



**City Council Work Session
Tuesday, August 18, 2026 at 6:00 PM
Public Meeting Room**

AGENDA

1. Call to Order

2. Items for Discussion

- A. IT Contract Services
- B. Maple Lawn Cartway
- C. Proposal For A Cell Tower At the Public Works Facility
- D. 7th Street NW Feasibility Study - Community Feedback Update
- E. 2027 Budget Discussion - Capital Funds
 - 1. Fund 404- Parkland Dedication Fund
 - 2. Fund 431 - Capital Equipment Replacement Fund
 - 3. Fund 437 - Public Facilities Fund

3. Future Discussion

4. Adjournment

(The Council may meet as a group for dinner)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting.

Para pedir este documento en otro idioma, envíe un correo electrónico y adjunte el documento a accessibility@faribault.org.

Si aad u codsato dukumeentigan oo ku qoran luqad kale, fadlan e-mail u soo dir oo ku soo lifaaq dukumiintiga accessibility@faribault.org.



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Kevin Bushard, Human Resources Director
MEETING DATE: August 18, 2026
SUBJECT: IT Contract Services

Discussion:

In July 2023, due to the increased demand for IT support, several large technology initiatives, and the need to ensure compliance with the Minnesota Bureau of Criminal Apprehension (BCA) for the Police Department. The Police Department is required to maintain BCA technology compliance. Audits for the Police require specialized licensing and certifications that the City's IT staff do not possess, the City contracted with Pantheon Computers, Inc. to provide IT services. Pantheon Computers Inc. terminated their agreement effective May 31, 2026.

The Police Department is required to maintain BCA technology compliance. Audits for the Police require specialized licensing and certifications that the City's IT staff do not possess.

IT has been responsible for significant technology infrastructure projects, cybersecurity compliance, build-out and replacement of all IT-related equipment in the City and daily support needs for all employees and facilities. With the IT support workload continuing to grow, averaging approximately 70 service requests per month from a workload in 2023 of about 45 service requests.

Given these ongoing operational demands, the current staffing level is insufficient to provide the level of support required. Contracting IT services has allowed the City to meet its technology, security, and compliance obligations while maintaining responsive IT support. Hiring additional full-time IT staff with the necessary certifications and expertise would result in much higher overall costs with wages, benefits, training, and certifications needed. As a result, utilizing contracted IT services has proven to be the more cost-effective and operationally efficient solution.

The IT service contract had a budget of \$10,520 per month. Staff found

HONESTY • RESPECT • DEDICATED • VISIONARY • ACCOUNTABILITY

On-Site Computers, Inc that provided a quote of \$9,486 per month for all the services and certifications needed for the City of Faribault. There was another quote from Loeffler that would cost the City substantially more as there was a monthly admin cost and each ticket had a cost based on level of ticket.

Staff is open for further discussion as needed for the IT services contract.

Attachments:

1. On-Site Computers Inc Quote
2. CityofFaribaultSecure2
3. CityofFaribaultSecure1

We have prepared a quote for you



Co-Managed Proposal

Quote # 004080 Version 1

Prepared for:

City of Faribault



P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Thursday, July 16, 2026

City of Faribault
Kevin Bushard
Faribault, MN
kbushard@faribaultmn.gov

Dear Kevin,

Thank you for considering On-Site Computers, Inc as your future technology partner. At On-Site, we work hard to go above and beyond the call of duty. The establishment of our Client Bill of Rights, along with our continual and substantial investment in people, processes, and technology, demonstrates our commitment to our clients.

That being said, we are always asked what makes us a local industry leader?

1. **Customer Service** – We feel that our people, processes, systems, and solutions we have in place, and more importantly the relationships and the way we deal with our clients and their technology, is different and better than any other local IT Firm.
2. **The Right Technical Solutions** – We feel we can recommend and provide the best solutions based on the client's specific needs. We believe it is our job to protect your valuable business information and implement many layers to protect your business. We have the top qualified experienced staff and strive to provide quick response to any service issues that you have.

Thanks again, and please let us know if we can help or answer any questions you may have.

A handwritten signature in black ink that reads 'Mike Bowe'.

Mike Bowe
President
On-Site Computers, Inc.

P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Managed Services - Monthly

Qty	Description	Recurring	Ext. Recurring
250	Co-Managed Workstation Support • Remote and onsite support of covered workstations during business hours as overflow, escalation, and backup to the City's internal IT team (onsite dispatch when issues cannot be resolved remotely) • New PC setup, imaging, and deployment assistance on request • RMM agent deployment and management, including remote access for support sessions, monitoring, Windows Update management, and third-party patching • vCIO Services: strategic IT planning, budget and roadmap guidance, and quarterly business reviews • Technology Alignment: monthly review of the workstation environment against industry best practices, with documented findings and recommendations **DEVICE COUNT BASED ON COMMUNICATION WITH CLIENT. ACTUAL DEVICE COUNT MAY GO UP OR DOWN BASED ON ACTUAL DEPLOYMENTS DURING ONBOARDING**	\$34.00	\$8,500.00

Monthly Subtotal: **\$8,500.00**

P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Managed Services - Monthly

Qty	Description	Recurring	Ext. Recurring
20	Co-Managed Server Support • Remote and onsite support of covered Windows Server guest operating systems during business hours as overflow and escalation backup to the City's internal IT team (onsite dispatch when issues cannot be resolved remotely) • RMM agent deployment and management on covered server OS instances, including remote access for support sessions, monitoring, Windows Update management, and third-party patching • Server health alerting and triage through our RMM platform • vCIO Services: infrastructure strategy, lifecycle planning, and roadmap development • Technology Alignment: monthly server environment review against best practices, with documented findings and recommendations **DEVICE COUNT BASED ON COMMUNICATION WITH CLIENT. ACTUAL DEVICE COUNT MAY GO UP OR DOWN BASED ON ACTUAL DEPLOYMENTS DURING ONBOARDING**	\$34.00	\$680.00
Monthly Subtotal:			\$680.00

P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Managed Services - Monthly

Qty	Description	Recurring	Ext. Recurring
9	Co-Managed Network Support (per site with network devices such as firewall, switch, wireless, printers*, scanners*, etc.) • Remote and onsite support of covered network devices during business hours as overflow and escalation backup (onsite dispatch when issues cannot be resolved remotely) • Device monitoring and alerting through our RMM platform where supported • Vendor and ISP coordination on behalf of City staff when escalated • vCIO and Technology Alignment coverage of the network layer included (quarterly network review as part of TAM cadence) • Not covered: copiers, devices supported by another 3rd party, or any device where monitoring access is not permitted	\$34.00	\$306.00
Monthly Subtotal:			\$306.00

Onboarding

Qty	Description
1	Onboarding, Documentation, and Initial Configuration Onboarding, Documentation, Installation and Configuration of Software On-Site Computers Inc. will perform the following during onboarding: • Document crucial IT information, including network topology, device inventory, vendor and ISP contacts, and critical line-of-business applications • Establish a shared documentation baseline with the City's internal IT team • Deploy RMM agents to covered workstations and servers, including remote access configuration for support sessions • Uninstall any prior remote management or monitoring tools being replaced by our RMM platform • Configure monitoring, alerting, patch management, and third-party update policies within the RMM platform • Obtain management access to covered network devices (firewall, switches, wireless access points, and wireless controller/cloud key) for monitoring and support • Define and document escalation paths, ticket routing, and communication workflows between On-Site Computers and the City's internal IT team • Conduct initial vCIO discovery session to understand business objectives, budget cycles, and strategic priorities • Perform baseline Technology Alignment review to establish current-state findings and initial recommendations
-1	Onboarding, Documentation, and Initial Configuration

P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Co-Managed Proposal



Prepared by:
On-Site Computers, Inc.
Mike Bowe
651 209 0265
mbowe@onsitecomputersinc.com

Prepared for:
City of Faribault
Faribault, MN
Kevin Bushard
kbushard@faribaultmn.gov

Quote Information:
Quote #: 004080
Version: 1
Delivery Date: 07/16/2026
Expiration Date: 08/07/2026

Monthly Expenses Summary

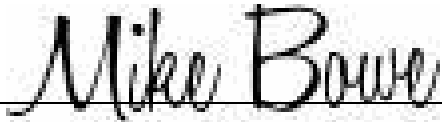
Description	Amount
Managed Services - Monthly	\$8,500.00
Managed Services - Monthly	\$680.00
Managed Services - Monthly	\$306.00
Monthly Total:	\$9,486.00

*This Quote is governed under the provisions of the Master Services Agreement located at <https://www.onsitecomputersinc.com/msa> ("MSA"). **By agreeing to this Quote, you agree to the provisions of the MSA.** If you cannot access the MSA or if you have any questions about the MSA, please do not sign this Quote and contact us for further information.*

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

On-Site Computers, Inc.

City of Faribault

Signature: 
Name: Mike Bowe
Title: President
Date: 07/16/2026

Signature: _____
Name: Kevin Bushard
Date: _____

Terms of Agreement

1. Terms of Agreement

This agreement between City of Faribault, herein referred to as Client, and On-Site Computers, Inc., hereinafter referred to as Service Provider, is effective upon the date signed, shall remain in force for a period of one year, and be reviewed annually to address any necessary adjustments or modifications. Should adjustments or modifications be required that increase the monthly fees paid for the services rendered under this Agreement, these increases will not exceed 5% of the value of the existing monthly fees due under this Agreement. The Service Agreement automatically renews for a subsequent one year term beginning on the day immediately following the end of the Initial Term, unless either party gives the other ninety (30) days prior written notice of its intent not to renew this Agreement.

- a. This Agreement may be terminated by the Client upon sixty (60) days written notice to the Service Provider:
- b. This agreement may be terminated by the Service Provider upon sixty (60) days written notice to the Client.
- c. If either party terminates this Agreement, Service Provider will assist Client in the orderly termination of services, including timely transfer of the services to another designated provider. Client agrees to pay Service Provider the actual costs of rendering such assistance.

2. Fees and Payment Schedule

Fees will be listed on quote, invoiced to Client on a Monthly basis, and will become due and payable on the first day of each month. Services will be suspended if payment is not received within 5 days following date due.

It is understood that any and all Services requested by Client that fall outside of the terms of this Agreement will be considered Projects, and will be quoted and billed as separate, individual Services.

3. Taxes

It is understood that any Federal, State or Local Taxes applicable shall be added to each invoice for services or materials rendered under this Agreement. Client shall pay any such taxes unless a valid exemption certificate is furnished to Service Provider for the state of use.

4. Coverage

Network Support services and consultation of Client's IT networks will be provided to the Client by Service Provider through a variety of means between the hours of 8:00 am – 5:00 pm Monday through Friday, excluding public holidays. Network Monitoring Services will be provided 24/7/365.

Hardware costs of any kind are not covered under the terms of this Agreement.

Support and Escalation

P: (800) 669-8513 E: mbowe@onsitecomputersinc.com W:

Service Provider will respond to Client's Trouble Tickets under the provisions of Appendix A, and with best effort after hours or on holidays. Trouble Tickets can be opened by Client's designated I.T. Contact Person, by email to our Help Desk, or by direct dial phone number if email is unavailable. Each call will be assigned a Trouble Ticket number for tracking. Our escalation process is detailed in Appendix A.

Service outside Normal Working Hours

Emergency services performed outside of the hours of 8:00 am – 5:00 pm Monday through Friday, excluding public holidays, shall be subject to provisions of Appendix B.

Limitation of Liability

In no event shall Service Provider be held liable for indirect, special, incidental, or consequential damages arising out of service provided hereunder, including but not limited to loss of profits or revenue, loss of use of equipment, loss data, costs of substitute equipment, or other costs.

5. Excluded Services

Service rendered under this Agreement does not include:

1. Parts, equipment, or software not covered by vendor/manufacture warranty or support.
2. The cost of any parts, equipment, or shipping charges of any kind.
3. The cost of any Software, Licensing, or Software Renewal or Upgrade Fees of any kind.
4. The cost of any 3rd Party Vendor or Manufacturer Support or Incident Fees of any kind.
5. The cost to bring Client's environment up to minimum standards required for Services.
6. Failure due to acts of God, building modifications, power failures or other adverse environmental conditions or factors.
7. Service and repair made necessary by the alteration or modification of equipment or other than that authorized by Service Provider, including alterations, software installations or modifications of equipment made by Clients employees or anyone other than the Service Provider.
8. Office moves
9. VoIP Setup and Installation
10. Security Camera installation
11. Video conferencing installation
12. Mobile devices
13. Programming (modification of software code) and program (software) maintenance.

6. Miscellaneous

This agreement shall be governed by the laws of the State of Minnesota. It constitutes the entire Agreement between the Client and Service Provider for monitoring/maintenance/service of all equipment. Its terms and conditions shall prevail should there be any variance with the terms and conditions of any order submitted by Client.

Service Provider is not responsible for failure to render services due to circumstances beyond its control including, but not limited to, acts of God.

Appendix A

Response and Resolution Times

The following table shows the targets of response and resolution times for each priority level:

Trouble	Priority	Response time (in hours)*	Resolution time (in hours)*	Escalation threshold (in hours)
Service not available (all users and functions unavailable).	1	Within 1 hour	ASAP – Best Effort	2 hours
Significant degradation of service (large number of users or functions affected, business process can continue).	2	Within 4 hours	ASAP – Best Effort	8 hours
Limited degradation of service (limited number of users or functions affected, business process can continue).	3	Within 24 hours	ASAP – Best Effort	48 hours
Small service degradation (business process can continue, one user affected).	4	Within 48 hours	ASAP – Best Effort	96 hours

Support Tiers

The following details and describes our Support Tier levels:

Support Tier	Description
Tier 1 Support	All support incidents begin in Tier 1, where the initial trouble ticket is created, the issue is identified and clearly documented, and basic hardware/software troubleshooting is initiated.
Tier 2 Support	All support incidents that cannot be resolved with Tier 1 Support are escalated to Tier 2, where more computer complex support on hardware/software issues can be provided by more experienced Engineers.

Tier 3 Support	Support Incidents that cannot be resolved by Tier 2 Support are escalated to Tier 3, where support is provided by the most qualified and experienced Engineers who have the ability to collaborate with 3 rd Party (Vendor) Support Engineers to resolve the most complex issues.
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Service Request Escalation Procedure

1. Support Request is Received
2. Trouble Ticket is Created
3. Issue is Identified and documented in PSA system
4. Issue is qualified to determine if it can be resolved through Tier 1 Support

If issue can be resolved through Tier 1 Support:

5. Level 1 Resolution – issue is worked to successful resolution
6. Quality Control – issue is verified to be resolved to Client's satisfaction
7. Trouble Ticket is closed, after complete problem resolution details have been updated in PSA system

If issue cannot be resolved through Tier 1 Support:

6. Issue is escalated to Tier 2 Support
7. Issue is qualified to determine if it can be resolved by Tier 2 Support

If issue can be resolved through Tier 2 Support:

8. Level 2 Resolution – issue is worked to successful resolution
9. Quality Control – issue is verified to be resolved to Client's satisfaction
10. Trouble Ticket is closed, after complete problem resolution details have been updated in PSA system

If issue cannot be resolved through Tier 2 Support:

9. Issue is escalated to Tier 3 Support
10. Issue is qualified to determine if can be resolved through Tier 3 Support

If issue can be resolved through Tier 3 Support:

11. Level 3 Resolution – issue is worked to successful resolution
12. Quality Control – issue is verified to be resolved to Client's satisfaction
13. Trouble Ticket is closed, after complete problem resolution details have been updated in PSA system

If issue cannot be resolved through Tier 3 Support:

12. Issue is escalated to Onsite Support
13. Issue is qualified to determine if it can be resolved through Onsite Support

If issue can be resolved through Onsite Support:

14. Onsite Resolution – issue is worked to successful resolution
15. Quality Control – issue is verified to be resolved to Client's satisfaction
16. Trouble Ticket is closed, after complete problem resolution details have been updated in PSA system

If issue cannot be resolved through Onsite Support:

17. I.T. Manager Decision Point – request is updated with complete details of all activity performed

Appendix B

Service - Labor Rate

Remote PC Management/Help Desk – 8am-5pm M-F Included
Remote Printer Management – 8am-5pm M-F Included
Remote Network Management – 8am-5pm M-F Included
Remote Server Management – 8am-5pm M-F Included
24x7x365 Network Monitoring Included

Out of Contract Labor Rate

Remote Labor – 8am-5pm M-F \$96.00 /HR (Normal 120.00)
Onsite Labor – 8am-5pm M-F \$120.00 /HR (Normal 155.00)
Emergency Labor After Hours \$190.00 /HR (Normal 245.00)

Covered Equipment

Managed Desktops
Managed Printers:
Managed Networks Switches:
Managed Servers:



LOFFLER

Prepared for:

Faribault, City of

Ben Mueller
bmueller@faribaultmn.gov
Quote # 019192
Version 1

**TECHNOLOGY TO
POWER SUCCESS**

Keys to Success



COMMUNICATION

- Recurring service reviews
- Named primary contact
- Clear expectations



SERVICE ALIGNMENT

- Employee productivity
- Proactive maintenance
- Response & resolution



TRANSPARENCY

- Shared service portal
- Shared documentation
- Shared reporting



TECHNOLOGY

- Consistent product stack
- High availability configurations
- Vendor support

World Class Customer Service

The Loffler IT Managed Services team sends a follow-up customer feedback survey for each end-user created ticket. The survey results assist in calculating our Net Promoter Score (NPS). NPS is a tool used to gauge customer loyalty on a scale of -100 to +100. A score of +50 is considered excellent. A score of +70 is considered World Class, in the company of Apple and Nordstrom.

The Loffler ITSG Managed Service team's NPS is 91!

Secure 2

Fully Managed IT Services

FIRST CALL SUPPORT FOR ALL USERS

- Unlimited Remote Support
- Caller Verification
- Windows & MacOS
- Servers (On-Prem & Cloud)
- Networking Equipment
- Microsoft Cloud
- User Account Administration
- Login/MFA Issues
- Vendor Triage

PROACTIVE CYBERSECURITY

- 24x7 Endpoint Detect & Respond with NextGen A/V
- Cloud Detection & Response
- Email Threat Scanning
- Security Awareness Training
- Public IP Vulnerability Scan
- Dark Web Monitoring
- Firewall Configuration Review
- Admin Password Rotation
- Microsoft Security Score Review
- Inventory Reporting

PROACTIVE SERVICES

- Critical Alert Triage
- Network Infrastructure Updates
- Virtualization Updates
- Storage Appliance Updates
- Backup for Microsoft 365
- Operation Clean Sweep
- End-User Training

CUSTOMER SUCCESS

- Strategic Guidance & Vision
- Single Point of Contact
- Helping You Succeed Reviews
- Budget Planning Exercises
- Technology Roadmap Execution
- Customer Dashboard
- Technology Lifecycle Planning
- Strategy Management Portal

MONITORING & UPDATES

- Windows Security Updates
- Third-Party App Security Updates
- Server & Network Monitoring
- Secured Remote Support Tools
- SaaS Monitoring

ALWAYS AVAILABLE

- Onsite Support*
- After Hours Support*
- Emergency Support*
- Project Support*

*Additional costs apply.

RECOMMENDED ADD-ONS

ThreatGuard Managed
Cybersecurity Services

Unified
Communication
Services

SafeGuard Physical
Security Services

Managed Print
Services

Server Business
Continuity / Disaster
Recovery Services

Statement of Work

This Statement of Work (hereinafter called the "SOW") is issued pursuant to Loffler's IT Solutions Group Master Services Agreement (the "Agreement"). This SOW is subject to the terms and conditions contained in the Agreement between the parties and is made a part thereof.

This SOW, effective as of **07/08/2026** (hereinafter called the "Date"), is entered into by and between *Loffler Companies* and *Faribault, City of* (hereinafter called the "Client"), and is subject to the terms and conditions specified below. The Exhibit(s) to this SOW, if any, shall be deemed to be a part hereof. In the event of any inconsistencies between the terms of the body of this SOW and the terms of the Exhibit(s) hereto, the terms of the body of this SOW shall prevail.

LofflerVision - IT Managed Services

Recurring services included within this SOW will be invoiced monthly, reflective of the actual service commencement date (which may differ from the date requested below). After the initial one (1) Year commitment is fulfilled, this SOW will automatically renew on an annual basis unless one party notifies the other party of its desire to terminate this SOW by providing written notice of termination no less than ninety (90) days prior to the end of the then-current term.

Requested Service Start Date: 09/01/2026

Typical new customer IT Managed Services onboarding projects span 4-6 weeks following Loffler's receipt of administrative credentials.

Recurring Service fees will be determined by the services and unit prices listed below. Each invoice will be based on the number of units necessary to provide the service. Units may be devices, users, or consumption based, depending on the service. Loffler reserves the right to calculate and update unit count for each billing cycle. When unit counts are changed mid-cycle, pro-rated fees will be included where applicable. The initial invoice may differ from the estimated fee listed below based on details collected during on-boarding. The invoiced unit count will not be decreased by more than 10% from the unit count on the initial invoice. On each anniversary of the actual service commencement date, a cost increase of 7.1% will be applied to these line items.

Description	Recurring	Qty	Ext. Recurring
Secure 2 Base (25 devices). Additional devices cost \$105/device/month	\$2,750.00	1	\$2,750.00
Secure 2 (Additional Devices)	\$105.00	159	\$16,695.00
Monthly Subtotal:			\$19,445.00

LofflerVision - IT Managed Services Included Tools

The following section is used to establish, communicate, and confirm the initial counts for devices, services, and licenses related to delivery of the Managed IT program. These items are already included in the proposal and there is no additional cost associated with them. Please note that this is not a comprehensive list.

Please verify that the counts presented below are correct to the best of your knowledge before accepting this proposal.

Description
Device Count = Office Locations + Servers + Workstations + Cloud
Device Counts
1 Office location(s)
12 Windows virtual machine(s) on premise
6 Nutanix host server(s) on premise
165 Windows Desktops & Laptops
0 Mac Desktops & Laptops

184 Total Devices
Inventory Reporting
IT Strategy & Budget Roadmap
Public IP Vulnerability Scan
End-User Training
Server & Network Monitoring
24x7 Endpoint Detect & Respond with NextGen AV
Secured Remote Support Tools
Dark Web Monitoring
Backup for Office 365
Email Threat Scanning
SaaS Monitoring + Cloud Detection & Response

Monthly Subtotal: **\$0.00**

LofflerVision - Discounts

Product Details	Price
New Customer Discount	(\$8,945.00)
Note: The New Customer Discount expires 90 days after onboarding is completed. Pricing after the discount period will be based on the actual number of devices in the environment. A formal review of the environment and operational history will be completed at the end of the 90-day period.	
Monthly Subtotal: (\$8,945.00)	

Exhibits

By accepting this SOW, you agree to accept all service definitions, as well as vendor terms and conditions defined in the Exhibit URLs below. Deliverables defined within the Exhibits apply to this SOW when there is an associated line-item that has been invoiced with quantities greater than zero (0) for the month in question. Loffler services performed outside the scope of this SOW are considered outside the scope of this agreement and subject to additional costs.

<https://www.loffler.com/agreements/itsg/managed-services>

IT Managed Services Onboarding

Labor shall commence on a date that is mutually agreed to by Loffler and Client and will continue until complete as specified in the SOW.

Invoices for Time and Materials (T&M) services will be submitted weekly. Each invoice will reflect charges for the time period being billed with cumulative figures and (if applicable) for previous periods.

The onboarding fee will be invoiced in full upon commencement of the onboarding project.

Description	Price	Qty	Ext. Price
New Client Onboarding (Fixed Fee)	\$10,500.00	1	\$10,500.00
Subtotal:			\$10,500.00

Secure 2

Prepared by:

Loffler Companies Inc

Bill Towey
952-925-6800
Fax 952-925-6820
bill.towey@loffler.com

Prepared for:

Faribault, City of

208 1st Ave NW
Faribault, MN 55021-5105
Ben Mueller
(507) 209-3543
bmueller@faribaultmn.gov

Quote Information:

Quote #: 019192

Version: 1
Delivery Date: 07/08/2026
Expiration Date: 07/29/2026

Quote Summary

Description	Amount
IT Managed Services Onboarding	\$10,500.00
Total: \$10,500.00	

Monthly Recurring Summary

Description	Amount
LofflerVision - IT Managed Services	\$19,445.00
LofflerVision - IT Managed Services Included Tools	\$0.00
LofflerVision - Discounts	(\$8,945.00)
Monthly Total: \$10,500.00	

PRICES SUBJECT TO CHANGE - PRICES BASED UPON TOTAL PURCHASE - ALL PREP, INSTALL, DELIVERY, TRAINING OR CONSULTING SERVICES TO BE BILLED AT PUBLISHED RATES FOR EACH ACTIVITY INVOLVED WE SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. - ALL RETURNS MUST BE APPROVED BY LOFFLER COMPANIES - MINIMUM 25% RESTOCKING FEE WITH ORIGINAL PACKAGING MAY APPLY. PARTIAL BILLING MAY APPLY FOR PRODUCTS AND SERVICES. - FOR ALL RACKS, SANS AND OTHER SPECIAL SHIPMENTS, THE FREIGHT COSTS WILL BE BILLED TO THE END USER AS QUOTED OR AT ACTUAL COST INCURRED - THIS DOCUMENT IS CONFIDENTIAL AND SHOULD NOT BE DISCLOSED TO ANY THIRD PARTY WITHOUT WRITTEN PERMISSION OF LOFFLER COMPANIES, INC. ALL CREDIT CARD PAYMENTS ARE CHARGED A 3% PROCESSING FEE.

Sales Tax to be calculated on invoice

Any term not otherwise defined herein shall have the meaning specified in the Agreement. In the event of any conflict or inconsistency between the terms of this SOW and the terms of the Agreement, the terms of this SOW shall govern and prevail. By accepting this Statement of Work and/or Quote, you expressly agree to be bound by all applicable terms and conditions governing the product(s) and/or service(s) provided. Furthermore, you acknowledge and agree to the terms and conditions set forth in the Loffler Companies, Inc. Master Service Agreement, accessible at the following link:

<https://www.loffler.com/itsgmaster-services-agreement-2023>

Loffler Companies Inc

Faribault, City of

Signature:

Nick Johnson

Name:

Nick Johnson

Title:

Program Manager - IT Solutions

Date:

07/08/2026

Signature:

Name:

Title:

Date:

Standard Labor Rates

Resource Level	Regular Rate	After Hours Rate	Emergency/Holiday Rate
	Monday through Friday during business hours	Monday through Friday outside of business hours and on weekends (planned and scheduled activities, including projects, upgrades and maintenance)	All days of the week and all hours of the day. A customer may request emergency service any time. (emergencies and Loffler observed national holidays)
Engineer	\$195.00	\$292.50	\$390.00
Senior Engineer	\$235.00	\$352.50	\$470.00
Network Architect	\$275.00	\$412.50	\$550.00
Business IT Consultant	\$250.00	\$375.00	\$500.00
Senior Consultant	\$295.00	\$442.50	\$590.00
Voice Engineer	\$175.00	\$265.50	\$350.00
Project Manager	\$155.00	\$232.50	\$310.00
Trainer	\$145.00	\$217.50	\$290.00
Project Coordinator	\$110.00	\$165.00	\$220.00

Labor rates listed above do not include applicable taxes. The start and end times for regular and after-hours rates will be adjusted relative to the local time zone if the work is performed onsite by our resources while physically within that time zone. A two-hour minimum applies to After Hours and Emergency/Holiday Rates.

Labor rates listed above are provided for reference and reflect Loffler's standard rates at the time of SOW creation. They are not guaranteed as part of this SOW and are subject to change at any time.

Regular Hours

Regular support hours are Monday through Friday from 7:00 am to 6:00 pm

Regular project hours are Monday through Friday from 8:00 am to 5:00 pm

Loffler Observed National Holidays:

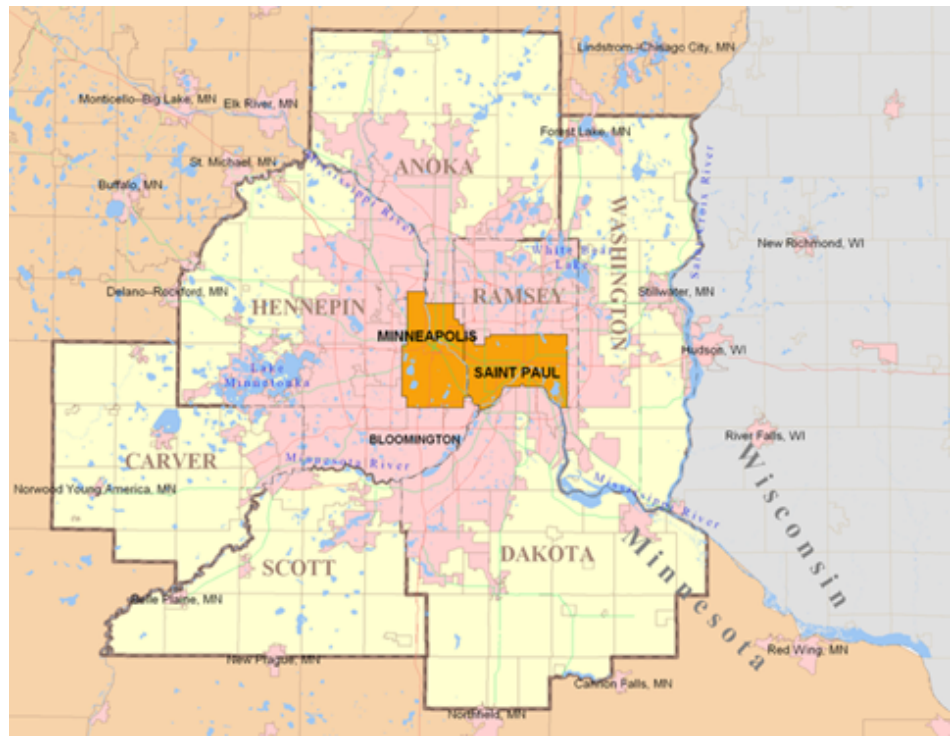
- New Year's Day (January 1)
- Memorial Day (Last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- Thanksgiving Day Floater (The Friday after Thanksgiving)
- Christmas Day (December 25)

A holiday that falls on a Saturday will be observed on the preceding Friday. A holiday that falls on a Sunday will be observed the following Monday.

Travel Charges

Note: Travel charges apply unless referencing SOW overrides these default policies

Metro Area



Metro Area (Hennepin, Anoka, Ramsey, Washington, Dakota, Scott, Carver)

Metro Area Travel to Client:	30-Minutes Billable Time
Metro Area Travel from Client:	Non-Billable

Anything outside the Twin Cities 7 County Metro Area

Outside Metro Area Travel to Client:	Actual Time Billable
Outside Metro Area Travel from Client:	Actual Time Billable



LOFFLER

Prepared for:

Faribault, City of

Ben Mueller
bmueller@faribaultmn.gov
Quote # 019175
Version 1

**TECHNOLOGY TO
POWER SUCCESS**

Information Technology Assessment

Introduction

Loffler Companies, Inc. was engaged by Faribault, City of for the purpose of performing an IT Environment Assessment. As part of its strategic technology solutions, Loffler Companies offers IT Environment Assessments to help organizations gain a greater understanding of the current state of their Information Technology environment and to assess how the existing environment meets the needs of the organization. These assessments are especially relevant to provide valuable insights that will ultimately increase employee productivity and reduce business risk present in the environment.

This document includes the following high-level sections:

- Assessment Introduction & Results
- Executive Summary
- Critical Workloads
- Priority Projects
- Data Circuits
- Managed IT Introduction
- Managed IT Pricing and Exhibits
- Required Onboarding Project Statements of Work with Pricing
- Labor Rate and Travel Policy Information

Objectives

The objective of this assessment was to review targeted areas within Faribault, City of Information Technology environment to deliver the current "as-is" state to leadership and provide recommendations for future improvements. This information will give insight to leadership to aid project prioritization and other business decisions.

This assessment covers server, storage, data protection, workstation / end user computing, collaboration, networking, and other areas from a technical and lifecycle standpoint. Previous assessment data and deliverables will be reviewed to carry forward outstanding roadmap items and risks. The following assessment is to provide a point-in-time baseline for the technology in use by the customer. For the purposes of this assessment, Loffler reviewed the City and Police networks. Loffler also reviewed the customer's Microsoft 365 environment.

This specific document reports on findings and recommendations related to IT Infrastructure and Managed Services.

Executive Summary

Overview

Faribault, City of infrastructure is in a good state with connectivity between all building.

Company Goals

During Loffler's IT Assessment, the customer stated the following Company Goals as they relate to Technology:

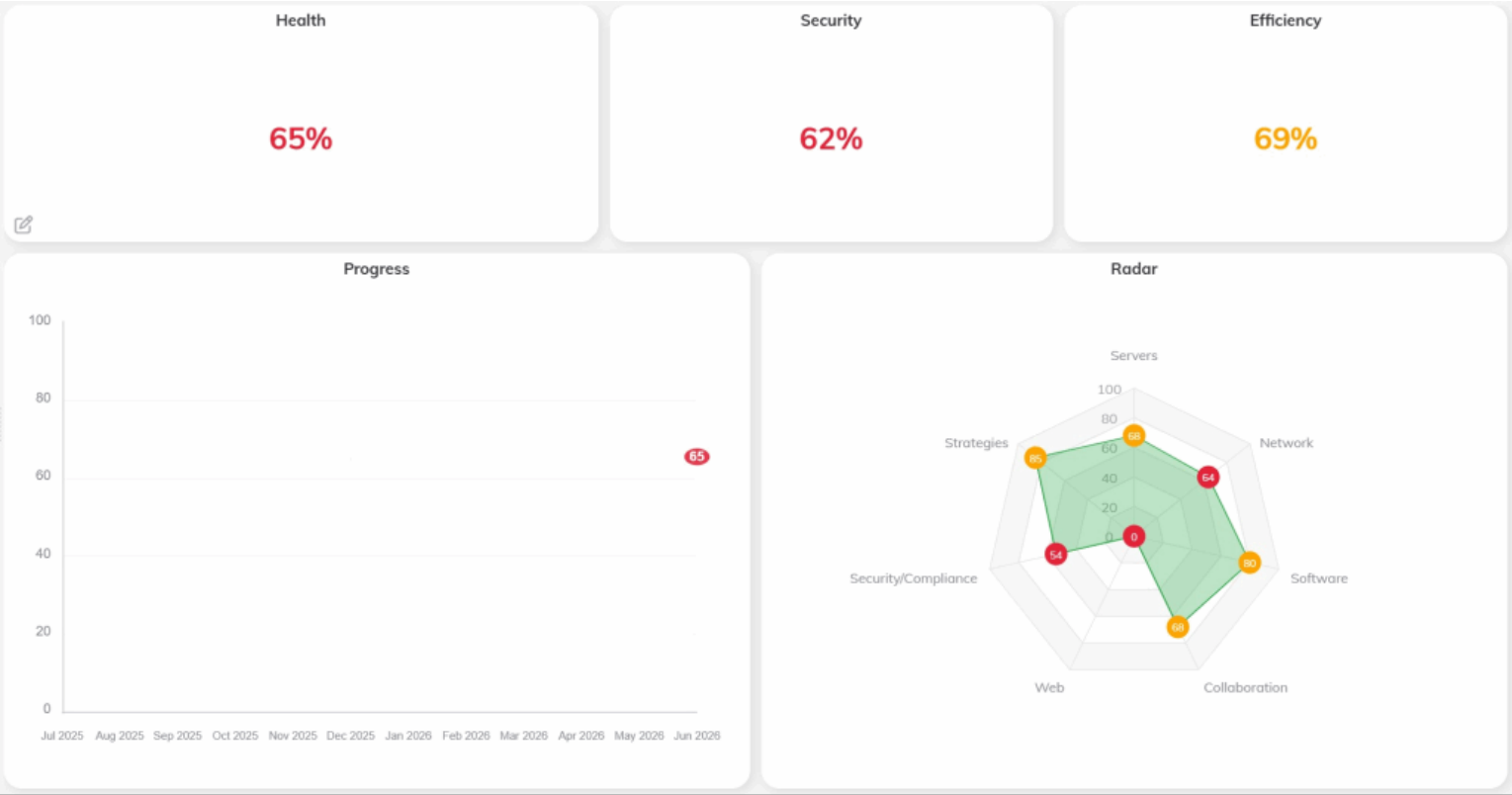
1. Develop a more strategic roadmap to accomplish technology goals in a thought-out structured manner.
2. Better utilizing the existing toolsets and understand features that may be available that are currently not in use.
3. Integrate into a Managed Service Provider who can consistently respond and execute on the Client's IT roadmap and planned projects
4. Integrate into a Managed Service Provider's formal processes to facilitate efficient, productive, transparent, and secure support of company technology and growth.
5. Assist Client's leadership with implementing technology lifecycle plans and standard technology sets for different employee types.

Sites Reviewed

Site	Overview
City Hall (6/22/2026) Faribault Minnesota	Reviewed all infrastructure including firewall, switches and wireless, server and cloud services. • Number of Employees: 150 • Number of Workstations: 165 • Number of Servers: 12 VM's on two 3-node Nutanix Clusters (1 at City Hall, and 1 at Police) • Firewall: FortiGate 201F • Switches: Fortinet 1024E's and 448E's • Wireless: Ubiquiti

Infrastructure Score

Current Infrastructure Score



If Loffler is selected as your IT Solutions partner, the scoring above will be updated automatically, and trends displayed as progress is tracked during our quarterly review process.

Critical Workloads

Critical Applications

During Loffler's IT Assessment, the customer stated the following Critical Workloads / Applications are in use in their environment:

- 1. Microsoft 365
- 2. Tyler Tech

Assessment Findings - Priority Projects

Loffler's Managed IT assessment was performed. After review, Faribault, City of has proven to be a good fit for Loffler Managed IT and we recommend further engagement and service onboarding.

Based off the assessment, here are our recommendations:

Priority Summary	
To be completed within 6 months of on-boarding	
P1	Onboard with a Managed Services Provider. Partnering with the correct Managed Services Provider (MSP) is crucial to the success of the relationship. An MSP should not only provide high quality support, but should also be a trusted advisor on budgeting, planning and road mapping.
P2	Implement multi-factor authentication (MFA) with Conditional Access. Currently only Basic MFA is setup for M365. While Basic MFA does provide improved security versus no MFA, it can lead to MFA fatigue and pose security risks. Conditional Access policies reduce MFA fatigue by varying the frequency of prompts based on the risk associated.
P3	Setup Backups for M365. Microsoft does not provide backups for M365, and only redundancy and disaster recovery. It is recommended that Client setup M365 backups with a 3rd party (ie Backupify, Metallic).
P4	Setup Entra-ID Connect. Entra-ID Connect will sync users and passwords from on-premise Active Directory to Microsoft 365 and allows for enabling single sign on. This improves security as users don't need to remember multiple usernames and passwords.
P5	Setup disaster recovery (DR) and begin developing a Business Continuity Plan. Client is currently running backups, but no DR is in place. This could lead to permanent data loss in the event of a catastrophic failure. It is recommended that Client develop a DR plan and test it regularly. A business continuity plan is also recommended to ensure Client can continue to operate during an event that may prevent normal business operations.

Priority Summary

Recommended Future Projects

F1	Cleanup Server Room. The server room while not bad, could be better organized and labels added. Well organized server rooms and network closets reduce cost and downtime, especially when replacing equipment.
F2	Implement Microsoft Intune. Microsoft Intune, which is included in the M365 licensing can be used for inventory and policy management. Along with implementing Intune, Loffler also recommends setting up base policies such as BitLocker, screen time-outs and OneDrive Known Folder Redirections (which backup the Desktop, My Documents, My Pictures etc. to OneDrive)
F3	Implement Autopilot. Autopilot, which is part of Intune is used to facilitate and automate new PC deployments. Deployment costs and employee downtime can be drastically reduced by using Autopilot.
F4	Explore Backup Internet Providers. Currently only a single internet connection is coming into the City of Faribault. It is recommended that a backup provider be implemented and SD-WAN configured on the firewalls. This would allow for seamless failover to the other provider in the event of an Internet outage.
F5	Spare Workstation. Having a spare workstation allows employees to resume work quickly in the event of a PC failure, lost, forgot or stolen PC's.
F6	Replace Ubiquiti wired and wireless networks. The current Ubiquiti network is not an enterprise grade setup. Loffler recommends replacing the switches and wireless with an enterprise grade solution at the next network refresh. Loffler would recommend Fortinet Access Points as those will integrate into the existing Fortinet environment.

Keys to Success



COMMUNICATION

- Recurring service reviews
- Named primary contact
- Clear expectations



SERVICE ALIGNMENT

- Employee productivity
- Proactive maintenance
- Response & resolution



TRANSPARENCY

- Shared service portal
- Shared documentation
- Shared reporting



TECHNOLOGY

- Consistent product stack
- High availability configurations
- Vendor support

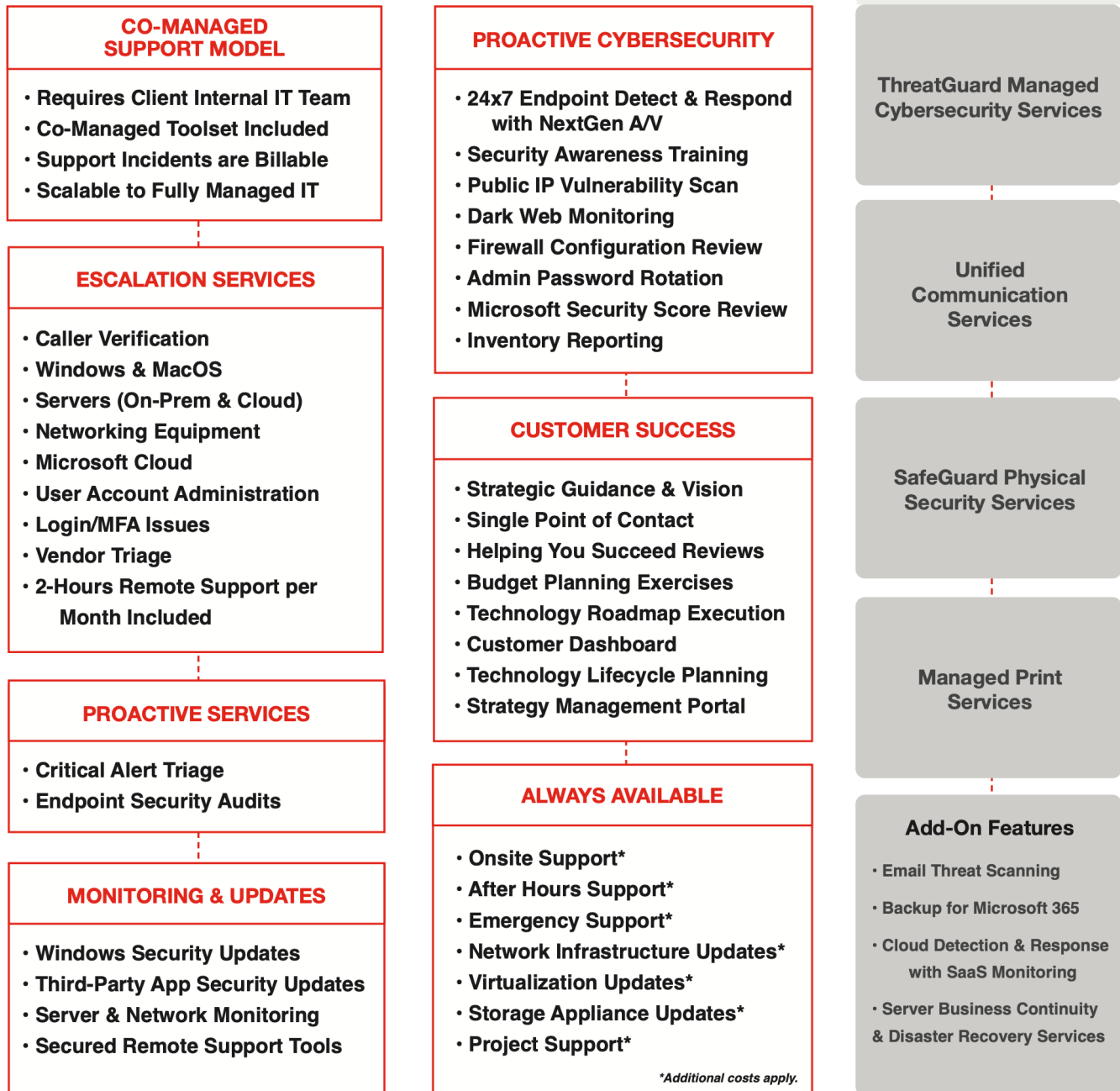
World Class Customer Service

The Loffler IT Managed Services team sends a follow-up customer feedback survey for each end-user created ticket. The survey results assist in calculating our Net Promoter Score (NPS). NPS is a tool used to gauge customer loyalty on a scale of -100 to +100. A score of +50 is considered excellent. A score of +70 is considered World Class, in the company of Apple and Nordstrom.

The Loffler ITSG Managed Service team's NPS is 91!

Secure 1

Co-Managed IT Services



Statement of Work

This Statement of Work (hereinafter called the "SOW") is issued pursuant to Loffler's IT Solutions Group Master Services Agreement (the "Agreement"). This SOW is subject to the terms and conditions contained in the Agreement between the parties and is made a part thereof.

This SOW, effective as of **07/08/2026** (hereinafter called the "Date"), is entered into by and between *Loffler Companies* and *Faribault, City of* (hereinafter called the "Client"), and is subject to the terms and conditions specified below. The Exhibit(s) to this SOW, if any, shall be deemed to be a part hereof. In the event of any inconsistencies between the terms of the body of this SOW and the terms of the Exhibit(s) hereto, the terms of the body of this SOW shall prevail.

LofflerVision - IT Managed Services

Recurring services included within this SOW will be invoiced monthly, reflective of the actual service commencement date (which may differ from the date requested below). After the initial one (1) Year commitment is fulfilled, this SOW will automatically renew on an annual basis unless one party notifies the other party of its desire to terminate this SOW by providing written notice of termination no less than ninety (90) days prior to the end of the then-current term.

Requested Service Start Date: 09/01/2026

Typical new customer IT Managed Services onboarding projects span 4-6 weeks following Loffler's receipt of administrative credentials.

Recurring Service fees will be determined by the services and unit prices listed below. Each invoice will be based on the number of units necessary to provide the service. Units may be devices, users, or consumption based, depending on the service. Loffler reserves the right to calculate and update unit count for each billing cycle. When unit counts are changed mid-cycle, pro-rated fees will be included where applicable. The initial invoice may differ from the estimated fee listed below based on details collected during on-boarding. The invoiced unit count will not be decreased by more than 10% from the unit count on the initial invoice. On each anniversary of the actual service commencement date, a cost increase of 7.1% will be applied to these line items.

Description	Recurring	Qty	Ext. Recurring
Secure 1 Base (100 devices). Additional devices cost \$27/device/month	\$2,750.00	1	\$2,750.00
Secure 1 (Additional Devices)	\$27.00	84	\$2,268.00

Monthly Subtotal: **\$5,018.00**

LofflerVision - IT Managed Services Included Tools

The following section is used to establish, communicate, and confirm the initial counts for devices, services, and licenses related to delivery of the Managed IT program. These items are already included in the proposal and there is no additional cost associated with them. Please note that this is not a comprehensive list.

Please verify that the counts presented below are correct to the best of your knowledge before accepting this proposal.

Description
Device Count = Office Locations + Servers + Workstations + Cloud
Device Counts
1 Office location(s)
12 Windows virtual machine(s) on premise
6 Nutanix host server(s) on premise
165 Windows Desktops & Laptops
0 Mac Desktops & Laptops

184 Total Devices
Inventory Reporting
IT Strategy & Budget Roadmap
Public IP Vulnerability Scan
Server & Network Monitoring
24x7 Endpoint Detect & Respond with NextGen AV
Secured Remote Support Tools
Dark Web Monitoring

Monthly Subtotal: **\$0.00**

LofflerVision - Addons

Description	Recurring	Qty	Ext. Recurring
SaaS Protection for Office 365 - one year retention	\$3.50	150	\$525.00

Monthly Subtotal: **\$525.00**

Exhibits

By accepting this SOW, you agree to accept all service definitions, as well as vendor terms and conditions defined in the Exhibit URLs below. Deliverables defined within the Exhibits apply to this SOW when there is an associated line-item that has been invoiced with quantities greater than zero (0) for the month in question. Loffler services performed outside the scope of this SOW are considered outside the scope of this agreement and subject to additional costs.

<https://www.loffler.com/agreements/itsg/managed-services>

IT Managed Services Onboarding

Labor shall commence on a date that is mutually agreed to by Loffler and Client and will continue until complete as specified in the SOW.

Invoices for Time and Materials (T&M) services will be submitted weekly. Each invoice will reflect charges for the time period being billed with cumulative figures and (if applicable) for previous periods.

The onboarding fee will be invoiced in full upon commencement of the onboarding project.

Description	Price	Qty	Ext. Price
New Client Onboarding (Fixed Fee)	\$5,018.00	1	\$5,018.00
Subtotal:			\$5,018.00

Secure 1

Prepared by:

Loffler Companies Inc

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Fax 952-925-6820
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Prepared for:

Faribault, City of

208 1st Ave NW
Faribault, MN 55021-5105
Ben Mueller
(507) 209-3543
bmueller@faribaultmn.gov

Quote Information:

Quote #: 019175

Version: 1
Delivery Date: 07/08/2026
Expiration Date: 07/29/2026

Quote Summary

Description	Amount
IT Managed Services Onboarding	\$5,018.00
Total: \$5,018.00	

Monthly Recurring Summary

Description	Amount
LofflerVision - IT Managed Services	\$5,018.00
LofflerVision - IT Managed Services Included Tools	\$0.00
LofflerVision - Addons	\$525.00
Monthly Total: \$5,543.00	

PRICES SUBJECT TO CHANGE - PRICES BASED UPON TOTAL PURCHASE - ALL PREP, INSTALL, DELIVERY, TRAINING OR CONSULTING SERVICES TO BE BILLED AT PUBLISHED RATES FOR EACH ACTIVITY INVOLVED WE SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. - ALL RETURNS MUST BE APPROVED BY LOFFLER COMPANIES - MINIMUM 25% RESTOCKING FEE WITH ORIGINAL PACKAGING MAY APPLY. PARTIAL BILLING MAY APPLY FOR PRODUCTS AND SERVICES. - FOR ALL RACKS, SANS AND OTHER SPECIAL SHIPMENTS, THE FREIGHT COSTS WILL BE BILLED TO THE END USER AS QUOTED OR AT ACTUAL COST INCURRED - THIS DOCUMENT IS CONFIDENTIAL AND SHOULD NOT BE DISCLOSED TO ANY THIRD PARTY WITHOUT WRITTEN PERMISSION OF LOFFLER COMPANIES, INC. ALL CREDIT CARD PAYMENTS ARE CHARGED A 3% PROCESSING FEE.

Sales Tax to be calculated on invoice

Any term not otherwise defined herein shall have the meaning specified in the Agreement. In the event of any conflict or inconsistency between the terms of this SOW and the terms of the Agreement, the terms of this SOW shall govern and prevail. By accepting this Statement of Work and/or Quote, you expressly agree to be bound by all applicable terms and conditions governing the product(s) and/or service(s) provided. Furthermore, you acknowledge and agree to the terms and conditions set forth in the Loffler Companies, Inc. Master Service Agreement, accessible at the following link:

<https://www.loffler.com/itsgmaster-services-agreement-2023>

Loffler Companies Inc

Faribault, City of

Signature:

Nick Johnson

Name:

Nick Johnson

Title:

Program Manager - IT Solutions

Date:

07/08/2026

Signature:

Name:

Title:

Date:

Standard Labor Rates

Resource Level	Regular Rate	After Hours Rate	Emergency/Holiday Rate
	Monday through Friday during business hours	Monday through Friday outside of business hours and on weekends (planned and scheduled activities, including projects, upgrades and maintenance)	All days of the week and all hours of the day. A customer may request emergency service any time. (emergencies and Loffler observed national holidays)
Engineer	\$195.00	\$292.50	\$390.00
Senior Engineer	\$235.00	\$352.50	\$470.00
Network Architect	\$275.00	\$412.50	\$550.00
Business IT Consultant	\$250.00	\$375.00	\$500.00
Senior Consultant	\$295.00	\$442.50	\$590.00
Voice Engineer	\$175.00	\$265.50	\$350.00
Project Manager	\$155.00	\$232.50	\$310.00
Trainer	\$145.00	\$217.50	\$290.00
Project Coordinator	\$110.00	\$165.00	\$220.00

Labor rates listed above do not include applicable taxes. The start and end times for regular and after-hours rates will be adjusted relative to the local time zone if the work is performed onsite by our resources while physically within that time zone. A two-hour minimum applies to After Hours and Emergency/Holiday Rates.

Labor rates listed above are provided for reference and reflect Loffler's standard rates at the time of SOW creation. They are not guaranteed as part of this SOW and are subject to change at any time.

Regular Hours

Regular support hours are Monday through Friday from 7:00 am to 6:00 pm

Regular project hours are Monday through Friday from 8:00 am to 5:00 pm

Loffler Observed National Holidays:

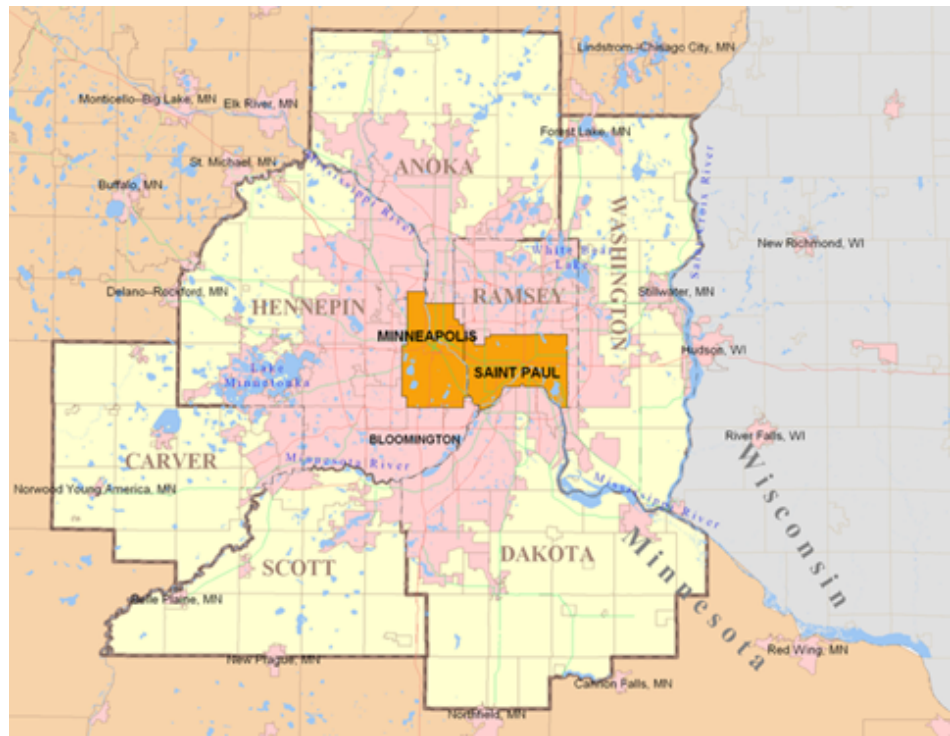
- New Year's Day (January 1)
- Memorial Day (Last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- Thanksgiving Day Floater (The Friday after Thanksgiving)
- Christmas Day (December 25)

A holiday that falls on a Saturday will be observed on the preceding Friday. A holiday that falls on a Sunday will be observed the following Monday.

Travel Charges

Note: Travel charges apply unless referencing SOW overrides these default policies

Metro Area



Metro Area (Hennepin, Anoka, Ramsey, Washington, Dakota, Scott, Carver)

Metro Area Travel to Client:	30-Minutes Billable Time
Metro Area Travel from Client:	Non-Billable

Anything outside the Twin Cities 7 County Metro Area

Outside Metro Area Travel to Client:	Actual Time Billable
Outside Metro Area Travel from Client:	Actual Time Billable



City of Faribault - Helping You Succeed Review

6/23/2026

Prepared By: Bob Schlick

LOFFLER

Assessment

Strategic Technology Team 6 73%

Item	Grade	Status	Risk	Solution	Notes
Primary IT Contact & Title	✓	Ben Mueller			
Secondary IT Contact & Title	✓	Leanna Anderson			
Customer Success Manager	?				
Service Lead	?				
Account Executive	?				
vCXO	?	Review Needed			

Strategies 9 85%

Item	Grade	Status	Risk	Solution	Notes
IT Strategy Reviews	⚠	None	Company evolution inefficient without strategy		
Key Decision Makers	✓	Ben Mueller is key presenter Council Need to present 1 year out			
Fiscal Year	✓	Calendar			
Budgeting Window & Cycle	✓	May-June	Financial; Inability to plan for IT emergencies		

Item	Grade	Status	Risk	Solution	Notes
Annual Budget Exercise	✓	Annual Exercise Scheduled	Company evolution inefficient without planning		
Computer Replacement Schedule	✓	Every 5 years	Aging hardware leads to performance degradation, increased failures, and inability to support secure and efficient operations.		
IT Changes Approval Process	✓	Defined	Potential security risk		
Billing Contact/Mailbox	?	Review Needed			
End User Application Permissions	✓	Permissions Needed for Workstation & 365 Application Downloads	Local admin rights increase exposure to malware, ransomware, and unauthorized software that compromise security and stability.		

Strategic Vendors 9 68%

Item	Grade	Status	Risk	Solution	Notes
Managed IT Partner	⚠	None - was Pantheon	Lack of a capable MSP leads to reactive support, unmanaged infrastructure, and misaligned IT strategy.		
Imaging Partner	✓	Loffler	Outdated or unmanaged print infrastructure leads to inefficiency, untracked costs, and potential security gaps (e.g., unclaimed documents, unsecured scan-to-email).		
Managed Cyber	✓	Sophos MDR	Limited visibility and delayed detection increase the impact of cyber incidents.		

Item	Grade	Status	Risk	Solution	Notes
Unified Communications Partner	✓	MetroNet	Inefficient communications platforms lead to user frustration, downtime, and loss of collaboration.		
Physical Security Partner	✓	Managed in-house, Grove Security deploys	Inadequate physical security increases exposure to theft, data breaches, and safety risks.		
CSP 365 & Renewal Date(s)	?	Review Needed	Lapsed or mismanaged licenses can result in data loss, access issues, or unexpected costs.		
Internet Service Provider (ISP)	✓	MetroNet	Insufficient or unreliable internet access leads to performance issues, downtime, and user productivity loss.		
Cyber Insurance & Renewal	✓	In-Place	Without adequate and current cyber insurance, the organization may face significant financial exposure after a security incident, impacting recovery and continuity.		
Audio Visual Vendor	⚠	Bluum (T&M, lots of support calls from users)			

Primary Business Applications 10 80%

Item	Grade	Status	Risk	Solution	Notes
Internal File Sharing Software	✓	None	Uncontrolled file sharing creates risks for data leakage, compliance violations, and inefficient collaboration.		

Item	Grade	Status	Risk	Solution	Notes
Mobile Device Management (MDM)		Low Priority	Without MDM, there is no enforceable control over mobile data access or device security.		
Productivity Software		Microsoft Products - Increase Efficient Utilization	Outdated or inconsistent tools reduce productivity, hinder collaboration, and may introduce compatibility or support issues.		
Document Management		Laserfiche and TylerTech	Poor document management leads to data sprawl, loss of information, and difficulty meeting compliance and audit needs.		
Accounting Software		Tyler Tech			
Payroll Software		Tyler Tech			
IT Documentation Software		SharePoint	Business Critical		
Ticketing System		Atera	Business Critical		
Remote Monitoring & Management (RMM)		Atera	Business Critical		
Password Management Software		Bit Warden			

Upcoming Initiatives 2 100%

Item	Grade	Status	Risk	Solution	Notes
Upcoming Workstation Replacements		Done for 2026			
New Initiatives		New MSP SharePoint and OneDrive Roadmapping			

Servers 13 81%

Item	Grade	Status	Risk	Solution	Notes
Server Host	✓	Nutanix Branded	Aging or unsupported hardware can lead to critical failures, unplanned downtime, and data loss.		
Hypervisor	✓	AHV			
Cloud Server Hosting	✓	None	Poorly configured or unmanaged cloud resources may lead to overspending, security exposure, or service interruptions.		
SAN Storage	✓	No SAN	SAN failures can impact all dependent systems simultaneously, resulting in total service outages.		
NAS	✓	Dell PowerEdge Server (used for backups)			
Domain Controller	✓	Server 2019 - EOL 1/29	A failed or misconfigured domain controller can lock users out of systems and disrupt core operations.		
File Server	✓	Server 2019 - EOL 1/27	Insecure or aging file servers increase the risk of data breaches and slow file access, affecting productivity and compliance.		
Application Server	✓	Server 2019 - EOL 1/27	Failure or performance issues can halt access to key applications used across the organization.		
Maintenance Window	?	Needs Review			

Item	Grade	Status	Risk	Solution	Notes
Patching	?	Review Needed	The regular updating of operating systems, applications, and firmware to fix vulnerabilities, improve performance, and ensure stability.		
Domain (Workstation Join Status)	✓	All PC's Domain Joined	Unjoined machines are difficult to secure, lack consistent policy enforcement, and are harder to offboard.		
Active Directory	✓	Traditional AD	Mismanagement of Active Directory creates major vulnerabilities, exposes sensitive systems, and causes identity and access issues.		
Permission Strategy	✓	Established permission strategy	Excessive or poorly tracked permissions are a major security risk and lead to accidental or malicious data exposure.		

Network 20 69%

Item	Grade	Status	Risk	Solution	Notes
Network Room/Rack	⚠	Cleanup Needed	A disorganized or poorly maintained network room complicates troubleshooting and increases downtime risk.		
Network Room/Rack - Physical Security	✓	Locked Room	Unsecured physical access enables direct compromise of infrastructure and bypasses most digital protections.		

Item	Grade	Status	Risk	Solution	Notes
Cabling	⚠	Cleanup Needed	Poor cabling leads to intermittent outages, difficult troubleshooting, and limits scalability.		
Labeling	⚠	Some incorrect/missing labels	Lack of labeling increases support time and risk of configuration errors.		
Firewall	✓	FortiGate 201F	An outdated or misconfigured firewall leaves the environment vulnerable to external threats.		
High Availability Firewall	✓	In-Place	Firewall failure without HA leads to full network outage or exposure to threats.		
VPN	💡	FortiClient EMS - SSLVPN, would like to move to IPSEC and non-EMS	Weak VPN configurations can expose the internal network to external threats.		
Core Switches	✓	Fortinet 1024E	Failure or misconfiguration of a core switch can result in total internal network disruption.		
Edge Switches	✓	Fortinet 448E-FPOE	Aging or unmanaged switches lead to performance bottlenecks and harder troubleshooting.		
Wireless Access Points	✓	Ubiquity	Poor Wi-Fi impacts user productivity and can be a security risk if not segmented or encrypted properly.		
Primary Internet	✓	MetroNet	Internet outages can bring operations to a halt if there is no failover or sufficient bandwidth.		

Item	Grade	Status	Risk	Solution	Notes
Secondary Internet	⚠	None	Without redundancy, primary ISP outages result in total loss of connectivity and productivity.		
SDWAN	⚠	None	Lack of SD-WAN in complex or multi-site environments leads to poor network performance, unoptimized traffic, and reduced uptime during outages.		
Main Wireless Network	✓	Main and Guest networks separated	Poor security or design of the internal Wi-Fi network exposes sensitive systems and limits productivity.		
Guest Wireless Network	✓	In Place	A poorly configured guest network can serve as an entry point for attackers or lead to resource hogging.		
Network Design	✓	VLANs	Poor network design causes performance issues, troubleshooting delays, and increased security risks.		
IP Scheme	✓	Modern	Disorganized or overlapping IP addressing causes conflicts and troubleshooting complexity.		
Battery Backups	✓	UPS	Sudden power loss leads to data corruption, hardware damage, and downtime.		
Power Generator	✓	In-Place	Power outage can take network down		

Item	Grade	Status	Risk	Solution	Notes
Environmental Monitoring	⚠️	None	Environmental factors like overheating or water damage can result in sudden hardware failure or data loss.		

End User Devices 6 60%

Item	Grade	Status	Risk	Solution	Notes
Computers	✅	Modern	Outdated or unmanaged devices increase vulnerability, reduce productivity, and impact support consistency.		
Workstation OS Compliance	⚠️	A few remaining - cannot find	Security Risk; Performance Issues		
Spare Workstation	⚠️	None		Bring spares into inventory	
Tablets	✅	iPads	Lacking controls or consistency in deployment introduces security gaps and support challenges.		
Spare Tablet	✅	Yes			
Cell Phones	✅	Mix of iPhone and Android - Through Verizon	Unmanaged mobile devices can expose corporate data through theft, loss, or misuse.		

Collaboration 6 68%

Item	Grade	Status	Risk	Solution	Notes
Email System	✓	Office 365 / Microsoft 365	Email is a primary vector for cyberattacks and business continuity threats.		
Chat Software	✓	Teams	Lack of control or standardization can lead to data sprawl, lost knowledge, or compliance violations.		
AI Utilization	?	Not advertised			
Phone System	✓	MetroNet Hosted PBX	Phone systems should be modern VoIP or cloud-based, support remote users, include redundancy options, and be scalable. Legacy PBX systems should be phased out.		
Video Conferencing Software	✓	Teams	Lack of standardization leads to poor user experience and potential data leakage.		
End User Training	⚠	Tried in-house, but not successful on user adoption	End users are the top target for threats. Untrained staff drastically increase incident risk.		

Security/Compliance 20 54%

Item	Grade	Status	Risk	Solution	Notes
Compliance Requirements	✓	BCA	Failing to meet required standards can result in legal penalties, fines, or loss of business.		

Item	Grade	Status	Risk	Solution	Notes
Server Backup	✓	Veeam	Lack of reliable backups poses a critical threat to data integrity and operational continuity.		
365 Backup	✗	None	Microsoft does not guarantee full data recovery. Without third-party backups, permanent data loss can occur.		
Backup Retention Requirements	✓	VM specific	Short or inconsistent retention may violate compliance or block historical recovery.		
Disaster Recovery	✗	Local backups (City goes to PD, PD stays local) Could do Nutanix to Nutanix	Without a defined plan, extended downtime can halt operations and cause severe financial or legal consequences.		
Business Continuity Plan	⚠	None	A missing or outdated plan increases recovery time, reduces decision-making effectiveness, and elevates exposure during crises.		
Backup and Disaster Recovery Testing	⚠	As people request restores (usually at least quarterly)	Unverified backups can lead to failed recoveries, leaving data inaccessible when it's needed most.	Establish regular testing schedule for backups	
Incident Response Plan	✓	Established	Delayed or ineffective incident response increases the scope and cost of breaches.		
Incident Response Testing	?		An untested plan can fail under pressure, slowing response and increasing breach impact.		
Managed Detection & Response (MDR) / SOC	✓	Sophos MDR	Without proactive threat detection and real-time response, attacks can go undetected for months.		

Item	Grade	Status	Risk	Solution	Notes
MFA for Microsoft 365 with Conditional Access & Geofencing in Place	⚠️	No Conditional Access	Without Conditional Access, MFA alone can still be bypassed through phishing or token theft.		
M365 Administrator MFA	✅	Active accounts without MFA	Admin accounts are the top target for attackers; compromising one provides full control over the environment.		
MFA for VPN with Conditional Access & Geofencing	⚠️	Basic MFA Only	VPN access can provide deep internal access—without layered controls, this becomes a direct path for threat actors.		
Email Protection	✅	Outlook			
Microsoft Licensing Compliance	✅	Compliant	Non-compliance can lead to legal issues, unnecessary spend, or loss of features needed for secure operations.		
Single Sign On (SSO)	✅	None	Security and scalability risk	Implement Microsoft SSO	
Endpoint Protection	✅	Sophos			
Computer Encryption	⚠️	None, but maybe at PD	Lost or stolen devices without encryption pose serious data breach risks and compliance violations.	Implement Bitlocker	
Security Training	✅	KnowBe4	Human error is the top cause of breaches. Lack of training increases the success rate of phishing and social engineering attacks.		

Item	Grade	Status	Risk	Solution	Notes
Dark Web Analysis	⚠️	None	Exposed credentials increase the likelihood of account takeover but can be mitigated with strong MFA and credential hygiene.		

Policies & Procedures ⁹ 56%

Item	Grade	Status	Risk	Solution	Notes
User Creation & First Login	✅	Updated in Past 12 Months			
User Termination Policy	⚠️	None			
Workstation Imaging	⚠️	None	Inconsistent setups lead to security gaps, inefficiencies, and longer deployment times.	Implement AutoPilot	
Workstation Deployment Documentation	✅	Updated in Past 12 Months			
Work From Home Policy & Method	✅	Hybrid	Insecure remote access increases data leakage and breach risks.		
Password Policy	✅	Established policy - Up to Standards	Weak or reused passwords are a top cause of breaches.		
Computer Autolock Policy	⚠️	None	Unlocked devices increase the risk of data exposure and insider threats.	Implement autolock policy	
Acceptable Use Policy	✅	Established policy - Meets Standards	Lack of clear expectations leads to misuse of company assets.		
Cell Phone Policy (BYOD)	⚠️	No established policy	Unsecured devices accessing corporate data pose serious security threats.	Establish cell phone policy	

Assessments Legend

Review Needed		A green question is the default grade for non-essential items. Excluded from Health Score calculations but important to discover.
Discovery 1.0		A red question mark means this item needs further discovery as it is important for any business and/or Loffler would like to have a conversation around it. This decreases your Health Score calculations.
Discovery 2.0		A blue solid question is phase 2 of the discovery with Loffler. This decreases your Health Score calculations.
Healthy		A green check means this item is up to standards, an agreement is current, or a service is in place. This increases your Health Score calculations.
Interested		A yellow light bulb means the customer is interested in learning more about this item. This is excluded from your Health Score calculations.
Warning		An yellow warning means this item is not aligned with standards and is a minor risk we should pay attention to. This decreases your Health Score calculations.
Danger		A red bomb means this item is an identified risk and a liability for the client. This item needs an action plan either urgently or in the near future. This decreases your Health Score calculations.
In Progress - Remediation		An orange cog means this item is in progress and it is currently a risk until the upgrade is finished. This decreases your Health Score calculations.



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Travis Block, Public Works Director
MEETING DATE: August 18, 2026
SUBJECT: Maple Lawn Cartway

Discussion:

Recently, a resident who resides near Maple Lawn Cartway addressed the Council during a public comment period about traffic patterns on Maple Lawn Cartway. The resident has observed vehicles not adhering to signage and traveling the wrong way. The street is currently signed for one-way traffic as established by Resolution 80-146. Traffic is allowed one-way travel south on Maple Lawn Cartway from Division St. to Jensen Dr.

Options to consider are as follows:

1. The City owns property between Maple Lawn Cartway and Frink Ave. Frink Ave. could be connected to Maple Lawn Cartway to allow vehicles to travel south on Maple Lawn Cartway, connect over to Frink Ave. to travel north towards Division St. versus having to travel down to Ladonna Ln. connecting to Lyndale Ave. to travel north. This could potentially reduce vehicles traveling the wrong way down Maple Lawn Cartway. Additionally, this option would allow for the construction of a paved surface to facilitate maintenance of the sanitary sewer lift station located at the south end of Frink Ave.
2. Rescind Resolution 80-146 and allow for two-way traffic on Maple Lawn Cartway. The street is approximately a 16-foot-wide paved surface, which is a similar width to alleys throughout the City that allow two-way traffic. Constructing the Frink Ave. to Maple Lawn Cartway connection could be included with this option.
3. Do nothing additional.

Staff is looking for Council direction on the options for Maple Lawn Cartway.

HONESTY • RESPECT • DEDICATED • VISIONARY • ACCOUNTABILITY

Attachments:

1. 1980-146 Restricting Traffic on Maple Lawn Cemetery
2. Maple Lawn Cartway Exhibit

Resolution 80-146

RESOLUTION RESTRICTING TRAFFIC ON MAPLE LAWN CARTWAY FROM
DIVISION STREET N.W. TO JENSEN DRIVE

WHEREAS, Section 16-47 of the Faribault Code of Ordinances requires the Council to establish parking prohibitions and restrictions by means of resolutions, and;

WHEREAS, M.S.A. 169.04, allows the Council to establish one-way streets.

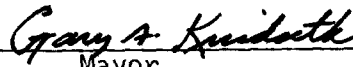
NOW, THEREFORE, THE CITY OF FARIBAULT RESOLVES:

Section 1. No parking or stopping of motor vehicles shall be permitted on either side of Maple Lawn Cartway from Division Street N.W. to Jensen Drive.

Section 2. No motorized vehicles shall be permitted to travel north on Maple Lawn Cartway from Division Street N.W. to Jensen Drive (one way - south permitted).

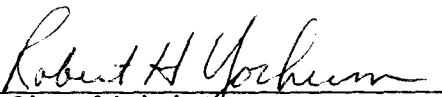
Section 3. This resolution is effective upon placement of proper traffic control signs.

Adopted: June 10, 1980



Mayor

ATTEST:



City Administrator







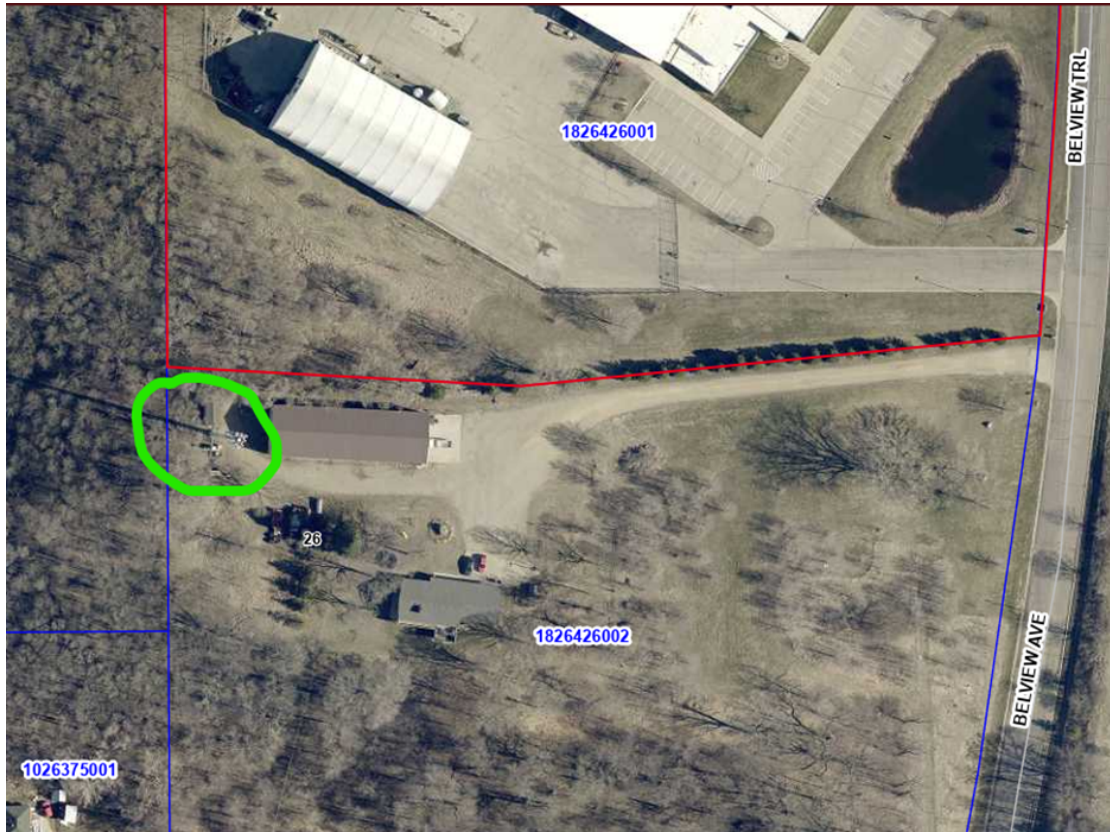


Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Travis Block, Public Works Director
MEETING DATE: August 18, 2026
SUBJECT: Proposal For A Cell Tower At the Public Works Facility

Discussion:

Staff has been contacted by LCC Telcom Services of Rosemont, Illinois regarding relocating a cell tower from property adjacent to the Public Works Facility located at 1200 Belview Trail to City property. The map below shows the current tower location circled in green. Staff is looking for Council direction on the relocation of the cell tower. The proposed terms are attached to this memo.





Attachments:

1. Letter of Proposal - VB- US-MN-5208 - City of Faribault
2. Tower Sites

From: [Karina Gil](#)
To: [Travis Block](#)
Cc: [Mark Korso](#); [Juan Fernando-Benítez](#); [Laura Lora](#)
Subject: Letter of Proposal - VB- US-MN-5208 - City of Faribault
Date: Thursday, July 30, 2026 3:09:38 PM

Dear Mr. Block,

Thank you for taking the time to speak to me briefly this afternoon. As I mentioned, we have been hired by Vertical Bridge to help find places to build cellphone towers. The city property located at 1200 BELVIEW Trl, Faribault, MN is in our search area to build a cellphone tower. We sent out a letter to see if you would be interested in potentially leasing a 100' x 100' area (1/4 acre) for a tower. Some of the lease terms we offer are:

Option A:

A one-time payment of **\$80,000** for a **Perpetual Easement**

Option B:

A **50-year lease** with an initial monthly payment of **\$800**, with an annual increase of **0.9%**

In either case, we would need an **Option Period** to handle permitting and zoning. This period could be up to **48 months**, during which you would receive a **one-time payment of \$2,000**.

In case your property taxes increase due to this new cell tower, Vertical Bridge will take care of that increase.

We would build an access from the main road to the final location of the tower, or we could use and improve any existing access.

Please feel free to contact me thru email or via telephone to the information provided below, if you are interested in the offer and or you have any additional questions.

We look forward to hopefully doing business with you in the near future.

Regards,

Karina Gil

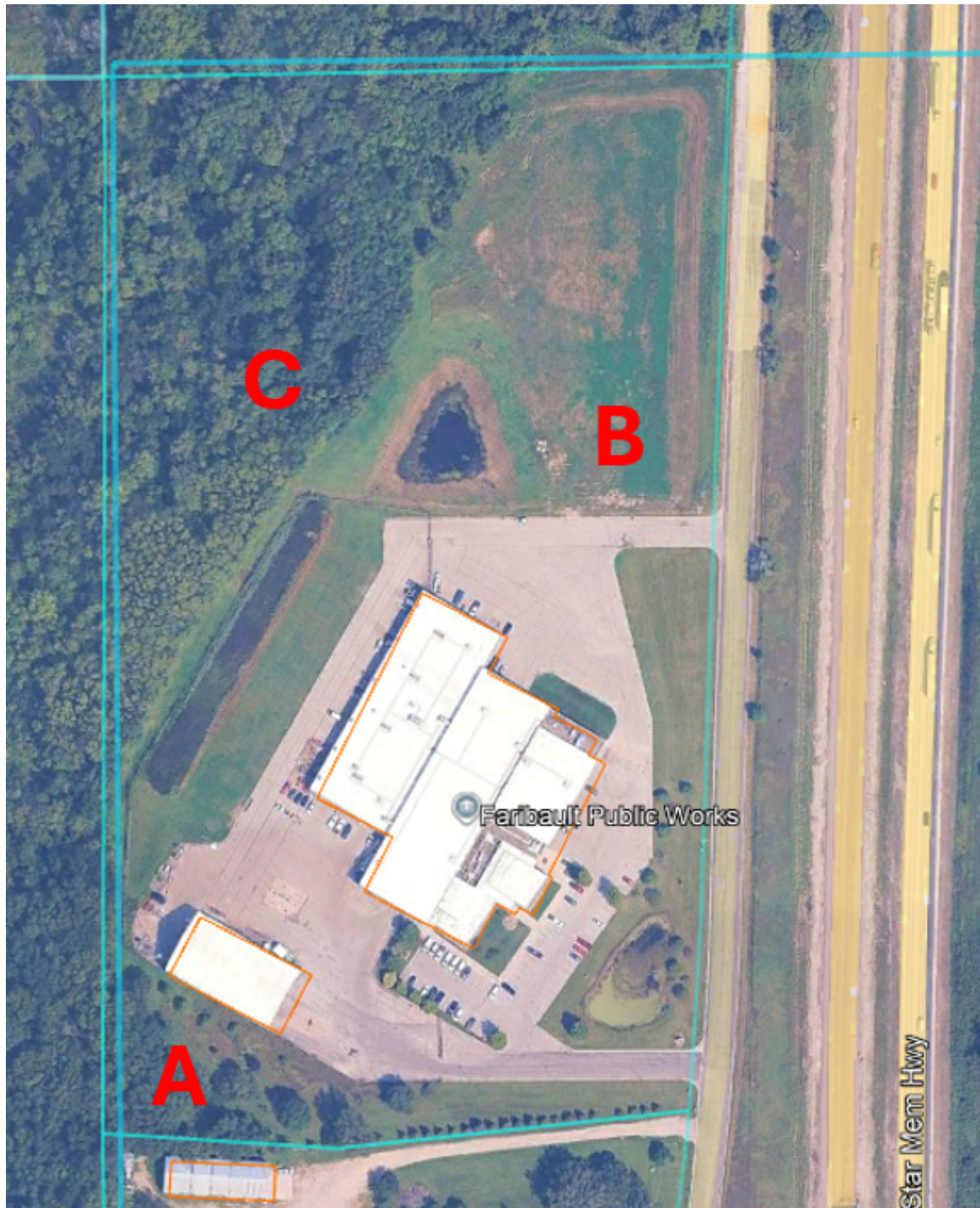
[LCC Telecom Services](#)

10700 west Higgins Road, Suite 240

Rosemont, IL 60018

P: (305) 609-4143

F: (847) 608-1299





Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Mark DuChene, Director of Engineering (City Engineer)
MEETING DATE: August 18, 2026
SUBJECT: 7th Street NW Feasibility Study - Community Feedback Update

Discussion:

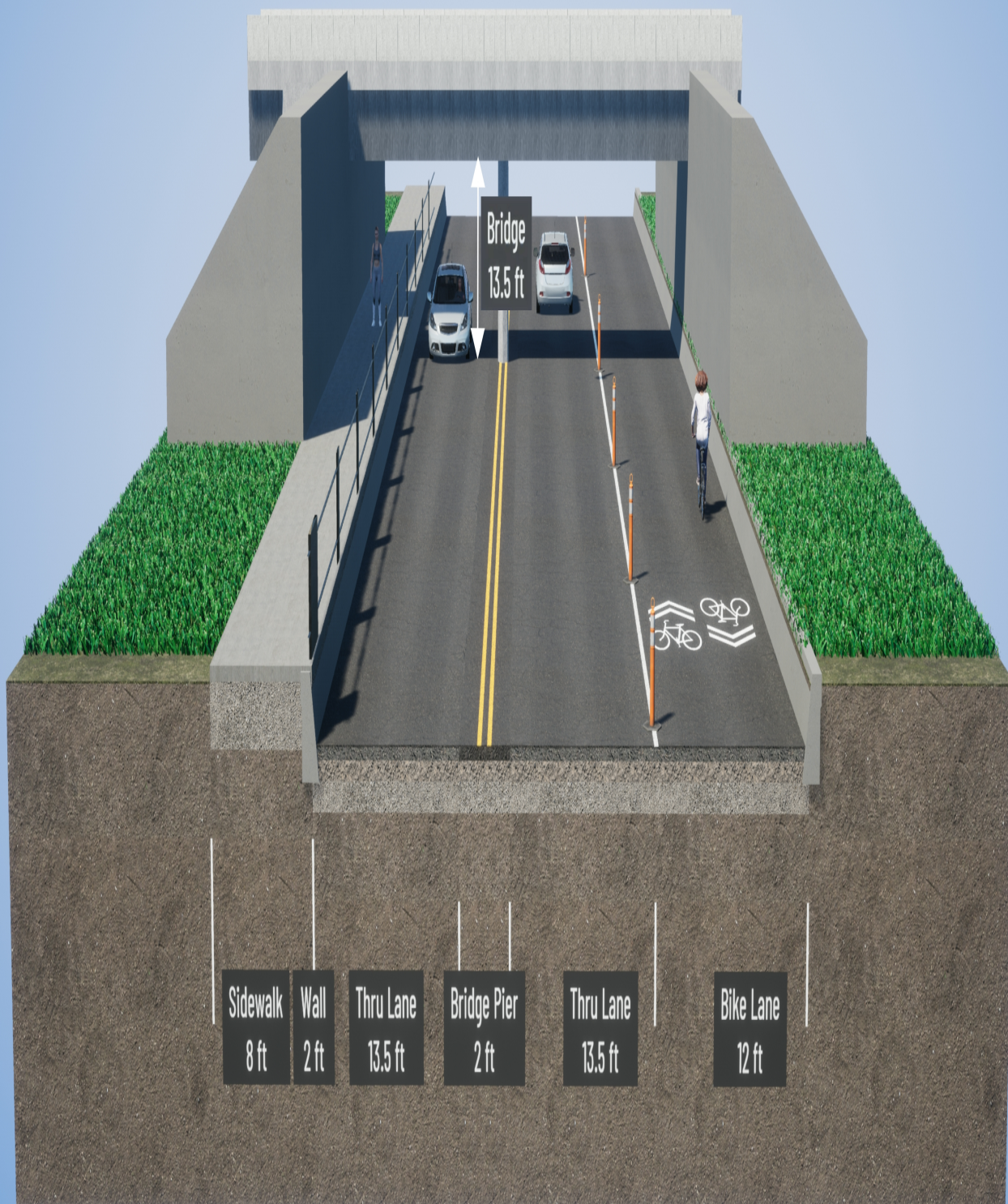
The open public survey for input on the proposed 7th Street NW feasibility study is scheduled to close on Friday, August 14, 2026. Staff will be present at the work session to provide a summary of the feedback received through the online survey as well as comments received at the two pop-up public engagement events at Nite To Unite and the Pet Parade. Staff will be looking for any additional comments or feedback Council may have to provide direction on what elements the Council wants to be prioritized, as Staff and the consultant build 2-3 concepts moving forward for further evaluation.

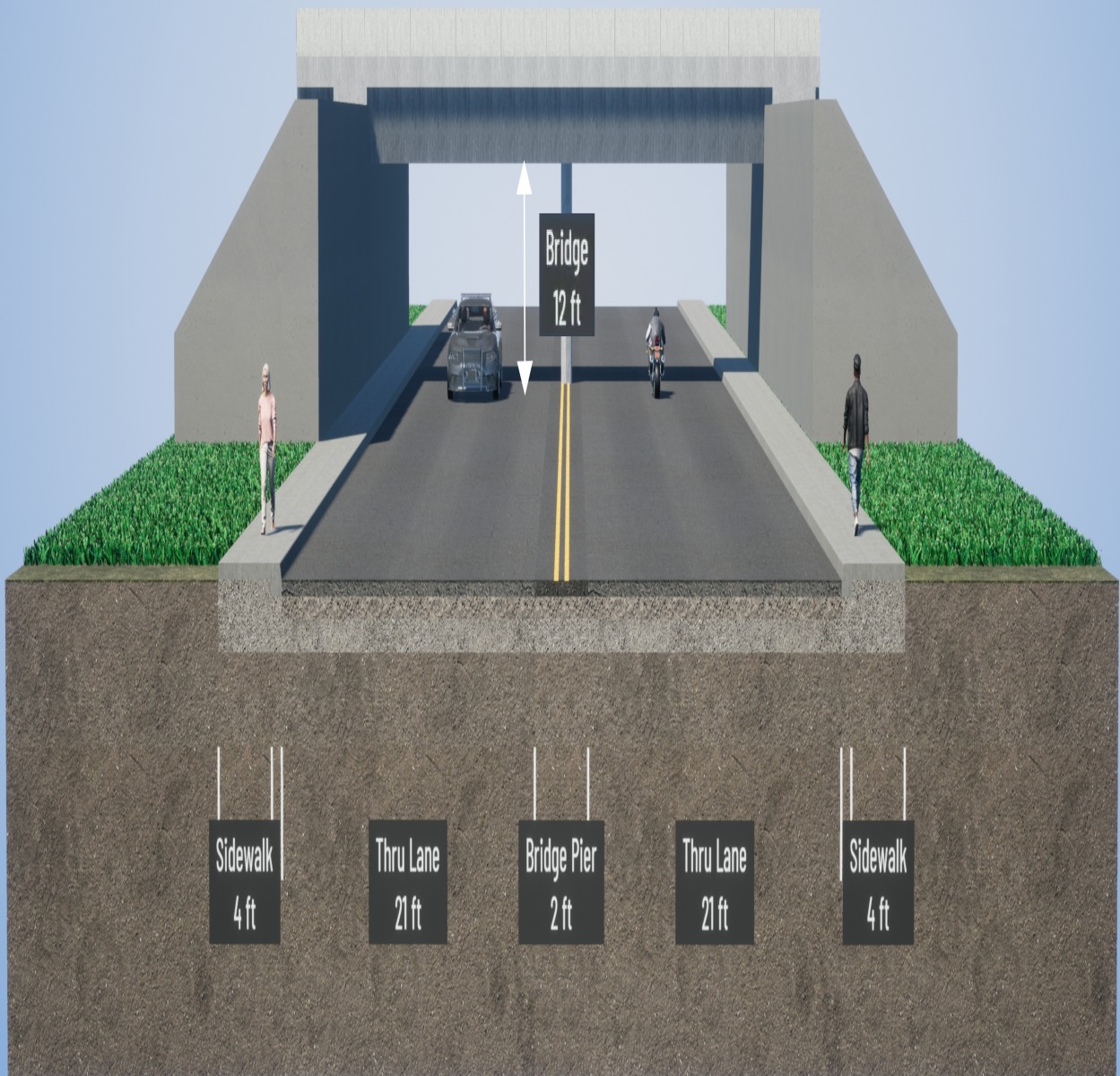
Attachments:

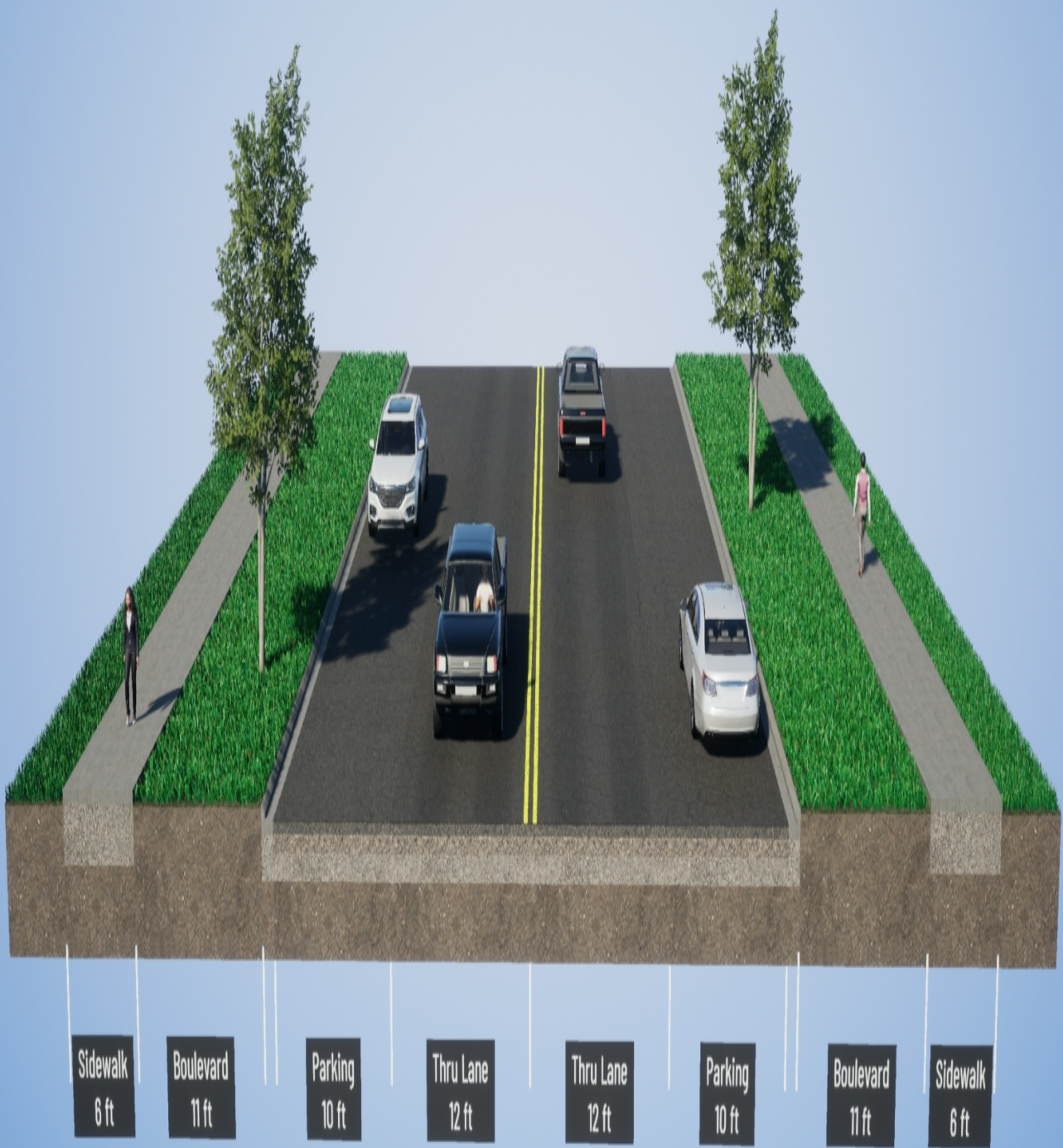
1. BRIDGE ALT 1
2. BRIDGE ALT 2
3. BRIDGE ALT 3
4. EX BRIDGE
5. EX ROAD EAST
6. EX ROAD WEST
7. ROAD ALT 1
8. ROAD ALT 2
9. ROAD ALT 3





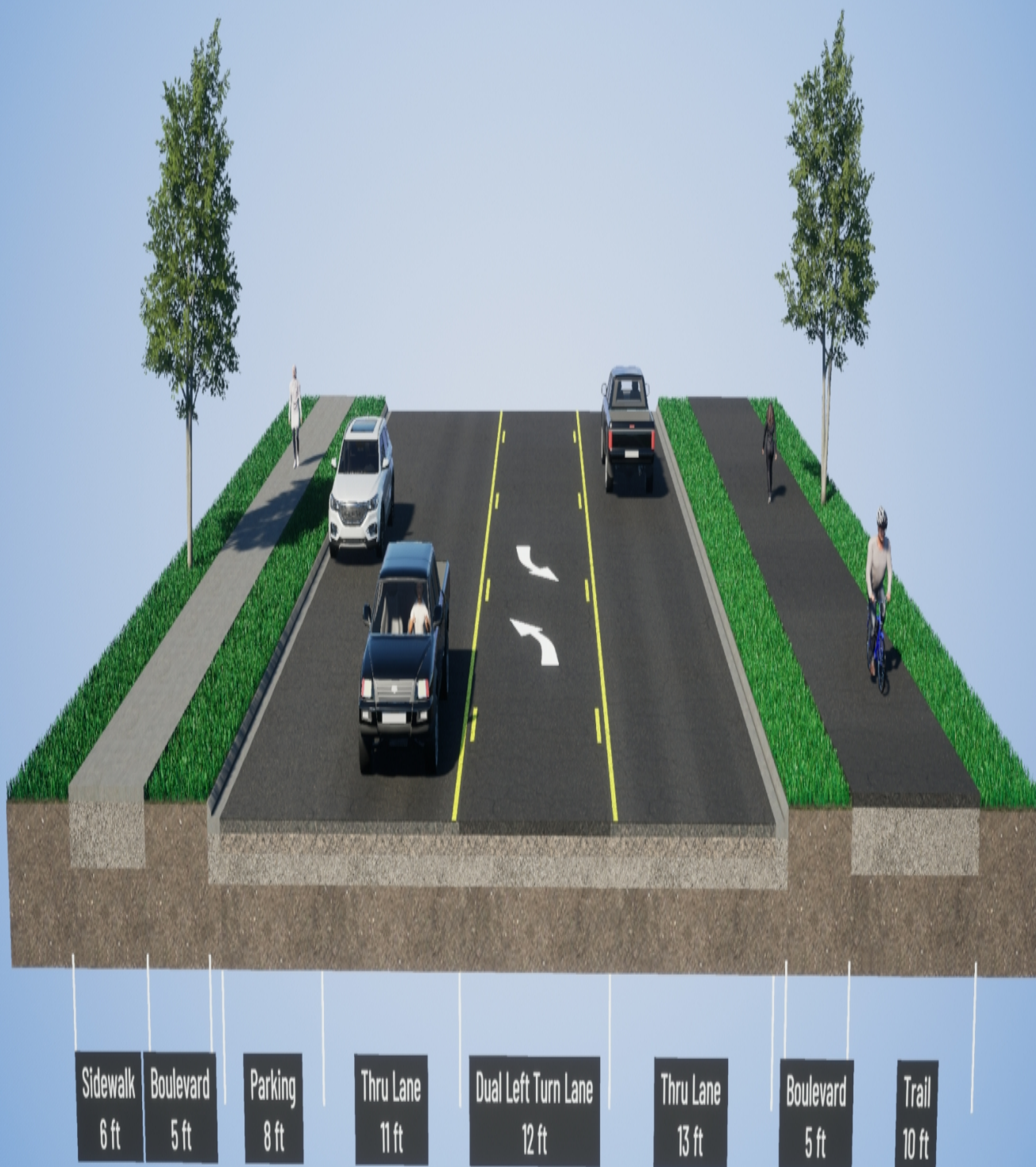














Sidewalk	Boulevard	Bike Lane	Thru Lane		Thru Lane	Bike Lane	Parking Lane	Boulevard	Sidewalk
6 ft	5 ft	5 ft	12 ft		12 ft	5 ft	8 ft	5 ft	6 ft



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Rochelle Anderholm-Parsch, Parks and Recreation Director
MEETING DATE: August 18, 2026
SUBJECT: Fund 404- Parkland Dedication Fund

Discussion:

The Parkland Dedication Fund (404) collects the parkland dedication fee, along with gas and electric franchise fees and other minor revenues to pay for improvements in the City's parks system. This is the fund where the Viaduct Park projects have been accounted for, and it is the fund where the annual \$560,000 principal and interest payments on the internal loan for Viaduct Park are made from this fund (reflected as an expense at the bottom of the attachment).

Given the required loan payments for the next 15 years, there is minimal cash in this fund for larger or multiple expenditures beyond keeping up with the playground equipment replacement, which is on a 20-year schedule for each park (double the replacement time recommended). Therefore, proposed bonding has been added in 2028 and 2030 to fund project needs which fall outside the \$136,000 available annually in cash. Parkland dedication fees are variable and are based on development occurring from year-to-year, which could impact future projects and borrowing.

2027

Next fiscal year includes final work and payments on the Deer Bridge Replacement, which is likely to start in 2026. Therefore, we have split the expense of \$500,000 between the two fiscal years, with the \$100,000 grant from the DNR coming at the end of the project in 2027. Beyond new playground equipment for Whipple Heights Green Way, purchases are also planned for Viaduct Park security cameras, and the replacement of shelter 1 at North Alexander Park, which did not occur in 2026.

2028

This year includes additional projects beyond trail maintenance and

playground equipment to include a new bathroom at North Alexander Park, which was removed from the 2026 budget due to cost. The Parks and Rec Advisory Board has placed a priority on pickleball, so a project to add courts at South Alexander has been included. There is also a proposal to purchase additional shades for Viaduct Park, which has come from community feedback following the opening of the splash pad.

2029-2031

2029 will utilize cash in that year for a playground replacement, trail maintenance and a new backstop at North Alexander. 2030 involves borrowing to fund a skatepark, which is a frequently requested amenity, along with an upgrade to the South Alexander shelter/restroom. The cash generated in 2030 is proposed to not go towards a majority of the projects and allow the borrowing to cover a majority of the costs. This then allows for enough cash on hand in 2031 to cover another light year of work (playground, trail maintenance, picnic shelter).

Looking Ahead

There are limited cash funding options for the ongoing work and renovation of the City's existing parks and park facilities. If borrowing for park projects is problematic, we recommend the Council consider future discussions to strategically reduce playground equipment at certain parks and transition some parks from active to more passive use. This discussion is timely, as playground replacements are currently scheduled in the CIP for Seabury Park in 2028, South Alexander Park in 2029, Batchelder Park in 2030, and Garfield Park in 2031. As equipment reaches the end of its useful life, the City could evaluate whether replacement or a transition to passive use is appropriate. Other options include evaluating whether certain park properties could legally and functionally be returned to residential or other uses, and/or increasing the parkland dedication fee while prioritizing fees from new development rather than additional parkland dedication.

Attachments:

1. Fund 404 CIP

2027 through 2031
Capital Improvement Plan
 Faribault, MN
Sources and Uses of Funds Details

Source	Project #	2027	2028	2029	2030	2031
Park Improvements (404)						
Beginning Balance		385,149	149	136,149	112,149	68,149
<u>Revenues and Other Fund Sources</u>						
<i>Revenue</i>						
Bond Proceeds 39310		0	803,000	0	1,000,000	0
E/G Franchise Fee 34111		590,000	590,000	590,000	590,000	590,000
Grants		100,000	0	0	0	0
Interest 36210		6,000	0	0	0	0
Parkland Dedication 36250		20,000	20,000	20,000	20,000	20,000
Transfer In 39200		86,000	86,000	86,000	86,000	86,000
Total		802,000	1,499,000	696,000	1,696,000	696,000
<i>Other Fund Sources</i>						
Total Revenues and Other Fund Sources		802,000	1,499,000	696,000	1,696,000	696,000
Total Funds available		1,187,149	1,499,149	832,149	1,808,149	764,149
<u>Expenditures and Uses</u>						
<i>Capital Projects & Equipment</i>						
<i>Engineering</i>						
2026- 2030 Bridge & Dam Improvements	BRIDGE	250,000	0	0	0	0
Total		250,000	0	0	0	0
<i>Parks</i>						
2025-2029 Trail Improvements/ Maintenance	TRAILS	25,000	25,000	30,000	30,000	30,000
Pickleball Courts- S. Alex	Parks F 28	0	100,000	0	0	0
Picnic Shelter Addition - Prairie Park	PAR F 31-02	0	0	0	0	60,000
Replacement - Backstop, North Alexander	PAR E 29-07	0	0	30,000	0	0
Replacement - N Alexander Park Restrooms/MainBldg	PAR F 25-02	204,000	400,000	0	0	0
Replacement - Park Playground Equipment	PAR E 25-06	100,000	100,000	100,000	100,000	100,000
Replacement - Scoreboards, North Alexander	PAR E 28-02	0	78,000	0	0	0
Skatepark	PAR F 29-04	0	0	0	450,000	0
Upgrade - South Alexander Park Shelter & Restroom	PAR F 29-08	0	0	0	600,000	0
Viaduct Park Shade Sales	VIA SI 28 03	0	100,000	0	0	0
Viaduct Security/Cameras Verkada	VIA-E-001	48,000	0	0	0	0
Total		377,000	803,000	160,000	1,180,000	190,000
<i>Other Uses</i>						
Internal Loan Int/Prin		560,000	560,000	560,000	560,000	560,000
Total		560,000	560,000	560,000	560,000	560,000
Total Expenditures and Uses		1,187,000	1,363,000	720,000	1,740,000	750,000
Change in Fund Balance		-385,000	136,000	-24,000	-44,000	-54,000
Ending Balance		149	136,149	112,149	68,149	14,149



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM:
MEETING DATE: August 18, 2026
SUBJECT: Fund 431 - Capital Equipment Replacement Fund

Discussion:

Fund 431 accounts for capital vehicles and equipment purchases across all departments, except the utilities. The main sources of revenue is electric/gas franchise fees at \$95,000 per year with interest earnings when funds exist. This fund also recognizes any trade-in value or sale of an existing asset as revenue, which varies by year based on the equipment proposed for replacement. Requests from departments are based on equipment replacement schedules for useful life, but also incorporate excess use or known issues into the replacement schedule.

2027 Proposed Purchases

The requests for 2027 total \$685,500, which will be covered mostly through fund balance projected to be in the fund as of 1/1/2027. Equipment Maintenance has the largest purchase of a new hoist lift to replace the current non-functioning lift at \$325,000. Street Maintenance also has requests for multiple pieces of equipment that total \$201,000. The only vehicle proposed to be replaced in 2027 is the 2012 Ford Econoline Van. This will not be transferred to another department for continued use and will be for sale on Govdeals or as a trade-in. Parks also has the replacement of a ball cart and an aerator.

2028 Proposed Purchases

The requests for 2028 are at a level where equipment certificates or being part of a larger bonding package city-wide is needed to finance replacement purchases, specifically at the level of \$1.5 million. The plan is not to use any of the cash revenues coming in order to fund 2029 with cash.

The Library is the last City facility to see the camera and door access updates as part of a multi-year city-wide effort to upgrade the systems across the City. The Library also has some additional replacements of

furniture, a security gate, and a self-check-out system. All projects combined total \$417,000, or about 30% of the total request.

The Parks Department is also proposing some significant replacements of key pieces of equipment. The current Broyhill trash truck is necessary for the efficient collection of trash from 368 trash cans. The department's bucket truck is also up for replacement, along with a lawnmower and a toolcat. The \$715,000 in proposed replacements is about 50% of the total proposed.

Street Maintenance also has a larger year in 2028, with the replacement of the patching truck, along with a new air compressor and a sprayer. The \$291,750 request is more than 20% of the total spend proposed.

2029-2031

2029 is proposed as a year of few replacements with the major expense being a John Deere tractor replacement in the Street Department at more than 50% of the total proposed budget of \$277,000. The cash revenues and cash from prior years are proposed to fund the purchases.

2030 is a very big year, as two large truck purchases are proposed for the Fire Department. Given that these are large enough expenses (\$4 million for both trucks), we would have to borrow. We have broken out the funds into two years, 2030 and 2032, as a down payment of 50% is typically required with an order, and it is taking years for trucks to be completed when the final payment is made.

2032 has a number of projects that can also not be funded with cash. As this year gets closer in the plan, staff will continue to refine the placement of the projects. As noted. There will be at least another \$2 million needed in 2032 for the second half payment on two fire trucks, so we would anticipate another borrowing request at that time.

Looking Ahead

This was a fund that received distributions from the General Fund in the past when the 50% fund balance threshold was exceeded. With the 2025 capital loan to be paid off over 8 years, I would expect that it would be unlikely to see the fund balance exceed 50% for most of the lifespan of the loan. Revenue to fund needs will continue to be a challenge into future years. The plan is to try and consolidate as many needs as possible into even-numbered years in order for there to be enough dollar value to pursue a borrowing as a standalone or with other capital borrowing needs.

Attachments:

1. Fund 431 CIP

2027 through 2031
Capital Improvement Plan
 Faribault, MN
Sources and Uses of Funds Details

Source	Project #	2027	2028	2029	2030	2031
Capital Replacement Fund (431)						
Beginning Balance		594,407	48,757	215,357	76,907	322,757
<u>Revenues and Other Fund Sources</u>						
<i>Revenue</i>						
E/G Franchise Fee 34111		95,000	95,000	95,000	95,000	95,000
Equipment Certificates		0	1,500,000	0	3,300,000	1,000,000
Interest 36210		2,850	2,850	2,850	2,850	2,850
Sale of Capital Asset 39101		42,000	52,500	40,700	74,000	97,000
Total		139,850	1,650,350	138,550	3,471,850	1,194,850
<i>Other Fund Sources</i>						
Total Revenues and Other Fund Sources		139,850	1,650,350	138,550	3,471,850	1,194,850
Total Funds available		734,257	1,699,107	353,907	3,548,757	1,517,607
<u>Expenditures and Uses</u>						
<i>Capital Projects & Equipment</i>						
<u>Community Center</u>						
Climbing Wall	COM E 29-01	0	0	16,000	0	0
Replacement - Floor Machine	COM E 25-01	0	0	0	0	10,000
Total		0	0	16,000	0	10,000
<u>Engineering</u>						
Replacement - 2012 Ford Econoline Van	ENG E 27-02	60,000	0	0	0	0
Replacement - 2014 F150 Pickup #3	ENG E 30-01	0	0	0	60,000	0
Replacement - GPS Surveying Equipment	ENG E 28-02	0	40,000	0	0	0
Replacement - Plotter/Scanner	ENG E 28-01	0	20,000	0	0	0
Replacement - Topcon Station Survey Equip	ENG E 27-01	60,000	0	0	0	0
Replacement - Traffic Counting Equipment	ENG E 31-02	0	0	0	0	10,000
Total		120,000	60,000	0	60,000	10,000
<u>Equipment Maintenance</u>						
Break Press	EQPM E 30-01	0	0	0	100,000	0
Drill Press	EQPM E 30-02	0	0	0	10,000	0
Hoist Lift	EQPM E 27-01	325,000	0	0	0	0
OTC 100-ton Press	EQPM E 30-03	0	0	0	20,000	0
Total		325,000	0	0	130,000	0
<u>Fire & Code Services</u>						
Replacement - 1997 Ford F350 #2130	FIR E 28-02	0	0	0	100,000	0
Replacement - 2008 Spartan Fire Pumper #2115	FIR E 28-01	0	0	0	750,000	0
Replacement - Aerial Ladder Truck #2117	FIR E 30-01	0	0	0	1,250,000	0
Replacement - Trailer #2	FIR E 29-01	0	0	30,000	0	0
Replacement- Self-Contained Breathing Apparatus	FIRE E SCBA	0	0	0	0	300,000
Thermal Imaging Camera	FIR E 31-02	0	0	0	0	10,000
Total		0	0	30,000	2,100,000	310,000
II						
Library Cameras	LBCM-01	0	150,000	0	0	0

Source	Project #	2027	2028	2029	2030	2031
Library Door Access	LBDA-01	0	150,000	0	0	0
	Total	0	300,000	0	0	0
<u>Library</u>						
Replacement - Library Furniture	LIB E 26-01	0	75,000	0	0	0
Replacement - Library Security Gate System	LIB E 27-01	0	30,000	0	0	0
Replacement - Self-Checkout System	LIB E 28-01	0	12,000	0	0	0
	Total	0	117,000	0	0	0
<u>Parks</u>						
Replacement - 2000 Toro Aerator #51	PAR E 27-05	6,500	0	0	0	0
Replacement - 2008 Towmaster Trailer #40	PAR E 28-06	0	15,000	0	0	0
Replacement - 2009 Downeaster Sander	PAR E 29-01	0	0	12,000	0	0
Replacement - 2009 John Deere Tractor Boom/mw #52	PAR E 29-05	0	0	0	0	220,000
Replacement - 2012 Ford F550 Bucket Truck #39	PAR E 27-01	0	200,000	0	0	0
Replacement - 2012 Ford F550 Dump Truck #2	PAR E 25-02	0	0	0	0	70,000
Replacement - 2015 Toro 72" Mower #30	PAR E 28-04	0	45,000	0	0	0
Replacement - 2017 Toolcat Stump Grinder #59	PAR E 27-02	0	15,000	0	0	0
Replacement - 2018 Toro 4000D Lawn Mower #27	PAR E 28-05	0	75,000	0	0	0
Replacement - 2019 Bobcat Toolcat #38	PAR E 28-03	0	75,000	0	0	0
Replacement - 2019 Chevrolet Silverado 2500 #6	PAR E 29-02	0	0	45,000	0	0
Replacement - 2019 V Plow #68	PAR E 27-03	0	0	0	0	6,000
Replacement - 2020 Toro 5610 16" Mower #22	PAR E 30-01	0	0	0	130,000	0
Replacement - Ballcarts (Parks) 2024 Forward	PAR-EQ-32	33,000	0	0	0	0
Replacement - Broyhill Load & Pack Garbage Truck	PAR E 29-03	0	220,000	0	0	0
Replacement - Ford F250 Pickup #32	PAR E 28-01	0	70,000	0	0	0
Replacement - Holiday Decorations	PAR E 29-06	0	0	14,000	0	0
Replacement - Tool Cat	PAR E 31-03	0	0	0	0	70,000
Replacement - Tool Cat Vplow	PAR E 31-01	0	0	0	0	7,000
Replacement - Wood Chipper #26	PAR E 25-01	0	0	0	70,000	0
Tool Cat Angle Broom	PAR E 31-02	0	0	0	0	7,000
	Total	39,500	715,000	71,000	200,000	380,000
<u>Police</u>						
Replacement- UTV	POL E 31-01	0	0	0	0	65,000
	Total	0	0	0	0	65,000
<u>Street</u>						
Planer	STR E 27-05	32,000	0	0	0	0
Replacement - 2001 Sterling Patch Truck #101	STR E 28-04	0	222,000	0	0	0
Replacement - 2005 Sellair Compressor #305	STR E 28-03	0	33,000	0	0	0
Replacement - 2011 Cat Loader	STR E 31-01	0	0	0	0	340,000
Replacement - 2018 Freightliner #118	STR E 30-04	0	0	0	340,000	0
Replacement - Grayco Sprayer #103	STR E 28-02	0	36,750	0	0	0
Replacement - John Deere Tractor #211	STR E 29-02	0	0	160,000	0	0

Source	Project #	2027	2028	2029	2030	2031
Replacement - Tar Kettle #401	STR E 27-02	85,000	0	0	0	0
Replacement - Towmaster Trailer #604	STR E 31-02	0	0	0	0	35,000
Replacement- 2008 Cat 140H Grader #208	STR E 30-05	0	0	0	365,000	0
Replacement- Skid Steer	STR E 27-04	84,000	0	0	0	0
Sign Plotter	STR E 30-02	0	0	0	31,000	0
	Total	201,000	291,750	160,000	736,000	375,000
<i>Other Uses</i>						
Total Expenditures and Uses		685,500	1,483,750	277,000	3,226,000	1,150,000
Change in Fund Balance		-545,650	166,600	-138,450	245,850	44,850
	Ending Balance	48,757	215,357	76,907	322,757	367,607



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Jessica Kinser, City Administrator
FROM: Kindra Papenfus, Finance Director
MEETING DATE: August 18, 2026
SUBJECT: Fund 437 - Public Facilities Fund

Discussion:

Overview

The Public Facilities Fund (fund 437) budget totals approximately \$68.4 million in capital projects during 2027–2031, as detailed in the attached CIP schedule. Two projects account for the large majority of the plan: the Community Center Renovation & Expansion (\$48.15 million) and the Fire Station Addition (\$14.3 million), together roughly 91% of total planned spending. The remaining \$5.97 million is spread across the six other facility categories described below.

2027 in Focus

City staff have worked to focus on projects on an every - other - year basis in order to be efficient with the time and administration that comes with debt issuance. As a result, several projects have been moved to a 2028 or 2030 schedule. However, it has been determined that further delay in the City Hall roof replacement will likely result in degradation of the building's integrity overall and cannot be prudently delayed. The proposed budget includes 2027 Capital Notes to fund this project, with the debt timed in a way that debt service will begin in 2028 on the City's tax levy.

Community Center

The Community Center Renovation & Expansion is the plan's largest project, budgeted at \$472,500 in 2028 for schematic design ahead of a referendum, \$1,890,000 in 2029 for preparation of the building plans, and \$45,787,500 in 2030 for construction and construction administration, for a project total of \$48,150,000. Funding a portion of the design before the referendum presents risk to the Council, but only if there is not a desire to proceed with the expansion portions of the project.

Should all fail in relation to the \$45 million construction proposal, there is still a need for about \$16–20 million to handle basic maintenance and

facility system updates on a nearly 50-year-old building.

Fire & Code Services

The Fire Station Addition is budgeted at \$1,300,000 in 2028 for engineering and design, and \$13,000,000 in 2029, for a project total of \$14,300,000. These figures are placeholders, as a better estimate is expected following the space needs assessment and review of what can be done on the current site.

Other Projects

Other planned projects during 2027-2031 come to just under \$6 million, and include

- City Hall Roof Replacement and Facility Improvements
- Aquatic Center Resurfacing & Feature Repair/Replacement
- Library Improvements
- Parks Key Feature Maintenance
- Police Storage Building Replacement
- Public Works Main Facility and Salt Storage Roof Replacements

Funding and Fund Balance

The plan is funded primarily through bond proceeds, supplemented by the electric/gas franchise fee (approximately \$200,000 annually), a utility fund transfer in lieu of franchise fees (\$50,000 annually). One-time sources include a 2027 capital asset sale (\$338,000) and a 2030 transfer from the 2021B refunding bond (\$1,948,859). Under the current plan, the fund maintains a positive ending balance each year, closing in 2031 at an estimated \$1,302,285.

Bond proceeds are drawn in the years that project costs are incurred: approximately \$900,000 in 2027, \$2,400,000 in 2028, \$17,097,790 in 2029, and \$45,787,500 in 2030, the last of which is tied to Community Center construction. Debt service on the 2027–2029 issuances is expected to be levy-supported; debt service on the 2030 issuance is proposed to be funded through a local sales tax rather than the property tax levy. A forecasted debt service schedule is included for your review.

Future Discussion

As we go into 2027, the City Council will need to determine if there is the appetite to do both a Fire Station Addition and Renovation and a Community Center Renovation at the same time. While the funding source for the Community Center is proposed to be revenue bonds to be paid with a voter-approved local sales tax, there are a number of reasons to be concerned about the viability of that funding source, from getting approval from the State Legislature to getting voter approval. If unable to obtain a local sales tax, other bonding that would go into the tax levy would need

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to be sought.

While there are a lot of hypotheticals in August, we will have a much clearer picture by mid-2027 and will be able to talk with more certainty about how the future of these two large projects fit together.

Attachments:

1. Fund 437 CIP
2. Fund 437 attachment

2027 through 2031
Capital Improvement Plan
 Faribault, MN
Sources and Uses of Funds Details

Source	Project #	2027	2028	2029	2030	2031
Public Facilities Fund (437)						
Beginning Balance		-8,074	499,926	528,426	428,426	1,472,285
<u>Revenues and Other Fund Sources</u>						
<i>Revenue</i>						
Bond Proceeds 39310		900,000	2,400,000	17,097,790	45,787,500	0
E/G Franchise Fee 34111		200,000	200,000	200,000	200,000	200,000
Interest 36210		0	0	0	0	5,000
Sale of Capital Asset 39101		338,000	0	0	0	0
Transfer In 39200		50,000	50,000	50,000	50,000	50,000
Transfer In- 2021BRefunding		0	0	0	1,948,859	0
Total		1,488,000	2,650,000	17,347,790	47,986,359	255,000
<i>Other Fund Sources</i>						
Total Revenues and Other Fund Sources		1,488,000	2,650,000	17,347,790	47,986,359	255,000
Total Funds available		1,479,926	3,149,926	17,876,216	48,414,785	1,727,285
<u>Expenditures and Uses</u>						
<i>Capital Projects & Equipment</i>						
<u>Aquatic Facility</u>						
Replacement - Aquatic Center Features	AQU F 32-02	100,000	300,000	0	0	0
Replacement - Aquatic Center Surfacing	AQU E 27-01	0	325,000	0	0	0
Total		100,000	625,000	0	0	0
<u>City Hall</u>						
Electrical Vehicle Charging Posts	EV-CH26	0	14,000	0	0	0
Exterior CH Maintenance	EX-CH30	0	0	0	50,000	0
Retaining Walls and Sidewalk	RE-CH28	0	55,000	0	0	0
Roof Power Supply Replacement	RF2-CH27	55,000	0	0	0	0
Roof Replacement	RF-CH27	800,000	0	0	0	0
Total		855,000	69,000	0	50,000	0
<u>Community Center</u>						
Community Center Renovation & Expansion	COM F 27-01	0	472,500	1,890,000	45,787,500	0
Total		0	472,500	1,890,000	45,787,500	0
<u>Fire & Code Services</u>						
Fire Station Addition	FIR F 28-01	0	1,300,000	13,000,000	0	0
Total		0	1,300,000	13,000,000	0	0
<u>Library</u>						
Library Flooring	LIB F 29-01	0	0	200,000	0	0
Library Remodel Restrooms	LIB F 31-02	0	0	0	0	175,000
Library Storm Windows-Lower Level and Clock Tower	LIB F 25-01	0	0	50,000	0	0
Replacement - Library HVAC	LIB F 31-01	0	0	0	0	250,000
Total		0	0	250,000	0	425,000
<u>Parks</u>						
Bea Duncan Memorial Fountain Renovation	PAR F 28-01	0	30,000	0	0	0
Fishing Pier Addition	PAR F 28-02	0	35,000	0	0	0
Replacement - White Sands Trail Head Facility Roof	PAR F 26-01	25,000	0	0	0	0
Upgrade - Central Park Bandshell	PAR F 27-01	0	0	0	105,000	0

Source	Project #	2027	2028	2029	2030	2031
Upgrade Ballfied Lights to LED at No Alex Park	PAR F 29-05	0	0	100,000	0	0
	Total	25,000	65,000	100,000	105,000	0
<u>Police</u>						
Storage Building	POL F 30-01	0	0	0	1,000,000	0
	Total	0	0	0	1,000,000	0
<u>Street</u>						
Replacement - Roof Public Works & Parks Facility	STR F 29-01	0	0	2,207,790	0	0
Replacement - Salt Storage Shed Roof	STR F 28-01	0	90,000	0	0	0
	Total	0	90,000	2,207,790	0	0
<u>Other Uses</u>						
Total Expenditures and Uses		980,000	2,621,500	17,447,790	46,942,500	425,000
Change in Fund Balance		508,000	28,500	-100,000	1,043,859	-170,000
	Ending Balance	499,926	528,426	428,426	1,472,285	1,302,285

Department Summary by Year

Fund 437 CIP	2027	2028	2029	2030	2031	Total
Aquatic Facility	100,000	625,000	0	0	0	725,000
City Hall	855,000	69,000	0	50,000	0	974,000
Community Center	0	472,500	1,890,000	45,787,500	0	48,150,000
Fire & Code Services	0	1,300,000	13,000,000	0	0	14,300,000
Library	0	0	250,000	0	425,000	675,000
Parks	25,000	65,000	100,000	105,000	0	295,000
Police	0	0	0	1,000,000	0	1,000,000
Street	0	90,000	2,207,790	0	0	2,297,790
Total Expenditures & Uses	980,000	2,621,500	17,447,790	46,942,500	425,000	68,416,790

Sources by Year

Fund 437	2027	2028	2029	2030	2031
Bond Proceeds	900,000	2,400,000	17,097,790	45,787,500	0
Franchise Fee, Transfers & Other	588,000	250,000	250,000	2,198,859	255,000
Total Expenditures & Uses	980,000	2,621,500	17,447,790	46,942,500	425,000
Ending Fund Balance	499,926	528,426	428,426	1,472,285	1,302,285

Debt Service Repayment Source by Year

Fund 437	2028	2029	2030	2031	2032
Debt Levy	279,720	438,690	1,730,190	1,730,190	1,730,190
Local Sales tax	-	-	-	1,915,201	3,830,402
Bond Service	279,720	438,690	1,730,190	3,645,391	5,560,592