Fund. The Bond will be payable from the General Obligation Sewer Revenue Bonds, Series 2026B Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will continue to maintain and operate its Utility Fund to which will be credited all gross revenues of the water and sewer utility systems, and out of which will be paid all normal and reasonable expenses of current operations of such system. Any balances therein are deemed net revenues (the "Net Revenues") and will be transferred, from time to time, to the Debt Service Fund, which will be used only to pay principal of and interest on the Bonds and any other bonds similarly authorized. There will always be retained in the Debt Service Fund a sufficient amount to pay principal of and interest on the Bonds, and the Finance Director must report any current or anticipated deficiency in the Debt Service Fund to the Council. If a payment of principal or interest on the Bond becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund or other funds of the City, and the general fund will be reimbursed for the advances out of the proceeds of Net Revenues and taxes when collected. There is also appropriated to the Debt Service Fund: (A) all investment earnings on amounts in the Debt Service Fund; (B) capitalized interest financed from Bond proceeds, if any; and (C) any and all other moneys which are properly available and are appropriated by the Council to the Debt Service Fund. The Debt Service Fund will be maintained in the manner herein specified until the Bonds and the interest thereon will have been fully paid.

4.02. Construction Fund. The City hereby creates the General Obligation Sewer Revenue Bonds, Series 2026B Construction Fund (the "Construction Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. Proceeds of the Bonds (reduced by the appropriation made in accordance

with Section 5.04 to pay costs of issuance and the appropriation, if any, of any portion of the Bonds made in accordance with Section 4.01 hereof), shall be deposited in the Construction Fund, and used solely to pay costs of the Project. Any balance remaining in the Construction Fund after the completion of the Project may be used for any other public use authorized by law and approved by resolution adopted or vote taken in the manner required to authorize the application of the proceeds of the Bonds for such new use and purpose, or credited to the Debt Service Fund or other City debt service fund, all in accordance with Section 475.65 of the Act.

4.03. City Covenants. The City covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid, it will keep and enforce the following covenants and agreements:

(a) The City will continue to maintain and efficiently operate the water system as a public utility and convenience free from competition of other like municipal utilities and will cause all revenues therefrom to be deposited in bank accounts and credited to the Utility Fund, as hereinabove provided, and will make no expenditures from those accounts except for a duly authorized purpose and in accordance with this Resolution.

(b) The City will also maintain the Debt Service Fund as a separate account and will cause money to be credited thereto from time to time, out of Net Revenues from the water system in sums sufficient to pay principal of and interest on the Bonds when due.

(c) The City will keep and maintain proper and adequate books of records and accounts separate from all other records of the City in which will be complete and correct entries as to all transactions relating to the water system, and which will be open to inspection and copying by any bondholder, or the bondholder's agent or attorney, at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor, and said account will be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to all bondholders upon request.

(d) The Council will cause persons handling revenues of the water system, to be bonded in reasonable amounts for the protection of the City and the Bondholders and will cause the funds collected on account of the operations of such system to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Council will keep the water system insured at all times against loss by fire, tornado, and other risks customarily insured against with an insurer or insurers in good standing, in such amounts as are customary for like plants, to protect the holders, from time to time, of the Bonds and the City from any loss due to any such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The City and each and all of its officers will punctually perform all duties with reference to the water system as required by law.

(g) The City will impose and collect charges of the nature authorized by Minnesota Statutes, Section 444.075, as amended, at the times and in the amounts required to produce Net Revenues adequate to pay all principal and interest when due on the Bonds, and any other bonds similarly authorized, and to create and maintain such reserves securing said payments as may be provided in this resolution.

(h) The Council has covenanted to levy general ad valorem taxes on all taxable property in the City, when required to meet any deficiency in pledged Net Revenues.

4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith and credit and taxing powers of the City are hereby irrevocably pledged. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Finance Director must pay such principal or interest from the general fund of the City, and the general fund shall be reimbursed for those advances out of the proceeds of the taxes levied herein, when collected.

4.05. Debt Service Coverage. It is determined that the estimated collection of Net Revenues shall produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds and that no tax levy is needed at this time. The Council shall, however, levy ad valorem taxes on all taxable property in the City in the event of any deficiency of Net Revenues pledged, which taxes may be levied without limitation as to rate or amount.

4.06. Registration of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution with the County Auditor-Treasurer of Rice County, Minnesota and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

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

5.02. Certification as to Official Statement. The Mayor, City Administrator and Finance Director are authorized and directed to certify that they have examined the final Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the final Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the final Official Statement and further that said final Official Statement did not (as of the date of the final Official Statement) and does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

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

5.04. Payment of Costs of Issuance. The City shall pay the costs of issuance from Bond proceeds allocated to such expenses.

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

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City shall comply with all the necessary requirements and take all necessary actions (or decline to take prohibited actions) to ensure that interest on the Bonds shall not be includable in gross income for federal income tax purposes under Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable Treasury Regulations promulgated thereunder (the “Regulations”). The City covenants and agrees with the holders from time to time of the Bonds that it shall not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to federal income taxation under the Code and the Regulations, in effect at the time of such actions, and that it shall take or cause its officers, employees, or agents to take all affirmative action within their powers that may be necessary to ensure that such interest shall not become includable in gross income for federal income tax purposes under the Code and applicable Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. Continuing Requirements. The City shall comply with all requirements necessary under the Code and Regulations to establish and maintain the exclusion from gross income of the interest on the Bonds under Sections 103 and 141-150 of the Code and applicable Regulations including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States. The Mayor and City Clerk, being officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates, and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the “gross proceeds” of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The City covenants and agrees to retain such records, make such determinations, file such reports and documents, and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement in accordance with one of the spending exceptions set forth in Section 1.148-7 or Section 1.148-8 of the Regulations. The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations and covenants made by this section.

6.03. No Rebate Required. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements (under Section 148(f)(4)(D) of the Code and Section 1.148-8 of the Regulations), the City finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities of the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000. For purposes of this Section 6.03, the City reasonably expects that the aggregate face amount of the Bonds will be equal to \$[3,610,000].

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

6.05. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2026 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2026 have been designated for purposes of Section 265(b)(3) of the Code.

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

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

7.02. Participants. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any broker-dealers, banks, and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar, and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments shall be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of this Resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of

Cede & Co., the words “Cede & Co.” shall refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator shall promptly deliver a copy of the same to the Registrar and Paying Agent.

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

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

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

## Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. For purposes of this Section, “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

Section 9. Defeasance. When all of the Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants, and other rights granted by this resolution to the holders of the Bonds shall cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds shall remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Member \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

**EXHIBIT A**  
**PURCHASE AGREEMENT**

**EXHIBIT B**  
**FORM OF BOND**

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF RICE  
CITY OF FARIBAULT

GENERAL OBLIGATION SEWER REVENUE BONDS  
SERIES 2026B

Rate	Maturity	Date of Original Issue	CUSIP
_____ %	December 15, 20	July 9, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ THOUSAND DOLLARS

The City of Faribault, Minnesota, a duly organized and existing municipal corporation in Rice County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable June 15 and December 15 in each year, commencing June 15, 2027, to the person in whose name this Bond is registered at the close of business on the first day (whether or not a business day) of the month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by U.S. Bank Trust Company, National Association, St. Paul, Minnesota, as Registrar, Paying Agent, and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on December 15, 2034, and on any date thereafter to prepay Bonds maturing on or after December 15, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such order as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest to the optional redemption date.

This Bond is one of an issue in the aggregate principal amount of \$[3,610,000] all of like original issue date and tenor, except as to number, maturity date, denomination, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council of the City (the “Council”) on June 9, 2026 (the “Resolution”), for the purpose of financing the construction of improvements to the City’s sewer systems, pursuant to and in full conformity with the Constitution, and the laws of the State of Minnesota, including Minnesota Statutes, Chapters 444 and 475, as amended. The principal hereof and interest hereon are payable from the net revenues of the water system of the City, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the Council has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in net revenues pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

The City has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086, as amended, and to guarantee the payments of the principal of and interest on this Bond when due, pursuant to said statute.

IT IS HEREBY CERTIFIED AND RECITED that in and by the Resolution, the City has covenanted and agreed that it will continue to own and operate the water system free from competition by other like municipal utilities; that adequate insurance on said system and suitable fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing all receipts and disbursements relating to the Utility Fund into which it will pay all of the gross revenues from the water system; that it will also create and maintain a General Obligation Sewer Revenue Bonds, Series 2026B Debt Service Fund, into which it will pay, out of the net revenues from the water system, a sum sufficient to pay principal of and interest on the Bonds when due; and that it will provide, by ad valorem tax levies, for any deficiency in required net revenues of the water system.

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

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

IT IS HEREBY CERTIFIED, RECITED, COVENANTED, AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make this Bond a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

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

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

Dated: July 9, 2026

**CITY OF FARIBAULT, MINNESOTA**

\_\_\_\_\_  
(Facsimile)  
Mayor

\_\_\_\_\_  
(Facsimile)  
City Administrator

\_\_\_\_\_  
**CERTIFICATE OF AUTHENTICATION**

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

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**

By \_\_\_\_\_  
Its Authorized Representative

**ASSIGNMENT**

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

Dated: \_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_

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

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

Name and Address: \_\_\_\_\_

\_\_\_\_\_

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

Please insert federal identification or other identifying number of assignee

\_\_\_\_\_

**PROVISIONS AS TO REGISTRATION**

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

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
July 9, 2026	Cede & Co. Federal ID #13-2555119	<hr/>

STATE OF MINNESOTA            )  
  )  
COUNTY OF RICE                ) ss.  
  )  
CITY OF FARIBAULT             )

I, the undersigned, being the duly qualified City Administrator of the City of Faribault, Rice County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on the date specified above, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to the issuance and sale of the City’s General Obligation Sewer Revenue Bonds, Series 2026B, in the original aggregate principal amount of \$[3,610,000].

WITNESS My hand officially as such City Administrator this \_\_\_\_\_ day June, 2026.

\_\_\_\_\_  
City Administrator  
City of Faribault, Rice County, Minnesota



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:** Kindra Papenfus, Finance Director  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-171 Declaring the Official Intent of the City to Reimburse Certain Expenditures from the Proceeds of Bonds Issued by the City

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### **Background:**

In order to pay for several Sewer Infrastructure projects in 2026, the City is issuing GO Revenue Bond Series 2026B in the amount of approximately 3,610,000. These infrastructure projects have incurred approximately \$30,000 in costs to date. The attached resolution authorizes the City to use bond proceeds from the July 9th issuance to reimburse itself for costs already incurred during the year, and any costs that may be incurred between the date of this memo and receipt of bond proceeds.

### **Recommendation:**

Declare the Official Intent of the City to Reimburse Certain Expenditures from the Proceeds of Bonds Issued by the City

### **Attachments:**

1. Resolution 2026-171 Declaration of Official Intent to Reimburse Certain Expenditures from the Proceeds of Bonds Issued by the City

## RESOLUTION 2026-171

### DECLARING THE OFFICIAL INTENT OF THE CITY TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS ISSUED BY THE CITY

BE IT RESOLVED By the City Council of City of Faribault, Rice County, Minnesota (the “City”) as follows:

1. **Background.** It is hereby determined that:
  - (a) The Internal Revenue Service has issued Treasury Regulation § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds allocated to reimburse expenditures originally paid from a source other than the tax-exempt bonds will not be deemed expended unless certain requirements are met.
  - (b) The City expects to incur certain expenditures that may be financed temporarily from sources other than tax-exempt bonds and reimbursed from the proceeds of tax-exempt bonds.
  - (c) The City has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.
2. **Declaration of Intent.** The City proposes to issue its General Obligation Sewer Revenue Bonds, Series 2026B (the “Bonds”), to provide funds for the construction of improvements to the City’s sewer utility system (the “Project”), and related financing costs. The City reasonably expects to reimburse original expenditures made for certain costs of the Project paid on or after January 1, 2026, from the proceeds of the Bonds in an estimated maximum principal amount of \$3,610,000. 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.
3. **Declaration Made Not Later Than 60 Days.** 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 the Bonds; (b) costs in an amount not in excess of \$100,000 or five (5) percent of the proceeds of the Bonds; or (c) “preliminary expenditures” up to an amount not in excess of 20 percent of the aggregate issue price of the Bonds 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.
4. **Reasonable Expectations.** 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 Project and the principal amount of the Bonds described in Section 2, above, 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 original expenditures.

5. **Official Intent.** This resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

(The remainder of this page is intentionally left blank)

The motion for the adoption of the foregoing resolution was duly seconded by \_\_\_\_\_,

and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.



## Request for Council Action

**TO:** Mayor and City Council  
**THROUGH:** Jessica Kinser, City Administrator  
**FROM:**  
**MEETING DATE:** June 9, 2026  
**SUBJECT:** Resolution 2026-170 Adopt Plans and Policies for the Small Cities Development Program

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**Background:**

The City of Faribault has program income from a Small Cities Development Program (SCDP) grant from many years ago, which is a result of the repayment of loans made with the original grant in 2009. In 2018, the City undertook a process to utilize some of these funds to support improvements downtown, including new banners, public art, landscaping and streetscaping improvements. Not all program income was spent, and the goal was to work with DEED on a new spending plan for the remaining funds. As part of the 2025 budget process, we discussed the upgrade to LED streetlights, which had no funding source. Given that most of the decorative streetlights owned by the City are in the Central Business District, the SCDP program income was a match. Since late 2024, multiple staff members have worked with DEED on reallocating these funds, but transitions have not gotten this fully through the process. The amount of program income to be reallocated is \$330,607; however, there is additional revenue in the fund from interest allocations over a number of years. There is also still a loan receivable of just over \$3,000.

The action before you is to adopt a number of policies and plans that are required in order to utilize the program income. This original grant was a federal pass-through of funds to the State, which is triggering a number of existing and some new requirements. Also, the approval of these same plans and policies in 2018 was only good for a five-year period, meaning that we have to start over. Below is a summary of each of the documents included in the resolution and in the packet.

- Citizen Participation Plan — this plan did not have any changes from 2018, as the template the state provides is the same. A public hearing will be held in the near future prior to any program income being spent. Once the work has been completed and all disbursements made, the City will hold another public hearing on the closing of the project.

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- Residential Anti-Displacement Plan — this form did not change from the 2018 version. The retrofitting of streetlights will not cause any residential displacement, so this is really not applicable based on the scope of the use of program income.
- Certificate of a Drug-Free Workplace — there is no change to this form other than the attachment that specifies the street locations of the streetlights in the Central Business District.
- Excessive Force Policy — there is no change in this form from 2018. Chief Sherwin affirmed that the statements being agreed to are consistent with the Police Department's Excessive Force Policy.
- Section 3 Plan — this is essentially a new plan. In 2018, purchasing policies and procedures were adopted that referenced compliance with Section 3. However, a formal plan was never adopted. In recent years, HUD has put more emphasis on Section 3 compliance. To summarize, low/very-low income individuals or businesses employing those individuals should be utilized to the greatest extent possible for HUD-funded work. The idea is to prioritize employment opportunities for individuals and businesses employing individuals who are or are likely to be recipients of HUD housing subsidies. The SCDP funds are a pass through from HUD to the State of Minnesota, which is why this is necessary. We are also looking at the use of funds exceeding \$200,000, which makes this necessary as part of the procurement process for the streetlight retrofitting.
- Fair Housing Plan — The 2018 Fair Housing Plan was a list of steps to further fair housing, which is no longer a valid plan. Using a template obtained from the League of Minnesota Cities, a new Fair Housing Plan is attached to be formally adopted.
- Program Income Reuse Plan — This document attests to our use of program income following the same rules and guidelines as the original funds, which is what we are proposing to do.

Additional steps are still required before the funds can be utilized, including a public hearing on the Citizen Participation Plan, and the completion of an environmental review. We will also start quarterly reporting until the funds are spent.

The plan is to have the retrofitting built into the McKinstry project and to utilize the SCDP program income to pay for the work, but capture the energy savings to support the overall project cost repayment over 15–20 years. Getting these items approved now will ensure that when we are ready to move forward with McKinstry, there are no hurdles to utilizing these funds, which should be in late 2026 or 2027.

**Recommendation:**

Approve Resolution 2026-170

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**Attachments:**

1. Resolution 2026-170 Adopt Plans and Policies for the Small Cities Development Program
2. Faribault Citizen Participation Plan
3. Faribault Residential Anti-displacement Plan
4. Faribault HUD Certification for a Drug-Free Workplace Exp 2.28.27
5. Faribault Prohibition of Excessive Force Policy
6. Faribault Section 3 Plan
7. Faribault Fair Housing Policy
8. Faribault SCDP Income Reuse Plan

## **CITY OF FARIBAULT**

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### **RESOLUTION #2026-170**

#### **ADOPT PLANS AND POLICIES FOR THE SMALL CITIES DEVELOPMENT PROGRAM**

**WHEREAS**, the City of Faribault received a grant from the Minnesota Department of Employment and Economic Development (DEED) in 2009 as part of the Small Cities Development Program; and

**WHEREAS**, program income as well as interest income has accrued in this fund over the years, resulting in funds available; and

**WHEREAS**, through the 2025 budget process, it was determined that these funds would be best utilized to address the retrofitting of the City's decorative street lights to LED; and

**WHEREAS**, the City of Faribault originally adopted required federal plans and policies in 2018 when funds were last utilized; and

**WHEREAS**, the prior plan adoptions were valid for a period of five years, requiring the City to review, revise, and adopt these plans and policies in order for the program income to be spent.

**NOW, THEREFORE BE IT RESOLVED**, that the City of Faribault hereby adopts the following plans and policies:

- Citizen Participation Plan
- Residential Anti-Displacement Plan
- Certificate of a Drug-Free Workplace
- Excessive Force Policy
- Section 3 Plan
- Fair Housing Plan
- Program Income Reuse Plan

**ALSO, BE IT RESOLVED**, that Mayor and City Administrator are authorized to execute other documents necessary for the activation of the Small Cities Development Program program income.

**Date Adopted:** June 9, 2026

**Faribault City Council**

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**Thomas J. Spooner, Mayor**

**ATTEST:**

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**Jessica L. Kinser, City Administrator**

## **Citizen Participation Plan City of Faribault**

Pursuant to Section 104(a)(3) of the Housing and Community Development Act of 1974, as amended, this Citizen Participation Plan is hereby adopted to ensure that the citizens of the City of Faribault (hereinafter referred to as the Applicant), particularly persons of low- and moderate-income residing in slum and blight areas and in areas in which CDBG funds are proposed to be used, are encouraged to participate in the planning and implementation of CDBG-funded activities.

### **Public Hearing**

A public hearing or public hearings will be the primary means of obtaining citizen views and responding to proposals and questions related to community development and housing needs, proposed CDBG activities and past CDBG performance.

Prior to submitting a CDBG application to the State of Minnesota, the Applicant will need to conduct at least one public hearing to identify community development and housing needs, including the needs of very low- and low-income persons, as well as other needs in the community that might be addressed through the CDBG program. At the hearing, the Applicant must also, at minimum, review the proposed CDBG activities, their benefiting location(s), overall cost and proposed financing, and the implementation schedule. In addition, the past performance of the Applicant in carrying out CDBG responsibilities should be reviewed. Compliance with historic requirements of the CDBG program must be discussed, including whether there are/may be any historic or potentially historic buildings in the target area, and how the Applicant intends to address compliance with federal regulations governing the “Protection of Historic Properties.”

Formal notice of the public hearing must be provided, which follows the posting/publication requirement(s) of the Applicant. A public notice will also be posted in places frequented by the public, especially low- and moderate-income persons benefiting from or affected by proposed CDBG activities. As circumstances warrant and as the Applicant determines necessary or appropriate, participation may additionally be specifically solicited from persons of low- and moderate-income, those benefiting from or affected by CDBG activities and/or representatives of such persons. Hearings will be held at times and in locations convenient to potential and actual beneficiaries and with accommodation for the handicapped. In case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, arrangements will be made to have an interpreter present. Citizens must be provided with the opportunity to comment upon the original Citizen Participation Plan and on substantial amendments to it, or to the activities for which CDBG funds will be used.

### **Public Information and Records**

Information and records regarding the proposed and past use of CDBG funds will be available at City Hall, 208 1<sup>st</sup> Ave NW, Faribault, MN 55021, (507)334-2222, during regular office hours. The public will be so informed of this by public notice. Special communication aids can be made available to persons upon request.

### **Written Comments and Response**

The Applicant will respond to written complaints and grievances, in writing, in a timely manner. When at all possible, such written responses shall be made within fifteen (15) working days.

City of Faribault

Thomas J. Spooner, Mayor  
June 9, 2026

## **Residential Anti-displacement and Relocation Assistance Plan**

under Section 104(d) of the Housing and Community Development Act of 1974, as Amended

The City of Faribault anticipates participating in the Minnesota Small Cities Development Program. Through this participation, the retrofitting of streetlights in the Central Business District to LED will occur. The consequence of the proposed activities is that the potential for displacement exists, although it is not anticipated. The purpose of the Residential Antidisplacement and Relocation Assistance Plan is to describe the steps the City of Faribault shall take to mitigate the adverse effects of displacement on low and moderate-income persons.

I. The City of Faribault will replace all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to use other than as low/moderate-income housing in connection with an activity assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR, Part 570.606 and 24 CFR, Part 42. All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the City of Faribault to provide funds for an activity that will directly result in such demolition or conversion, the City of Faribault will make public and submit to the Minnesota Department of Employment and Economic Development the following information in writing:

- A. A description of the proposed assisted activity;
- B. The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate-income dwelling units as a direct result of the assisted activities;
- C. A time schedule for the commencement and completion of the demolition or conversions;
- D. The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, the City of Faribault will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size shall be submitted and disclosed to the public as soon as possible;
- E. The source of funding and a time schedule for the provision of replacement dwelling units;
- F. The basis for concluding that each replacement dwelling unit will remain a low/moderate-income dwelling unit for at least 10 years from the date of initial occupancy;
- G. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of low and moderate-income households in the jurisdiction.

The City of Faribault may request the Minnesota Department of Employment and Economic Development to recommend that the U. S. Department of Housing and Urban Development approve an exception to required replacement housing if there is an adequate local supply of vacant low/moderate-income dwelling units in standard condition. Exceptions will be reviewed on a case-by-case basis as described in 24 CFR, Part 570.488(c)(1)(B).

II. The City of Faribault will provide relocation assistance, as described in 24 CFR, Part 570.488(c)(2), to any lower-income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate-income dwelling unit to another use in connection with an assisted activity.

III. Consistent with the goals and objectives of activities assisted under the Act, the City of Faribault will take the following steps to minimize the displacement of persons from their homes:

1. Take all reasonable steps to avoid the demolition of low or moderate-income dwelling units in stand condition within the City, as related to the approved Small Cities Development Program Spending Plan.
2. Make reasonable efforts to facility the additional and/or replacement of low or moderate-income housing within the City.

IV. Definitions for the purposes of this plan are as follows:

A “**low/moderate-income dwelling unit**” is a unit with a market rent, including utility costs, that does not exceed the applicable fair market rent for existing housing and moderate rehabilitation, as established under the HUD Section 8 existing housing program. A “vacant occupiable dwelling unit” is a vacant unit that is in standard condition; or in substandard but suitable for rehabilitation condition; or in dilapidated condition and occupied less than three months from the date of the grantee agreement.

An “**Occupiable Dwelling Unit**” is a unit that is in standard condition or has been raised to a standard condition from a substandard condition, suitable for rehabilitation.

A “**Standard Condition**” dwelling unit is a unit which meets HUD Section 8 Housing Quality Standards (HQS) with no major defects in the structure and only minor maintenance is required. Such a dwelling will have the following characteristics: reliable roofs, sound foundations; adequate and stable floors, walls and ceilings; surfaces and woodwork that are not seriously damaged nor have paint deterioration; sound windows and doors; adequate heating, plumbing, and electrical systems adequate insulation; and adequate water and sewer systems, and not overcrowded (defined as more than one person per room).

A “**Substandard Condition**” dwelling unit is a unit if it does not meet HUD Section 8 Housing Quality Standards (HQS) which includes lacking the following: complete plumbing, complete kitchen facilities, efficient and environmentally sound sewage removal and water supply, and heating source. In addition, the dwelling may be overcrowded defined as more than one person per room).

A “**Substandard but Suitable for Rehabilitation Condition**” dwelling unit, at a minimum, is a dwelling unit that does not meet Housing Quality Standards (HQS) with some of the same features as a “substandard condition” dwelling unit. This unit is likely to have deferred maintenance and may have some structural damage such as a leaking roof, deteriorated interior surfaces, and inadequate insulation.

A “**substandard but suitable**” dwelling unit, however, has basic infrastructure (including systems for clean water and adequate waste disposal) that allows for economically and physically feasible improvements and upon completion of rehabilitation meets the definition of a “Standard” dwelling unit.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# Certification for a Drug-Free Workplace

## U.S. Department of Housing and Urban Development

**Public reporting burden.** Public reporting burden for this collection of information is estimated to average 0.25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to: U.S. Department of Housing and Urban Development, Office of the Chief Data Officer, R, 451 7th St SW, Room 8210, Washington, DC 20410-5000. Do not send completed forms to this address. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. HUD is authorized to collect this information under the authority cited in the Notice of Funding Opportunity for this grant program. The information collected will provide proposed budget data for multiple programs. HUD will use this information in the selection of applicants. This information is required to obtain the benefit sought in the grant program. This information will not be held confidential and may be made available to the public in accordance with the Freedom of Information Act (5 U.S.C. §552).

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Applicant Name

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Program/Activity Receiving Federal Grant Funding

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Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

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**2. Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

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Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Signature  X	Date

form **HUD-50070** (3/98)  
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

### **Certification for a Drug Free Workplace**

Sites for Work Performance - The retrofitting of decorative streetlights will take place in the Faribault Central Business District in the following address ranges:

1<sup>st</sup> Avenue NE from CBD to Central Avenue  
1<sup>st</sup> Avenue NW from 1<sup>st</sup> Street NW to CBD  
1<sup>st</sup> Avenue NW from CBD to 7<sup>th</sup> Street NW  
1<sup>st</sup> Street NE from CBD to 6<sup>th</sup> Avenue NE  
2<sup>nd</sup> Avenue NW from 1<sup>st</sup> Street NW to the CBD  
2<sup>nd</sup> Avenue NW from CBD to 8<sup>th</sup> Street NW  
4<sup>th</sup> Street NW from the CBD west to 8<sup>th</sup> Avenue NW  
6<sup>th</sup> Street NW from 2<sup>nd</sup> Avenue SW to the CBD  
7<sup>th</sup> Street NW from 3<sup>rd</sup> Avenue NW to the CBD  
Central Avenue from CBD to 7<sup>th</sup> Street NW  
Ravine Street from CBD to 6<sup>th</sup> Avenue NE  
Willow Street from 1<sup>st</sup> Street SW to CBD

Faribault, Minnesota 55021

Prohibition of Excessive Force Policy

The City of Faribault prohibits the use excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations.

The City of Faribault also will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# City of Faribault

## Section 3

### Plan

<b>Version Number</b>	<b>Date Updated</b>	<b>Summary of Changes</b>
1.0	6/09/25	Initial Draft

# Table of Contents

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Table of Contents	2
1. Overview of Section 3 Requirements	3
A. WHAT IS SECTION 3?	3
B. PURPOSE OF THIS DOCUMENT	3
C. APPLICABILITY	3
2. Section 3 Coordinator	3
3. Employment, Training, and Contracting Goals	4
A. SAFE HARBOR COMPLIANCE	4
B. SAFE HARBOR BENCHMARKS	4
C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING	5
4. Section 3 Eligibility and Certifications	5
A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION	6
B. SECTION 3 BUSINESS CONCERN CERTIFICATION	7
5. Assisting Contractors with Achieving Section 3 Goals	7
6. Section 3 Outreach	8
A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING	8
B. OUTREACH EFFORTS FOR CONTRACTING	9
7. Section 3 Contracting Policy and Procedure	9
8. Section 3 Provisions/Contract Language	9
9. Reporting Requirements	10
A. MONTHLY REPORTING	10
B. ANNUAL REPORTING	10
C. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES	10
10. Internal Section 3 Complaint Procedure	10
11. Appendices	12
APPENDIX A: DEFINITIONS	12
APPENDIX B: MULTIPLE FUNDING SOURCES - CHART	14

# 1. Overview of Section 3 Requirements

## A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

## B. PURPOSE OF THIS DOCUMENT

This plan outlines how the City of Faribault and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing the City of Faribault's Small Cities Development Program. The City of Faribault will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

The City of Faribault may amend its Section 3 Policies and Procedures document as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

## C. APPLICABILITY

For public housing financial assistance, all funding is covered, regardless of the amount of expenditure or size of a contract. This plan applies to development assistance, operating funds, capital funds, and all mixed-finance development.

For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

For projects funded with Lead and Hazard Control and Healthy Homes Programs, this plan applies to projects that exceed \$100,000.

This plan also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing and community development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program.

Section 3 requirements **do not** apply to: 1) Material Supply Contracts - § 75.3(b), 2) Indian and Tribal Preferences - § 75.3(c), and 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d). However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3.

# 2. Section 3 Coordinator

The City of Faribault's Section 3 Coordinator serves as the central point of contact for Section 3 compliance for the City of Faribault and its subrecipients, contractors and subcontractors supporting the program. Subrecipients,

contractors, subcontractors and others are encouraged to reach out to the City of Faribault's Section 3 Coordinator with questions regarding Section 3 compliance:

**Jessica Kinser**  
City Administrator  
jkinser@faribaultmn.gov

## 3. Employment, Training, and Contracting Goals

### A. SAFE HARBOR COMPLIANCE

The City of Faribault will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in [section C](#). After completion of the project, on the Section 3 Cumulative Report, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.

### B. SAFE HARBOR BENCHMARKS

The City of Faribault has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in 24 CFR Part 75.19 - for housing and community development financial assistance. The safe harbor benchmark goals are as follows:

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers;

$$\text{Section 3 Labor Hours/Total Labor Hours} = 25\%$$

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

$$\text{Targeted Section 3 Labor Hours/Total Labor Hours} = 5\%$$

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, the City of Faribault will review and update the Section 3 Plan every three years/months, as needed.

It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible. All

contractors submitting bids or proposals to the City of Faribault are required to certify that they will comply with the requirements of Section 3.

## C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING

### EMPLOYMENT AND TRAINING

Under the City of Faribault's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

Provide employment and training opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

### CONTRACTING

Under the City of Faribault's Section 3 Program, contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which assistance is located in the following order of priority (*where feasible*):
  - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
  - b) YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

## 4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from the City of Faribault or its contractors/subcontractors for training, employment, or contracting opportunities generated by housing and community development financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to the City of Faribault may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

## **A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION**

A Section 3 worker seeking certification shall submit self-certification documentation to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, the City of Faribault will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published at <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate that it meets one or more of the following criteria currently or when hired within the past five years, as documented:

- 1) A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- 2) Employed by a Section 3 business concern; or
- 3) A YouthBuild participant.

Persons seeking the Targeted Section 3 worker preference shall demonstrate that it meets one or more of the following criteria:

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
  - a) Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5; or
  - b) A YouthBuild participant.

Section 3 workers and Targeted Section 3 workers who are seeking preference in training and employment must submit the Section 3 Worker and Targeted Section 3 Worker Certification Form. The certification procedure will consist of the following:

- 1) Obtain a Certification Form from the Section 3 Coordinator
- 2) Submit the Certification Form to the Section 3 Coordinator via the following methods:
  - a. Email: [jkinser@faribaultmn.gov](mailto:jkinser@faribaultmn.gov)
  - b. Mail or In-person: 208 1<sup>st</sup> Avenue NW, Faribault, MN 55021

The review will be completed within 10 business days.

### **PROJECTS INVOLVING MULTIPLE SOURCES OF FUNDING**

In cases where Section 3 covered projects include multiple sources of funds, including public housing financial assistance and housing and community development assistance, the City of Faribault and the Faribault HRA must follow the definition of Targeted Section 3 worker and priorities as outlined in subpart B of Part 75. For housing and community development financial assistance, the City of Faribault may follow either subpart B or subpart C of Part 75.

In cases where Section 3 covered projects include multiple housing and development funding sources (financial assistance) from single or multiple recipients, the Faribault HRA will follow subpart C of Part 75. Refer to chart in [Appendix B](#).

## B. SECTION 3 BUSINESS CONCERN CERTIFICATION

The City of Faribault, should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements can may self-register in the HUD Business registry, here: <http://www.hud.gov/Sec3Biz>. Businesses may seek Section 3 Business Concern preference by demonstrating that it meets one or more of the following criteria:

- 1) At least 51 percent of the business is owned and controlled by low- or very low-income persons; or
- 2) At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
- 3) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Businesses that seek Section 3 preference shall certify, or demonstrate to the City of Faribault, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form, located at City Hall, 208 1<sup>st</sup> Avenue NW, Faribault, Minnesota.

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If the City of Faribault previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid, as long as the form is submitted within the prescribed expiration date. The Section 3 Business Concern Certification Form will expire after 24 months. Establishing a 24 month certification of eligibility period allows the City of Faribault the ability to assess contractor performance to ensure the business is striving to meet the required goals.

## 5. Assisting Contractors with Achieving Section 3 Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, the City of Faribault will do the following:

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures
- 2) Require contractors wishing to submit a bid/offer/proposal to attend pre-bid meeting
- 3) Require contractor to sign the Section 3 Plan at pre-construction conference
- 4) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring additional employees is needed to complete proposed work to be performed with the Small Cities Development Program.
- 5) At the time of bid, require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
- 6) Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
- 7) Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>

- 8) Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
- 9) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
- 10) Leverage City of Faribault's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
- 11) Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.

## 6. Section 3 Outreach

### A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, City of Faribault's Section 3 Coordinator will be prepared to provide training and technical assistance on a regular basis per program guidelines. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Section 3 Coordinator when training opportunities are available
- 2) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers
- 3) Conduct annual training for Section 3 workers and Section 3 businesses

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- 1) Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher";
- 2) Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings
- 3) Working with the Section 3 Coordinator to connect Section 3 worker and Targeted Section 3 workers in the City of Faribault's database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates
- 4) Establishing a current list of Section 3 eligible applicants
- 5) Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
- 6) Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
  - a) Advertising job opportunities via social media, including LinkedIn and Facebook;
  - b) Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices
  - c) Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

## B. OUTREACH EFFORTS FOR CONTRACTING

When contracting opportunities arise in connection with the Small Cities Development Program, the City of Faribault will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating mandatory pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
- 6) Coordinating with the City of Faribault's Business/Economic Development Department and all other business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns. Could include local community development organizations, business development agencies (Chamber of Commerce), and minority contracting associations.
- 7) Connecting Section 3 business concerns with resources to support business development to assist in obtaining contracting opportunities (e.g., bonding and insurance assistance, etc.). Contractors will also be encouraged to collaborate with the City of Faribault as subcontract opportunities arise in an effort to notify eligible Section 3 business concerns about the contracting opportunities.

## 7. Section 3 Contracting Policy and Procedure

The City of Faribault will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the City of Faribault will be required to complete certifications, as appropriate. Such certifications shall be adequately supported with appropriate documentation as referenced in the Section 3 Business Concern Certification Form.

## 8. Section 3 Provisions/Contract Language

The City of Faribault will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. The City of Faribault will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations. On a periodic basis the Section 3 Coordinator will audit the City of Faribault's contractors for compliance with the minimum Section 3 requirements outlined in the Section 3 Plan.

In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.19.

For businesses, noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

## 9. Reporting Requirements

For Section 3 covered contracts, contractors must submit the Section 3 Performance and Summary Report to City of Faribault's Section 3 Coordinator on a monthly basis, and the annual reporting requirement set forth in that form's instructions.

### A. MONTHLY REPORTING

- 1) Contractors are required to submit monthly activity reports to the City of Faribault's Section 3 Coordinator [jkinser@faribaultmn.gov](mailto:jkinser@faribaultmn.gov) by the 16<sup>th</sup> day of each month.

### B. ANNUAL REPORTING

- 1) Once a project is completed, contractors must submit a final Section 3 cumulative report for the program year.
- 2) Upon the completion of a project, the City of Faribault's Small Cities Development Program Section 3 Coordinator will conduct a final review of the project's overall performance and compliance.
- 3) The City of Faribault's Section 3 Coordinator will submit the Section 3 data into Minnesota Department of Employment and Economic Development at grant closeout.

### C. REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

- 1) For Section 3 projects that include public housing financial assistance and housing and community development financial assistance, the City of Faribault and Faribault HRA will report on the project as a whole and will identify the multiple associated recipients.
- 2) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds of \$200,000 and \$100,000 for Lead Hazard Control and Healthy Homes Programs (LHCHH), the City of Faribault will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD. Note: LHCHH assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. HUD public housing financial assistance and HUD housing and community development financial assistance is not included in calculating whether the assistance exceeds the LHCHH \$100,000 threshold. Refer to chart in [Appendix B](#).

## 10. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the City of Faribault encourages submittal of such complaints to its Section 3 Coordinator as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. The City of Faribault will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

- 4) The City of Faribault will provide written documentation detailing the findings of the investigation. The City of Faribault will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint. If complainants wish to have their concerns considered outside of the City of Faribault, a complaint may be filed with the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be found through the HUD website, [www.hud.gov/](http://www.hud.gov/).

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: [www.EEOC.gov](http://www.EEOC.gov).

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

# 11. Appendices

## APPENDIX A: DEFINITIONS

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

*1937 Act* means the United States Housing Act of 1937, 42 U.S.C. 1437 *et seq. activities related to Public Housing*

*Contractor* means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

*Labor hours* means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

*Low-income person* means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

*Material supply contracts* means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

*Professional services* means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

*Public housing financial assistance* means assistance as defined in 24 CFR Part 75.3(a)(1).

*Public housing project* is defined in 24 CFR 905.108.

*Recipient* means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

*Section 3* means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

*Section 3 business concern* means:

- (1) A business concern meeting at least one of the following criteria, documented within the last six-month period:
  - (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
  - (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
  - (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

*Section 3 Coordinator* is person tasked with overseeing all Section 3 responsibilities for the PHA/CD office.

*Section 3 project* means a project defined in 24 CFR Part 75.3(a)(2).

*Section 3 worker* means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

*Section 8-assisted housing* refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

*Service area or the neighborhood of the project* means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

*Small PHA* means a public housing authority that manages or operates fewer than 250 public housing units.

*Subcontractor* means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

*Subrecipient* has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

*Targeted Section 3 worker* has the meanings provided in 24 CFR Part 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

*Very low-income person* means the definition for this term set forth in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

*YouthBuild programs* refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

## APPENDIX B: MULTIPLE FUNDING SOURCES - CHART

TYPE OF FINANCIAL ASSISTANCE	DEFINITIONS *TARGETED SECTION 3 WORKER	THRESHOLDS	PRIORITIZATION	REPORTING
<b>Public Housing and Housing and Community Development</b>	<p><b>PHA</b> – must follow subpart B of Part 75</p> <p><b>HCD</b> – may follow subpart B or C of Part 75</p>	<p>None</p> <p>*Any amount of PH assistance triggers Section 3</p>	<p><b>PHA</b> – must follow subpart B of Part 75</p> <p><b>HCD</b> – may follow subpart B or C of Part 75</p>	<p><b>PHA</b> – must follow subpart B of Part 75</p> <p><b>HCD</b> – may follow subpart B or C of Part 75</p> <p>Both - Must report on project as a whole and identify the multiple associated recipients</p>
<p><b>Multiple Sources of Housing and Community Development</b> <i>(single or multiple recipients)</i></p>	<p>Must follow subpart C of Part 75</p>	<p>Exceeds \$200,000 for Section 3 projects</p> <p>*LHCHHP exceeds \$100,000</p>	<p>Must follow subpart C of Part 75</p>	<p>Must follow subpart C of Part 75</p> <p>Must report on project as a whole and identify the multiple associated recipients</p> <p>Must report to the applicable HUD program office, as prescribed by HUD</p>

# **City of Faribault, Minnesota**

## **Fair Housing Policy**

### **1. Purpose/Vision**

Title VIII of the Civil Rights Act establishes federal policy for providing fair housing throughout the United States. The intent of Title VIII is to assure equal housing opportunities for all citizens. Furthermore, the City of Sweetwater, as a recipient of federal community development funds under Title I of the Housing and Community Development Act of 1974, is obligated to certify that it will affirmatively further fair housing.

The City of Faribault is committed to meeting this obligation and has developed this Fair Housing Policy to further that goal.

### **2. Fair Housing Policy Statement**

It is the policy and commitment of the City of Faribault to ensure that fair and equal housing opportunities are granted to all persons in all housing opportunities and development activities funded by the City regardless of race, color, religion, gender, sexual orientation, marital status, status with regard to public assistances, familial status, national origin, or disability. This shall be done through strong external policies that provide meaningful access to all constituents and fair housing informational and referral services; and internal practices and procedures do not discriminate and that affirmatively further fair housing.

### **3. External Practices**

#### **a. Fair Housing Officer**

The City of Faribault has designated the following person as the Fair Housing Officer for the City:

Dave Wanberg, Community and Economic Development Director  
dwanberg@faribaultmn.gov; 507-330-0350

The Fair Housing Officer will be responsible for the intake, processing, and referral of all

fair housing complaints. While not expected to be an “expert” in fair housing laws, at a minimum the Officer will be familiar with state and federal fair housing laws, the complaint process for filing discrimination complaints, and the state and federal agencies that handle complaints.

Records showing the date, time and nature of the fair housing complaint, as well as the decisions made regarding the complaint process (referrals, information given, etc.) and any follow-up action will be fully documented.

The Fair Housing Officer will also monitor city activities affecting fair housing and raise issues and concerns where appropriate.

**b. Meaningful Access**

i. Online Information. The City of Faribault will have information about fair housing and it’s fair housing officer prominently displayed on its website. The website will also have links to various fair housing resources, including the Department of Housing and Urban Development, Minnesota Department of Human Rights, Mid-Minnesota Legal Aid, Southern Minnesota Regional Legal Services, and others. The website will also link to state and federal fair housing complaint forms. In addition, the City will post the following policies:

- Reasonable Accommodation Policy
- LEP Policy
- ADA Policy regarding access to city services
- The State of Minnesota’s Olmstead Plan

**c. In -Person Information.** The City of Faribault will provide fair housing information to anyone requesting such information at the city offices. Information provided will include:

- i. A list of fair housing enforcement agencies
- ii. A FAQ of Fair Housing Law
- iii. Fair Housing Complaint Forms

**d. Languages.** The City of Faribault is committed to providing information in the native language of its residents. Therefore, the City of Faribault will provide the information in 4b above in Somali or Spanish upon request.

#### **4. Internal Practices**

The City of Faribault commits to the following steps to promote awareness and sensitivity to fair housing issues in all of its government functions.

**a. Staff Training** - the city will regularly train its staff and elected officials on fair housing considerations, including working with people with disabilities and limited English proficiency constituents. The following departments will receive annual training: Administration, Finance, Community and Economic Development, Fire and Code Services.

**b. Code Analysis** - the City will review its municipal code every three years, with specific focus on ordinances related to zoning, building and occupancy standards, to identify any potential for disparate impact or disparate treatment.

**c. Project Planning and Analysis** - the City will make determinations in project planning with an eye to fair housing issues, including whether potential projects may perpetuate segregation or lead to displacement of protected classes.

**d. Community Engagement** - The City commits to ongoing community engagement. Specifically, the City commits to robust conversations with community regarding potential housing projects, zoning changes, and other land use planning decisions.

The City of Faribault will review, revise if necessary, and adopt annually the Fair Housing Statement and the Fair Housing Plan.

## City of Faribault

### Small Cities Development Program (SCDP) Income Reuse Plan

All income and repayments received through the Small Cities Development Program (SCDP) loans will be used for further rehabilitation activities and will be consistent with the application for funds and the Contract Agreement. If income received exceeds \$35,000 in any given federal fiscal year (Oct. 1 – Sept. 30), the funds will follow federal policies (similar to original grant) regarding federal objectives, tiered environmental reviews, lead based paint, and federal labor standards. If income received is below the \$35,000 threshold, it will still be used for rehabilitation activities, but following federal policies is not required.

A SCDP Post Closeout Program Income Report will be accurately completed and submitted to the Minnesota Department of Employment and Economic Development (DEED) by October 15 each year.

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Mayor, City of

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City Administrator, City of

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Date

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Date