



CITY COUNCIL AGENDA

Monday, June 1, 2026

CITY COUNCIL WORK SESSION, 6:00 P.M., COMMUNITY ROOM

Mayor Rafferty, Councilmembers Lyden, Nelson, Ruhland and Rennaker

City Administrator: Karen Anderson

1. Call to Order and Roll Call
2. Setting the Agenda: Addition or Deletion of Agenda Items
3. City Audit Presentation by Andy Hering Redpath & Company, Tracy Thoma
4. 2050 Comprehensive Plan Consultant - Landform Proposal, Katie Larsen
5. Harvest Grange Rezoning and Preliminary Plat, Katie Larsen
6. Zoning Ordinance Text Amendment (ZOTA) — Farm Animals, Katie Larsen
7. Franchise Agreements, Roberta Colotti
8. Consider Ordinance Amendment to Restrict the Sale of Flavored Vape and Tobacco Products, Curt Boehme
9. City Recreational Complex Development Update, Michael Grochala
10. City Administrator Update, Karen Anderson
11. Notices and Communications

ADJOURNMENT

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 3.**

STAFF ORIGINATOR: Tracy Thoma, Finance Director

MEETING DATE June 1, 2026

AGENDA ITEM: City Audit Presentation by Andy Hering Redpath & Company

INTRODUCTION

Andy Hering of Redpath and Company will be in attendance to provide an overview of the City's 2025 Annual Comprehensive Financial Report, present the auditor's management analysis, and answer any questions on the financial condition of the City.

BACKGROUND

The 2025 audit fieldwork was completed in April. The auditors reviewed the City's financial transactions and reports for the previous year to evaluate the fairness of presentation and the disclosure of all material aspects of the City's financial condition. This review is conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The auditors concluded that the City's financial statements presented fairly, in all material respects, the financial position of the City as of December 31, 2025.

In addition, the auditors issued reports regarding the City's legal compliance with applicable laws, regulations, contracts, as well as the City's internal control structure and management practices.

The City has also received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its 2024 Annual Comprehensive Financial Report. The City has received this award each year since 1995. We believe the 2025 report continues to uphold the high standards of financial reporting excellence that this prestigious award represents.

The work session presentation is intended to provide council with an opportunity to ask questions or provide comments regarding the audit report and the state of the City finances.

REQUESTED COUNCIL DIRECTION

Consider acceptance of the 2025 Audit Report at the June 8, 2026 City Council Meeting.

ATTACHMENTS

1. 2025 Final Issued Annual Comprehensive Financial Report (ACFR)
2. 2025 Final Issued Governance Letter
3. 2025 Final Issued Internal Control Report
4. 2025 Final Issued Legal Compliance Report

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF LINO LAKES, MINNESOTA**



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

Prepared By: Finance Department

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF LINO LAKES, MINNESOTA**

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

Prepared By: Finance Department

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CITY OF LINO LAKES, MINNESOTA
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INTRODUCTORY SECTION

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May 22, 2026

Honorable Mayor
Members of the City Council
Citizens of the City of Lino Lakes, Minnesota

Minnesota State law requires that cities over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the State Auditor. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Lino Lakes, Minnesota for the fiscal year ended December 31, 2025.

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

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

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

Profile of the Government

The City of Lino Lakes, incorporated in 1955, is a growing community in the southeast corner of Anoka County. It covers an area of 33 square miles and has a population of approximately 22,562. The population has grown by over 34% since 2000. Within the City's borders lies the 5,500-acre Rice Creek Chain of Lakes Regional Park. Access to St. Paul and Minneapolis is provided by I-35W and I-35E.

The City Charter, as amended, establishes a mayor-council form of government and grants the City Council full policy-making and legislative authority to the Mayor and four Council Members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a City Administrator. The City Administrator has the responsibility of carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Council is elected at-large on a non-partisan basis, with Council Members serving four-year terms and the Mayor serving a two-year term. Elections are held every two years with two council seats and the Mayor being up for election each election cycle.

The City provides a full range of municipal services. These services include general government, public safety (police, fire, and building inspections), public works (streets and fleet), culture and recreation (parks and recreation), conservation of natural resources (environmental, solid waste abatement, forestry), community development, public improvements, and providing and maintaining water, sewer, and storm water infrastructure.

The annual budget is the foundation for the City of Lino Lakes' financial planning and control. All departments are required to submit appropriations requests to the City Administrator for review and consolidation into a proposed budget. The City Administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The City Council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 30. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Department Directors may make transfers of appropriations within a department, but transfers of appropriations between departments require City Council approval. Budget-to-actual comparisons for the General Fund and The Rookery Activity Center Fund, the only governmental funds for which an annual budget has been adopted, are provided in Statements 10 and 11, respectively.

Factors Affecting Financial Condition

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

Local economy. Commercial and industrial sectors remain strong with few vacancies and new commercial projects underway on both the I-35W and I-35E corridors. Six new freestanding national chain projects are currently in the plan review process or under construction.

The I-35E corridor has also gained additional attention through a partnership with Anoka and Washington Counties, neighboring cities, and Connexus Energy, to establish the Minnesota Technology Corridor. Over 1,000 acres are available along the corridor with strong transportation, fiber, and utility infrastructure to serve the growing data and tech fields. Construction of the Otter Lake Road Extension in 2026 will provide road and utility improvements to serve over 200 acres.

The City recently approved the 340-unit Wilkinson Waters mixed use development and preliminary approval to Peltier Ponds, a 280-unit residential development. Multiple residential projects are currently in

Factors Affecting Financial Condition (Continued)

the review process from both local and national developers.

Overall, the City continued to see substantial development activity in 2025. The City issued building permits for 138 residential units and three new commercial establishments in 2025. The total building permit valuation was approximately \$65 million.

Long-term financial planning. The City's current Financial Plan identifies capital equipment purchases and building and infrastructure improvements totaling more than \$103 million over the five-year period. These improvements are anticipated to be funded through several funding sources, including tax levies, special assessments, fund reserves, bond proceeds, and intergovernmental grants. The Plan is currently being revised to reflect the anticipated activity through fiscal year 2031.

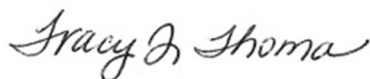
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting (COA) to cities that meet certain criteria. The City of Lino Lakes received this award for its ACFR for the year ended December 31, 2024. This marks the twenty-ninth consecutive year the City has received this prestigious award. A governmental unit must publish an easily readable and efficiently organized ACFR, the contents of which conform to program requirements. This report must satisfy both GAAP and applicable legal requirements.

The COA is valid for a period of one year. The City is submitting the 2025 report to GFOA for consideration of the COA. We believe our current report continues to conform to the high standards of the program.

The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors, and other city staff. I want to express my appreciation to the Mayor and City Council for commitment to maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tracy Thoma".

Tracy Thoma, Finance Director
City of Lino Lakes, Minnesota

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lino Lakes
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

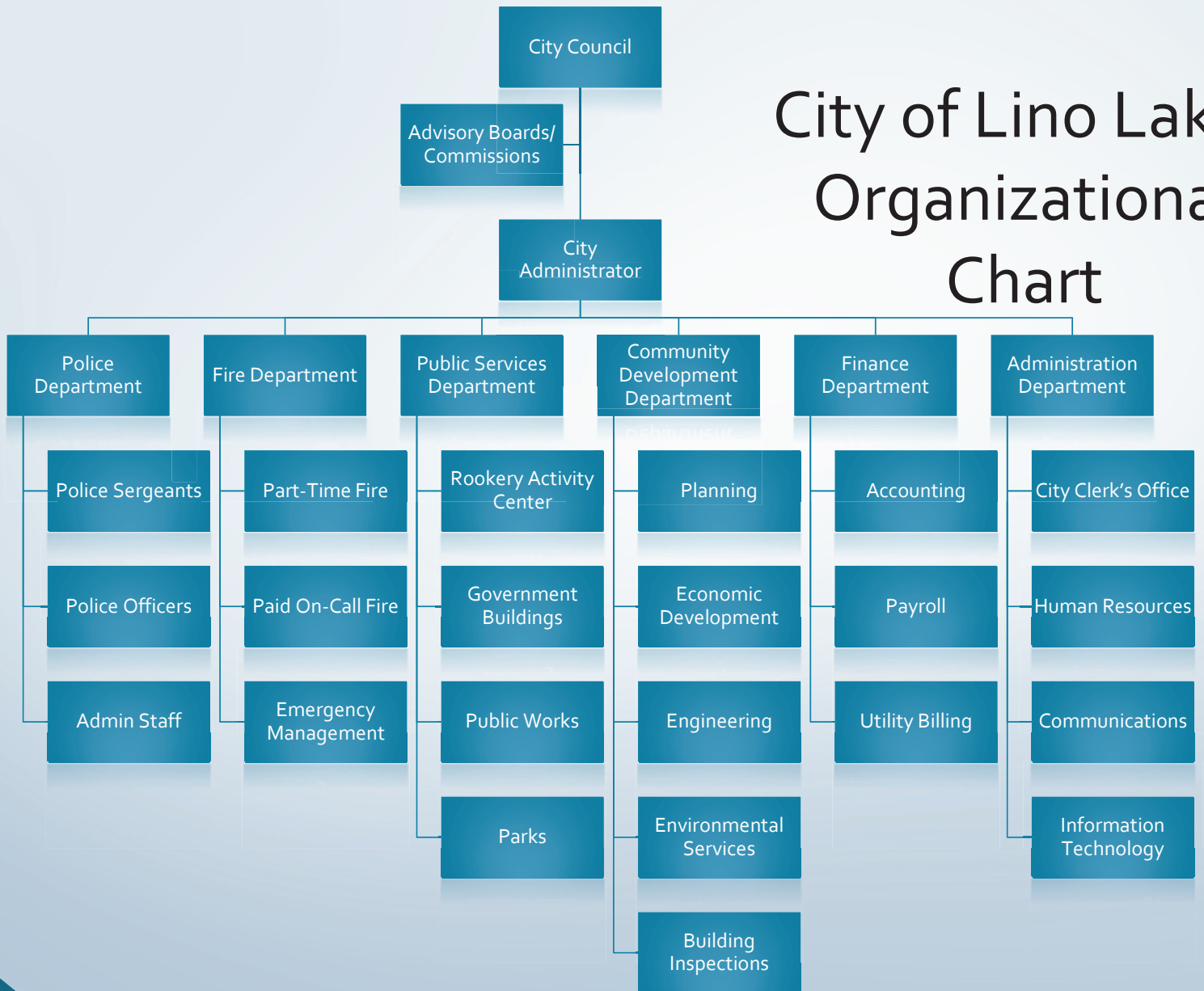
December 31, 2024

Christopher P. Morill

Executive Director/CEO

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City of Lino Lakes Organizational Chart



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CITY OF LINO LAKES, MINNESOTA**PRINCIPAL CITY OFFICIALS**

December 31, 2025

		<u>Term Expires</u>
Mayor:	Rob Rafferty	December 31, 2025
Councilmembers:	Dale Stoesz	December 31, 2025
	Tony Cavegn	December 31, 2025
	Chris Lyden	December 31, 2027
	Michael Ruhland	December 31, 2027
City Administrator:	Karen Anderson	Appointed
Directors:		
Community Development	Michael Grochala	Appointed
Finance	Tracy Thoma	Appointed
Public Services	Richard DeGardner	Appointed
Police	Curt Boehme	Appointed
Fire	Dan L'Allier	Appointed

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lino Lakes, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lino Lakes, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2026 on our consideration of the City of Lino Lakes, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lino Lakes, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 22, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lino Lakes, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$175,585,088 (net position). Of this amount, \$42,591,350 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$20,335,485.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35,741,480, a decrease of \$1,109,077. Of this amount, \$8,199,136 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.
- At the end of the current fiscal year, the general fund balance was \$10,229,779. Unassigned fund balance for the general fund was \$9,713,191, or 69% of total general fund expenditures and other financing uses.
- Total outstanding debt increased by \$8,324,839 during 2025. General Obligation Bonds totaling \$8,090,000 were issued, \$1,787,692 was issued against the 2024 G.O. Water Revenue Note (MPFA), while regularly scheduled principal payments were made during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, conservation of natural resources, and community development. The business-type activities of the City include water, sewer, and storm water utilities.

The government-wide financial statements are Statements 1 and 2 of this report.

Fund Financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lino Lakes maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the following major funds:

- General Fund
- The Rookery Activity Center – Special Revenue Fund
- Capital Equipment Replacement – Capital Project Fund
- Area and Unit Trunk – Capital Project Fund
- MSA Construction – Capital Project Fund
- 2024/2025 Street Reconstruction – Capital Project Fund

Management's Discussion and Analysis

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements are Statements 3 through 5 of this report.

The City adopts annual appropriated budgets for the General Fund and The Rookery Activity Center Fund. Budgetary comparison schedules are presented as Statements 10 and 11 of this report.

Proprietary funds. The City of Lino Lakes maintains three enterprise funds as a part of its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and storm water utilities.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water Funds, which are considered to be major funds of the City.

The basic proprietary fund financial statements are Statements 7 through 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following Statement 9.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented as Statements 19 through 26.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lino Lakes, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$175,585,088 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$124,317,441 or 70%) reflects its net investment in capital assets (e.g. land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Lino Lakes' Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$50,809,866	\$49,440,507	\$17,221,611	\$16,830,074	\$68,031,477	\$66,270,581
Capital assets	73,237,366	66,877,583	78,669,485	56,785,794	151,906,851	123,663,377
Total assets	124,047,232	116,318,090	95,891,096	73,615,868	219,938,328	189,933,958
Deferred outflows of resources	4,319,892	5,617,140	96,636	122,256	4,416,528	5,739,396
Liabilities:						
Long-term liabilities	28,405,829	22,106,266	3,177,910	1,754,554	31,583,739	23,860,820
Other liabilities	9,098,487	7,397,582	286,605	305,739	9,385,092	7,703,321
Total liabilities	37,504,316	29,503,848	3,464,515	2,060,293	40,968,831	31,564,141
Deferred inflows of resources	7,604,167	8,624,053	196,770	235,557	7,800,937	8,859,610
Net position:						
Net investment in capital assets	48,302,743	50,860,601	76,014,698	53,198,585	124,317,441	104,059,186
Restricted	8,676,297	7,378,391	-	-	8,676,297	7,378,391
Unrestricted	26,279,601	25,568,337	16,311,749	18,243,689	42,591,350	43,812,026
Total net position	\$83,258,641	\$83,807,329	\$92,326,447	\$71,442,274	\$175,585,088	\$155,249,603

Of the City's net position, \$8,676,297 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$42,591,350) may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Management's Discussion and Analysis

The City's net position increased by \$20,335,485 during 2025. Key elements of this increase are as follows:

City of Lino Lakes' Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$3,639,578	\$3,911,025	\$5,410,067	\$4,817,812	\$9,049,645	\$8,728,837
Operating grants and contributions	1,488,450	1,480,903	5,060	7,589	1,493,510	1,488,492
Capital grants and contributions	16,231,842	8,609,291	1,984,213	2,119,227	18,216,055	10,728,518
General revenues:						
General property taxes	15,369,807	14,158,781	-	-	15,369,807	14,158,781
Other taxes	166,181	196,911	-	-	166,181	196,911
Tax increment	986,651	1,002,712	-	-	986,651	1,002,712
Grants and contributions not restricted to specific programs	6,801	2,364	-	-	6,801	2,364
Unrestricted investment earnings	1,900,916	1,517,537	700,014	603,782	2,600,930	2,121,319
Gain on disposal of capital assets	478,913	143,601	-	-	478,913	143,601
Total revenues	40,269,139	31,023,125	8,099,354	7,548,410	48,368,493	38,571,535
Expenses:						
General government	4,510,604	4,134,836	-	-	4,510,604	4,134,836
Public safety	7,506,924	7,045,702	-	-	7,506,924	7,045,702
Public works	5,662,429	6,218,466	-	-	5,662,429	6,218,466
Culture and recreation	3,149,235	3,283,500	-	-	3,149,235	3,283,500
Conservation of natural resources	172,572	287,271	-	-	172,572	287,271
Community development	976,720	732,201	-	-	976,720	732,201
Interest and fees on long-term debt	633,471	410,330	-	-	633,471	410,330
Water	-	-	2,171,174	2,130,173	2,171,174	2,130,173
Sewer	-	-	2,888,492	2,989,132	2,888,492	2,989,132
Storm water	-	-	361,387	409,320	361,387	409,320
Total expenses	22,611,955	22,112,306	5,421,053	5,528,625	28,033,008	27,640,931
Increase in net position before transfers	17,657,184	8,910,819	2,678,301	2,019,785	20,335,485	10,930,604
Transfers	(18,205,872)	(3,927,730)	-	3,927,730	(18,205,872)	-
Change in net position	(548,688)	4,983,089	2,678,301	5,947,515	2,129,613	10,930,604
Net position - January 1	83,807,329	78,824,240	71,442,274	65,494,759	155,249,603	144,318,999
Net position - December 31	\$83,258,641	\$83,807,329	\$74,120,575	\$71,442,274	\$157,379,216	\$155,249,603

Governmental Activities

Governmental activities decreased the City's net position by \$548,688 during 2025. Explanations regarding the decrease in net position and significant changes in governmental activities were as follows:

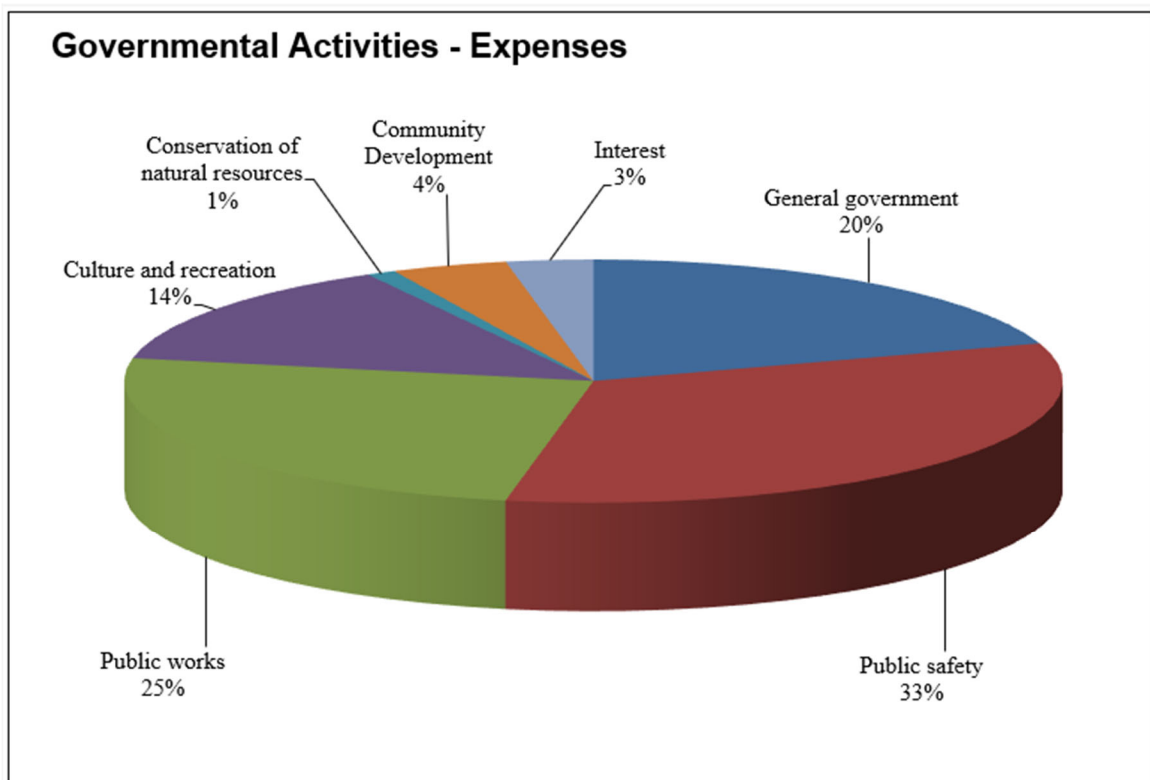
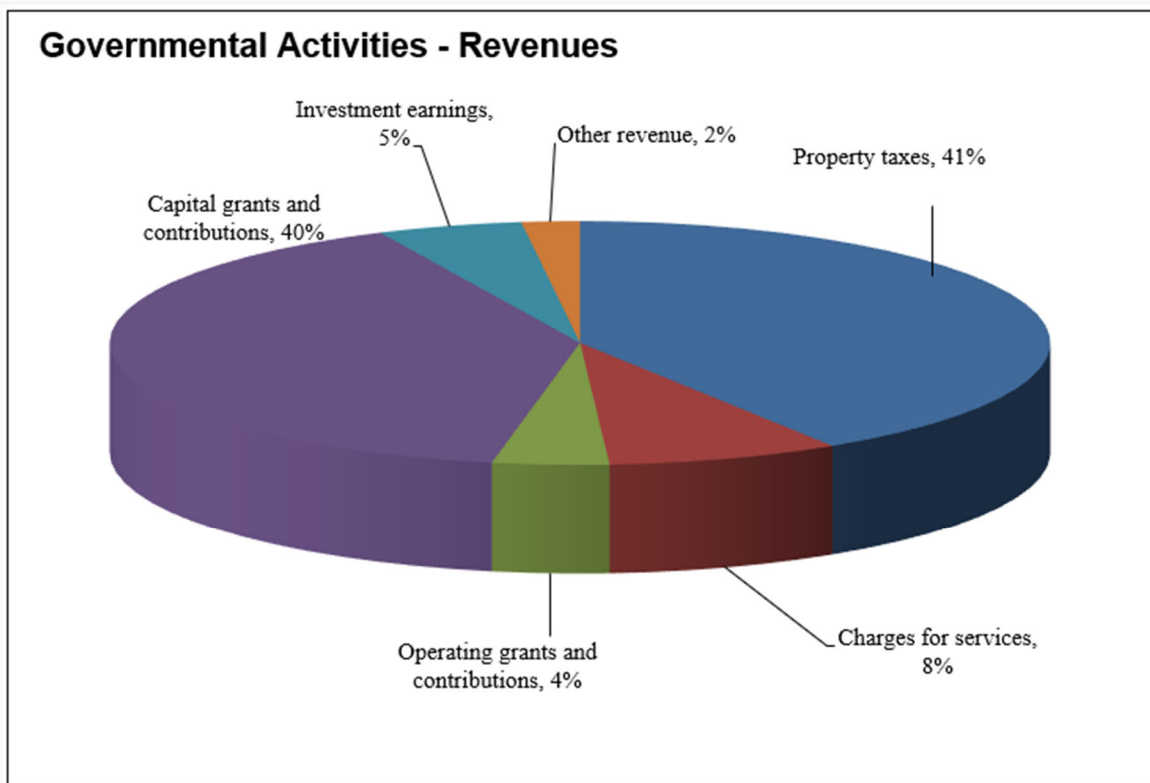
- There was a transfer from Government Activities of \$18,205,872 of construction in progress primarily related to the water treatment plant.
- Capital grants and contributions totaled \$16,231,842. This is comprised of intergovernmental grants, special assessments, and capital contributions. The significant increase from the prior year related to funding received for the water treatment plant.

Management's Discussion and Analysis

- Charges for service decreased \$271,447 in 2025. These revenues that were generated by the City's normal operations increased slightly in the areas of Public Safety Charges for Service (School Resource Officer and Eagle Brook Church increases) and Licenses and Permits (relating to a large fiber project). Revenues that decreased slightly are General Government Charges for Service (less Aerial Map Fees and Planning and Engineering Fees collected), Public Safety Fines and Forfeitures, and Culture and Recreation Charges for Service (less park dedication fees collected).
- Property tax revenue increased due to a levy increase of 10.41% over 2024.
- Unrestricted investment earnings also played a role in offsetting the decrease to net position in 2025, due to unrealized gains and interest earnings on investments with the stable interest rate environment.
- The city recognized a \$478,913 gain on the disposal of capital assets which was \$335,312 over the prior year.

Management's Discussion and Analysis

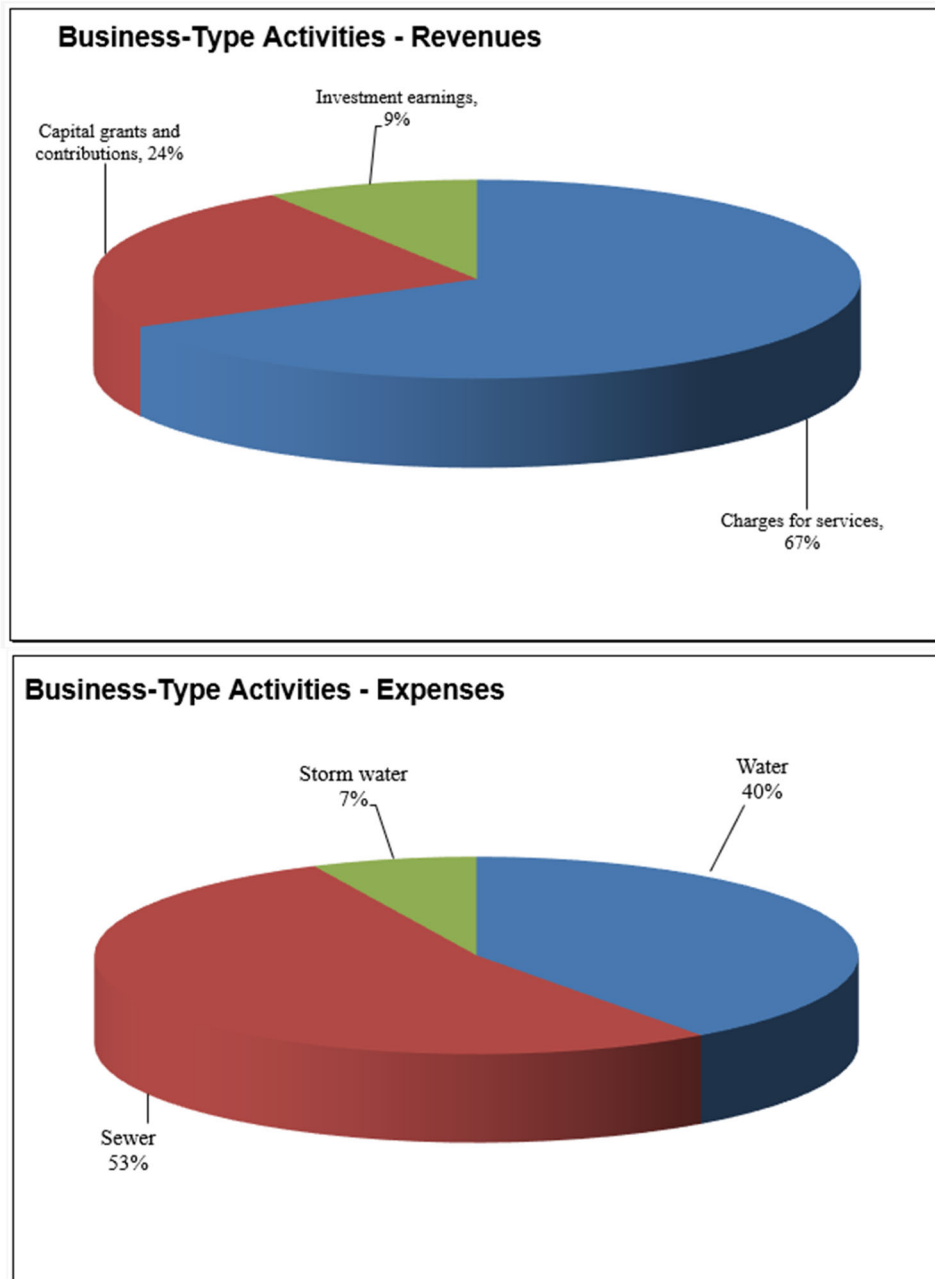
Below are specific graphs which provide a breakdown of the governmental activities revenues and expenses:



Business-Type Activities

Business-type activities increased the City's net position by \$20,884,173 during 2025. Capital contributions from governmental activities in the amount of \$20,771,701 (which are presented as transfers on the statement of activities) accounted for nearly all of the increase. Business-type activities had positive operating results in the Water and Storm Water funds, but these were offset by operating losses in the Sewer fund. This reflects budgeted outlays for the Water and Sewer fund, for which utility rate increases were implemented.

Below are specific graphs which provide comparisons of the business-type activities revenues and expenses:



Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35,741,480. Approximately 23% of this total amount (\$8,199,136) constitutes fund balance restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions. Of the remaining fund balance, \$590,875 is not in a spendable form, \$632,399 has been committed, \$18,442,007 has been assigned, and \$7,877,063 is unassigned.

The General fund balance increased by \$673,362. Overall revenues increased by approximately \$930,000 over the previous year. Property taxes, intergovernmental revenues, and investment earnings were the major drivers of the increase over the prior year due to an increased tax levy and increased state aids. The increases in revenues were offset by increased expenditures over the previous year, however the City had fewer transfers-out, which resulted in the net increase in fund balance.

The Rookery Activity Center opened to the public in May 2022. The fund balance increased by \$235,029 in 2025 resulting from positive operating activity, and an increase of \$100,000 in the tax levy over the prior year.

The Capital Equipment Replacement fund balance decreased by \$375,535. The property tax levy increased 1% to account for the replacement of public safety and public works equipment and vehicles financed by a pay-as-you-go tax levy. The fund was reduced by the interfund loan payable scheduled payments. The interfund loan payable will continue to be paid back with a tax levy over the next eight years. The capital outlay in the current year was \$397,985 for Public Safety and \$1,255,519 for Public Works.

The Area and Unit Trunk fund has a total fund balance of \$6,191,719, all of which is assigned for financing water and sewer capital improvements, including the new water treatment plant. The fund balance decreased during the current year by \$4,227,924. The fund has positive investment earnings and trunk fees (either collected over time through special assessments or paid up front through charges for services). Intergovernmental revenues were received for the covered project costs that were incurred during the year for the water treatment plant. There were also significant increases to engineering and contractor costs for the water treatment plant and the Test Well 7B that were not grant reimbursed.

The MSA Construction Fund has a total fund balance of \$3,786,977, all of which is assigned to capital improvements for City MSA designated roadways. The fund balance during the current year decreased by \$496,219 primarily due to project costs exceeding revenues. Capital activity occurred on the Marketplace Drive realignment project and the Otter Lake Road extension during 2025.

The 2024/2025 Street Reconstruction Fund has a total fund balance of \$1,408,583, most of which is restricted for the 2024/2025 street reconstruction and improvement project. Due to the significant nature of the project, the City considered this a major fund in the current year. All

Management's Discussion and Analysis

project costs were planned for in the City's Capital Improvement Plan and allocated accordingly in the current year.

The combined fund balance of other governmental funds increased by \$1,454,680 during 2025 primarily due to accumulating resources for debt repayments, positive investment earnings, and non-major capital project funds activities.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Fund has a total net position at year-end of \$57,213,601, of which \$5,734,031 is unrestricted. The increase in net position of \$18,404,915 was primarily due to capital contributions from governmental activities. The Area and Unit Trunk Fund is funding water infrastructure, including the water treatment plant and trunk watermain additions.

The Sewer Fund has a total net position at year-end of \$34,523,082 of which \$9,987,954 is unrestricted. The increase in net position of \$2,252,878 was primarily due to contributed infrastructure additions for the Market Place Drive Realignment, the 2024/2025 Street Reconstruction and Improvement Project and the Watermark 7th and 8th Additions.

The Storm Water Fund has a total net position at year-end of \$589,764 of which all is unrestricted. The increase in net position of \$226,380 was primarily due to no transfer out as in the previous year. The Storm Water Utility was established in 2022 to fund the operation and management of the City's storm water infrastructure.

Budgetary Highlights

General Fund

There were no amendments to the original budget in 2025.

Budgeted revenues for 2025 were \$14,050,323. Actual revenues exceeded the budget by \$606,270. General property taxes and other taxes were the only revenue source category that did not exceed its budget. Licenses and permits exceeded budget expectations due to a fiber project. Intergovernmental revenues were stronger than budgeted primarily due to recognizing the portion of the Fire State Aid, which is passed through to the PERA Statewide Volunteer Firefighter Retirement Plan and was not budgeted. Investment earnings also contributed to the positive budget variance.

Budgeted expenditures for 2025 were \$14,050,323. Actual expenditures were \$198,863 under budgeted amounts. The main causes of the under-budget variances were due to personal services budgeting for positions that remained vacant during the year. Administration and Finance expenditures were slightly over budget due to change in leadership requiring additional contracted interim services. Engineering expenditures over budget were offset by the permit revenue generated from the fiber project. Fire expenditures were over budget due to city council action to split the public safety department into separate police and fire departments. This required additional scheduled part-time firefighter staffing.

Management's Discussion and Analysis

The City transferred out funds to the Comp Plan Update Fund and made a small transfer out to the Park & Trail Improvement Fund.

Overall, the City budgeted for no change in fund balance, whereas the actual change in fund balance was an increase of \$673,362, which was \$673,362 over the 2025 budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to \$151,906,851 (net of accumulated depreciation), an increase of \$28,243,474 from the prior year. This investment in capital assets includes land, wetland credits, construction in progress, buildings, equipment, vehicles, and infrastructure.

The Market Place Drive realignment and the 2024 Trunk Watermain were completed in 2025. The City is working to complete the Water Treatment Plant, Otter Lake Road extension, and the 2024/2025 Street Reconstruction project.

City of Lino Lakes' Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$5,503,959	\$5,731,330	\$374,867	\$374,867	\$5,878,826	\$6,106,197
Wetland credits	49,042	49,042	-	-	49,042	49,042
Construction in progress	9,722,357	1,805,192	27,523,089	6,915,299	37,245,446	8,720,491
Buildings	7,735,631	8,267,376	-	-	7,735,631	8,267,376
Equipment	5,715,450	4,861,969	1,301,316	558,623	7,016,766	5,420,592
Land improvements	2,910,624	2,832,650	-	-	2,910,624	2,832,650
Other equipment	28,985	31,821	-	-	28,985	31,821
Infrastructure	41,571,318	43,298,203	49,470,213	48,937,005	91,041,531	92,235,208
Total	<u>\$73,237,366</u>	<u>\$66,877,583</u>	<u>\$78,669,485</u>	<u>\$56,785,794</u>	<u>\$151,906,851</u>	<u>\$123,663,377</u>

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$25,267,348. All outstanding debt carries the general obligation backing for which the City is liable in the event of default by the property owners subject to the specific taxes, special assessments, or revenues pledged to the retirement of the debt. The City has a general obligation water revenue note payable to the Minnesota Public Facilities Authority (MPFA) for construction costs of its water treatment plant. The City borrowed \$1,787,692 on this note in 2025 and can borrow up to \$15,996,190 over the construction period. The total liability as of December 31, 2025 is \$2,654,787.

City of Lino Lakes' Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$21,510,000	\$14,875,000	\$ -	\$ -	\$21,510,000	\$14,875,000
G.O. special assessment bonds	35,000	195,000	-	-	35,000	195,000
Direct borrowings	-	-	2,654,787	1,216,285	2,654,787	1,216,285
Bond premium (discount)	1,067,561	656,224	-	-	1,067,561	656,224
Total	<u>\$22,612,561</u>	<u>\$15,726,224</u>	<u>\$2,654,787</u>	<u>\$1,216,285</u>	<u>\$25,267,348</u>	<u>\$16,942,509</u>

The City's total debt increased by \$8,324,839 during the current fiscal year. Debt was issued in the amount of \$8,090,000 for 2024/2025 Street Reconstruction and \$1,787,692 for the water treatment plant. Regularly scheduled principal payments were made during the year.

The City maintains a bond rating from Standard & Poor's of "AA+" for general obligation debt.

Additional information on the City's long-term debt can be found in Note 6.

Requests for information. This financial report is designed to provide a general overview of the City of Lino Lakes finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Lino Lakes, 600 Town Center Parkway, Lino Lakes, Minnesota, 55014.

BASIC FINANCIAL STATEMENTS

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CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2025

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$45,485,132	\$14,075,273	\$59,560,405
Accrued interest receivable	281,146	-	281,146
Due from other governments	122,488	3,964	126,452
Accounts receivable - net	112,500	619,207	731,707
Prepaid items	490,875	178,152	669,027
Internal balances	(2,146,653)	2,146,653	-
Inventory	-	198,362	198,362
Taxes receivable	275,239	-	275,239
Special assessments receivable	3,814,740	-	3,814,740
Leases receivable	1,437,190	-	1,437,190
Net pension asset	937,209	-	937,209
Capital assets - nondepreciable	15,275,358	27,897,956	43,173,314
Capital assets - net of accumulated depreciation	57,962,008	50,771,529	108,733,537
Total assets	124,047,232	95,891,096	219,938,328
Deferred outflows of resources:			
Pension related	3,928,537	96,636	4,025,173
OPEB related	391,355	-	391,355
Total deferred outflows of resources	4,319,892	96,636	4,416,528
Liabilities:			
Accounts payable and other current liabilities	5,121,053	267,740	5,388,793
Accrued interest payable	329,026	10,665	339,691
Unearned revenue	52,988	-	52,988
Deposits payable	3,595,420	8,200	3,603,620
Long-term liabilities:			
Long-term debt, due within one year	2,359,572	768,729	3,128,301
Long-term debt, due in more than one year	21,409,696	2,027,687	23,437,383
Other post employment benefits, due in more than one year	809,758	104,603	914,361
Net pension liability, due in more than one year	3,826,803	276,891	4,103,694
Total liabilities	37,504,316	3,464,515	40,968,831
Deferred inflows of resources:			
Lease related	1,437,190	-	1,437,190
Pension related	5,733,034	196,770	5,929,804
OPEB related	433,943	-	433,943
Total deferred inflows of resources	7,604,167	196,770	7,800,937
Net position:			
Net investment in capital assets	48,302,743	76,014,698	124,317,441
Restricted (nonexpendable) for environmental purposes	100,000	-	100,000
Restricted (expendable) for:			
Debt service	4,785,578	-	4,785,578
Park improvements	1,429,462	-	1,429,462
Public safety	426,167	-	426,167
Economic development	925,370	-	925,370
Fire department pension plan	937,209	-	937,209
Other purposes	72,511	-	72,511
Unrestricted	26,279,601	16,311,749	42,591,350
Total net position	\$83,258,641	\$92,326,447	\$175,585,088

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$4,510,604	\$334,473
Public safety	7,506,924	1,503,190
Public works	5,662,429	187,406
Culture and recreation	3,149,235	1,614,509
Conservation of natural resources	172,572	-
Community development	976,720	-
Interest and fees on long-term debt	633,471	-
Total governmental activities	<u>22,611,955</u>	<u>3,639,578</u>
Business-type activities:		
Water	2,171,174	2,499,711
Sewer	2,888,492	2,348,259
Storm water	361,387	562,097
Total business-type activities	<u>5,421,053</u>	<u>5,410,067</u>
Total primary government	<u>\$28,033,008</u>	<u>\$9,049,645</u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$533	\$ -	(\$4,175,598)	\$ -	(\$4,175,598)
805,459	-	(5,198,275)	-	(5,198,275)
326,186	16,231,842	11,083,005	-	11,083,005
15,415	-	(1,519,311)	-	(1,519,311)
93,749	-	(78,823)	-	(78,823)
247,108	-	(729,612)	-	(729,612)
-	-	(633,471)	-	(633,471)
1,488,450	16,231,842	(1,252,085)	-	(1,252,085)
5,060	1,038,460	-	1,372,057	1,372,057
-	945,753	-	405,520	405,520
-	-	-	200,710	200,710
5,060	1,984,213	-	1,978,287	1,978,287
\$1,493,510	\$18,216,055	(1,252,085)	1,978,287	726,202
General revenues:				
General property taxes		15,369,807	-	15,369,807
Other taxes		166,181	-	166,181
Tax increment		986,651	-	986,651
Grants and contributions not restricted to specific programs		6,801	-	6,801
Unrestricted investment earnings		1,900,916	700,014	2,600,930
Gain on disposal of capital assets		478,913	-	478,913
Transfers		(18,205,872)	18,205,872	-
Total general revenues and transfers		703,397	18,905,886	19,609,283
Change in net position		(548,688)	20,884,173	20,335,485
Net position - January 1		83,807,329	71,442,274	155,249,603
Net position - December 31		\$83,258,641	\$92,326,447	\$175,585,088

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

		202 The Rookery Activity Center
	General Fund	
Assets		
Cash and investments	\$13,635,389	\$421,140
Accrued interest receivable	281,146	-
Due from other governments	122,488	-
Accounts receivable - net	100,286	12,214
Prepaid items	466,588	24,287
Advances to other funds	-	-
Taxes receivable:		
Due from county	162,298	-
Delinquent	112,941	-
Special assessments receivable:		
Due from county	239	-
Delinquent	-	-
Deferred	1,247	-
Leases receivable	337,901	-
Interfund loan receivable	-	-
Total assets	<u>\$15,220,523</u>	<u>\$457,641</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$403,331	\$42,422
Salaries payable	534,220	43,883
Due to other governments	5,684	5,963
Advances from other funds	-	-
Retainage payable	-	-
Unearned revenue	-	52,988
Deposits payable	3,595,420	-
Interfund loan payable	-	-
Total liabilities	<u>4,538,655</u>	<u>145,256</u>
Deferred inflows of resources:		
Unavailable revenue	114,188	-
Lease related	337,901	-
Total deferred inflows of resources	<u>452,089</u>	<u>-</u>
Fund balance:		
Nonspendable	466,588	24,287
Restricted	-	-
Committed	50,000	288,098
Assigned	-	-
Unassigned	9,713,191	-
Total fund balance	<u>10,229,779</u>	<u>312,385</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$15,220,523</u>	<u>\$457,641</u>

The accompanying notes are an integral part of these financial statements.

Statement 3

402 Capital Equipment Replacement	406 Area and Unit Trunk	420 MSA Construction	488 2024 / 2025 Street Reconstruction	Other Governmental Funds	Total Governmental Funds
\$936,356	\$9,461,464	\$3,861,158	\$1,700,503	\$15,469,122	\$45,485,132
-	-	-	-	-	281,146
-	-	-	-	-	122,488
-	-	-	-	-	112,500
-	-	-	-	-	490,875
-	-	-	-	230,678	230,678
-	-	-	-	-	162,298
-	-	-	-	-	112,941
-	572	1,972	-	372	3,155
-	2,081	2,166	-	2,066	6,313
-	811,150	1,798,608	-	1,194,267	3,805,272
-	-	-	-	1,099,289	1,437,190
-	-	-	-	293,060	293,060
<u>\$936,356</u>	<u>\$10,275,267</u>	<u>\$5,663,904</u>	<u>\$1,700,503</u>	<u>\$18,288,854</u>	<u>\$52,543,048</u>
\$5,464	\$2,439,138	\$76,153	\$13,106	\$441,697	\$3,421,311
-	-	-	-	-	578,103
-	138	-	-	-	11,785
-	-	-	-	230,678	230,678
-	831,040	-	278,814	-	1,109,854
-	-	-	-	-	52,988
-	-	-	-	-	3,595,420
1,587,543	-	-	-	852,170	2,439,713
<u>1,593,007</u>	<u>3,270,316</u>	<u>76,153</u>	<u>291,920</u>	<u>1,524,545</u>	<u>11,439,852</u>
-	813,232	1,800,774	-	1,196,332	3,924,526
-	-	-	-	1,099,289	1,437,190
-	813,232	1,800,774	-	2,295,621	5,361,716
-	-	-	-	100,000	590,875
-	-	-	1,334,717	6,864,419	8,199,136
-	-	-	-	294,301	632,399
-	6,191,719	3,786,977	73,866	8,389,445	18,442,007
(656,651)	-	-	-	(1,179,477)	7,877,063
<u>(656,651)</u>	<u>6,191,719</u>	<u>3,786,977</u>	<u>1,408,583</u>	<u>14,468,688</u>	<u>35,741,480</u>
<u>\$936,356</u>	<u>\$10,275,267</u>	<u>\$5,663,904</u>	<u>\$1,700,503</u>	<u>\$18,288,854</u>	<u>\$52,543,048</u>

The accompanying notes are an integral part of these financial statements.

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CITY OF LINO LAKES, MINNESOTA**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION****Statement 4**

December 31, 2025

Fund balance - total governmental funds (Statement 3)

Net position reported for governmental activities in the Statement of Net Position is \$35,741,480
different because:

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

Capital assets	73,237,366
Net pension asset	937,209

Other long-term assets are not available to pay for current-period expenditures and
therefore, are reported as unavailable revenue in the funds:

Delinquent taxes receivable	112,941
Delinquent special assessments receivable	6,313
Deferred special assessments receivable	3,805,272

Long-term liabilities are not due and payable in the current period and, therefore, are not
reported in the funds. Long-term liabilities at year end consist of:

Bonds payable	(21,545,000)
Unamortized bond premiums	(1,067,673)
Unamortized bond discounts	112
Accrued interest payable	(329,026)
Compensated absences payable	(1,156,707)
Other post employment benefits	(809,758)
Net pension liability	(3,826,803)

Deferred outflows and inflows of resources related to pensions and OPEB are associated
with long-term liabilities that are not due and payable in the current period, and therefore,
are not reported in the funds. Balances at year end are:

Deferred outflows of resources related to pensions	3,928,537
Deferred outflows of resources related to OPEB	391,355
Deferred inflows of resources related to pensions	(5,733,034)
Deferred inflows of resources related to OPEB	(433,943)

Net position of governmental activities (Statement 1)	<u>\$83,258,641</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2025

	General Fund	202 The Rookery Activity Center
Revenues:		
General property taxes	\$11,099,419	\$600,000
Other taxes	149,219	-
Tax increment	-	-
Licenses and permits	1,159,502	-
Special assessments	435	-
Intergovernmental	1,133,162	14,929
Charges for services	551,048	1,371,136
Fines and forfeits	88,086	-
Investment earnings	412,925	12,993
Miscellaneous	62,797	93,286
Total revenues	<u>14,656,593</u>	<u>2,092,344</u>
Expenditures:		
Current:		
General government	3,116,396	-
Public safety	7,211,225	-
Public works	1,981,118	-
Culture and recreation	1,014,188	1,766,492
Conservation of natural resources	181,024	-
Community development	346,094	-
Capital outlay:		
Public safety	1,415	-
Public works	-	-
Culture and recreation	-	90,823
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>13,851,460</u>	<u>1,857,315</u>
Revenues over (under) expenditures	<u>805,133</u>	<u>235,029</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(147,205)	-
Bonds issued	-	-
Bond premium	-	-
Proceeds from sale of capital assets	15,434	-
Total other financing sources (uses)	<u>(131,771)</u>	<u>-</u>
Net change in fund balance	<u>673,362</u>	<u>235,029</u>
Fund balance - January 1, as previously presented	9,556,417	77,356
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>
Fund balance - January 1, as adjusted	<u>9,556,417</u>	<u>77,356</u>
Fund balance - December 31	<u>\$10,229,779</u>	<u>\$312,385</u>

The accompanying notes are an integral part of these financial statements.

Statement 5

402 Capital Equipment Replacement	406 Area and Unit Trunk	420 MSA Construction	488 2024 / 2025 Street Reconstruction	Other Governmental Funds	Total Governmental Funds
\$1,031,565	\$ -	\$ -	\$ -	\$2,635,711	\$15,366,695
-	-	-	-	16,962	166,181
-	-	-	-	986,651	986,651
-	-	-	-	-	1,159,502
-	602,369	112,300	-	572,068	1,287,172
-	10,446,393	26,187	-	273,433	11,894,104
-	-	-	-	320,224	2,242,408
-	-	-	-	300	88,386
65,936	466,956	216,793	73,866	651,447	1,900,916
2,049	-	-	-	9,100	167,232
1,099,550	11,515,718	355,280	73,866	5,465,896	35,259,247
-	-	-	-	365,909	3,482,305
-	-	-	-	118,760	7,329,985
-	62,950	20,399	-	263,549	2,328,016
-	-	-	-	112,910	2,893,590
-	-	-	-	-	181,024
-	-	-	-	622,765	968,859
397,985	-	-	-	87,640	487,040
1,255,519	17,423,133	1,545,262	6,210,485	1,677,441	28,111,840
-	-	-	-	170,854	261,677
-	-	-	-	1,615,000	1,615,000
-	-	-	142,922	448,877	591,799
1,653,504	17,486,083	1,565,661	6,353,407	5,483,705	48,251,135
(553,954)	(5,970,365)	(1,210,381)	(6,279,541)	(17,809)	(12,991,888)
-	2,565,829	256,493	-	1,722,489	4,544,811
-	(823,388)	(55,000)	(703,389)	(250,000)	(1,978,982)
-	-	-	8,090,000	-	8,090,000
-	-	-	520,460	-	520,460
178,419	-	512,669	-	-	706,522
178,419	1,742,441	714,162	7,907,071	1,472,489	11,882,811
(375,535)	(4,227,924)	(496,219)	1,627,530	1,454,680	(1,109,077)
(281,116)	10,419,643	4,283,196	-	12,795,061	36,850,557
-	-	-	(218,947)	218,947	-
(281,116)	10,419,643	4,283,196	(218,947)	13,014,008	36,850,557
(\$656,651)	\$6,191,719	\$3,786,977	\$1,408,583	\$14,468,688	\$35,741,480

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2025**
Statement 6

Net change in fund balance - total governmental funds (Statement 5) (\$1,109,077)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	28,860,557
Capital outlay not capitalized	(794,199)
Depreciation	(4,349,378)

Various other transactions involving capital assets increase (decrease) net position on the Statement of Activities, but are not reported in governmental funds because they do not provide (or use) current financial resources:

Contributions of infrastructure from private sources	3,642,113
Contributions of infrastructure to business-type activities	(20,771,701)
Gain (loss) on disposal of capital assets	(227,609)

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

Change in delinquent taxes receivable	3,112
Change in delinquent special assessments receivable	(4,399)
Change in deferred special assessments receivable	834,376

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of bond premiums and discounts when the debt is first issued, whereas amounts are deferred and amortized over the life of the debt in the Statement of Activities.

Bonds issued, including bond premiums	(8,610,460)
Repayment of principal	1,615,000
Amortization of bond premiums and discounts	109,123

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the Statement of Activities include the effects of the changes in these expense accruals as follows:

Change in accrued interest payable	(150,795)
Change in compensated absences payable	22,048
Change in OPEB liability and related deferred outflows and inflows of resources	(43,347)

Pension expense in governmental funds is measured by current year employer contributions. Pension expense in the Statement of Activities is measured by the change in the net pension liability and related deferred inflows and outflows of resources. This is the amount by which pension expense differed from pension contributions.

425,948

Change in net position of governmental activities (Statement 2)

(\$548,688)

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

Statement 7

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$5,713,347	\$7,734,551	\$627,375	\$14,075,273
Due from other governments	1,035	2,929	-	3,964
Accounts receivable - net	273,046	283,097	63,064	619,207
Prepaid items	28,823	146,612	2,717	178,152
Inventory	198,362	-	-	198,362
Total current assets	6,214,613	8,167,189	693,156	15,074,958
Noncurrent assets:				
Interfund loan receivable	-	2,146,653	-	2,146,653
Capital assets:				
Land	374,867	-	-	374,867
Construction in progress	25,060,068	2,463,021	-	27,523,089
Equipment	463,789	1,345,634	-	1,809,423
Water and sewer systems	42,795,994	34,976,421	-	77,772,415
Total capital assets	68,694,718	38,785,076	-	107,479,794
Less: Allowance for depreciation	(14,560,361)	(14,249,948)	-	(28,810,309)
Net capital assets	54,134,357	24,535,128	-	78,669,485
Total noncurrent assets	54,134,357	26,681,781	-	80,816,138
Total assets	60,348,970	34,848,970	693,156	95,891,096
Deferred outflows of resources related to pensions	44,369	44,583	7,684	96,636
Liabilities:				
Current liabilities:				
Accounts payable	159,371	36,165	6,892	202,428
Salaries payable	19,915	19,915	9,712	49,542
Due to other governments	15,257	314	199	15,770
Deposits payable	8,200	-	-	8,200
Accrued interest payable	10,665	-	-	10,665
Compensated absences payable - current portion	33,074	33,074	14,581	80,729
Long-term debt - current portion	688,000	-	-	688,000
Total current liabilities	934,482	89,468	31,384	1,055,334
Noncurrent liabilities:				
Compensated absences payable	24,950	24,950	11,000	60,900
Other post employment benefits	49,650	49,650	5,303	104,603
Long-term debt	1,966,787	-	-	1,966,787
Net pension liability	118,112	120,463	38,316	276,891
Total noncurrent liabilities	2,159,499	195,063	54,619	2,409,181
Total liabilities	3,093,981	284,531	86,003	3,464,515
Deferred inflows of resources related to pensions	85,757	85,940	25,073	196,770
Net position:				
Net investment in capital assets	51,479,570	24,535,128	-	76,014,698
Unrestricted	5,734,031	9,987,954	589,764	16,311,749
Total net position	\$57,213,601	\$34,523,082	\$589,764	\$92,326,447

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 8

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Totals
Operating revenues:				
Charges for services	\$2,316,472	\$2,287,098	\$562,097	\$5,165,667
Hook-up charges	73,558	61,161	-	134,719
Water meter sales	109,681	-	-	109,681
Total operating revenues	2,499,711	2,348,259	562,097	5,410,067
Operating expenses:				
Personal services	395,500	402,369	185,406	983,275
Materials and supplies	290,785	21,220	18,441	330,446
Contractual services	326,040	218,562	151,652	696,254
MCES sewer charges	-	1,344,995	-	1,344,995
Depreciation	992,929	840,045	-	1,832,974
Utilities	129,750	54,370	-	184,120
Other	9,640	6,931	5,888	22,459
Total operating expenses	2,144,644	2,888,492	361,387	5,394,523
Operating income (loss)	355,067	(540,233)	200,710	15,544
Nonoperating revenues (expenses):				
Investment earnings	292,663	381,681	25,670	700,014
Interest expense	(26,530)	-	-	(26,530)
Intergovernmental revenue	5,060	-	-	5,060
Total nonoperating revenues (expenses)	271,193	381,681	25,670	678,544
Income (loss) before contributions and transfers	626,260	(158,552)	226,380	694,088
Contributions and transfers:				
Capital contributions from private sources	1,038,460	945,753	-	1,984,213
Capital contributions from governmental activities	19,306,024	1,465,677	-	20,771,701
Transfer out	(2,565,829)	-	-	(2,565,829)
Total contributions and transfers	17,778,655	2,411,430	-	20,190,085
Change in net position	18,404,915	2,252,878	226,380	20,884,173
Net position - January 1	38,808,686	32,270,204	363,384	71,442,274
Net position - December 31	\$57,213,601	\$34,523,082	\$589,764	\$92,326,447
Amounts reported above			Capital Grants and Contributions	Transfers - Net
Amounts reported for business-type activities in the statement of activities are different because:			\$22,755,914	(\$2,565,829)
Transfer in of capital assets from governmental activities			(20,771,701)	20,771,701
Amounts reported on the statement of activities			\$1,984,213	\$18,205,872

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2025

Statement 9

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$2,547,883	\$2,370,395	\$568,040	\$5,486,318
Payment to suppliers	(846,939)	(1,692,627)	(173,174)	(2,712,740)
Payment to employees	(397,856)	(404,724)	(209,008)	(1,011,588)
Net cash flows provided by operating activities	1,303,088	273,044	185,858	1,761,990
Cash flows from noncapital financing activities:				
Intergovernmental revenue	6,670	-	-	6,670
Repayment of interfund loan receivable	-	221,565	-	221,565
Transfers out	(2,565,829)	-	-	(2,565,829)
Net cash flows provided by noncapital financing activities	(2,559,159)	221,565	-	(2,337,594)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(185,423)	(775,328)	-	(960,751)
Note proceeds	1,787,692	-	-	1,787,692
Principal paid on debt	(349,190)	-	-	(349,190)
Interest paid on debt	(18,957)	-	-	(18,957)
Net cash flows provided by capital and related financing activities	1,234,122	(775,328)	-	458,794
Cash flows from investing activities:				
Investment earnings	292,663	381,681	25,670	700,014
Net increase (decrease) in cash and cash equivalents	270,714	100,962	211,528	583,204
Cash and cash equivalents - January 1	5,442,633	7,633,589	415,847	13,492,069
Cash and cash equivalents - December 31	\$5,713,347	\$7,734,551	\$627,375	\$14,075,273
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$355,067	(\$540,233)	\$200,710	\$15,544
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	992,929	840,045	-	1,832,974
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable - net	48,172	22,136	5,943	76,251
Decrease (increase) in prepaid items	1,185	634	3,406	5,225
Decrease (increase) in inventory	(112,984)	-	-	(112,984)
Decrease (increase) in deferred outflows of resources	10,114	10,113	5,393	25,620
Increase (decrease) in payables	21,075	(47,183)	(599)	(26,707)
Increase (decrease) in compensated absences	4,857	4,857	4,553	14,267
Increase (decrease) in other post employment benefits	9,953	9,953	(19,003)	903
Increase (decrease) in net pension liability	(11,968)	(11,967)	(6,381)	(30,316)
Increase (decrease) in deferred inflows of resources	(15,312)	(15,311)	(8,164)	(38,787)
Total adjustments	948,021	813,277	(14,852)	1,746,446
Net cash provided by operating activities	\$1,303,088	\$273,044	\$185,858	\$1,761,990
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$20,344,484	\$2,411,430	\$ -	\$22,755,914

The accompanying notes are an integral part of these financial statements.

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lino Lakes, Minnesota (the City) is a public corporation formed under Minnesota Statute 410. As such, the City is under home rule charter regulations and applicable statutory guidelines.

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of significant accounting policies:

A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity as blended component units because of the significance of their operational or financial relationships with the City.

COMPONENT UNITS

The Economic Development Authority (EDA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were a part of the City's operation because the governing body is substantially the same as the governing body of the City and a financial benefit or burden relationship exists between the City and the EDA. The EDA does not issue separate financial statements.

The Housing and Development Authority (HRA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as commission members and a financial benefit or burden relationship exists between the City and the HRA. The HRA has not yet incurred any financial activity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

The fund financial statements are provided for governmental and proprietary funds. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

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

The *Rookery Activity Center* accounts for the activities relating to The Rookery Activity Center.

The *Capital Equipment Replacement Fund* accounts for pay-as-you-go capital equipment financing and financing of capital equipment through donations.

The *Area and Unit Trunk Fund* accounts for the collection of water and sewer unit charges to be used for debt payments and construction of infrastructure.

The *MSA Construction Fund* accounts for the financing of future reconstruction of state aid eligible streets.

The *2024 / 2025 Street Reconstruction Fund* accounts for the financing of the 2024 / 2025 Street Reconstruction project.

The City reports the following major proprietary funds:

The *Water Fund* accounts for customer water service charges which are used to finance water system operating expenses.

The *Sewer Fund* accounts for customer sewer service charges which are used to finance sanitary sewer system operating expenses.

The *Storm Water Fund* accounts for customer storm water charges which are used to finance storm water system operating expenses.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer and storm water enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and The Rookery Activity Center special revenue fund. Budgeted expenditure appropriations lapse at year-end. Budgeted amounts are reported as originally adopted and as amended by the City Council.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget (including the General Fund and The Rookery Activity Center Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The City Administrator is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and The Rookery Activity Center Fund.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the department level unless approved by the City Council. Therefore, the legal level of budgetary control is at the department level (i.e. administration, community development, public safety, public services, and other).
9. The City Council may authorize transfers of budgeted amounts between City funds.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Interest earnings are accrued at year-end.

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types is considered cash equivalents.

Permanently restricted cash and investments represents the principal and earnings portion of resources received that must be retained in a permanent fund. Only earnings from these funds may be used for purposes that support environmental maintenance and improvements.

G. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

In the government-wide financial statements, the City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

In the governmental fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and the following January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) are classified as due from county. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

H. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

In the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

In the fund financial statements, the revenue from special assessments is recognized when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are fully offset by deferred inflows of resources.

I. INVENTORY

For governmental funds, the original cost of materials and supplies are recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

Inventories of the proprietary funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. PREPAID ITEMS

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

K. LEASES RECEIVABLE

Leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

L. INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures / expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund. Such advances are classified as “advances to/from other funds.” Long-term interfund loans are classified as “interfund loan receivable/payable.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All other interfund transactions are reported as transfers.

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, drainage systems, water and sewer systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year, which have an individual value equal to or greater than the capitalization thresholds for each asset class as follows:

Land	\$10,000
Buildings	\$50,000
Land improvements	\$25,000
Equipment	\$10,000
Infrastructure	\$100,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All existing City infrastructure has been capitalized regardless of date placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 7 to 40 years for buildings, 15 to 20 years for land improvements, 5 to 15 years for equipment and 15 to 50 years for infrastructure.

N. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation, PTO (Personal Time Off), extended leave and sick pay benefits. All leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations or retirements. The current portion is calculated based on historical trends.

O. LONG-TERM OBLIGATIONS

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

P. DEFINED BENEFIT PENSION PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until that time. The City has two items that qualify for reporting in this category. Pension related deferred outflows of resources are reported in the government-wide statement of net position and the proprietary funds statement of net position. OPEB related deferred outflows of resources are only reported in the governmental activities column of the government-wide statement of net position as amounts applicable to business-type activities are immaterial.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. Lease related deferred inflows of resources are reported in the government-wide statement of net position and the governmental funds balance sheet. Pension related deferred inflows of resources are reported in the government-wide statement of net position and the proprietary funds statement of net position. OPEB related deferred inflows of resources are only reported in the governmental activities column of the government-wide statement of net position as amounts applicable to business-type activities are immaterial. The City also has a type of item, which arises only under a modified accrual basis of accounting, that

qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes and special assessments not collected within 60 days from year-end.

R. FUND BALANCE CLASSIFICATIONS

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

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items and corpus of any permanent fund.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by a resolution approved by the City Council, and committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

Assigned - consists of internally imposed constraints for the specific purpose of the City's intended use. These constraints are established by the City Council and/or management. The City Council passed a resolution authorizing the Finance Director to assign fund balances and their intended uses.

Unassigned - is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

The City formally adopted a fund balance policy for the General Fund. The policy establishes an unassigned fund balance range of 40% - 50% of general fund operating expenditures.

S. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2025, the bank balance of the City’s deposits with financial institutions was \$9,765,578 and the carrying amount was \$9,460,616. All deposits were covered by federal depository insurance or by collateral pledge and held in the City’s name.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

At December 31, 2025, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1 - 3	3 - 5	> 5
Municipal bonds	*	\$29,171,411	\$4,649,703	\$15,569,286	\$8,642,020	\$310,402
Brokered certificate of deposits	Not rated	9,884,582	5,080,208	3,422,630	1,381,744	-
Federal agency securities	AA+	5,593,483	985,410	1,017,800	3,590,273	-
External investment pools:						
4M Liquid Asset Class	AAAm	2,102,455	2,102,455	-	-	-
4M PLUS Class	AAAm	507,172	507,172	-	-	-
First American Treasury Obligation Fund	AAAm	2,839,246	2,839,246	-	-	-
Total		<u>\$50,098,349</u>	<u>\$16,164,194</u>	<u>\$20,009,716</u>	<u>\$13,614,037</u>	<u>\$310,402</u>
* AAA \$6,499,709; AA+ \$5,933,594; AA \$11,877,939;						
AA- \$3,936,116; A+ \$924,053						
			Total investments			\$50,098,349
			Deposits			9,460,616
			Cash on hand			1,440
			Total cash and investments			<u>\$59,560,405</u>

The 4M Multi-Class Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Multi-Class Fund has two separate classes, the 4M Liquid Asset Class and the 4M PLUS Class.

The 4M Multi-Class Fund is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value of \$1.00 per share. The Fund’s investments are measured at amortized cost in accordance with Governmental Accounting Standards Board Statement No. 79. The 4M Liquid Asset Class has no redemption requirements. The 4M PLUS Class requires funds to be

deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to seven days interest on the amount withdrawn.

The First American Treasury Obligation money market fund seeks to maintain a constant net asset value of \$1.00 per share. The securities held by the fund are measured at amortized cost. Shares may be redeemed without penalty on any business day.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements at December 31, 2025:

Investment Type	12/31/2025	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Municipal bonds	\$29,171,411	\$ -	\$29,171,411	\$ -
Brokered certificate of deposits	9,884,582	-	9,884,582	-
Federal agency securities	5,593,483	-	5,593,483	-
		<u>\$ -</u>	<u>\$44,649,476</u>	<u>\$ -</u>
Investments not categorized:				
4M Liquid Asset Class	2,102,455			
4M PLUS Class	507,172			
First American Treasury Obligation Fund	2,839,246			
Total investments	<u>\$50,098,349</u>			

C. INVESTMENT RISKS

Custodial Credit Risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy requires its brokers be licensed with the appropriate federal and state agencies. A minimum capital requirement of \$5,000,000 and at least five years of operation is mandatory. Investments in securities are held by the City's broker-dealers. The securities at each broker-dealer are insured \$500,000 through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy to minimize interest rate risk includes investing primarily in short-term securities and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy to minimize credit risk includes limiting investing funds to those allowable under Minnesota Statute 118A, annually appointing all financial institutions where investments

are held, and diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City places no limit on the amount it may invest in any one issuer. At December 31, 2025, no individual investments exceeded 5% of the City’s total investment portfolio.

Note 3 RECEIVABLES

A. LONG-TERM RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2025 are as follows:

	Property Taxes Receivable	Special Assessments Receivable	Leases Receivable	Total
Major Funds:				
General Fund	\$65,300	\$ -	\$251,019	\$316,319
Area and Unit Trunk	-	738,105	-	738,105
MSA Construction	-	1,736,051	-	1,736,051
Nonmajor Funds	-	1,140,604	1,026,429	2,167,033
Total	<u>\$65,300</u>	<u>\$3,614,760</u>	<u>\$1,277,448</u>	<u>\$4,957,508</u>

B. LEASES RECEIVABLE

The City leases a portion of its water towers for cellular tower antenna sites. These leases are non-cancelable for a period of 5 years, with two to four renewal periods of 5 years each at the lessee's option. The City considers the likelihood of these options being exercised to be greater than 50%. The agreements call for monthly lease payments between \$1,855 and \$3,570, with increases of 4% annually or 7.5% upon exercising renewal options. The lease receivables are measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5%.

The City leases space within its City Hall Complex to New Creations Child Care and Learning Center. The lease expires June 30, 2029, however, the City has the option to terminate the lease with at least 12 months written notice. The City considers the likelihood of cancelling the lease agreement to be less than 50%. The agreement calls for monthly lease payments of \$6,785, with annual increases of 3% through the end of the lease term. There are no renewal options stated in the lease agreement. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5%.

At December 31, 2025 the City recorded \$1,437,190 in lease receivables and deferred inflows of resources for these arrangements.

Total revenue recognized in relation to these leases is as follows:

	<u>2025</u>
Amortization of lease-related deferred inflows:	
Antenna leases	\$66,624
City Hall Complex lease	<u>79,763</u>
Total revenue recognized resulting from deferred inflow amortization	146,387
Interest revenue	75,883
Common area maintenance charges	<u>28,095</u>
 Total revenue recognized in relation to leased assets	 <u><u>\$250,365</u></u>

Note 4 UNAVAILABLE REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds are as follows:

	<u>Property Taxes Receivable</u>	<u>Special Assessments Receivable</u>	<u>Total</u>
Major Funds:			
General Fund	\$112,941	\$1,247	\$114,188
Area and Unit Trunk	-	813,232	813,232
MSA Construction	-	1,800,774	1,800,774
Nonmajor Funds	<u>-</u>	<u>1,196,332</u>	<u>1,196,332</u>
 Total	 <u><u>\$112,941</u></u>	 <u><u>\$3,811,585</u></u>	 <u><u>\$3,924,526</u></u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$5,731,330	\$ -	(\$227,371)	\$ -	\$5,503,959
Wetland credits	49,042	-	-	-	49,042
Construction in progress	1,805,192	29,484,135	(795,269)	(20,771,701)	9,722,357
Total capital assets, not being depreciated	<u>7,585,564</u>	<u>29,484,135</u>	<u>(1,022,640)</u>	<u>(20,771,701)</u>	<u>15,275,358</u>
Capital assets, being depreciated:					
Buildings	16,795,552	132,414	-	-	16,927,966
Equipment	11,062,476	1,828,339	(506,567)	-	12,384,248
Land improvements	4,226,664	247,233	-	-	4,473,897
Other equipment	161,713	-	-	-	161,713
Infrastructure	115,946,290	811,619	-	-	116,757,909
Total capital assets, being depreciated	<u>148,192,695</u>	<u>3,019,605</u>	<u>(506,567)</u>	<u>-</u>	<u>150,705,733</u>
Less accumulated depreciation for:					
Buildings	8,528,176	664,159	-	-	9,192,335
Equipment	6,200,507	974,620	(506,329)	-	6,668,798
Land improvements	1,394,014	169,259	-	-	1,563,273
Other equipment	129,892	2,836	-	-	132,728
Infrastructure	72,648,087	2,538,504	-	-	75,186,591
Total accumulated depreciation	<u>88,900,676</u>	<u>4,349,378</u>	<u>(506,329)</u>	<u>-</u>	<u>92,743,725</u>
Total capital assets being depreciated - net	<u>59,292,019</u>	<u>(1,329,773)</u>	<u>(238)</u>	<u>-</u>	<u>57,962,008</u>
Governmental activities capital assets - net	<u>\$66,877,583</u>	<u>\$28,154,362</u>	<u>(\$1,022,878)</u>	<u>(\$20,771,701)</u>	<u>\$73,237,366</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$374,867	\$ -	\$ -	\$ -	\$374,867
Construction in progress	6,915,299	1,984,212	(2,148,123)	20,771,701	27,523,089
Total capital assets, not being depreciated	<u>7,290,166</u>	<u>1,984,212</u>	<u>(2,148,123)</u>	<u>20,771,701</u>	<u>27,897,956</u>
Capital assets, being depreciated:					
Machinery and shop equipment	877,571	931,852	-	-	1,809,423
Water and sewer systems	75,595,392	2,177,023	-	-	77,772,415
Total capital assets, being depreciated	<u>76,472,963</u>	<u>3,108,875</u>	<u>-</u>	<u>-</u>	<u>79,581,838</u>
Less accumulated depreciation for:					
Machinery and shop equipment	318,948	189,159	-	-	508,107
Water and sewer systems	26,658,387	1,643,815	-	-	28,302,202
Total accumulated depreciation	<u>26,977,335</u>	<u>1,832,974</u>	<u>-</u>	<u>-</u>	<u>28,810,309</u>
Total capital assets being depreciated - net	<u>49,495,628</u>	<u>1,275,901</u>	<u>-</u>	<u>-</u>	<u>50,771,529</u>
Business-type activities capital assets - net	<u>\$56,785,794</u>	<u>\$3,260,113</u>	<u>(\$2,148,123)</u>	<u>\$20,771,701</u>	<u>\$78,669,485</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$1,041,813
Public safety	452,971
Public works	2,410,986
Culture and recreation	443,270
Conservation of natural resources	338
Total depreciation expense - governmental activities	<u>\$4,349,378</u>
Business-type activities:	
Water	\$992,929
Sewer	840,045
Total depreciation expense - business-type activities	<u>\$1,832,974</u>

Note 6 LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. City indebtedness at December 31, 2025 consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Payable 12/31/2025
Governmental activities:					
General Obligation Bonds:					
G.O. Bonds, Series 2015A	08/01/15	02/01/31	2.00% - 3.00%	\$3,095,000	\$1,245,000
EDA Lease Revenue Bonds, Series 2015B	10/01/15	04/01/36	2.00% - 3.00%	4,350,000	2,705,000
G.O. Utility Revenue Bonds, Series 2016A	11/23/16	02/01/27	2.00%	1,420,000	300,000
G.O. Bonds, Series 2018A	12/19/18	02/01/34	3.00% - 5.00%	6,915,000	4,770,000
G.O. Utility Revenue Bonds, Series 2020A	07/08/20	02/01/35	2.00% - 4.00%	4,330,000	3,090,000
G.O. Street Reconstruction Bonds, Series 2021A	07/15/21	02/01/32	1.00% - 4.00%	1,815,000	1,310,000
G.O. Street Reconstruction Bonds, Series 2025A	07/14/25	02/01/41	4.00% - 5.00%	8,090,000	8,090,000
Total General Obligation Bonds				<u>30,015,000</u>	<u>21,510,000</u>
Special Assessment Bonds:					
G.O. Improvement Bonds, Series 2014A	11/20/14	02/01/26	0.40% - 2.30%	2,645,000	35,000
Unamortized bond premiums				1,616,235	1,067,673
Unamortized bond discounts				(12,564)	(112)
Compensated absences payable				<u>N/A</u>	<u>1,156,707</u>
Total Government Activities				<u>\$34,263,671</u>	<u>\$23,769,268</u>
Business-Type Activities:					
Direct Borrowings:					
G.O. Water Revenue Note, Series 2024 (MPFA)	09/30/24	08/20/44	1.947%	\$15,996,190	\$2,654,787
Compensated absences payable				<u>N/A</u>	<u>141,629</u>
Total Business-Type Activities				<u>\$15,996,190</u>	<u>\$2,796,416</u>

CHANGES IN LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$14,875,000	\$8,090,000	\$1,455,000	\$21,510,000	\$1,490,000
Special assessment bonds	195,000	-	160,000	35,000	35,000
Unamortized bond premiums	657,458	520,460	110,245	1,067,673	-
Unamortized bond discounts	(1,234)	-	(1,122)	(112)	-
Compensated absences payable*	1,178,755	-	(22,048)	1,156,707	834,572
Total governmental activities	<u>\$16,904,979</u>	<u>\$8,610,460</u>	<u>\$1,702,075</u>	<u>\$23,769,268</u>	<u>\$2,359,572</u>
Business-Type Activities:					
Direct borrowings - MPFA note	\$1,216,285	\$1,787,692	\$349,190	\$2,654,787	\$688,000
Compensated absences payable*	127,362	14,267	-	141,629	80,729
Total business-type activities	<u>\$1,343,647</u>	<u>\$1,801,959</u>	<u>\$349,190</u>	<u>\$2,796,416</u>	<u>\$768,729</u>

* The change in compensated absences is presented as a net change.

DESCRIPTIONS OF LONG-TERM DEBT

General Obligation Bonds – the bonds were issued for improvements or projects which benefited the City as a whole and, therefore, are repaid from ad valorem levies.

Special Assessment Bonds – the bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

Utility Revenue Bonds – the bonds were issued to finance various utility improvements and will be repaid primarily from trunk utility charges.

Water Revenue Note – the note was issued to fund the construction of a water treatment plant and will be repaid from pledged revenues derived from charges for services of the water fund. Note proceeds are received from the Minnesota Public Facilities Authority (MPFA) on a reimbursement basis as the project progresses. The total amount of note proceeds available to disburse to the City is \$15,996,190.

The MPFA Bond Purchase and Project Loan Agreement defines Events of Default, including remedies if default were to occur. Remedies may include the following: 1) an interest penalty, 2) withhold approval of any disbursement request, 3) reject any pending application for financial assistance, 4) impose an immediate increase in the interest rate on the loan by eliminating all interest rate discounts, and 5) demand immediate payment of all outstanding principal and interest (to the extent permitted by law).

DEBT SERVICE REQUIREMENTS

Future principal and interest payments required to retire long-term debt are as follows:

Years Ending December 31	Governmental Activities		Business-Type Activities	
	Bonded Debt		G.O. Water Revenue Note	
	Principal	Interest	Principal	Interest
2026	\$1,525,000	\$783,230	\$688,000	\$39,368
2027	1,915,000	703,208	702,000	38,293
2028	1,790,000	630,945	716,000	24,693
2029	1,865,000	560,858	548,787	10,685
2030	1,890,000	497,595	-	-
2031-2035	8,345,000	1,579,898	-	-
2035-2040	3,495,000	483,650	-	-
2041	720,000	14,400	-	-
Total	<u>\$21,545,000</u>	<u>\$5,253,784</u>	<u>\$2,654,787</u>	<u>\$113,039</u>

DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

All long-term bonded indebtedness is backed by the full faith and credit of the City, including special assessment and revenue bond issues. General Obligation bond issues are financed by ad valorem tax levies and special assessment bond issues are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest.

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged		Remaining Principal and Interest	Current Year	
		Type	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2014A Improvement Bonds	Infrastructure improvements	Special assessments	2015 - 2026	\$35,403	\$162,645	\$126,438
2015A G.O. Bonds	Infrastructure improvements	Ad valorem taxes	2016 - 2031	\$1,345,056	\$259,263	\$269,864
2015B EDA Lease Revenue Bonds	Construction of a fire station	Ad valorem taxes	2016 - 2036	\$3,284,806	\$301,463	\$318,557
2016A Utility Revenue Bonds	Water infrastructure improvements	Trunk utility charges via transfers	2017 - 2027	\$306,000	\$152,450	\$152,450
2018A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, special assmts, trunk charges via transfers	2019-2034	\$5,536,294	\$642,575	\$524,177
2020A G.O. Utility Revenue Bonds	Infrastructure improvements	Trunk utility charges via transfers	2021-2035	\$3,459,600	\$344,500	\$344,500
2021A G.O. Street Reconstruction Bonds	Infrastructure improvements	Ad valorem taxes	2021-2032	\$1,388,222	\$196,295	\$209,575
2024 G.O. Water Revenue Note (MPFA)	Water treatment plant	Water fund charges for services	2025-2044	\$2,767,827	\$367,421	\$2,316,472
2025A G.O. Street Reconstruction and Utility Revenue Bonds	Infrastructure improvements	Ad valorem taxes, special assmts, trunk charges via transfers	2025-2041	\$11,443,402	\$ -	\$194,000

Note 7 **DEFINED BENEFIT PENSION PLANS – PERA**

A. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning

service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

The General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June

30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025 were \$352,285. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025 were \$600,124. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$1,618,242 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$39,037.

City's proportionate share of the net pension liability	\$1,618,242
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>39,037</u>
Total	<u><u>\$1,657,279</u></u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0488% at the end of the measurement period and 0.0488% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of \$87,362 for its proportionate share of the General Plan's pension expense. In addition, the City recognized an additional (\$5,988) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2025, the City reported General Employees Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$154,184	\$ -
Changes in actuarial assumptions	38,989	372,414
Net difference between projected and actual earnings on pension plan investments	-	647,758
Changes in proportion	112,582	63,122
Employer contributions subsequent to the measurement date	181,794	-
Total	<u>\$487,549</u>	<u>\$1,083,294</u>

The \$181,794 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2026	(\$105,280)
2027	(335,815)
2028	(221,422)
2029	(115,022)
2030	-
Thereafter	-

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$2,485,452 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2121% at the end of the measurement period and 0.2256% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets

basis). The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$86,158.

City's proportionate share of the net pension liability	\$2,485,452
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>86,158</u>
Total	<u><u>\$2,571,610</u></u>

For the year ended December 31, 2025, the City recognized pension expense of \$603,796 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$41,687 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid, because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$19,092 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported Police and Fire Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$1,130,919	\$ -
Changes in actuarial assumptions	1,760,500	3,064,792
Net difference between projected and actual earnings on pension plan investments	-	1,147,893
Changes in proportion	338,067	579,074
Employer contributions subsequent to the measurement date	296,268	-
Total	<u><u>\$3,525,754</u></u>	<u><u>\$4,791,759</u></u>

The \$296,268 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2026	\$420,782
2027	(591,551)
2028	(1,220,753)
2029	(199,456)
2030	28,705
Thereafter	-

The net pension liability will be liquidated by the general, water, sewer, and storm water funds.

E. ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.50% for the General Plan and 1.00% for the Police and Fire Plan.

Salary growth assumptions in the General Plan range in annual increments from 11.50% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.0% after 23 years of service.

Mortality rates for the General Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Totals	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Plan and Police and Fire Plan were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the General Plan net pension liability	\$3,930,455	\$1,618,242	(\$257,484)
Proportionate share of the Police and Fire Plan net pension liability	\$6,512,411	\$2,485,452	(\$821,317)

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2025 is as follows:

General Plan	\$81,375
Police and Fire Plan	645,484
Fire Relief (Note 8)	<u>(9,026)</u>
Total	<u><u>\$717,833</u></u>

Note 8 DEFINED BENEFIT PENSION PLAN – FIRE DIVISION

A. PLAN DESCRIPTION

The Lino Lakes Public Safety Department – Fire Division participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2024 (measurement date), the plan covered 19 active firefighters and three vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353G.

B. BENEFITS PROVIDED

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40% through 20 years at 100%.

C. CONTRIBUTIONS

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes*, and voluntary City contributions. The State of Minnesota contributed \$193,547 in fire state aid to the plan for the year ended December 31, 2024. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the Volunteer Firefighter Fund for the year ended December 31, 2024 were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable.

D. PENSION COSTS

As of December 31, 2025, the City reported a net pension asset of \$937,209 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2024. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in the net pension asset during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (b-a)
Beginning balance December 31, 2024	\$594,010	\$1,289,595	\$695,585
Changes for the year:			
Service cost	61,649	-	(61,649)
Interest on pension liability	38,689	-	(38,689)
Actuarial experience (gains) / losses	(16,166)	-	16,166
Projected investment earnings	-	82,473	82,473
Asset (gain) loss	-	51,726	51,726
Contributions - employer	-	-	-
Contributions - State of MN	-	193,547	193,547
Benefit payments	(21,703)	(21,703)	-
PERA administrative fee	-	(1,950)	(1,950)
Net changes	<u>62,469</u>	<u>304,093</u>	<u>241,624</u>
Balance end of year December 31, 2025	<u>\$656,479</u>	<u>\$1,593,688</u>	<u>\$937,209</u>

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2025, the City recognized pension expense of (\$9,026).

At December 31, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ -	\$20,617
Differences between expected and actual economic experience	11,870	34,134
Total	<u>\$11,870</u>	<u>\$54,751</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2026	\$13,123
2027	8,135
2028	(32,098)
2029	(12,903)
2030	(2,557)
Thereafter	(16,581)

E. ACTUARIAL ASSUMPTIONS

The total pension liability at December 31, 2024 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0%
- Inflation rate of 3.0%

There were no changes in actuarial assumptions in 2024.

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made at a rate equal to the actuarially determined contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's net pension asset for the Volunteer Firefighter Fund, calculated using the assumed discount rate as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease in Discount Rate (5.0%)</u>	<u>Current Discount Rate (6.0%)</u>	<u>1% Increase in Discount Rate (7.0%)</u>
Net pension asset	\$898,616	\$937,209	\$974,153

H. PLAN INVESTMENTS

1. Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

2. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Cash	5%	0.00%
	100%	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

3. Description of Significant Investment Policy Changes During the Year

The SBI made no significant changes to their investment policy during fiscal year 2024 for the Volunteer Firefighter Fund.

I. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 9 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Notes 7 and 8, the City provides post-employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

B. BENEFITS PROVIDED

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Active employees, who retire from the City when over age 50 and with 20 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program until age 65.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer and the City's plan becomes secondary.

C. PARTICIPANTS

As of the January 1, 2025 actuarial valuation, participants of the plan consisted of:

Active employees	66
Inactive employees or beneficiaries	
currently receiving benefits	3
Total	<u>69</u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$914,361 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025. Changes in the total OPEB liability during 2025 were:

Balance - beginning of year	\$841,031
Changes for the year:	
Service cost	62,209
Interest	37,933
Differences between expected and actual experience	(143,406)
Changes in assumptions	150,856
Benefit payments	(34,262)
Net changes	<u>73,330</u>
Balance - end of year	<u><u>\$914,361</u></u>

The OPEB liability will be liquidated by the general, rookery activity center, water, sewer, and storm water funds. The current portion of the OPEB liability is not material to the financial statements and therefore, is not presented separately from the amount due in more than one year on the statement of net position.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.43%
Investment rate of return	N/A
Healthcare cost trend rates	6.20% for 2025, gradually decreasing to an ultimate rate of 4.10% for 2074 and beyond
Retirees' share of benefit-related costs	100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return were based on the 20-year AA rated municipal bond rate as of December 31, 2025, obtained from <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#overview>.

Pre-retirement, post-retirement and disability mortality rates were based on the Pub-2010 General/Safety Employees, Retirees and Disabled Retirees Headcount-Weighted Mortality with Improvement Scale MP-2021, respectively.

Based on past experience of the plan, 50% of future retirees are assumed to continue medical coverage until age 65. 15% of future pre-Medicare retirees are assumed to select spousal coverage. No spousal coverage is assumed for other future retirees. Retirement rates for police/fire employees are assumed to be 40% at age 55, 25% at age 60, 40% at age 65 and 100% at age 70. Retirement rates for other City employees are assumed to be 5% at age 55, 8% at age 60 and 100% at age 65.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.43%) or 1% higher (5.43%) than the current discount rate:

	1% Decrease 3.43%	Discount Rate 4.43%	1% Increase 5.43%
Total OPEB liability	\$1,003,469	\$914,361	\$832,733

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.2% decreasing to 4.4%) or 1% higher (7.2% decreasing to 6.4%) than the current healthcare cost trend rates:

	1% Decrease (5.2% decreasing to 3.1%)	Healthcare Cost Trend Rates (6.2% decreasing to 4.1%)	1% Increase (7.2% decreasing to 5.1%)
Total OPEB liability	\$780,003	\$914,361	\$1,078,011

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2025, the City recognized \$78,512 of OPEB expense. At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$185,810	\$366,611
Changes in assumptions	205,545	67,332
Total	\$391,355	\$433,943

Deferred outflows and inflows of resources relate almost exclusively to the public safety function, and therefore, have been allocated entirely to governmental activities.

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2026	(\$21,630)
2027	(21,630)
2028	(21,630)
2029	(21,630)
2030	34
Thereafter	43,898
	<u>(\$42,588)</u>

Note 10 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

Deficit fund balances at December 31, 2025 are as follows:

	Fund Balance Deficit	Future Funding Source
Major Funds:		
Capital Equipment Replacement	(\$656,651)	Property taxes
Nonmajor Funds:		
Tax Increment Financing 1-11	(848,915)	Tax increment collections
Public Works Facility Construction	(330,562)	Bond proceeds

B. EXPENDITURES IN EXCESS OF BUDGET

The following is a listing of departments within the General Fund that exceeded budget appropriations:

	Final Budget	Actual	Overage
General government:			
Administration	\$718,433	\$778,379	\$59,946
Finance	840,540	999,629	159,089
Legal consultants	148,000	168,792	20,792
Engineering	100,459	219,106	118,647
Public safety:			
Fire	1,306,895	1,589,621	282,726

Note 11 INTERFUND RECEIVABLES AND PAYABLES

Short-term advances to funds that have insufficient cash balances are classified as advances to/from other funds. Long-term interfund loans are classified as interfund loan receivable/payable. A summary of interfund receivables and payables at December 31, 2025 is as follows:

	<u>Receivable</u>	<u>Payable</u>
Short-term advances:		
Nonmajor Funds:		
Closed Bond	\$230,678	\$ -
Comp Plan Update	-	230,678
	<u>\$230,678</u>	<u>230,678</u>
Long-term interfund loans:		
Major Funds:		
Capital Equipment Replacement	\$ -	\$1,587,543
Sewer Fund	2,146,653	-
Nonmajor Funds:		
Building and Facilities	293,060	-
Tax Increment Financing 1-11	-	852,170
	<u>\$2,439,713</u>	<u>\$2,439,713</u>

Note 12 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2025 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General Fund	\$ -	\$147,205
Area and Unit Trunk	2,565,829	823,388
MSA Construction	256,493	55,000
2024 / 2025 Street Reconstruction		703,389
Water Fund	-	2,565,829
Nonmajor governmental funds	<u>1,722,489</u>	<u>250,000</u>
Total	<u>\$4,544,811</u>	<u>\$4,544,811</u>

During 2025, transfers were made to provide funding for capital improvement projects and capital outlay in accordance with the City's Five-Year Financial Plan. Transfers were also made to relieve deficit fund balance, provide resources for debt service payments, and to allocate financial resources to funds that received benefit from services provided by another fund. These transfers are routine and consistent with past practices.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

Note 13 FUND BALANCE

At December 31, 2025, a summary of the governmental fund balance classifications is as follows:

	General Fund	The Rookery Activity Center	Capital Equipment Replacement	Area and Unit Trunk	MSA Construction	2024 / 2025 Street Reconstruction	Other Governmental Funds	Total
Nonspendable:								
Prepaid items	\$466,588	\$24,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$490,875
Corpus of permanent fund	-	-	-	-	-	-	100,000	100,000
Total nonspendable	466,588	24,287	-	-	-	-	100,000	590,875
Restricted for:								
Capital improvements	-	-	-	-	-	1,334,717	-	1,334,717
Debt service	-	-	-	-	-	-	4,010,909	4,010,909
Park improvements	-	-	-	-	-	-	1,429,462	1,429,462
Economic development	-	-	-	-	-	-	225,000	225,000
Local affordable housing	-	-	-	-	-	-	344,575	344,575
Blue Heron Days	-	-	-	-	-	-	16,216	16,216
Narcotics & forfeiture funds	-	-	-	-	-	-	74,641	74,641
K-9 Unit purposes	-	-	-	-	-	-	2,047	2,047
Public safety aid	-	-	-	-	-	-	349,479	349,479
Tax increment purposes	-	-	-	-	-	-	355,795	355,795
Environmental purposes	-	-	-	-	-	-	56,295	56,295
Total restricted	-	-	-	-	-	1,334,717	6,864,419	8,199,136
Committed for:								
Veteran's Memorial	50,000	-	-	-	-	-	-	50,000
Rookery Activity Center	-	288,098	-	-	-	-	-	288,098
Economic development	-	-	-	-	-	-	47,339	47,339
Cable TV and communications purposes	-	-	-	-	-	-	246,962	246,962
Total committed	50,000	288,098	-	-	-	-	294,301	632,399
Assigned for:								
Capital improvements	-	-	-	6,191,719	3,786,977	73,866	8,389,445	18,442,007
Unassigned	9,713,191	-	(656,651)	-	-	-	(1,179,477)	7,877,063
Total fund balance	\$10,229,779	\$312,385	(\$656,651)	\$6,191,719	\$3,786,977	\$1,408,583	\$14,468,688	\$35,741,480

Note 14 TAX INCREMENT DISTRICTS

The City is the administrating authority for tax increment districts which are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which could have a material effect on the financial statements.

The following table reflects values at December 31, 2025:

	TIF 1-11 Legacy at Woods Edge	TIF 1-13 Lyngblomsten
Authorizing law	M.S. 469	M.S. 469
Year established	2005	2019
Final year of district	2031	2030
Net tax capacity:		
Original	\$15,468	\$14,101
Current	496,565	555,170
Captured - retained	<u>\$481,097</u>	<u>\$541,069</u>

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low to moderate income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

Tax increment revenue from TIF District 1-11 was used to finance debt service payments on the G.O. Improvement Bonds of 2016B. The bonds matured in 2021. Future tax increment collections will eliminate the deficit in TIF Fund 1-11.

TIF District 1-13 has an outstanding pay-as-you-go revenue note. The Tax Increment Revenue Note was issued in the principal sum of \$3,656,000. The note is not a general obligation of the City and is payable solely from available tax increments. Accordingly, the note is not reflected in the financial statements of the City. Principal payments are due February 1st and August 1st and are equal to 95% of the tax increment revenues collected in the preceding six months. Current year payments on the note totaled \$413,659 and the outstanding balance as of December 31, 2025 was \$3,082,830.

Note 15 COMMITMENTS AND CONTINGENCIES

A. LITIGATION

During 2024, the City was named in a lawsuit pertaining to development. Discovery closed in October 2025. The City moved for summary judgment and the motion was heard and taken under advisement on April 28, 2026. The City denies liability and is defending its interests in the litigation. At this time, the outcome or any potential loss cannot be reasonably estimated.

B. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2025.

C. COMMITTED CONTRACTS

At December 31, 2025, the City had commitments of \$8,686,000 for uncompleted construction contracts.

Note 16 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 103 *Financial Reporting Model Improvements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

Statement No. 104 *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for Reporting periods beginning after June 15, 2025.

Statement No. 105 *Subsequent Events*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

The effect these standards may have on future financial statements is not determinable at this time.

Note 18 CHANGE IN REPORTING ENTITY

During 2025, the 2024 / 2025 Street Reconstruction fund was changed from a nonmajor governmental fund to a major governmental fund. As a result, fund balance was adjusted as follows:

	2024 / 2025 Street Reconstruction	Other Governmental Funds
Fund balance - January 1, as previously presented	\$ -	\$12,795,061
Change within financial reporting entity (nonmajor to major fund)	<u>(218,947)</u>	<u>218,947</u>
Fund balance - January 1, as adjusted	<u>(\$218,947)</u>	<u>\$13,014,008</u>

Note 19 SUBSEQUENT EVENTS

On May 18, 2026, the City's Economic Development Authority issued \$26,185,000 Lease Revenue Bonds, Series 2026A to finance the acquisition, construction and equipping of a public works facility. Debt service payments are due semi-annually beginning February 1, 2027 through February 1, 2047.

On May 18, 2026, the City issued \$8,355,000 General Obligation Bonds, Series 2026A to finance public infrastructure and utility system improvements in connection with the Otter Lake Road extension project. Debt service payments are due semi-annually beginning February 1, 2027 through February 1, 2042.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
Page 1 of 6

	Budgeted Amounts		2025 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
General property taxes:				
Current and delinquent	\$11,348,814	\$11,348,814	\$11,098,708	(\$250,106)
Penalties and interest	1,000	1,000	711	(289)
Total general property taxes	11,349,814	11,349,814	11,099,419	(250,395)
Other taxes	155,000	155,000	149,219	(5,781)
Licenses and permits:				
Business	80,748	80,748	74,814	(5,934)
Non-business	892,961	892,961	1,084,688	191,727
Total licenses and permits	973,709	973,709	1,159,502	185,793
Special assessments	-	-	435	435
Intergovernmental:				
Federal:				
OTS grant	30,000	30,000	126,085	96,085
State:				
Police state aid	300,000	300,000	341,843	41,843
Fire state aid	180,000	180,000	222,385	42,385
MSA maintenance	295,000	295,000	326,186	31,186
Other	23,500	23,500	31,528	8,028
County solid waste grant	93,304	93,304	85,135	(8,169)
Total intergovernmental	921,804	921,804	1,133,162	211,358
Charges for services:				
General government	243,196	243,196	278,477	35,281
Public safety	190,800	190,800	255,302	64,502
Public works	12,000	12,000	10,294	(1,706)
Culture and recreation	5,000	5,000	6,975	1,975
Total charges for services	450,996	450,996	551,048	100,052
Fines and forfeits	76,000	76,000	88,086	12,086
Investment earnings	75,000	75,000	412,925	337,925
Miscellaneous:				
Refunds and reimbursements	46,000	46,000	55,996	9,996
Other	2,000	2,000	6,801	4,801
Total miscellaneous	48,000	48,000	62,797	14,797
Total revenues	14,050,323	14,050,323	14,656,593	606,270

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
Page 2 of 6

	Budgeted Amounts		2025 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Expenditures:				
General government:				
Mayor and city council:				
Current:				
Personal services	52,545	52,545	52,590	(45)
Supplies	-	-	105	(105)
Other services and charges	78,900	78,900	67,159	11,741
Contractual services	27,130	27,130	28,826	(1,696)
Total mayor and city council	158,575	158,575	148,680	9,895
Administration:				
Current:				
Personal services	629,481	629,481	688,359	(58,878)
Other services and charges	41,947	41,947	33,186	8,761
Contractual services	47,005	47,005	56,834	(9,829)
Total administration	718,433	718,433	778,379	(59,946)
Elections:				
Current:				
Personal services	18,267	18,267	12,622	5,645
Supplies	1,000	1,000	1	999
Other services and charges	2,100	2,100	4,043	(1,943)
Total elections	21,367	21,367	16,666	4,701
Charter commission:				
Current:				
Other services and charges	9,980	9,980	1,415	8,565
Finance:				
Current:				
Personal services	345,306	345,306	267,320	77,986
Supplies	1,000	1,000	560	440
Other services and charges	389,834	389,834	627,077	(237,243)
Contractual services	104,400	104,400	104,672	(272)
Total finance	840,540	840,540	999,629	(159,089)
Legal consultants:				
Current:				
Other services and charges	148,000	148,000	168,792	(20,792)
Planning and zoning:				
Current:				
Personal services	138,966	138,966	138,452	514
Other services and charges	16,450	16,450	12,310	4,140
Contractual services	39,660	39,660	18,081	21,579
Total planning and zoning commission	195,076	195,076	168,843	26,233

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
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	Budgeted Amounts		2025 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
General government: (continued)				
Engineering:				
Current:				
Other services and charges	100,459	100,459	219,106	(118,647)
Total engineering	100,459	100,459	219,106	(118,647)
Government buildings:				
Current:				
Personal services	113,141	113,141	71,605	41,536
Supplies	49,900	49,900	54,106	(4,206)
Other services and charges	457,465	457,465	459,613	(2,148)
Contractual services	34,240	34,240	29,562	4,678
Total government buildings	654,746	654,746	614,886	39,860
Total general government	2,847,176	2,847,176	3,116,396	(269,220)
Public safety:				
Police:				
Current:				
Personal services	4,996,862	4,996,862	4,717,935	278,927
Supplies	96,510	96,510	74,676	21,834
Other services and charges	199,153	199,153	253,837	(54,684)
Contractual services	80,823	80,823	85,150	(4,327)
Capital outlay	-	-	1,415	(1,415)
Total police	5,373,348	5,373,348	5,133,013	240,335
Fire:				
Current:				
Personal services	1,081,577	1,081,577	1,303,977	(222,400)
Supplies	32,025	32,025	20,229	11,796
Other services and charges	141,535	141,535	159,482	(17,947)
Contractual services	51,758	51,758	105,933	(54,175)
Total fire protection	1,306,895	1,306,895	1,589,621	(282,726)
Building inspection:				
Current:				
Personal services	502,014	502,014	418,243	83,771
Supplies	1,550	1,550	1,178	372
Other services and charges	23,640	23,640	4,162	19,478
Contractual services	37,740	37,740	66,423	(28,683)
Total building inspection	564,944	564,944	490,006	74,938
Total public safety	7,245,187	7,245,187	7,212,640	32,547

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
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	Budgeted Amounts		2025 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Public works:				
Streets:				
Current:				
Personal services	751,577	751,577	733,571	18,006
Supplies	235,500	235,500	170,993	64,507
Other services and charges	225,500	225,500	226,059	(559)
Contractual services	71,500	71,500	69,880	1,620
Total streets	1,284,077	1,284,077	1,200,503	83,574
Fleet:				
Current:				
Personal services	303,392	303,392	311,454	(8,062)
Supplies	236,300	236,300	259,421	(23,121)
Other services and charges	119,435	119,435	105,224	14,211
Contractual services	131,600	131,600	104,516	27,084
Total fleet	790,727	790,727	780,615	10,112
Total public works	2,074,804	2,074,804	1,981,118	93,686
Culture and recreation:				
Parks:				
Current:				
Personal services	707,532	707,532	682,928	24,604
Supplies	66,000	66,000	110,261	(44,261)
Other services and charges	75,600	75,600	59,017	16,583
Contractual services	254,200	254,200	161,982	92,218
Total parks	1,103,332	1,103,332	1,014,188	89,144
Total culture and recreation	1,103,332	1,103,332	1,014,188	89,144

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
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	Budgeted Amounts		2025 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Conservation of natural resources:				
Environmental:				
Current:				
Personal services	59,151	59,151	50,505	8,646
Supplies	1,000	1,000	-	1,000
Other services and charges	9,500	9,500	6,198	3,302
Contractual services	1,409	1,409	1,184	225
Total environmental	71,060	71,060	57,887	13,173
Solid waste abatement:				
Current:				
Personal services	58,364	58,364	35,438	22,926
Supplies	1,100	1,100	1,512	(412)
Other services and charges	8,100	8,100	1,439	6,661
Contractual services	25,740	25,740	23,884	1,856
Total solid waste abatement	93,304	93,304	62,273	31,031
Forestry:				
Current:				
Personal services	35,226	35,226	34,369	857
Supplies	3,250	3,250	397	2,853
Other services and charges	380	380	245	135
Contractual services	75,000	75,000	25,853	49,147
Total forestry	113,856	113,856	60,864	52,992
Total conservation of natural resources	278,220	278,220	181,024	97,196
Community development:				
Economic development:				
Current:				
Personal services	429	429	215	214
Other services and charges	14,730	14,730	9,773	4,957
Contractual services	83,200	83,200	72,738	10,462
Total economic development	98,359	98,359	82,726	15,633
Community development:				
Current:				
Personal services	314,568	314,568	255,489	59,079
Supplies	100	100	20	80
Other services and charges	10,800	10,800	7,005	3,795
Contractual services	2,777	2,777	854	1,923
Total community development	328,245	328,245	263,368	64,877
Total community development	426,604	426,604	346,094	80,510

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2025

Statement 10
Page 6 of 6

	Budgeted Amounts		2025 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Other:				
Contingency	75,000	75,000	-	75,000
Total expenditures	14,050,323	14,050,323	13,851,460	198,863
Revenues over (under) expenditures	-	-	805,133	805,133
Other financing sources (uses):				
Transfers out	-	-	(147,205)	(147,205)
Proceeds from sale of capital assets	-	-	15,434	15,434
Total other financing sources (uses)	-	-	(131,771)	(131,771)
Net change in fund balance	\$ -	\$ -	673,362	\$673,362
Fund balance - January 1			9,556,417	
Fund balance - December 31			\$10,229,779	

See accompanying notes to the required supplementary information.

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CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

BUDGETARY COMPARISON SCHEDULE - THE ROOKERY ACTIVITY CENTER

For The Year Ended December 31, 2025

	Budgeted Amounts		2025 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General property taxes	\$600,000	\$600,000	\$600,000	\$ -
Intergovernmental	8,000	8,000	14,929	6,929
Charges for services	1,244,969	1,244,969	1,371,136	126,167
Investment earnings	500	500	12,993	12,493
Miscellaneous	79,100	79,100	93,286	14,186
Total revenues	<u>1,932,569</u>	<u>1,932,569</u>	<u>2,092,344</u>	<u>159,775</u>
Expenditures:				
Culture and recreation				
Current:				
Personal services	1,223,343	1,223,343	1,108,770	114,573
Supplies	84,900	84,900	85,837	(937)
Other services and charges	330,780	330,780	366,856	(36,076)
Contractual services	222,724	222,724	205,029	17,695
Capital outlay	-	-	90,823	(90,823)
Total expenditures	<u>1,861,747</u>	<u>1,861,747</u>	<u>1,857,315</u>	<u>4,432</u>
Net change in fund balance	<u>\$70,822</u>	<u>\$70,822</u>	235,029	<u>\$164,207</u>
Fund balance - January 1			<u>77,356</u>	
Fund balance - December 31			<u>\$312,385</u>	

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

For The Last Ten Years

	2025	2024	2023
Total OPEB liability:			
Service cost	\$62,209	\$63,419	\$42,687
Interest	37,933	33,911	21,236
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(143,406)	-	263,454
Changes in assumptions	150,856	(22,573)	38,665
Benefit payments	(34,262)	(35,789)	(27,716)
Net change in total OPEB liability	73,330	38,968	338,326
Total OPEB liability - beginning	841,031	802,063	463,737
Total OPEB liability - ending	<u>\$914,361</u>	<u>\$841,031</u>	<u>\$802,063</u>
Covered-employee payroll	\$6,476,802	\$6,536,338	\$6,392,776
Total OPEB liability as a percentage of covered-employee payroll	14.1%	12.9%	12.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2017 and is intended to show a ten year trend. Additional years will be added as they become available.

See accompanying notes to the required supplementary information.

2022	2021	2020	2019	2018	2017
\$59,608	\$65,484	\$63,577	\$53,789	\$16,547	\$16,990
12,384	13,256	12,256	10,893	21,355	22,542
-	-	-	-	-	-
-	(250,908)	-	(245,168)	-	(51,083)
(87,527)	93,391	-	-	-	-
(22,971)	(32,454)	(22,990)	(15,527)	(27,798)	(31,536)
(38,506)	(111,231)	52,843	(196,013)	10,104	(43,087)
502,243	613,474	560,631	756,644	746,540	789,627
<u>\$463,737</u>	<u>\$502,243</u>	<u>\$613,474</u>	<u>\$560,631</u>	<u>\$756,644</u>	<u>\$746,540</u>
\$6,164,425	\$5,109,645	\$5,072,488	\$5,072,488	\$4,937,332	\$4,937,332
7.5%	9.8%	12.1%	11.1%	15.3%	15.1%

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

Measurement Date June 30,	Fiscal Year Ending December 31,	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.0387%	\$3,142,248	\$41,033	\$3,183,281	\$2,401,546	132.6%	68.9%
2017	2017	0.0414%	2,642,949	33,230	2,676,179	2,666,880	100.3%	75.9%
2018	2018	0.0381%	2,113,632	69,419	2,183,051	2,563,053	85.2%	79.5%
2019	2019	0.0398%	2,200,453	68,330	2,268,783	2,814,860	80.6%	80.2%
2020	2020	0.0392%	2,350,219	72,457	2,422,676	2,797,444	86.6%	79.1%
2021	2021	0.0391%	1,669,745	50,998	1,720,743	2,812,588	61.2%	87.0%
2022	2022	0.0428%	3,389,774	99,480	3,489,254	3,208,575	108.7%	76.7%
2023	2023	0.0505%	2,823,903	77,857	2,901,760	4,018,380	72.2%	83.1%
2024	2024	0.0488%	1,802,947	46,621	1,849,568	4,127,560	44.8%	89.1%
2025	2025	0.0488%	1,618,242	39,037	1,657,279	4,422,613	37.5%	90.8%

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 14****SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2016	\$193,684	\$193,684	\$ -	\$2,582,452	7.5%
2017	192,510	192,510	-	2,566,800	7.5%
2018	202,526	202,526	-	2,700,347	7.5%
2019	208,807	208,807	-	2,784,089	7.5%
2020	206,802	206,802	-	2,757,351	7.5%
2021	223,767	223,767	-	2,983,557	7.5%
2022	272,865	272,865	-	3,638,203	7.5%
2023	305,242	305,242	-	4,071,180	7.5%
2024	321,519	321,519	-	4,286,920	7.5%
2025	352,285	352,285	-	4,697,113	7.5%

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 15

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

PUBLIC EMPLOYEES POLICE AND FIRE FUND

For The Last Ten Years

Measurement Date June 30,	Fiscal Year Ending December 31,	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	2016	0.2590%	\$10,394,121	\$ -	\$10,394,121	\$2,495,778	416.5%	63.9%
2017	2017	0.2570%	3,469,806	-	3,469,806	2,643,314	131.3%	85.4%
2018	2018	0.2426%	2,585,866	-	2,585,866	2,556,951	101.1%	88.8%
2019	2019	0.2547%	2,711,539	-	2,711,539	2,689,536	100.8%	89.3%
2020	2020	0.2336%	3,079,098	72,537	3,151,635	2,638,619	119.4%	87.2%
2021	2021	0.2234%	1,724,411	77,543	1,801,954	2,602,793	69.2%	93.7%
2022	2022	0.2367%	10,300,249	450,081	10,750,330	2,875,683	373.8%	70.5%
2023	2023	0.2303%	3,976,982	160,211	4,137,193	3,024,258	136.8%	86.5%
2024	2024	0.2256%	2,968,216	113,147	3,081,363	3,124,186	98.6%	90.2%
2025	2025	0.2121%	2,485,452	86,158	2,571,610	3,219,441	79.9%	91.8%

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 16****SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2016	\$424,970	\$424,970	\$ -	\$2,623,271	16.20%
2017	416,665	416,665	-	2,572,006	16.20%
2018	420,821	420,821	-	2,597,660	16.20%
2019	452,731	452,731	-	2,670,979	16.95%
2020	444,711	444,711	-	2,512,491	17.70%
2021	479,593	479,593	-	2,709,565	17.70%
2022	524,594	524,594	-	2,963,805	17.70%
2023	541,104	541,104	-	3,057,084	17.70%
2024	555,870	555,870	-	3,140,508	17.70%
2025	600,124	600,124	-	3,390,531	17.70%

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -

LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION

For The Last Ten Years

Fiscal year ending - December 31:	2025	2024	2023 & 2022 *
Measurement date - December 31:	2024	2023	2022
Total pension liability:			
Service cost	\$61,649	\$62,261	\$62,261
Interest on pension liability	38,689	35,283	32,439
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(16,166)	(17,070)	(11,917)
Changes of assumptions	-	-	-
Changes in benefit level	-	-	-
Benefit payments	(21,703)	(24,520)	(46,223)
Net change in total pension liability	62,469	55,954	36,560
Total pension liability - beginning	594,010	538,056	501,496
Total pension liability - ending (a)	<u>\$656,479</u>	<u>\$594,010</u>	<u>\$538,056</u>
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - State of Minnesota	193,547	170,000	147,799
Contributions - other	-	-	-
Net investment income	134,199	159,422	(150,995)
Benefit payments	(21,703)	(24,520)	(46,223)
Administrative expense	(1,950)	-	(724)
Net change in plan fiduciary net position	304,093	304,902	(50,143)
Plan fiduciary net position - beginning	1,289,595	984,693	1,034,836
Plan fiduciary net position - ending (b)	<u>\$1,593,688</u>	<u>\$1,289,595</u>	<u>\$984,693</u>
Net pension asset - ending (b) - (a)	<u>\$937,209</u>	<u>\$695,585</u>	<u>\$446,637</u>
Plan fiduciary net position as a percentage of the total pension liability	243%	217%	183%
Covered payroll	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters whose pay does not meet the definition of covered payroll.

* Prior to 2023, the fiscal year end and measurement date were the same. However, 2023 plan information from PERA was not available and therefore, 2022 amounts were re-reported in the City's 2023 ACFR.

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2016 and is intended to show a ten year trend. Additional years will be added as they become available.

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
2021	2020	2019	2018	2017	2016
\$67,890	\$46,865	\$52,320	\$48,182	\$47,952	\$38,419
19,363	19,051	16,603	8,754	6,191	3,568
-	-	-	-	-	-
59,354	(81,734)	(22,680)	69,760	(11,672)	(7,804)
-	-	-	-	-	-
100,057	-	-	-	-	-
-	-	-	-	-	-
246,664	(15,818)	46,243	126,696	42,471	34,183
254,832	270,650	224,407	97,711	55,240	21,057
\$501,496	\$254,832	\$270,650	\$224,407	\$97,711	\$55,240
\$ -	\$ -	\$ -	\$ -	\$ -	\$44,394
137,872	130,846	121,630	118,144	113,797	-
-	-	-	64,869	58,800	-
83,292	95,960	78,063	(18,696)	9,153	133
-	-	-	-	-	-
(707)	(746)	(694)	(702)	(572)	-
220,457	226,060	198,999	163,615	181,178	44,527
814,379	588,319	389,320	225,705	44,527	-
\$1,034,836	\$814,379	\$588,319	\$389,320	\$225,705	\$44,527
\$533,340	\$559,547	\$317,669	\$164,913	\$127,994	(\$10,713)
206%	320%	217%	173%	231%	81%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 18****SCHEDULE OF CONTRIBUTIONS - LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
2016	\$ -	\$44,394	(\$44,394)	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A
2024	-	-	-	N/A	N/A
2025	-	-	-	N/A	N/A

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters, whose pay does not meet the definition of covered payroll.

See accompanying notes to the required supplementary information.

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund and the Rookery Activity Center special revenue fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund and the fund level for the Rookery Activity Center fund.

Note B OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Note C PENSION INFORMATION

PERA – General Employees Retirement Fund

2025 Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

2025 Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.00% for the period July 1, 2020, through December 31, 2023, and 0.00% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2018 Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

2017 Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16 million in 2017 and 2018 and \$6 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21 million to \$31 million in calendar years 2019 to 2031. The State's contribution changed from \$16 million to \$6 million in calendar years 2019 to 2031.

2016 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

PERA – Public Employees Police and Fire Fund

2025 Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2025 Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.00% to 3.00%; subsequent January 1 increases will be 1.00%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.40%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 Changes in Plan Provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.60% to 7.50%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Single Employer – Fire Division

During 2021, the benefit level per year of service increased from \$5,000 to \$7,000. There have been no other factors, such as changes to assumptions, that affect trends in the amounts reported since the Fire Division was created.

**COMBINING AND INDIVIDUAL NONMAJOR
FUND FINANCIAL STATEMENTS AND SCHEDULES**

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and payment of, interest, principal and related costs on general long-term debt.

CAPITAL PROJECT FUNDS

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PERMANENT FUNDS

Permanent Funds account for financial resources that are legally restricted to the extent that only earnings, and not the principal, may be used for purposes that support the City's programs.

The City maintains one permanent fund – the Environment and Stewardship Fund. This fund accounts for the use of funds received for environmental maintenance and improvements in the Foxborough area, as well as funds received for the Preserve area.

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

Statement 19

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$1,306,516	\$4,015,156	\$9,991,155	\$156,295	\$15,469,122
Advances to other funds	-	-	230,678	-	230,678
Special assessments receivable:					
Due from county	-	-	372	-	372
Delinquent	-	2,066	-	-	2,066
Deferred	-	1,101,630	92,637	-	1,194,267
Leases receivable	-	-	1,099,289	-	1,099,289
Interfund loan receivable	-	-	293,060	-	293,060
Total assets	\$1,306,516	\$5,118,852	\$11,707,191	\$156,295	\$18,288,854
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$257	\$4,248	\$437,192	\$ -	\$441,697
Advances from other funds	-	-	230,678	-	230,678
Interfund loan payable	-	-	852,170	-	852,170
Total liabilities	257	4,248	1,520,040	-	1,524,545
Deferred inflows of resources:					
Unavailable revenue	-	1,103,695	92,637	-	1,196,332
Lease related	-	-	1,099,289	-	1,099,289
Total deferred inflows of resources	-	1,103,695	1,191,926	-	2,295,621
Fund balance:					
Nonspendable	-	-	-	100,000	100,000
Restricted	1,011,958	4,010,909	1,785,257	56,295	6,864,419
Committed	294,301	-	-	-	294,301
Assigned	-	-	8,389,445	-	8,389,445
Unassigned	-	-	(1,179,477)	-	(1,179,477)
Total fund balance	1,306,259	4,010,909	8,995,225	156,295	14,468,688
Total liabilities, deferred inflows of resources, and fund balance	\$1,306,516	\$5,118,852	\$11,707,191	\$156,295	\$18,288,854

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2025

Statement 20

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Revenues:					
General property taxes	\$10,000	\$1,282,211	\$1,343,500	\$ -	\$2,635,711
Other taxes	16,962	-	-	-	16,962
Tax increment	-	-	986,651	-	986,651
Special assessments	-	233,962	338,106	-	572,068
Intergovernmental	247,108	-	26,325	-	273,433
Charges for services	790	-	319,434	-	320,224
Fines and forfeits	300	-	-	-	300
Investment earnings	62,471	155,690	425,615	7,671	651,447
Miscellaneous	3,400	-	-	5,700	9,100
Total revenues	341,031	1,671,863	3,439,631	13,371	5,465,896
Expenditures:					
Current:					
General government	950	-	364,959	-	365,909
Public safety	113,204	-	5,556	-	118,760
Public works	-	-	263,549	-	263,549
Culture and recreation	13,836	-	99,074	-	112,910
Community development	-	-	622,765	-	622,765
Capital outlay:					
Public safety	87,640	-	-	-	87,640
Public works	-	-	1,677,441	-	1,677,441
Culture and recreation	-	-	170,854	-	170,854
Debt service:					
Principal	-	1,615,000	-	-	1,615,000
Interest and fiscal charges	-	448,877	-	-	448,877
Total expenditures	215,630	2,063,877	3,204,198	-	5,483,705
Revenues over (under) expenditures	125,401	(392,014)	235,433	13,371	(17,809)
Other financing sources (uses):					
Transfers in	-	623,388	1,099,101	-	1,722,489
Transfers out	(50,000)	-	(200,000)	-	(250,000)
Total other financing sources (uses)	(50,000)	623,388	899,101	-	1,472,489
Net change in fund balance	75,401	231,374	1,134,534	13,371	1,454,680
Fund balance - January 1, as previously presented	1,230,858	3,779,535	7,641,744	142,924	12,795,061
Change within financial reporting entity (nonmajor to major fund)	-	-	218,947	-	218,947
Fund balance - January 1, as adjusted	1,230,858	3,779,535	7,860,691	142,924	13,014,008
Fund balance - December 31	\$1,306,259	\$4,010,909	\$8,995,225	\$156,295	\$14,468,688

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following nonmajor Special Revenue Funds during the year.

Economic Development Authority – established to account for the receipt and uses of funds for economic development purposes.

Cable TV and Communications – established to account for activities relating to Cable TV and Communications.

Blue Heron Days – established to account for the activities associated with the Blue Heron Days festival.

State Narcotics Forfeitures – established to account for activities associated with the receipt and use of state narcotics forfeitures.

DUI Forfeitures – established to account for activities associated with the receipt and use of DUI forfeitures.

Other Forfeitures – established to account for activities associated with the receipt and use of other forfeitures.

Federal Forfeitures - Treasury – established to account for activities associated with the receipt and use of equitable sharing paid from the U.S. Department of Treasury Forfeiture Fund.

K-9 Unit – established to account for donations received by the City which are restricted for K-9 Unit purposes.

Public Safety Aid – established to account for aid received from the State of Minnesota for public safety purposes.

Local Affordable Housing Aid – established to account for aid received from the State of Minnesota for local affordable housing.

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2025

	203 Economic Development Authority	204 Cable TV and Communications	205 Blue Heron Days	207 State Narcotics Forfeitures
Assets				
Cash and investments	\$272,339	\$246,962	\$16,216	\$25,950
Total assets	<u>\$272,339</u>	<u>\$246,962</u>	<u>\$16,216</u>	<u>\$25,950</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Restricted	225,000	-	16,216	25,950
Committed	47,339	246,962	-	-
Total fund balance	<u>272,339</u>	<u>246,962</u>	<u>16,216</u>	<u>25,950</u>
Total liabilities and fund balance	<u>\$272,339</u>	<u>\$246,962</u>	<u>\$16,216</u>	<u>\$25,950</u>

208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	214 Public Safety Aid	215 Local Affordable Housing Aid	Total Nonmajor Special Revenue Funds
\$45,493	\$1,565	\$1,633	\$2,304	\$349,479	\$344,575	\$1,306,516
\$45,493	\$1,565	\$1,633	\$2,304	\$349,479	\$344,575	\$1,306,516
\$ -	\$ -	\$ -	\$257	\$ -	\$ -	\$257
45,493	1,565	1,633	2,047	349,479	344,575	1,011,958
-	-	-	-	-	-	294,301
45,493	1,565	1,633	2,047	349,479	344,575	1,306,259
\$45,493	\$1,565	\$1,633	\$2,304	\$349,479	\$344,575	\$1,306,516

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2025

	203 Economic Development Authority	204 Cable TV and Communications	205 Blue Heron Days	207 State Narcotics Forfeitures
Revenues:				
General property taxes	\$ -	\$ -	\$10,000	\$ -
Other taxes	-	16,962	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	790	-
Fines and forfeits	-	-	-	-
Investment earnings	13,577	14,496	829	1,352
Miscellaneous	-	-	3,400	-
Total revenues	<u>13,577</u>	<u>31,458</u>	<u>15,019</u>	<u>1,352</u>
Expenditures:				
Current:				
General government	-	781	-	-
Public safety	-	-	-	2,010
Culture and recreation	-	376	13,460	-
Capital outlay:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>1,157</u>	<u>13,460</u>	<u>2,010</u>
Revenues over (under) expenditures	13,577	30,301	1,559	(658)
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	13,577	(19,699)	1,559	(658)
Fund balance - January 1	<u>258,762</u>	<u>266,661</u>	<u>14,657</u>	<u>26,608</u>
Fund balance - December 31	<u><u>\$272,339</u></u>	<u><u>\$246,962</u></u>	<u><u>\$16,216</u></u>	<u><u>\$25,950</u></u>

208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	214 Public Safety Aid	215 Local Affordable Housing Aid	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,000
-	-	-	-	-	-	16,962
-	-	-	-	-	247,108	247,108
-	-	-	-	-	-	790
300	-	-	-	-	-	300
2,828	82	60	161	21,263	7,823	62,471
-	-	-	-	-	-	3,400
<u>3,128</u>	<u>82</u>	<u>60</u>	<u>161</u>	<u>21,263</u>	<u>254,931</u>	<u>341,031</u>
-	169	-	-	-	-	950
15,677	-	-	3,155	92,362	-	113,204
-	-	-	-	-	-	13,836
-	-	-	-	87,640	-	87,640
<u>15,677</u>	<u>169</u>	<u>-</u>	<u>3,155</u>	<u>180,002</u>	<u>-</u>	<u>215,630</u>
(12,549)	(87)	60	(2,994)	(158,739)	254,931	125,401
-	-	-	-	-	-	(50,000)
(12,549)	(87)	60	(2,994)	(158,739)	254,931	75,401
58,042	1,652	1,573	5,041	508,218	89,644	1,230,858
<u>\$45,493</u>	<u>\$1,565</u>	<u>\$1,633</u>	<u>\$2,047</u>	<u>\$349,479</u>	<u>\$344,575</u>	<u>\$1,306,259</u>

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DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The City's Debt Service Funds account for four types of bonded indebtedness:

General Obligation Bonds – are repaid primarily from property taxes.

Improvement Bonds – are repaid primarily from special assessments.

Public Facility Lease Revenue Bonds – are repaid primarily from lease revenues received from the EDA leasing the buildings to the City of Lino Lakes and other tenants.

Utility Revenue Bonds – these bonds were issued to finance various utility improvements and will be repaid primarily from trunk utility charges.

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2025

	337 G.O. Improvement Bonds of 2014A	338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B
Assets			
Cash and investments	\$263,817	\$776,019	\$441,516
Special assessments receivable:			
Delinquent	-	-	-
Deferred	-	-	-
Total assets	<u>\$263,817</u>	<u>\$776,019</u>	<u>\$441,516</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
	<u>\$531</u>	<u>\$531</u>	<u>\$531</u>
Deferred inflows of resources:			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	<u>263,286</u>	<u>775,488</u>	<u>440,985</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$263,817</u>	<u>\$776,019</u>	<u>\$441,516</u>

341 G.O. Utility Revenue Bonds of 2016A	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	346 G.O. Bonds of 2021A	347 G.O Bonds of 2025A	Total Nonmajor Debt Service Funds
\$290,426	\$1,557,572	\$253,180	\$237,391	\$195,235	\$4,015,156
-	2,066	-	-	-	2,066
-	293,630	-	-	808,000	1,101,630
<u>\$290,426</u>	<u>\$1,853,268</u>	<u>\$253,180</u>	<u>\$237,391</u>	<u>\$1,003,235</u>	<u>\$5,118,852</u>
\$531	\$531	\$531	\$531	\$531	\$4,248
-	295,695	-	-	808,000	1,103,695
289,895	1,557,042	252,649	236,860	194,704	4,010,909
<u>\$290,426</u>	<u>\$1,853,268</u>	<u>\$253,180</u>	<u>\$237,391</u>	<u>\$1,003,235</u>	<u>\$5,118,852</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2025

	337 G.O. Improvement Bonds of 2014A	338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B
Revenues:			
General property taxes	\$ -	\$269,864	\$318,557
Special assessments	-	-	-
Investment earnings	13,171	29,850	16,019
Total revenues	<u>13,171</u>	<u>299,714</u>	<u>334,576</u>
Expenditures:			
Debt service:			
Principal	160,000	225,000	205,000
Interest and fiscal charges	3,514	34,794	97,094
Total expenditures	<u>163,514</u>	<u>259,794</u>	<u>302,094</u>
Revenues over (under) expenditures	<u>(150,343)</u>	<u>39,920</u>	<u>32,482</u>
Other financing sources (uses):			
Transfers in	<u>126,438</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(23,905)	39,920	32,482
Fund balance - January 1	<u>287,191</u>	<u>735,568</u>	<u>408,503</u>
Fund balance - December 31	<u><u>\$263,286</u></u>	<u><u>\$775,488</u></u>	<u><u>\$440,985</u></u>

341 G.O. Utility Revenue Bonds of 2016A	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	346 G.O. Bonds of 2021A	347 G.O. Bonds of 2025A	Total Nonmajor Debt Service Funds
\$ -	\$484,215	\$ -	\$209,575	\$ -	\$1,282,211
-	39,962	-	-	194,000	233,962
14,566	62,047	13,834	4,968	1,235	155,690
14,566	586,224	13,834	214,543	195,235	1,671,863
145,000	455,000	255,000	170,000	-	1,615,000
7,981	188,106	90,031	26,826	531	448,877
152,981	643,106	345,031	196,826	531	2,063,877
(138,415)	(56,882)	(331,197)	17,717	194,704	(392,014)
152,450	-	344,500	-	-	623,388
14,035	(56,882)	13,303	17,717	194,704	231,374
275,860	1,613,924	239,346	219,143	-	3,779,535
\$289,895	\$1,557,042	\$252,649	\$236,860	\$194,704	\$4,010,909

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CAPITAL PROJECT FUNDS

Capital Project Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. The City maintained the following nonmajor Capital Project Funds during the year:

Closed Bond – to account for excess funds from matured bond issues.

Building and Facilities – to account for the activities associated with the maintenance and replacement of municipal buildings and facilities.

Office Equipment Replacement – to account for the receipt and use of funds for office equipment purchases.

Dedicated Parks – to account for the receipts and use of monies collected from park dedication fees.

Tax Increment Financing Funds – to account for development projects financed with tax increments.

Pavement Management – to account for the financing of street maintenance projects.

Surface Water Management – to account for the financing of surface water infrastructure and wetland bank activity.

Street Reconstruction – to account for the financing of future reconstruction of City streets.

Park and Trail Improvements – to account for park and trail improvement activities.

Comp Plan Update – this fund accounts for the financing sources received and expenditures incurred to update the City's Comprehensive Plan.

Public Works Facility Construction – to account for the financing of the City's public works facility construction project.

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CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2025

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	301 Closed Bond	401 Building and Facilities	403 Office Equipment Replacement	405 Dedicated Parks
Assets				
Cash and investments	\$146,398	\$3,178,320	\$41,345	\$1,444,554
Advances to other funds	230,678	-	-	-
Special assessments receivable:				
Due from county	-	-	-	-
Deferred	-	-	-	-
Leases receivable	-	1,099,289	-	-
Interfund loan receivable	-	293,060	-	-
Total assets	<u>\$377,076</u>	<u>\$4,570,669</u>	<u>\$41,345</u>	<u>\$1,444,554</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$2,500	\$ -	\$15,092
Advances from other funds	-	-	-	-
Interfund loan payable	-	-	-	-
Total liabilities	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>15,092</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Lease related	-	1,099,289	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,099,289</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	-	-	-	1,429,462
Assigned	377,076	3,468,880	41,345	-
Unassigned	-	-	-	-
Total fund balance	<u>377,076</u>	<u>3,468,880</u>	<u>41,345</u>	<u>1,429,462</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$377,076</u>	<u>\$4,570,669</u>	<u>\$41,345</u>	<u>\$1,444,554</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2025

	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	430 Tax Increment Financing 1-13	421 Pavement Management
Assets				
Cash and investments	\$3,255	\$320,938	\$289,004	\$758,312
Advances to other funds	-	-	-	-
Special assessments receivable:				
Due from county	-	-	-	-
Deferred	-	-	-	-
Leases receivable	-	-	-	-
Interfund loan receivable	-	-	-	-
Total assets	\$3,255	\$320,938	\$289,004	\$758,312
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$254,147	\$58,442
Advances from other funds	-	-	-	-
Interfund loan payable	852,170	-	-	-
Total liabilities	852,170	-	254,147	58,442
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Lease related	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted	-	320,938	34,857	-
Assigned	-	-	-	699,870
Unassigned	(848,915)	-	-	-
Total fund balance	(848,915)	320,938	34,857	699,870
Total liabilities, deferred inflows of resources, and fund balance	\$3,255	\$320,938	\$289,004	\$758,312

422 Surface Water Management	423 Street Reconstruction	425 Park and Trail Improvements	484 Comp Plan Update	489 Public Works Facility Construction	Total Nonmajor Capital Project Funds
\$2,950,876	\$510,945	\$212,575	\$134,633	\$ -	\$9,991,155
-	-	-	-	-	230,678
372	-	-	-	-	372
92,637	-	-	-	-	92,637
-	-	-	-	-	1,099,289
-	-	-	-	-	293,060
<u>\$3,043,885</u>	<u>\$510,945</u>	<u>\$212,575</u>	<u>\$134,633</u>	<u>\$ -</u>	<u>\$11,707,191</u>
\$7,127	\$ -	\$ -	\$ -	\$99,884	\$437,192
-	-	-	-	230,678	230,678
-	-	-	-	-	852,170
<u>7,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,562</u>	<u>1,520,040</u>
92,637	-	-	-	-	92,637
-	-	-	-	-	1,099,289
<u>92,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,191,926</u>
-	-	-	-	-	1,785,257
2,944,121	510,945	212,575	134,633	-	8,389,445
-	-	-	-	(330,562)	(1,179,477)
<u>2,944,121</u>	<u>510,945</u>	<u>212,575</u>	<u>134,633</u>	<u>(330,562)</u>	<u>8,995,225</u>
<u>\$3,043,885</u>	<u>\$510,945</u>	<u>\$212,575</u>	<u>\$134,633</u>	<u>\$ -</u>	<u>\$11,707,191</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2025

	301 Closed Bond	401 Building and Facilities	403 Office Equipment Replacement	405 Dedicated Parks
Revenues:				
General property taxes	\$ -	\$ -	\$25,000	\$ -
Tax increment	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	177,112	-	142,322
Investment earnings	23,499	134,031	2,082	65,897
Total revenues	<u>23,499</u>	<u>311,143</u>	<u>27,082</u>	<u>208,219</u>
Expenditures:				
Current:				
General government	2,749	-	32,753	-
Public safety	-	-	5,556	-
Public works	-	-	1,335	-
Culture and recreation	-	-	-	-
Community development	-	-	1,383	-
Capital outlay:				
Public works	-	37,290	-	-
Culture and recreation	-	-	-	42,611
Total expenditures	<u>2,749</u>	<u>37,290</u>	<u>41,027</u>	<u>42,611</u>
Revenues over (under) expenditures	<u>20,750</u>	<u>273,853</u>	<u>(13,945)</u>	<u>165,608</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(150,000)	-	-	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(129,250)</u>	<u>273,853</u>	<u>(13,945)</u>	<u>165,608</u>
Fund balance - January 1, as previously presented	506,326	3,195,027	55,290	1,263,854
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - January 1, as adjusted	<u>506,326</u>	<u>3,195,027</u>	<u>55,290</u>	<u>1,263,854</u>
Fund balance - December 31	<u><u>\$377,076</u></u>	<u><u>\$3,468,880</u></u>	<u><u>\$41,345</u></u>	<u><u>\$1,429,462</u></u>

418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	430 Tax Increment Financing 1-13	421 Pavement Management	422 Surface Water Management	423 Street Reconstruction
\$ -	\$ -	\$ -	\$1,138,500	\$ -	\$ -
451,602	-	535,049	-	-	-
-	-	-	-	326,566	11,540
-	-	-	-	26,325	-
-	-	-	-	-	-
2,059	9,452	1,860	14,299	138,451	25,077
453,661	9,452	536,909	1,152,799	491,342	36,617
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	230,395	31,819	-
-	-	-	-	-	-
6,206	100,424	514,752	-	-	-
-	-	-	1,231,092	78,497	-
-	-	-	-	-	-
6,206	100,424	514,752	1,461,487	110,316	-
447,455	(90,972)	22,157	(308,688)	381,026	36,617
-	-	-	446,896	-	-
-	-	-	-	(50,000)	-
-	-	-	446,896	(50,000)	-
447,455	(90,972)	22,157	138,208	331,026	36,617
(1,296,370)	411,910	12,700	561,662	2,613,095	474,328
-	-	-	-	-	-
(1,296,370)	411,910	12,700	561,662	2,613,095	474,328
(\$848,915)	\$320,938	\$34,857	\$699,870	\$2,944,121	\$510,945

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2025

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Page 2 of 2

	425 Park and Trail Improvements	484 Comp Plan Update	488 2024 / 2025 Street Reconstruction	489 Public Works Facility Construction	Total Nonmajor Capital Project Funds
Revenues:					
General property taxes	\$180,000	\$ -		\$ -	\$1,343,500
Tax increment	-	-		-	986,651
Special assessments	-	-		-	338,106
Intergovernmental	-	-		-	26,325
Charges for services	-	-		-	319,434
Investment earnings	8,499	409		-	425,615
Total revenues	<u>188,499</u>	<u>409</u>		<u>-</u>	<u>3,439,631</u>
Expenditures:					
Current:					
General government	-	329,457		-	364,959
Public safety	-	-		-	5,556
Public works	-	-		-	263,549
Culture and recreation	99,074	-		-	99,074
Community development	-	-		-	622,765
Capital outlay:					
Public works	-	-		330,562	1,677,441
Culture and recreation	128,243	-		-	170,854
Total expenditures	<u>227,317</u>	<u>329,457</u>		<u>330,562</u>	<u>3,204,198</u>
Revenues over (under) expenditures	<u>(38,818)</u>	<u>(329,048)</u>		<u>(330,562)</u>	<u>235,433</u>
Other financing sources (uses):					
Transfers in	90,000	562,205		-	1,099,101
Transfers out	-	-		-	(200,000)
Total other financing sources (uses)	<u>90,000</u>	<u>562,205</u>		<u>-</u>	<u>899,101</u>
Net change in fund balance	<u>51,182</u>	<u>233,157</u>		<u>(330,562)</u>	<u>1,134,534</u>
Fund balance - January 1, as previously presented	161,393	(98,524)	(218,947)	-	7,641,744
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>218,947</u>	<u>-</u>	<u>218,947</u>
Fund balance - January 1, as adjusted	<u>161,393</u>	<u>(98,524)</u>	<u>-</u>	<u>-</u>	<u>7,860,691</u>
Fund balance - December 31	<u>\$212,575</u>	<u>\$134,633</u>	<u>\$ -</u>	<u>(\$330,562)</u>	<u>\$8,995,225</u>

STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Lino Lakes, Minnesota's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Table Number
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	Tables 1-4
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	Tables 5-8
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	Tables 9-12
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	Tables 13-14
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	Tables 15-17

CITY OF LINO LAKES, MINNESOTA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$18,597,344	\$22,868,259	\$24,640,555	\$28,433,053
Restricted	13,342,852	11,730,147	10,579,817	12,390,431
Unrestricted	10,187,254	12,017,212	16,577,520	17,640,035
Total governmental activities net position	<u>\$42,127,450</u>	<u>\$46,615,618</u>	<u>\$51,797,892</u>	<u>\$58,463,519</u>
Business-type activities:				
Net investment in capital assets	\$31,860,610	\$31,831,950	\$32,709,079	\$36,390,820
Unrestricted	13,863,447	14,846,045	15,570,827	16,237,228
Total business-type activities net position	<u>\$45,724,057</u>	<u>\$46,677,995</u>	<u>\$48,279,906</u>	<u>\$52,628,048</u>
Primary government:				
Net investment in capital assets	\$50,457,954	\$54,700,209	\$57,349,634	\$64,823,873
Restricted	13,342,852	11,730,147	10,579,817	12,390,431
Unrestricted	24,050,701	26,863,257	32,148,347	33,877,263
Total primary government net position	<u>\$87,851,507</u>	<u>\$93,293,613</u>	<u>\$100,077,798</u>	<u>\$111,091,567</u>

GASB 75 was implemented in 2017. Net position was restated for 2016 to reflect the reporting of the OPEB liability and OPEB related deferred inflows of resources.

Table 1

2020	2021	2022	2023	2024	2025
\$31,960,308	\$38,987,698	\$43,292,333	\$48,061,305	\$50,860,601	\$48,302,743
13,446,203	13,889,250	10,200,962	9,398,180	7,378,391	8,676,297
18,686,238	21,975,414	21,078,214	21,364,755	25,568,337	26,279,601
<u>\$64,092,749</u>	<u>\$74,852,362</u>	<u>\$74,571,509</u>	<u>\$78,824,240</u>	<u>\$83,807,329</u>	<u>\$83,258,641</u>
\$43,366,197	\$43,566,016	\$49,792,563	\$50,119,172	\$53,198,585	\$76,014,698
16,054,144	16,425,602	14,574,403	15,375,587	18,243,689	16,311,749
<u>\$59,420,341</u>	<u>\$59,991,618</u>	<u>\$64,366,966</u>	<u>\$65,494,759</u>	<u>\$71,442,274</u>	<u>\$92,326,447</u>
\$75,326,505	\$82,553,714	\$93,084,896	\$98,180,477	\$104,059,186	\$124,317,441
13,446,203	13,889,250	10,200,962	9,398,180	7,378,391	8,676,297
34,740,382	38,401,016	35,652,617	36,740,342	43,812,026	42,591,350
<u>\$123,513,090</u>	<u>\$134,843,980</u>	<u>\$138,938,475</u>	<u>\$144,318,999</u>	<u>\$155,249,603</u>	<u>\$175,585,088</u>

CITY OF LINO LAKES, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$2,456,864	\$2,395,633	\$2,345,386	\$2,466,130
Public safety	6,567,523	5,166,538	4,749,394	5,053,511
Public works	6,228,893	5,492,395	5,384,522	5,810,919
Culture and recreation	-	-	-	-
Conservation of natural resources	216,905	200,016	201,590	183,982
Community development	454,144	459,455	576,794	686,421
Interest and fees on long-term debt	831,529	518,897	414,607	498,587
Total governmental activities expenses	<u>16,755,858</u>	<u>14,232,934</u>	<u>13,672,293</u>	<u>14,699,550</u>
Business-type activities:				
Water	1,367,693	1,245,249	1,332,755	1,322,811
Sewer	1,850,962	1,901,821	1,964,471	2,002,711
Storm water	-	-	-	-
Total business-type activities expenses	<u>3,218,655</u>	<u>3,147,070</u>	<u>3,297,226</u>	<u>3,325,522</u>
Total primary government expenses	<u>\$19,974,513</u>	<u>\$17,380,004</u>	<u>\$16,969,519</u>	<u>\$18,025,072</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$520,231	\$550,117	\$562,816	\$612,237
Public safety	1,359,426	2,249,152	1,591,658	1,255,363
Public works	865,327	801,633	448,009	1,273,900
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Operating grants and contributions	722,858	1,106,014	861,429	870,532
Capital grants and contributions	5,046,307	4,141,383	5,187,023	6,820,419
Total governmental activities program revenues	<u>8,514,149</u>	<u>8,848,299</u>	<u>8,650,935</u>	<u>10,832,451</u>
Business-type activities:				
Charges for services:				
Water	1,094,897	1,150,834	1,217,589	1,172,580
Sewer	1,659,322	1,698,963	1,753,712	1,771,143
Storm water	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,543,947	836,029	1,242,032	2,894,794
Total business-type activities	<u>4,298,166</u>	<u>3,685,826</u>	<u>4,213,333</u>	<u>5,838,517</u>
Total primary government program revenues	<u>\$12,812,315</u>	<u>\$12,534,125</u>	<u>\$12,864,268</u>	<u>\$16,670,968</u>

Table 2
Page 1 of 2

2020	2021	2022	2023	2024	2025
\$4,197,819	\$2,828,407	\$3,117,688	\$3,041,049	\$4,134,836	\$4,510,604
4,867,134	4,706,881	6,512,493	7,130,294	7,045,702	7,506,924
4,118,477	6,260,599	6,377,440	5,604,543	6,218,466	5,662,429
-	-	4,029,146	3,350,309	3,283,500	3,149,235
161,556	178,581	235,376	257,150	287,271	172,572
660,660	791,930	884,336	531,413	732,201	976,720
733,207	654,287	562,248	497,903	410,330	633,471
14,738,853	15,420,685	21,718,727	20,412,661	22,112,306	22,611,955
1,532,282	1,621,486	3,019,350	2,027,102	2,130,173	2,171,174
2,199,865	2,186,992	2,347,539	2,535,243	2,989,132	2,888,492
-	-	251,478	577,404	409,320	361,387
3,732,147	3,808,478	5,618,367	5,139,749	5,528,625	5,421,053
\$18,471,000	\$19,229,163	\$27,337,094	\$25,552,410	\$27,640,931	\$28,033,008
\$587,888	\$892,386	\$699,316	\$507,564	\$434,283	\$334,473
1,235,829	1,688,606	1,616,634	1,279,955	1,489,612	1,503,190
1,106,248	2,528,275	1,574,335	1,544,038	149,389	187,406
-	-	1,046,848	1,127,355	1,837,741	1,614,509
-	-	-	10,000	-	-
2,470,024	1,019,752	1,119,449	1,866,131	1,480,903	1,488,450
6,894,207	7,931,093	2,800,604	2,996,602	8,609,291	16,231,842
12,294,196	14,060,112	8,857,186	9,331,645	14,001,219	21,359,870
1,341,559	1,683,290	1,845,312	2,323,763	2,072,108	2,499,711
1,803,231	1,892,040	1,952,299	2,079,761	2,186,487	2,348,259
-	-	486,069	552,121	559,217	562,097
42,152	-	-	59,032	7,589	5,060
2,887,266	752,403	5,268,556	8,545	2,119,227	1,984,213
6,074,208	4,327,733	9,552,236	5,023,222	6,944,628	7,399,340
\$18,368,404	\$18,387,845	\$18,409,422	\$14,354,867	\$20,945,847	\$28,759,210

CITY OF LINO LAKES, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2016	2017	2018	2019
Net (expense) revenue:				
Governmental activities	(\$8,241,709)	(\$5,384,635)	(\$5,021,358)	(\$3,867,099)
Business-type activities	1,079,511	538,756	916,107	2,512,995
Total primary government, net	(7,162,198)	(4,845,879)	(4,105,251)	(1,354,104)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	9,343,500	9,753,971	10,229,691	10,706,977
Unrestricted grants and contributions	91,385	181,712	59,508	38,926
Unrestricted investment earnings	210,142	207,792	369,485	1,029,944
Gain on disposal of capital assets	66,255	38,022	17,318	68,472
Special item - withdrawal from fire district	1,333,166	-	-	-
Transfers	(914,414)	(308,694)	(472,370)	(1,311,593)
Total governmental activities	10,130,034	9,872,803	10,203,632	10,532,726
Business-type activities:				
Unrestricted investment earnings	107,119	106,488	213,434	523,554
Gain on disposal of capital assets	-	-	-	-
Transfers	914,414	308,694	472,370	1,311,593
Total business-type activities	1,021,533	415,182	685,804	1,835,147
Total primary government	\$11,151,567	\$10,287,985	\$10,889,436	\$12,367,873
Change in net position:				
Governmental activities	\$1,888,325	\$4,488,168	\$5,182,274	\$6,665,627
Business-type activities	2,101,044	953,938	1,601,911	4,348,142
Total primary government change in net position	\$3,989,369	\$5,442,106	\$6,784,185	\$11,013,769

Table 2
Page 2 of 2

2020	2021	2022	2023	2024	2025
(\$2,444,657)	(\$1,360,573)	(\$12,861,541)	(\$11,081,016)	(\$8,111,087)	(\$1,252,085)
2,342,061	519,255	3,933,869	(116,527)	\$1,416,003	\$1,978,287
(102,596)	(841,318)	(8,927,672)	(11,197,543)	(6,695,084)	726,202
11,259,043	12,006,161	12,622,388	13,989,700	15,358,404	16,522,639
47,188	6,587	2,117,908	270,011	2,364	6,801
684,384	(171,260)	(1,139,063)	1,554,657	1,517,537	1,900,916
150,041	387,972	66,852	35,689	143,601	478,913
-	-	-	-	-	-
(4,066,269)	(109,774)	(1,142,554)	(516,310)	(3,927,730)	(18,205,872)
8,074,387	12,119,686	12,525,531	15,333,747	13,094,176	703,397
383,963	(86,764)	(645,918)	728,010	603,782	700,014
-	29,012	-	-	-	-
4,066,269	109,774	1,142,554	516,310	3,927,730	18,205,872
4,450,232	52,022	496,636	1,244,320	4,531,512	18,905,886
\$12,524,619	\$12,171,708	\$13,022,167	\$16,578,067	\$17,625,688	\$19,609,283
\$5,629,730	\$10,759,113	(\$336,010)	\$4,252,731	\$4,983,089	(\$548,688)
6,792,293	571,277	4,430,505	1,127,793	5,947,515	20,884,173
\$12,422,023	\$11,330,390	\$4,094,495	\$5,380,524	\$10,930,604	\$20,335,485

CITY OF LINO LAKES, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2016	2017	2018	2019
General Fund:				
Nonspendable	\$225,114	\$243,317	\$286,186	\$296,907
Committed	-	-	-	443,900
Unassigned	6,031,077	6,573,608	6,599,956	6,052,388
Total general fund	<u>\$6,256,191</u>	<u>\$6,816,925</u>	<u>\$6,886,142</u>	<u>\$6,793,195</u>
All other governmental funds:				
Nonspendable	101,220	101,659	101,998	102,842
Restricted	6,502,424	5,289,641	9,824,255	6,650,462
Committed	170,950	175,401	182,613	175,485
Assigned	15,778,480	14,581,669	19,195,652	19,672,706
Unassigned	(978,496)	(2,909,173)	(2,935,459)	(3,171,161)
Total all other governmental funds	<u>\$21,574,578</u>	<u>\$17,239,197</u>	<u>\$26,369,059</u>	<u>\$23,430,334</u>
Total all funds	<u>\$27,830,769</u>	<u>\$24,056,122</u>	<u>\$33,255,201</u>	<u>\$30,223,529</u>

Table 3

2020	2021	2022	2023	2024	2025
\$315,224	\$356,619	\$518,196	\$567,849	\$557,155	\$466,588
425,000	71,370	58,600	75,667	67,500	50,000
6,787,498	7,719,761	7,509,721	7,940,364	8,931,762	9,713,191
<u>\$7,527,722</u>	<u>\$8,147,750</u>	<u>\$8,086,517</u>	<u>\$8,583,880</u>	<u>\$9,556,417</u>	<u>\$10,229,779</u>
102,076	208,573	152,038	159,611	156,350	124,287
8,206,540	8,437,406	8,248,742	7,083,189	6,441,358	8,199,136
470,047	531,131	254,465	279,968	321,429	582,399
18,943,415	19,533,784	19,492,211	20,707,533	22,269,960	18,442,007
(3,129,676)	(2,931,318)	(2,688,775)	(2,797,128)	(1,894,957)	(1,836,128)
<u>\$24,592,402</u>	<u>\$25,779,576</u>	<u>\$25,458,681</u>	<u>\$25,433,173</u>	<u>\$27,294,140</u>	<u>\$25,511,701</u>
<u>\$32,120,124</u>	<u>\$33,927,326</u>	<u>\$33,545,198</u>	<u>\$34,017,053</u>	<u>\$36,850,557</u>	<u>\$35,741,480</u>

CITY OF LINO LAKES, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2016	2017	2018	2019
Revenues:				
Property taxes	\$9,369,090	\$9,772,741	\$10,215,761	\$10,685,592
Licenses and permits	895,581	1,447,571	1,260,046	941,569
Special assessments	4,400,635	2,283,974	2,005,970	1,935,178
Intergovernmental	706,944	1,080,953	3,453,300	688,389
Charges for services	1,293,556	1,327,781	1,003,896	1,862,803
Fines and forfeits	251,653	613,593	137,940	131,936
Investment earnings	210,142	207,792	369,485	1,029,944
Miscellaneous	417,448	410,640	323,379	265,130
Total revenues	17,545,049	17,145,045	18,769,777	17,540,541
Expenditures:				
Current:				
General government	1,845,667	1,952,669	1,948,909	2,007,741
Public safety	4,333,080	4,360,517	4,575,957	4,720,122
Public works	3,203,837	3,414,412	3,148,058	3,538,624
Culture and recreation	-	-	-	-
Conservation of natural resources	201,635	183,392	199,026	207,919
Community development	425,402	433,144	572,910	680,419
Capital outlay	3,044,615	2,152,848	3,469,208	7,444,939
Debt service:				
Principal	2,769,525	8,058,525	3,130,600	2,815,075
Interest and fiscal charges	816,362	640,029	437,659	562,471
Bond issuance costs	98,906	-	-	-
Total expenditures	16,739,029	21,195,536	17,482,327	21,977,310
Revenues over (under) expenditures	806,020	(4,050,491)	1,287,450	(4,436,769)
Other financing sources (uses):				
Proceeds from sale of capital assets	72,182	103,328	49,391	77,986
Insurance recovery	-	-	-	711,854
Issuance of debt	5,464,000	311,000	7,218,900	388,535
Premium on bonds issued	41,497	-	401,193	-
Transfers in	3,521,180	6,984,443	4,266,440	2,777,663
Transfers out	(3,241,959)	(7,122,927)	(4,024,295)	(2,550,941)
Total other financing sources (uses)	5,856,900	275,844	7,911,629	1,405,097
Special item - withdrawal from fire district	1,111,834	-	-	-
Net change in fund balance	\$7,774,754	(\$3,774,647)	\$9,199,079	(\$3,031,672)
Debt service as a percentage of				
Noncapital expenditures	26.2%	45.4%	25.5%	23.2%
Debt service as a percentage of				
Total expenditures	21.4%	41.0%	20.4%	15.4%

Table 4

2020	2021	2022	2023	2024	2025
\$11,232,374	\$12,063,089	\$12,623,407	\$13,986,847	\$15,325,112	\$16,519,527
972,450	1,400,755	1,348,912	973,653	1,143,987	1,159,502
987,053	1,597,697	2,156,808	1,025,575	2,264,926	1,287,172
2,597,744	1,170,678	3,393,074	2,551,769	5,168,490	11,894,104
1,609,627	3,102,712	2,739,431	2,480,170	2,539,647	2,242,408
160,279	113,359	79,669	92,129	101,657	88,386
684,384	(171,260)	(1,139,063)	1,554,657	1,517,537	1,900,916
246,599	508,253	906,901	934,718	144,436	167,232
18,490,510	19,785,283	22,109,139	23,599,518	28,205,792	35,259,247
3,412,600	2,257,879	2,504,260	2,426,747	3,108,922	3,482,305
4,744,173	5,027,661	5,792,661	6,282,216	6,558,432	7,329,985
3,083,366	2,929,603	3,308,439	3,083,106	2,383,537	2,328,016
-	-	3,723,278	2,933,374	2,839,288	2,893,590
160,884	182,247	224,980	249,955	255,761	181,024
665,405	822,007	914,055	514,318	739,702	968,859
6,387,441	5,499,595	3,582,771	5,721,645	9,277,960	28,860,557
2,855,000	3,149,000	2,324,360	2,439,885	2,115,475	1,615,000
629,282	699,782	662,078	602,744	513,966	448,877
-	49,097	-	-	-	142,922
21,938,151	20,616,871	23,036,882	24,253,990	27,793,043	48,251,135
(3,447,641)	(831,588)	(927,743)	(654,472)	412,749	(12,991,888)
240,842	398,355	48,952	36,943	340,297	706,522
-	-	-	-	-	-
4,624,235	1,815,000	-	-	-	8,090,000
435,623	102,502	-	-	-	520,460
4,122,789	3,240,042	3,371,475	4,054,790	6,420,523	4,544,811
(4,079,253)	(2,917,109)	(2,874,812)	(2,965,406)	(4,340,065)	(1,978,982)
5,344,236	2,638,790	545,615	1,126,327	2,420,755	11,882,811
-	-	-	-	-	-
\$1,896,595	\$1,807,202	(\$382,128)	\$471,855	\$2,833,504	(\$1,109,077)
22.4%	24.0%	15.0%	16.4%	13.3%	10.2%
15.9%	18.7%	13.0%	12.5%	9.5%	4.3%

CITY OF LINO LAKES, MINNESOTA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Table 5

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Market Value
2016	\$15,472,329	\$2,609,482	\$359,006	\$18,440,817	46.019	\$1,699,288,883
2017	16,480,328	2,767,099	396,378	19,643,805	45.140	1,808,417,118
2018	17,879,879	2,966,548	442,867	21,289,294	42.826	1,959,826,108
2019	18,920,892	3,294,449	471,895	22,687,236	41.817	2,082,803,803
2020	20,781,383	3,686,997	419,457	24,887,837	39.870	2,299,471,394
2021	22,250,844	3,710,390	530,211	26,491,445	40.109	2,435,156,410
2022	23,932,066	3,587,941	388,342	27,908,349	40.154	2,587,650,762
2023	30,377,795	4,642,676	431,544	35,452,015	34.974	3,287,882,335
2024	32,389,089	6,066,250	390,827	38,846,166	36.098	3,524,450,903
2025	32,475,661	6,330,600	441,102	39,247,363	39.372	3,585,804,598

The tax capacity (taxable assessed value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

Source: Anoka County

CITY OF LINO LAKES, MINNESOTA

DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES

Table 6

Last Ten Fiscal Years

(rate per \$100 of Tax Capacity)

Fiscal Year	City Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Centennial School District ISD # 12	Anoka County	Other Taxing Districts	Total Overlapping	
2016	35.025	10.994	46.019	36.426	38.894	6.405	81.725	127.744
2017	35.105	10.035	45.140	29.097	36.841	5.810	71.748	116.888
2018	36.168	6.658	42.826	34.970	35.334	5.658	75.962	118.788
2019	33.875	7.942	41.817	35.984	34.473	5.300	75.757	117.574
2020	31.803	8.067	39.870	34.059	33.078	5.048	72.185	112.055
2021	33.235	6.874	40.109	31.572	31.567	4.420	67.559	107.668
2022	33.262	6.892	40.154	31.074	29.254	4.624	64.952	105.106
2023	30.704	4.270	34.974	25.188	24.176	3.976	53.340	88.314
2024	32.806	3.292	36.098	23.564	25.629	3.412	52.605	88.703
2025	36.134	3.238	39.372	25.162	30.245	1.927	57.334	96.706

The majority of the City is serviced by School District 12. Rates for debt service are based on each year's requirements.

Source: Anoka County

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CITY OF LINO LAKES, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 7

Taxpayer	2024			2016		
	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity
TREFCM CCD Owner, LLC	\$639,250	1	1.54%	\$ -		-
Lynglomsten at Lino Lakes, LLC	566,492	2	1.37%	-		-
Biynah MN WI LLC	434,848	3	1.05%	183,332.00	3	0.99%
Minnegasco Inc	331,031	4	0.80%	-		-
Target Corporation	298,390	5	0.72%	202,952.00	1	1.10%
Gargaro Properties LLC	281,254	6	0.68%	104,374.00	5	0.57%
Tomas Commercial Real Estate Holdings LLC	178,598	7	0.43%	-		-
Lino Lakes 72 LLC	174,978	8	0.42%	-		-
Molin Concrete Products	144,656	9	0.35%	107,982.00	4	0.59%
Millrose Properties Minnesota LLC	133,167	10	0.32%	-		-
Xcel Energy	-		-	190,733.00	2	1.03%
Taylor Corporation	-		-	99,648.00	6	0.54%
Kohls Department Store	-		-	99,092.00	7	0.54%
Marmon/Keystone Corp	-		-	74,216.00	8	0.40%
Centerpoint Energy	-		-	72,162.00	9	0.39%
Lino Lakes Business Center LLC	-		-	63,729	10	0.35%
Total	<u>\$3,182,664</u>		<u>7.68%</u>	<u>\$1,198,220</u>		<u>6.50%</u>

Source: Anoka County

CITY OF LINO LAKES, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy
2016	\$7,018,572	\$2,039,856	\$9,058,428	\$9,022,964	99.6%
2017	7,360,431	2,131,424	9,491,855	9,439,688	99.5%
2018	8,165,859	1,610,873	9,776,732	9,729,472	99.5%
2019	8,193,124	1,862,292	10,055,416	9,981,243	99.3%
2020	8,368,756	2,122,762	10,491,518	10,415,622	99.3%
2021	9,232,367	1,909,448	11,141,815	11,055,781	99.2%
2022	9,790,843	2,028,444	11,819,287	11,777,785	99.6%
2023	11,319,531	1,574,384	12,893,915	12,823,280	99.5%
2024	12,833,204	1,287,724	14,120,928	13,967,447	98.9%
2025	14,308,879	1,282,211	15,591,090	15,381,721	98.7%

Current year levies and collections include State levy related credits, but do not include tax increment levies and collections.

Table 8

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$35,464	\$9,058,428	100.0%	\$ -	0.0%
52,167	9,491,855	100.0%	-	0.0%
47,260	9,776,732	100.0%	-	0.0%
74,173	10,055,416	100.0%	-	0.0%
75,896	10,491,518	100.0%	-	0.0%
82,560	11,138,341	100.0%	3,474	0.0%
41,227	11,819,012	100.0%	275	0.0%
68,314	12,891,594	100.0%	2,321	0.0%
129,018	14,096,465	99.8%	24,463	0.2%
126,961	15,508,682	99.5%	82,408	0.5%

CITY OF LINO LAKES, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Other Long-Term Debt	Total Governmental Activities
2016	\$16,780,831	\$7,795,000	\$3,165,250	\$27,741,081
2017	12,896,518	4,905,000	2,174,725	19,976,243
2018	19,291,813	3,890,000	1,271,025	24,452,838
2019	18,057,829	2,855,000	1,064,485	21,977,314
2020	21,533,432	1,805,000	793,720	24,132,152
2021	21,551,462	845,000	434,720	22,831,182
2022	19,631,753	630,000	170,360	20,432,113
2023	17,467,043	415,000	35,475	17,917,518
2024	15,531,224	195,000	-	15,726,224
2025	22,577,561	35,000	-	22,612,561

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the *Demographic and Economic Statistics* schedule for personal income and population data.

N/A - Personal income information is not yet available for 2025 from the Bureau of Economic Analysis Report

Table 9

Business-type Activities				
G.O. Water Revenue Note	Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income	Per Capita
\$ -	\$27,741,081	1.63%	0.17%	\$1,334
-	19,976,243	1.10%	0.12%	946
-	24,452,838	1.25%	0.14%	1,145
-	21,977,314	1.03%	0.12%	999
-	24,132,152	1.05%	0.12%	1,128
-	22,831,182	0.94%	0.11%	1,075
-	20,432,113	0.79%	0.09%	943
-	17,917,518	0.54%	0.08%	815
1,216,285	16,942,509	0.48%	0.07%	759
2,654,787	25,267,348	0.70%	N/A	1,120

CITY OF LINO LAKES, MINNESOTA
RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government
	General Obligation Bonds	Special Assessment Bonds	
2016	\$16,780,831	\$7,795,000	\$24,575,831
2017	12,896,518	4,905,000	17,801,518
2018	19,291,813	3,890,000	23,181,813
2019	18,057,829	2,855,000	20,912,829
2020	21,533,432	1,805,000	23,338,432
2021	21,551,462	845,000	22,396,462
2022	19,631,753	630,000	20,261,753
2023	17,467,043	415,000	17,882,043
2024	15,531,224	195,000	15,726,224
2025	22,577,561	35,000	22,612,561

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the *Demographic and Economic Statistics* schedule for population data.

Table 10

Per Capita (Total)	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Assessed Market Value	Per Capita (Net)
\$1,181	\$8,420,263	\$17,711,818	1.04%	\$851
843	5,171,905	14,570,863	0.81%	690
1,086	4,456,461	19,794,252	1.01%	927
951	4,772,799	17,034,565	0.80%	774
1,091	5,399,895	18,595,307	0.81%	869
1,055	5,241,849	17,154,613	0.70%	808
936	5,147,106	15,114,647	0.58%	698
814	4,428,778	13,453,265	0.41%	612
705	3,778,075	11,948,149	0.34%	535
1,002	4,015,156	18,597,405	0.52%	824

CITY OF LINO LAKES, MINNESOTA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2025

Table 11

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Overlapping debt:			
Anoka County	\$38,315,000	6.6%	\$2,538,292
ISD 12 (Centennial)	57,650,000	44.3%	25,523,557
ISD 624 (White Bear Lake)	402,705,000	5.6%	22,490,269
ISD 831 (Forest Lake)	166,005,000	8.1%	13,469,812
Anoka County Regional Railroad Authority	1,435,000	6.6%	95,066
Metropolitan Council	186,870,000	0.6%	1,210,357
Total overlapping			<u>65,327,353</u>
City of Lino Lakes direct debt	25,267,348	100%	<u>25,267,348</u>
Total direct and overlapping debt			<u><u>\$90,594,701</u></u>

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Anoka County/City of Lino Lakes Official Statements

CITY OF LINO LAKES, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2025	
Debt limit:	
Market value	\$3,679,845,100
Applicable percentage	3%
	<u>110,395,353</u>
Debt applicable to limit:	
Total debt	25,267,348
Less:	
Special assessment bonds	(35,000)
Utility revenue bonds	(9,939,787)
Total debt applicable to limit	<u>15,292,561</u>
Legal debt margin	<u><u>\$95,102,792</u></u>

Legal Debt Margin Calculation for Fiscal Years 2016 Through 2025						
Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2016	20,803	\$50,978,666	\$10,122,081	\$40,856,585	19.86%	\$487
2017	21,117	54,252,514	10,426,243	43,826,271	19.22%	494
2018	21,347	58,794,783	14,497,838	44,296,945	24.66%	679
2019	21,995	65,496,045	13,637,314	51,858,731	20.82%	620
2020	21,399	71,534,937	13,217,152	58,317,785	18.48%	618
2021	21,236	76,205,334	13,901,182	62,304,152	18.24%	655
2022	21,658	80,410,830	12,287,889	68,122,941	15.28%	567
2023	21,976	100,724,793	11,097,080	89,627,713	11.02%	505
2024	22,322	108,404,079	11,085,000	97,319,079	10.23%	497
2025	22,562	110,395,353	15,292,561	95,102,792	13.85%	678

Fiscal Year	(1) Population	(2) Personal Income (<i>thousands of dollars</i>)	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2016	20,803	\$16,466,131	\$47,119	6,995	3.9%
2017	21,117	17,270,969	48,830	7,122	3.2%
2018	21,347	18,035,585	50,439	7,177	3.2%
2019	21,995	18,995,474	52,535	7,190	3.1%
2020	21,399	20,290,309	55,673	7,274	5.2%
2021	21,236	21,678,422	59,002	7,103	2.7%
2022	21,658	22,268,689	60,371	7,089	2.8%
2023	21,976	23,439,608	62,935	7,059	2.5%
2024	22,322	24,459,050	75,603	7,071	2.5%
2025	22,562	Not available	Not available	7,255	3.9%

Sources:

- (1) Estimates from Metropolitan Council, except for 2020 which is per the U.S. Census and 2022 which is a city estimate
- (2) Information from Bureau of Economic Analysis Report. Anoka County statistics used as local information is unavailable.
- (3) Information from ISD #12 Financial Statements and Supplementary Information
- (4) Information from MN Department of Employment and Economic Development. Anoka County statistics used as local information is unavailable.

CITY OF LINO LAKES, MINNESOTA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 14

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
ISD 12 - Centennial School District	1,514 ⁽²⁾	1	41.2%	391	2	19.8%
State of Minnesota Corrections	480	2	13.1%	447	1	22.7%
Molin Concrete	350	3	9.5%	130	6	6.6%
Target Corporation	320	4	8.7%	200	3	10.1%
Northern Wholesale	201	5	5.5%	-		-
Distribution Alternatives	190	6	5.2%	100	10	5.1%
City of Lino Lakes	174	7	4.7%	-		-
North American Composites, Inc	157	8	4.3%	-		-
Custom Remodelers	150	9	4.1%	-		-
Anoka County Juvenile Center	140	10	3.8%	130	5	6.6%
Rehbein Transit, Inc.	-		-	130	7	6.6%
Taylor Corporation	-		-	200	4	10.1%
Kohls	-		-	123	8	6.2%
YMCA	-		-	120	9	6.1%
	<u>3,676</u>			<u>1,971</u>		

Total

⁽¹⁾The statistic for total City employment is not available, therefore the percentage represents the percentage of the top ten listed.

⁽²⁾Total number of employees includes the entire District, including employees outside City Limit.

Source: Employer Surveys/City of Lino Lakes Official Statements

CITY OF LINO LAKES, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

	2016	2017	2018	2019
General government:				
Administration	4.00	4.00	4.00	4.00
Finance	3.50	3.50	3.25	3.25
Planning and zoning	1.00	1.00	1.00	1.00
Total general government	8.50	8.50	8.25	8.25
Public safety:				
Police - sworn officers	27.00	27.00	27.00	27.00
Police - civilians	4.50	4.50	4.00	4.00
Fire	1.50	1.50	1.50	1.50
Building inspection	2.50	2.50	2.50	3.50
Total public safety	35.50	35.50	35.00	36.00
Public works:				
Streets	6.50	6.65	6.65	6.65
Fleet	1.50	1.50	1.50	1.50
Government buildings	-	-	-	-
Total public works	8.00	8.15	8.15	8.15
Culture and recreation:				
Parks	5.20	5.20	5.20	5.20
Recreation	2.20	2.35	1.35	1.35
Rookery activity center	-	-	-	-
Total culture and recreation	7.40	7.55	6.55	6.55
Conservation of natural resources:				
Environmental	0.35	0.35	0.35	0.35
Solid waste abatement	0.30	0.30	0.30	0.30
Forestry	0.35	0.35	0.35	0.35
Total conservation of natural resources	1.00	1.00	1.00	1.00
Community development	2.00	2.00	2.00	2.00
Water	2.30	2.70	3.33	3.33
Sewer	2.30	2.70	3.33	3.33
Storm water	-	-	-	-
Total	67.00	68.10	67.60	68.60

Source: City Finance Office

Part-time Rookery Staff, Temporary Summer Seasonals, and Interns are not included

Table 15

2020	2021	2022	2023	2024	2025
4.00	5.00	5.00	4.00	5.00	4.00
3.10	3.10	2.60	2.60	2.60	2.60
1.00	1.00	1.00	1.00	1.00	1.00
8.10	9.10	8.60	7.60	8.60	7.60
27.00	28.00	28.00	28.00	27.70	27.70
4.00	5.00	5.50	5.50	6.85	5.35
1.50	1.50	6.50	6.50	2.45	6.95
3.50	3.50	4.50	4.50	4.50	4.50
36.00	38.00	44.50	44.50	41.50	44.50
6.50	6.25	6.15	6.25	6.25	6.25
1.50	2.20	2.45	2.55	2.55	2.55
-	-	-	0.15	0.15	0.15
8.00	8.45	8.60	8.95	8.95	8.95
5.20	4.95	5.35	5.60	5.60	5.60
0.20	-	0.10	-	-	-
-	-	7.50	7.00	7.00	6.00
5.40	4.95	12.95	12.60	12.60	11.60
0.38	0.38	0.30	0.30	0.30	0.30
0.25	0.25	0.20	0.20	0.20	0.20
0.38	0.38	0.25	0.25	0.25	0.25
1.00	1.00	0.75	0.75	0.75	0.75
2.00	2.00	1.70	1.70	2.70	2.70
3.25	3.25	4.05	4.05	4.05	4.05
3.25	3.25	4.05	4.05	4.05	4.05
-	-	1.80	1.80	1.80	1.80
67.00	70.00	87.00	86.00	85.00	86.00

CITY OF LINO LAKES, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2016	2017	2018	2019
General government:				
Elections	2	1	2	1
Registered voters	13,636	12,624	12,860	13,312
Number of votes cast	11,562	2,165	10,738	3,075
Voter participation (registered)	84.8%	17.1%	83.5%	23.1%
Public safety:				
Police:				
Calls for service	6,210	(2)	(2)	(2)
Traffic citations and warnings	2,199	(2)	(2)	(2)
Part I crime rate	1,091	(2)	(2)	(2)
Part II crime rate	3,635	(2)	(2)	(2)
Police:				
Case numbers generated	16,321	18,199	14,487	13,973
Avg response time (emergency & non-emergency)	5:26 minutes	4:42 minutes	5:16 minutes	5:53 minutes
Part I crime offenses	224	176	195	93 (3)
Part II crime offenses	746	808	587	304 (3)
Group A				266 (3)
Group B				98 (3)
Clearance rate	1	82%	69%	60%
Fire:				
Fire call load	269	316	356	379
Fire property loss	694,000	\$325,100	\$205,200	\$246,600
Fire property saved	10,511,300	\$6,342,100	\$1,791,500	\$7,548,100
Fire inspections	53	117	107	98
Building inspections:				
Building permits	761	5,422 (1)	3,281	1,107
Value of building permits	\$53,390,619	\$50,984,047	\$50,990,945	\$41,766,531
Other permits (4)	\$880	985	1,023	1,183
Public works:				
General maintenance (hours)	5,534	6,313	420	7,420
Street maintenance (hours)	4,053	3,765	12,418	4,328
Fleet maintenance (hours)	4,437	3,986	2,648	3,504
Snow plowing/sanding (hours)	960	928	2,117	2,130
Culture and recreation:				
Park maintenance (hours)	9,698	8,576	9,027	9,610
Utilities:				
Water maintenance (hours)	3,539	3,278	4,080	3,944
Sewer maintenance (hours)	3,539	3,278	4,080	3,944
Storm water maintenance (hours)	-	-	-	-

- (1) Increase in permits issued due to June 2017 storm damage.
(2) The Public Safety Department modified the metrics maintained for business purposes in 2016.
(3) Transition to FBI Uniform Crime Reporting NIBRS (National Incident Based Reporting System) in 2019.
January -July 2019 SRS, August-Dec 2019 NIBRS.
(4) Other permits (plumbing, mechanical, etc.) data included in 2020 and presented retroactively back to 2016.

Source: Various City Departments

Table 16

2020	2021	2022	2023	2024	2025
4	1	2	2	3	1
14,964	14,441	15,082	14,835	15,322	15,499
13,505	1,873	10,584	1,785	14,135	3,467
90.2%	13.0%	70.2%	12.0%	92.3%	22.4%
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
13,214	12,138	12,570	14,488	13,822	12,367
6:41 minutes	6:46 minutes	6:11 minutes	6:13 minutes	6:07 minutes	6:22 minutes
(3)	(3)	(3)	(3)	(3)	(3)
(3)	(3)	(3)	(3)	(3)	(3)
778	729	555	449	409	323
217	182	195	359	238	311
48%	56%	53%	71%	62%	59%
371	399	585	825	809	1,114
\$241,450	\$148,683	\$1,487,543	\$1,187,408	\$2,424,018	\$667,700
\$13,682,450	\$1,251,340	\$5,560,915	\$24,954,556	\$8,559,024	\$17,017,900
60	116	38	157	95	33
882	969	796	833	847	768
\$51,686,278	\$90,354,190	\$103,040,207	\$55,685,801	\$77,382,798	\$65,027,359
1,254	1,451	1,749	1,101	990	980
5,407	6,851	6,510	5,389	6,072	7,860
4,317	4,622	3,588	4,491	4,343	5,349
3,390	3,483	3,213	3,542	3,610	3,602
1,232	1,204	1,962	1,471	929	1,768
8,113	8,818	9,406	9,104	10,949	9,385
3,645	4,196	3,998	3,731	4,261	4,423
3,645	4,196	3,998	3,731	4,261	4,423
-	-	1,760	674	1,300	1,542

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public works:										
Lights	815	838	854	859	859	859	859	925	950	950
Vehicles	39	39	39	39	39	39	39	32	35	35
City streets (miles)	100.7	100.7	106.9	108.2	104.6 (1)	106.3	108.4	109.1	110.6	111.1
Culture and recreation:										
Parks:										
Asphalt trails (miles)	29.8	30.0	30.0	30.0	28.0 (2)	29.0	30.2	30.2	3.5	32.59
Boardwalk (miles)					0 (2)	-	0.3	0.3	0.3	0.31
Concrete trails (miles)					7.0 (2)	8.0	10.3	10.3	10.3	13.69
Baseball/Softball fields	8	8	8	8	8	8	8	8	8	8
Basketball courts	6	6	7	7	7	7	7	7	7	7
Fishing pier	1	-	-	-	-	-	-	-	-	-
Park acres	140	147	152	152	152	152	152	152	152	152
Park shelters	6	6	7	7	7	7	7	8	8	8
Parks	17	18	19	19	19	19	19	19	19	19
Pickleball courts	-	-	1	1	1	1	5	7	7	7
Playgrounds	15	16	17	17	17	17	17	17	17	17
Skating rinks	4	3	3	3	3	3	3	3	3	3
Soccer fields	6	4	4	4	4	4	4	4	4	4
Tennis courts	2	-	-	1	1	1	3	3	3	3
Water:										
Distribution system (miles)	85.6	99.4	89.0	89.5	91.8	94.2	97.6	99.2	101	102.3
Water connections	4,649	4,738	4,919	4,990	5,175	5,324	5,520	5,608	5,814	5,975
Gallons pumped (millions)	452	494	508	493	547	630	623	736	536	585
Water tower capacity (millions gallons)	2.0	2.0	2.0	2.0	2.0	3.5	3.5	3.5	3.5	3.5
Number of fire hydrants	1,024	1,028	942	937	1,013	1,046	1,097	1,116	1306	1349
Sewer:										
Collection system (miles)	77.9	87.0	79.5	80.1	80.1	82.8	85.4	86.3	89.98	87.76 (3)
Sewer connections	4,817	4,976	5,102	5,276	5,439	5,650	5,833	6,028	6,016	6,195
Storm water:										
Pipe (miles)	53.7	54.1	55.0	55.6	49.9 (1)	53.5	54.2	55.4	55.75	60.07
Ponds								305	309	312

Source: Various City Departments

- (1) Decrease due to reclassification of ownership.
(2) In 2020, trails were broken out between asphalt trail, concrete sidewalk, and boardwalk.
(3) Reduced due to mapping correction. Sewer main was not eliminated.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota (the City) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 19, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

The most sensitive estimates affecting the financial statements are the estimates used to calculate the other post-employment benefit (OPEB) and net pension liabilities, the OPEB and pension related deferred outflows and inflows of resources, and OPEB and pension expense. These estimates are based on actuarial studies. We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are Note 6 – Long-Term Debt, Note 10A – Deficit Fund Balances, Note 15A – Litigation and Note 19 – Subsequent Events.



The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. There were no corrected misstatements identified during the audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 22, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Invoice Approval

While testing disbursements, we noted an invoice payable to Comcast for \$398.44 was entered into the BS&A financial software by the City's accountant and then was auto-approved within BS&A. Upon implementing the new software, settings within BS&A allowed for certain auto-approvals of routine invoices under \$1,000. Staff identified the setting and eliminated the auto-approval option. We concur with this action.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City of Lino Lakes, Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 22, 2026

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements, and have issued our report thereon dated May 22, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lino Lakes, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lino Lakes, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 22, 2026

MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements, and have issued our report thereon dated May 22, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Lino Lakes, Minnesota failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Lino Lakes, Minnesota's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 22, 2026



**CITY COUNCIL
WORK SESSION STAFF REPORT
ITEM NO. 4**

STAFF ORIGINATOR: Katie Larsen, City Planner

WORK SESSION DATE: June 1, 2026

TOPIC: 2050 Comprehensive Plan Consultant - Landform Proposal

BACKGROUND

At the April 6, 2026 Work Session, staff discussed with the Council the need to hire a consultant to prepare the 2050 Comprehensive Plan. The Council supported hiring Landform who has been the City's planning consultant for the past 15+ years.

Kendrahl Lindahl, Landform, will present their proposal at the Work Session.

The City's 2050 Comprehensive Plan ("Plan") is required to be completed by December 31, 2028. In November 2025, the City Council reviewed the Met Council's 2050 System Statement. In January 2026, the City Council met with Met Council representatives to further discuss the system statement.

REQUESTED COUNCIL DIRECTION

Discussion only. Staff is requesting Council direction regarding consultant procurement.

ATTACHMENTS

1. Landform Proposal



2050 Comprehensive Plan Proposal *for* Lino Lakes, Minnesota

May 15, 2026

PREPARED FOR:

Michael Grochala, City of Lino Lakes
600 Town Center Parkway
Lino Lakes, MN 55014

PREPARED BY:

Landform Professional Services, LLC
105 South Fifth Avenue, Suite 513
Minneapolis, MN 55401

L A N D F O R M
From Site to Finish

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105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401

Tel: 612-252-9070
Web: landform.net

May 15, 2026

Michael Grochala
Community Development Director
City of Lino Lakes
600 Town Center Parkway
Lino Lakes, MN 55014-1182

RE: Lino Lakes 2050 Comprehensive Plan

Dear Mike,

We are excited to submit our proposal for the City of Lino Lakes 2050 Comprehensive Plan. While it is an update to the existing 2040 Comprehensive Plan, it allows the City an opportunity to revisit the community's vision and develop tools to implement the 2050 system statement requirements. We look forward to working with you to develop a Comprehensive Plan that can be used by the City Council and boards to make decisions. We are well suited to be your project partner for the following reasons:

- **Building upon previous relevant experience in Lino Lakes and similar communities.** Landform has been providing consulting planning services to the City since 2008 and we have firsthand knowledge of the unique challenges facing the City. Our team members have technical experience and creative skills to execute a planning process that engages the community and results in a meaningful comprehensive plan. Our team members focus on public sector work but also bring a solid understanding of the marketplace to ensure development of a plan that works.
- **Aligned project objectives and synergistic team.** We will work with you to develop a comprehensive plan that implements with your community goals and is consistent with the regional system requirements. We believe that the plan must be developed with an understanding of the City's vision and insights from other stakeholders. Our team building skills allow us to manage this project with city staff and other consultants to create a meaningful document.
- **Utilizing a workable approach to your project.** We work with you to develop a plan that meets the required minimum standards from the Metropolitan Council and meets the City's vision within that framework. We will use engagement tools that we have successfully utilized in other projects to facilitate development of an implementable plan.

We look forward to working with you to finalize the scope of work and prepare a contract for services. Please call me at 612.638.0225 with any questions concerning our services.

Sincerely,
Landform

Kendra Lindahl, AICP
Principal, Studio Lead

Landform Profile

Landform Professional Services, LLC is a multi-disciplinary consulting firm based in Minneapolis, Minnesota. We offer a full range of site design, planning and civil engineering services backed with over 30 years as an organization. Our professional resources include landscape architects, planners, civil engineers, land surveyors and entitlement managers. We are committed to client service, design quality, principles of sustainability and an innovative approach to site design.

Landform is organized into studios, each with their own expertise and area of specialization and experience. We shape our project design and delivery process to anticipate the needs of our clients based on an in-depth understanding of their project type or market. Each studio offers a fully integrated and interdisciplinary design process from Site to Finish®. Within the studios, project teams bring together the professionals with the specific expertise and the experience needed to meet clients' project objectives. Professional services include:

- Planning
- Landscape Architecture
- Civil Engineering
- Sustainable Design
- Land Survey
- Entitlement Management

Our Landform team offers you the following:

- A team known for its professionalism and effectiveness serving as planning consultants for cities across the Twin Cities metro area and greater Minnesota.
- A team that has a strong reputation for creative approaches to planning and design that blends development realities with the best practices of sustainable design.
- An organization that is extremely efficient and that has demonstrated success in keeping projects moving forward.
- A company that is committed to providing a plan that can be used to create your next great place.

Our experience with the public and private sector clients makes Landform uniquely qualified to help you implement your vision.



Our team possesses the talent and expertise to help you realize your vision of creating a project that is functional, sustainable and aesthetically pleasing.

Total staff:
20+

Contact:
Landform Professional Services, LLC
105 South Fifth Avenue
Suite 513
Minneapolis, MN 55401
612.252.9070

www.landform.net



TC2 Profile

TC2, Transportation Collaborative & Consultants, LLC is a small business enterprise specializing in transportation and community planning, community engagement, and traffic engineering founded in 2021. While newly formed, we are truly forged with experience in the industry. We've collectively been in the industry for over 100 years and have worked on projects across the Midwest. Our team of experts has extensive experience in transportation and community planning, bicycle/pedestrian system planning, community engagement & meeting facilitation, urban design development, traffic and parking analysis, vehicular & multimodal safety analysis, preliminary & final design and project management & development.

We believe that moving people with transportation is best achieved through collaboration among communities and organizations to create sustainable solutions that meet their needs today while also providing for future generations.

Our vision as a firm is to cultivate a diverse mix of planners, engineers, planners, strategists, communicators, and people dedicated to a collaborative spirit and meaningful project outcomes. We desire to partner with others that share our vision and values.

TC2 values include the following:

COLLABORATION

DIVERSITY

EMPOWER

PASSION

FUN



Founded:
2021

Total staff:
11

Contact:
Transportation Collaborative & Consultants, LLC
219 North Second Street
Suite 402
Minneapolis, MN 55401
612.464.3800

transportationcollaborative.com

TC² **Moving.
People.
Forward.**

SERVICE AREAS



CIVIL DESIGN

- Conceptual & Preliminary Design
- Final Design
- Trail and Bicycle Design
- Transit Design & Implementation



TRANSPORTATION PLANNING

- Multimodal Systems
- Corridor Studies
- Grant Writing
- Safe Routes to School



COMMUNITY ENGAGEMENT

- Strategy Development
- Meeting Facilitation
- Public Participation



TRAFFIC ENGINEERING

- Urban Design Concepts
- Traffic Impact Studies
- Intersection Control Evaluation
- Parking Studies
- Safety Evaluations



COMMUNITY PLANNING

- Community Planning
- Land Use/Sub Area Studies
- Zoning Code Updates
- Urban Design Development

Project Understanding

Thank you for asking Landform to lead the 2050 Comprehensive Plan update. We have partnered with TC2 to assist with the Parks and Natural Resources elements and anticipate working with the City's engineering consultant, WSB, to develop the engineering elements of the plan. It is our understanding that WSB will prepare a separate scope of work for their chapters. We have partnered with both firms in the past and have confidence that this Project Team will be able to collaborate to effectively create the 2050 Lino Lakes Comprehensive Plan.

Our team brings a wealth of experience in Lino Lakes and with comprehensive planning which allows us to develop every required element of the 2050 Comprehensive Plan with this Project Team. Our collaborative approach, which will assign clear responsibility for each plan element while ensuring strong cross support across all disciplines, allows us to build on our strengths, maintain clear communication and ensure a well-written comprehensive plan that reflects the City's vision.

The foundation of our work plan is the 2050 system statement, which will ensure that the required elements are included in the plan. Discussion with the community representatives is a key component to ensure that the City Council, Planning & Zoning Board and other community members' input is used to develop the plan. This shapes how we address land use and housing needs, plan for parks and open space, support resource protection, and plan for utilities and infrastructure.

Kendra Lindahl, AICP will lead the 2050 Comprehensive Plan effort for the City. She has more than 30 years of community development experience with an emphasis on comprehensive analysis, engagement and ensuring clear, implementable outcomes. Her experience with the 2040 Lino Lakes Comprehensive Plan, ordinance updates and a variety of planning efforts in support of City staff allow her to step into the project and lead the community to shape its future. Her leadership skills will ensure the collaborative work effort leads to successful completion of the plan.



CITY OF LINO LAKES

-  Incorporated in 1955 and a City in 1972
-  2020 Population of 21,399
-  Over 3,200 acres of lakes & 3,500 acres of parks
-  Home to a majority of the Rice Creek Chain of Lakes Park Reserve

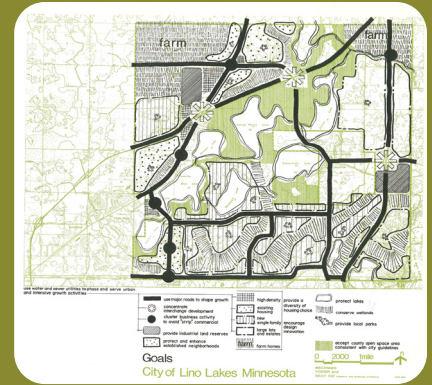


Project Approach

The Metropolitan Land Planning Act requires local governments to update their Comprehensive Plans every 10 years, to prepare for growth in their community and to respond to changes in the region. The 2050 Comprehensive Plans are due in 2028. The 2050 Comprehensive Plan is required to have the following plans elements, which have been incorporated into our plan:

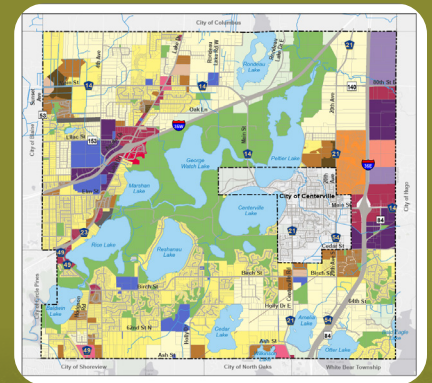
1. Land Use
2. Housing
3. Transportation
4. Wastewater
5. Water Supply
6. Surface Water
7. Parks and Trails
8. Climate
9. Natural Systems
10. Implementation

The Project Team will work with the City Council, Planning & Zoning Board and other City boards/commissions as well as members of the public. The specifics of the work plan are described in the next section but are intended to be flexible enough to respond to feedback to ensure the best results.



1974

Comprehensive Planning has been key to the development of Lino Lakes from the 1974 Plan to the most recent 2040 Plan.



2040 Land Use Plan

Project Work Plan

Task 1: Project Management & Community Engagement

1.1 Kickoff Meeting

Kickoff meeting with staff and Project Team to review scope, schedule, and deliverables.

1.2 Monthly Project Team Meetings

We will meet monthly with City staff and the Project Team to coordinate the work. We anticipate 15 meetings.

1.3 Kickoff Meeting with City Council

We propose a kickoff meeting with the Council and all Commissions to outline the process and encourage them to serve as ambassadors of the project.

1.4 Planning & Zoning Meetings

We propose using the Planning & Zoning Board as the working group for this project. We anticipate meeting monthly for a total of 12 meetings.

1.5 EDAC Meetings

We propose two meetings with EDAC (Economic Development Advisory Committee).

1.6 Park Board Meetings

We propose two meetings with the Park Board.

1.7 City Council Meetings

We propose three working meetings with the City Council but anticipate that staff will be providing regular updates to the Council on the process.

1.8 Facilitate Community Workshops & Open Houses

We propose up to six open house/workshops including the following:

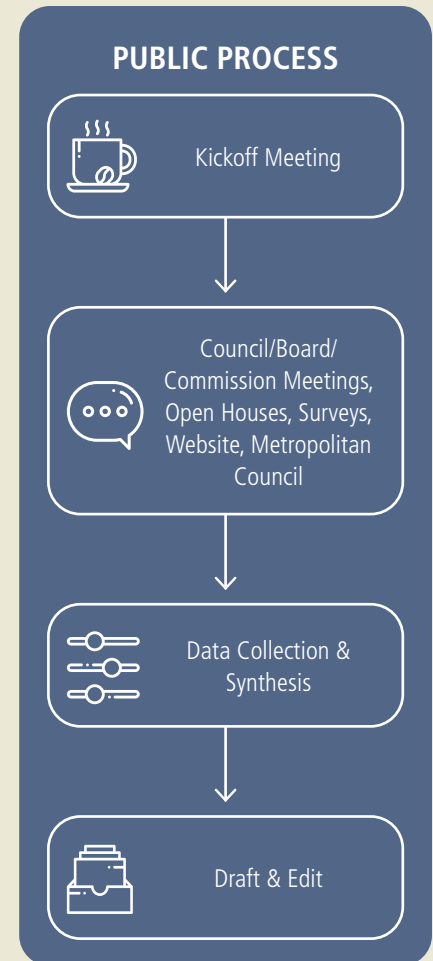
- A key issues workshop in May/June.
- A booth at Blue Heron Days on August 15 or another event
- Two Public engagement activities will focus on inviting residents into parks and open spaces to help shape future policies.
- An informational open house in January/February.
- An open house in May/June.

1.9 Internet-based Community Survey

We propose two internet-based surveys. This may include Survey123 and interactive ArcGIS Storymap activities for people to provide both written and mapped comments about Lino Lakes.

1.10 Metropolitan Council Meetings

We will prepare the Metropolitan Council submittal upon completion of the Plan. This includes three meetings with Metropolitan Council during the process.



Task 2: Preparation of the Plan

2.1 Community Background Chapter

We will inventory and analyze data, goals and priority areas from the existing Comprehensive Plan, and review other policies and discussions related to the population and demographics in Lino Lakes and the region. This will include a summary of existing land use, population, housing and employment characteristics. We will prepare text graphics, charts, and tables to represent the information.

2.2 Land Use Chapter

We will prepare the 2050 and full build land use maps to ensure compliance the City's forecasts and density goals. We will describe existing conditions and development land use classifications for Lino Lakes and the region. We will work with staff to determine opportunity areas and area where changes are warranted. Together with city staff, we will analyze the projected land use need in relation to the forecasted growth numbers and develop an implementation plan to meet the existing and projected needs of the community. We will prepare graphics, charts, and tables to represent the information.

2.3 Housing Chapter

Describe existing conditions and housing trends in Lino Lakes and the region. We will complete an assessment of existing housing stock for incorporation in the Housing Chapter. Together with the Project Team, we will analyze the projected needs for housing in relation to the forecasted growth numbers and develop an implementation plan to meet the existing and projected needs of the community. We will prepare graphics, charts, and tables to represent the information.

2.4 Parks, Climate and Natural Systems Chapters

The Parks Chapter update will provide a forward looking, integrated framework that meets Metropolitan Council requirements while reflecting the community's evolving values around natural resource protection, climate resilience, and high quality park experiences. Building on Lino Lakes' strong identity as a city of lakes, wetlands, woodlands, and regional open space, the updated chapter will shift from a primarily facilities based approach to one that more intentionally balances recreation, conservation, and ecological health.

The update will align parks planning with land use, transportation, and natural resources policy to ensure parks function not only as places for recreation, but also as essential green infrastructure that supports environmental resilience, habitat connectivity, and community well being. Meaningful public engagement, grounded in on site, park based activities, will be central to shaping a chapter that reflects local priorities and builds long term stewardship.

Plan Content

Each chapter explores data as it relates to land use, natural systems, transportation, utilities, and housing affordability.

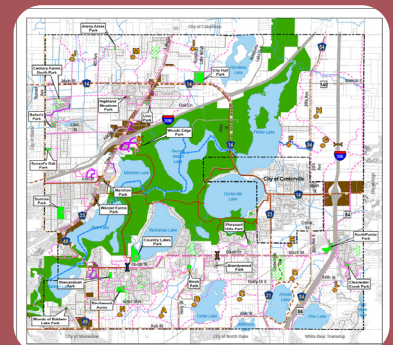
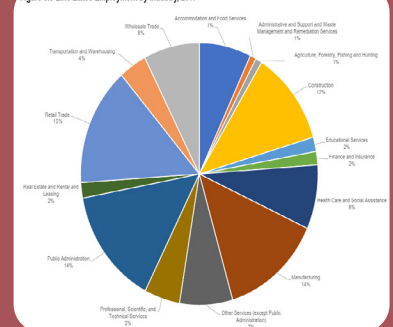


Figure 5.3 Lino Lakes Employment by Industry, 2017



This update will be implemented through the following approaches:

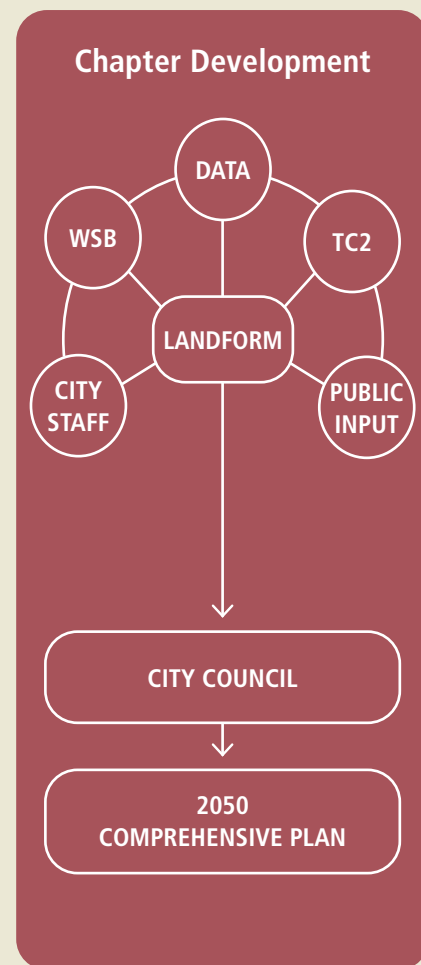
- We will begin with the Minnesota GreenStep Cities program to identify parks and open space related actions the City has already achieved and opportunities for new or expanded responsibilities. GreenStep best practices will help translate sustainability goals into implementable park policies related to habitat protection, climate resilience, green infrastructure, and community health.
- We will strengthen the chapter to place greater emphasis on a connected green infrastructure system that supports recreation, ecological function, and climate adaptation.
- The update will prioritize the citywide greenway framework that links parks, lakes, wetlands, and natural areas.
- Park classifications will be updated to reflect both recreational function and natural resource value.
- The chapter will highlight partnerships with regional park agencies, watershed districts, schools, and community groups to support land conservation, restoration, and programming. Encouraging stewardship through volunteers, education, and shared management will be framed as an essential part of sustaining the parks system.

2.5 Mapping

Landform will prepare all maps required for the Comprehensive Plan. We will coordinate with WSB to ensure accuracy and consistency across all plan maps. We will prepare a map template, gather and organize data from relevant sources and distribute data to project team members.

2.6 Plan Integration

Landform will coordinate with the Project Team to ensure consistency in language, style and format across chapters. We will set up document design in a software determined by staff and consultant. Develop document branding that increases readability and allows users to navigate easily in document. Landform will edit the final document for public review and comment.



Task 3: Finalize & Adopt the Plan

3.1 Planning & Zoning Board Public Hearing

We will prepare reports and notices for meetings as needed.

3.2 City Council Approval

We will prepare the materials as needed for the initial approval in order to start the adjacent review process.

3.3 Metropolitan Council Review

We will submit to the Metropolitan Council for an initial review and coordinate as required to complete the review and obtain authorization to implement the plan.

3.4 City Council Adoption

We will finalize the plan and all related materials for final adoption and publication of the plan.

FINAL ADOPTION

1. Public Hearing at Planning & Zoning



2. City Council Approves Plan for Review



3. Six-Month Agency Review



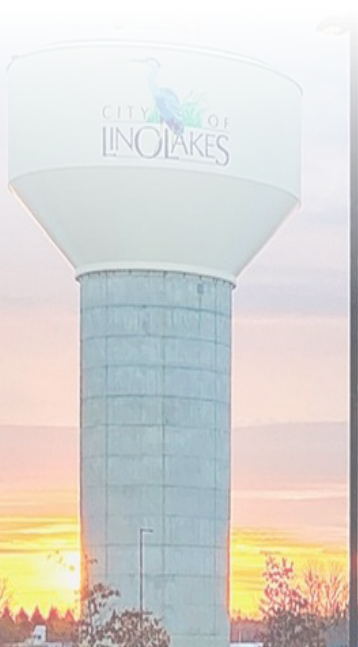
4. City Council Authorizes Submission



5. Metropolitan Council Authorizes Implementation

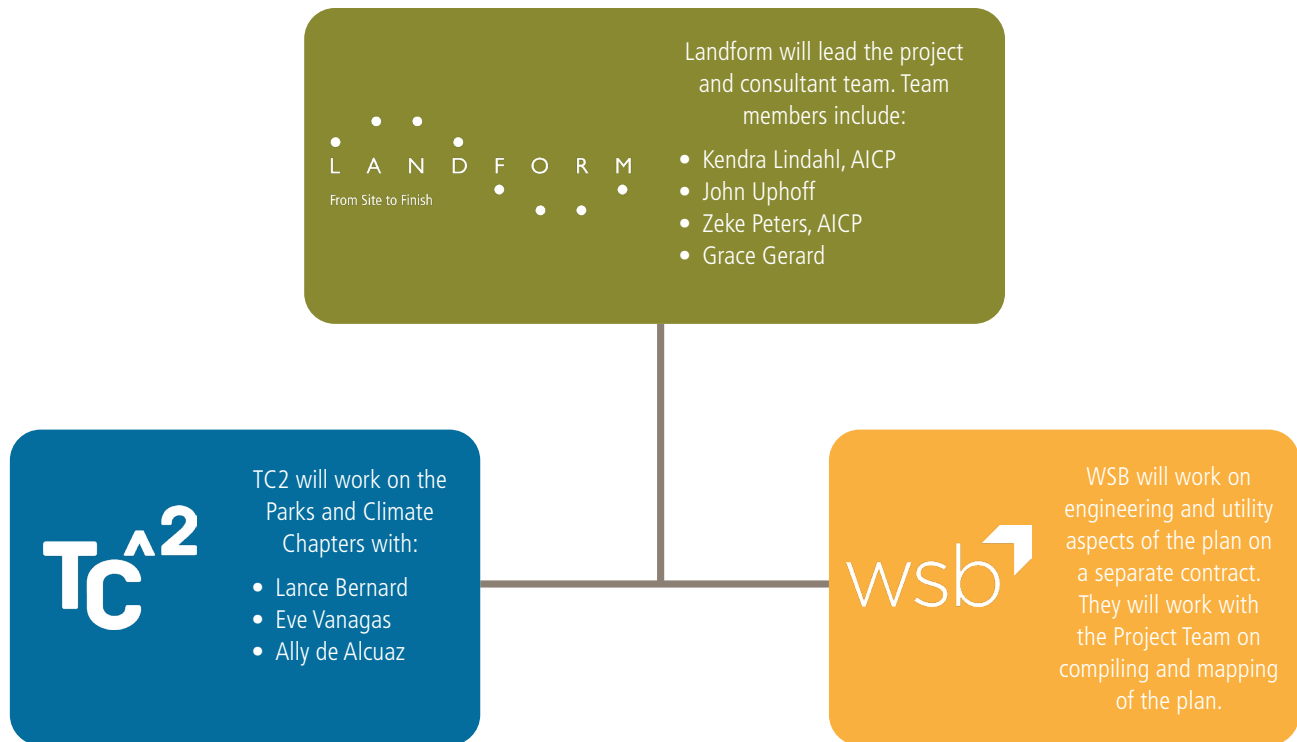


6. City Council Adopts the 2050 Comprehensive Plan



Project Team

The Project Team is comprised of professionals with extensive experience in Comprehensive Plan creation. Our interdisciplinary team ensures a comprehensive approach to the City of Lino Lakes' 2050 Comprehensive Plan.



Kendra will lead the entire 2050 Comprehensive Plan Update with City Staff. She brings experience built on multiple update cycles and project management skills to coordinate the numerous consultants working across the project with City Staff and elected officials.

ROLE: PROJECT MANAGER

Kendra Lindahl, AICP
Landform: Principal Planner

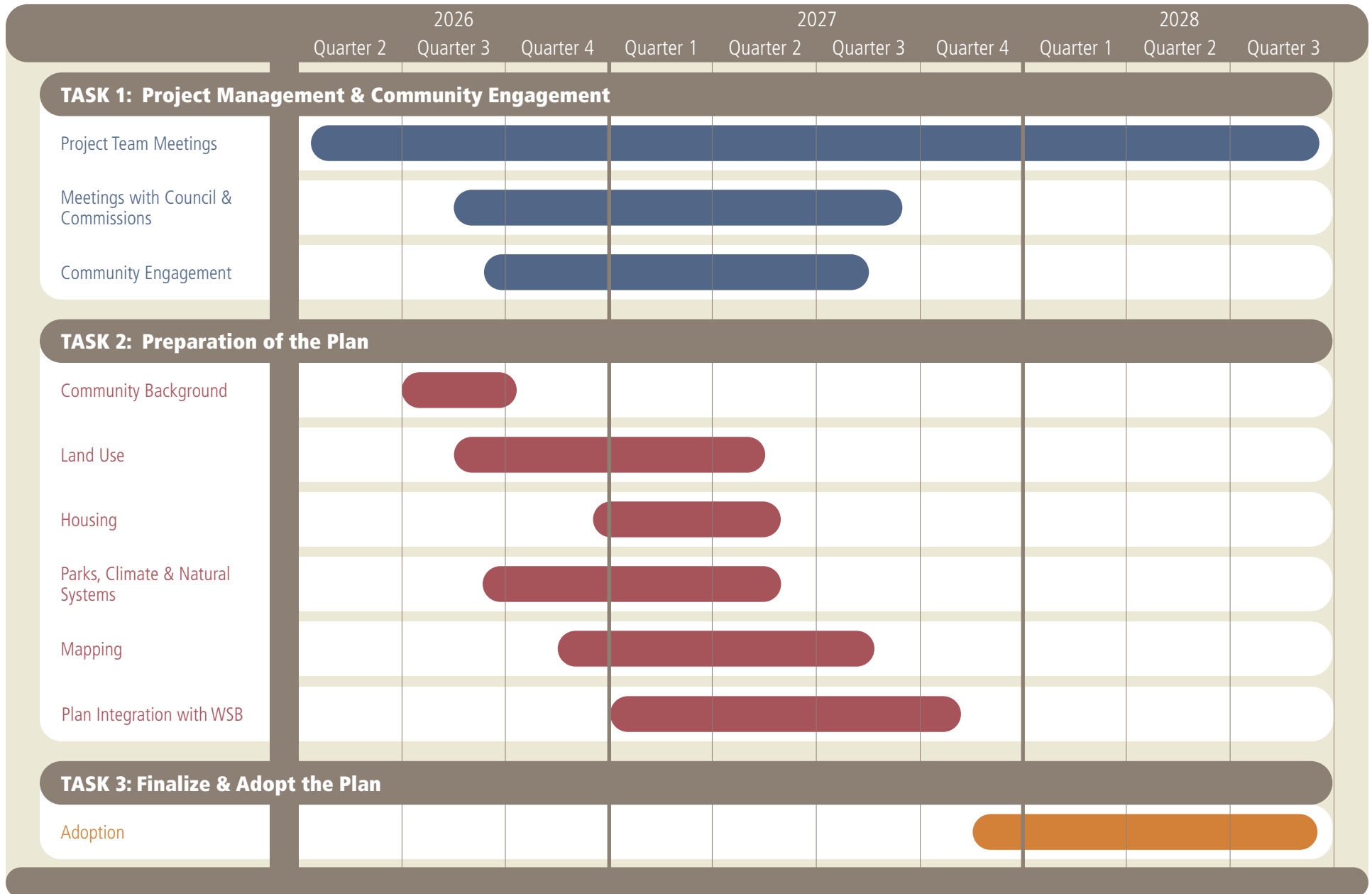


Lance will provide extensive experience in parks and trail planning in order to lead and develop the sections of the Comprehensive Plan related to the environment and natural systems. He will work with Kendra to coordinate his team from TC2 through plan development and community engagement.

ROLE: PARKS & NATURAL RESOURCES

Lance Bernard
TC2: Director of Planning

Proposed Schedule



Proposed Fee

COMPENSATION

The Basic Services described under the Scope of Services shall be completed on an hourly compensation basis with an estimate as detailed below:

TASKS	HOURS	ASSOCIATED FEE
Task 1: Project Management and Community Engagement	352	\$61,565
Task 2: Preparation of the Plan	578	\$88,300
Task 3: Finalize & Adopt the Plan	104	\$20,288
Total	1,034	\$170,153





Resumes



Kendra Lindahl, AICP

Principal, Studio Lead

PROFILE

Ms. Lindahl leads the Planning & Urban Design Studio at Landform and brings more than 30 years of experience serving public sector clients. She has developed a strong ability to balance big-picture planning concepts with the detailed coordination needed to implement successful projects. Ms. Lindahl is highly skilled in navigating complex approval and entitlement processes while managing multidisciplinary teams. She possesses a comprehensive understanding of municipal review and permitting procedures. Ms. Lindahl's experience and leadership position her as a trusted advisor in guiding projects from concept through successful completion.

EDUCATION

Masters in Public Administration *Hamline University*

Bachelor of Arts in Political Science
University of Minnesota -Morris

CERTIFICATION

American Institute of Certified Planners
(AICP)

AFFILIATIONS

American Planning Association

Economic Development Association of
Minnesota

Sensible Land Use Coalition

EXPERIENCE

- 2040 Comprehensive Plan \ Corcoran, MN
- 2040 Comprehensive Plan \ Hugo, MN
- 2040 Comprehensive Plan \ Lino Lakes, MN
- Corcoran Northeast District Plan & Design Guidelines \ Corcoran, MN
- Comprehensive Housing Study & Needs Analysis \ Sherburne County, MN
- Consulting Planner \ Big Lake, MN
- Consulting Planner \ Clearwater, MN
- Consulting Planner \ Corcoran, MN
- Consulting Planner \ Dayton, MN
- Consulting Planner \ Golden Valley, MN
- Consulting Planner \ Hugo, MN
- Consulting Planner \ Lino Lakes, MN
- Consulting Planner \ North Oaks, MN
- Interim Community Development Director \ East Bethel, MN
- Zoning, Subdivision and Sign Ordinance Updates \ Big Lake, MN
- Zoning Ordinance and Map Update \ Lino Lakes, MN
- Rogers Land Development Regulations \ Rogers, MN

STRENGTHS

Kendra has completed one or more Gallup Strengths Workshops and these are her CliftonStrengths®:

Achiever®, Competition®, Consistency®, Harmony®, Responsibility®

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John Uphoff

Planning Lead

PROFILE

Mr. Uphoff serves as Planning Lead at Landform, partnering with cities and counties to provide professional planning services. He is known for delivering clear, practical recommendations that align community vision and policy goals with real-world implementation, timelines, and budgets. He helps move projects efficiently through the development review process. His collaborative approach builds trust among staff, decision-makers, developers, and community stakeholders, through effective and detail-oriented planning and zoning administration. Mr. Uphoff's leadership keeps teams aligned, decisions documented, and momentum steady throughout the planning process.

EDUCATION

Bachelor of Arts in Planning & Community Development
St. Cloud State University

AFFILIATIONS

American Planning Association

Economic Development Association of Minnesota

Sensible Land Use Coalition

EXPERIENCE

- Consulting Planner \ City of Clearwater, MN
- Consulting Planner \ City of Corcoran, MN
- Consulting Planner \ City of East Bethel, MN
- Consulting Planner \ City of North Oaks, MN
- Redevelopment - Beautiful You Dermatology \ Big Lake, MN *
- Executive Director – Benton Economic Partnership \ Benton County, MN *

STRENGTHS

John has completed one or more Gallup Strengths Workshops and these are his CliftonStrengths®:

Woo®, Strategic®, Communication®, Developer®, Positivity®

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*Individual experience gained at prior association



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Zeke Peters, AICP Planner

PROFILE

Mr. Peters is a Planner at Landform and holds dual Master's degrees in Planning and Public Administration from the University of Utah. He has experience in both private and public development, with expertise in local and state government administration, environmental policy, active transportation design, and GIS. Mr. Peters takes a collaborative approach to planning, helping guide projects from concept through implementation in public and private sectors. He utilizes GIS and Adobe tools to develop functional designs and communicate complex information in a clear, user-friendly format. Mr. Peters is also professionally proficient in Spanish, supporting communication with diverse communities and stakeholders.

EDUCATION

Masters in City & Metropolitan Planning
University of Utah

Masters in Public Administration
University of Utah

Bachelor of Arts in Political Science
Brigham Young University

CERTIFICATION

American Institute of Certified Planners
(AICP)

AFFILIATIONS

American Planning Association

Association of Pedestrian and Bicycle
Professionals

Sensible Land Use Coalition

EXPERIENCE

- 165th Street AUAR \ Hugo, MN
- Arris Townhomes \ Duluth, MN
- Consulting Planning support \ City of Big Lake, MN
- Consulting Planning support \ City of Corcoran, MN
- Consulting Planning support \ City of Dayton, MN
- Consulting Planning support \ City of Golden Valley, MN
- Consulting Planning support \ City of North Oaks, MN
- Hampton Addition \ Lino Lakes, MN
- Kohler Farms \ Ham Lake, MN
- Luther Automotive \ Multiple Minnesota Locations
- McDonald's Restaurants \ Multiple Midwest Locations
- Victoria Gateway East \ Victoria, MN
- Zachman Meadows EAW \ Otsego, MN
- Urban Planner & Designer \ Township + Range Community Planning, Salt Lake City, UT *

STRENGTHS

Zeke has completed one or more Gallup Strengths Workshops and these are his CliftonStrengths®:

Relator®, Strategic®, Communication®, Arranger®, Command®

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*Individual experience gained at prior association



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Grace Gerard

Planner

PROFILE

Ms. Gerard is a Planner in Landform's Planning and Urban Design Studio, where she supports land use planning and development review for municipal clients. She holds a Bachelor of Science in Urban Studies from the University of Minnesota—Twin Cities, with minors in Geographic Information Science, Geography, and Sustainability Studies. She assists with ordinance updates and public engagement efforts that help guide community planning initiatives. Her background includes experience in GIS, data analysis, and community development. Ms. Gerard brings strong communication skills and a thoughtful approach to helping communities address planning and development needs.

EDUCATION

Bachelors of Science in Urban Studies
University of Minnesota

AFFILIATIONS

American Planning Association

Sensible Land Use Coalition

EXPERIENCE

- Consulting Planning support \ City of Big Lake, MN
- Consulting Planning support \ City of Dayton, MN
- Consulting Planning support \ City of East Bethel, MN
- City Planner \ City of East Bethel, MN *
- Data Consultant \ Alliance Housing *
- Intern \ Alliance Housing *
- Intern \ Minneapolis Park and Recreation Board *

STRENGTHS

Grace has completed one or more Gallup Strengths Workshops and these are her CliftonStrengths®:

Achiever®, Arranger®, Focus®, Responsibility®, Analytical®

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*Individual experience gained at prior association



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Lance Bernard

Director of Planning

PROFILE

Lance has over 20 years of experience leading a variety of planning projects. Lance's work has touched on all aspects of planning, including comprehensive/land use plans, neighborhood studies, public health initiatives, expanded multimodal planning, corridor studies, parking and micro-mobility assessments, asset management, and financial planning. His approach is built on trust and genuinely listening to community needs, aspirations, and desires.

EDUCATION

Bachelor of Arts in Planning & Community Development/Urban Affairs
St. Cloud State University

AFFILIATIONS

American Planning Association
Past: *President, Legislative Liaison, Treasurer*
Current: *Conference Co-Chair, Metro District Representative*

CONTACT

Transportation Collaborative & Consultants
Minneapolis, Minnesota

Email:
lbernard@transportationcollaborative.com

Phone:
320.420.7768



EXPERIENCE

Parks and Trails Strategic Framework & Asset Management | Carver County, Minnesota | Project Manager

Over the years, Lance has provided on-call planning support to the Parks and Recreation Department, with a focus on facilitating board workshops for the development of the County's Capital Improvements Program (CIP). His work includes monitoring park assets, assessing trail pavement conditions, planning for future needs, and offering technical expertise. Lance also contributes through grant writing and strategic support in prioritizing park and trail investments.

TRPD Trail Crossing Design Guidelines | Three Rivers Park District | Task Lead

This project focuses on reassessing and updating trail crossing guidance for the Three Rivers Park District. Lance and his team analyzed existing trail crossings, crash data, and GIS mapping to inform policy and design decisions. Their work resulted in an interactive GIS tool and dashboard that enables staff to monitor trail crossing conditions and make investment decisions aligned with available funding sources, such as the Regional Solicitation.

Comprehensive Plan & Conservation Design Manual | Stearns County | Project Manager

Prior to joining TC2, Lance led Stearns County's Comprehensive Plan update. This effort placed greater emphasis on balancing natural resources with development while preserving the county's rural and agrarian landscape. The updated plan includes a land use decision making framework and development guide that articulate how conservation design strategies can be integrated into residential development. A separate parks system plan was also created as part of this effort.

AREAS OF EXPERTISE

Comprehensive Planning/Multimodal Planning/Corridor Studies/Asset Management/Financial Planning and Grant/Assistance/Parking Studies/Community Planning/Land Use Planning/Neighborhood Studies/Redevelopment Plans/Strategic Frameworks/Community Engagement/Stakeholder Facilitation



Eve Vanagas

Community Engagement Planner

PROFILE

Eve Vanagas is a Community Engagement Planner who joined TC2 in the summer of 2024. She brings a creative and relationship-centered approach to public engagement, believing that every meaningful project begins with empowering community members to shape their future. Eve's background in government relations, political communications, and strategic planning informs her ability to design inclusive engagement strategies and facilitate impactful conversations. Her work spans a variety of planning contexts, from corridor redesigns to regional park plans.

EDUCATION

Bachelor of Arts in Political Science
University of Florida

Bachelor of Arts in Economics
University of Florida

Masters in Urban and Regional Planning
University of Minnesota

CONTACT

Transportation Collaborative & Consultants
Minneapolis, Minnesota

Email:
evanagas@transportationcollaborative.com

Phone:
727.674.8921



EXPERIENCE

Midtown Greenway Trail Expansion Planning Study | Minneapolis and Saint Paul, Minnesota | Community Engagement Planner

Eve was consulted on this project to help the project team in developing a plan to promote the Midtown Greenway Trail Expansion Planning Study. Eve helped the team in crafting ideas for an online survey and in-person engagement opportunities where the community could connect with the project team.

Minnetonka Dog Leash Ordinance Community Engagement | Minnetonka, Minnesota | Community Engagement Planner

Eve served as a community engagement planner for the Minnetonka Dog Leash Ordinance Workgroup. Eve created engagement materials for the project and worked with the project team to develop and facilitate 3 community workgroup sessions with 12 community members. In between sessions, Eve led the process of developing surveys and materials to prep workgroup members for the next workgroup session and reporting back to community members on what was heard during the previous session.

Mississippi Flyways Habitat Enhancement and Connectivity Pilot Plan | Minneapolis, Minnesota | Park Planner

Prior to joining TC2, Eve led the process of developing an evaluation matrix and coordinating with stakeholders to help identify the location of future habitat enhancement within Minneapolis Park System. The process focused on centering equity, environmental justice and expanding connectivity to the Mississippi Flyway. Eve also developed educational engagement materials about the different types of habitats within the Minneapolis Park System.

AREAS OF EXPERTISE

Community Engagement/Strategy Development/Engagement Materials & Activities/Meeting Facilitation/Feedback Analysis/Strategic Planning/Land Use Planning/Comprehensive Planning/Park Plans/Technical Support/Graphic Design/Web Design/GIS



Ally de Alcuaz

Planner

PROFILE

Ally de Alcuaz is a transportation planner and GIS specialist with a strong background in multimodal planning, performance measurement, and data visualization. She brings valuable institutional knowledge from her work with MnDOT, where she contributed to the development of interactive tools and dashboards to support planning and decision-making. Ally is passionate about applying data-driven approaches to improve accessibility and equity in transportation systems. Her collaborative style and technical expertise make her a key contributor to multidisciplinary planning and modeling efforts.

EDUCATION

Bachelor of Science in Environmental Studies
Santa Clara University

Masters in Urban and Regional Planning
University of Minnesota

AFFILIATIONS

American Planning Association

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612.474.2880

EXPERIENCE

Watertown City-Wide Bicycle and Pedestrian Path Network Plan | Watertown, Wisconsin | GIS Analyst Support Staff

Ally supported the City of Watertown and HKGI in the development of a city-wide bicycle and pedestrian path network plan. Ally's contributions included GIS analysis of the existing multimodal network to assess current conditions, gaps, and connectivity, as well as identifying priority areas for future bicycle and pedestrian improvements. This analysis informed crash data evaluation, public engagement efforts, and the development of infrastructure recommendations. Through this work, Ally helped advance a plan that identifies best practices for safety, connectivity, and multimodal access across both developed and growing areas of the community.

Carver County On-Call Planning Services | Carver County, Minnesota | GIS Analyst Support Staff

Ally supports Carver County's Parks and Recreation Department as part of TC2's on-call planning services by providing GIS-based technical support for strategic planning and capital improvement programming. She is actively contributing to an ongoing project prioritization effort with a strong focus on safety and pavement preservation. Through comprehensive spatial analysis and data-driven mapping, Ally provides clear visual insights and online dashboards that directly inform prioritization decisions and support long-term capital investment planning.

Districtwide Trail Crossing Guidance Reassessment | Three Rivers Park District | Hennepin County, Minnesota | GIS Analyst Support Staff

This project reassesses and updates trail crossing guidance for the Three Rivers Park District. It includes a review of existing crossings, crash data, and GIS mapping to inform policy and design decisions. The goal is to improve safety and consistency across the district's trail network. Ally assisted this project by performing GIS based analysis which was integrated into an interactive excel based deliverable.

AREAS OF EXPERTISE

Transportation Planning/System Analysis/Multimodal Accessibility/System Analytics/Performance Measures/Data Analytics/GIS Systems and Mapping/Web Based Dashboards/Technical Support/Graphics and Design





Projects

Lino Lakes 2040 Comprehensive Plan Update

Location

Lino Lakes, MN

Client

City of Lino Lakes

Date Completed

2020

In 2017 Landform was asked to lead the 2040 Comprehensive Plan Update for the City of Lino Lakes. Landform worked with City staff, the City's consulting engineer, Council members, board members and community members to identify strengths, weaknesses, opportunities and obstacles that stand in the way of the community achieving their goals.

The direction from the Council was that no major changes were desired and the Council directed staff to use the Planning & Zoning Board as the working group to develop the update. Landform held three outreach events and used the City newsletter, postcards, the City webpage and My Sidewalk to engage the community.

The Comprehensive Plan is a reflection of the community's social and economic values. The resulting document is graphically robust, contains interactive links, and incorporates text updates that will shape the future of the City. The 2040 Comprehensive Plan was adopted by the City in 2020.

LANDFORM
From Site to Finish

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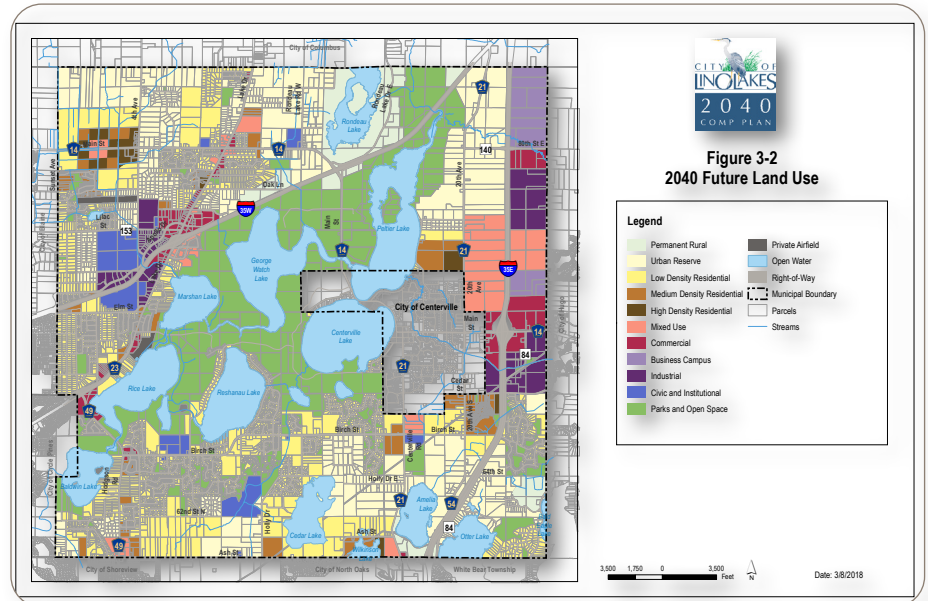


Figure 5.5 Average Travel Time to Work (Minutes)

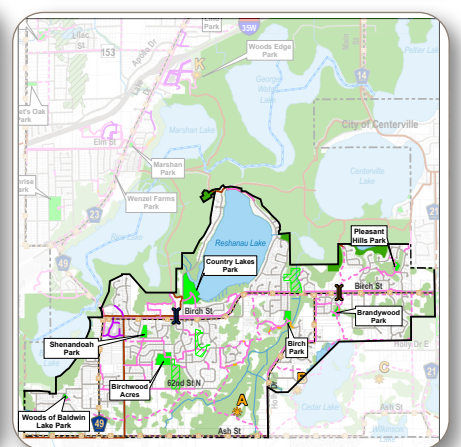
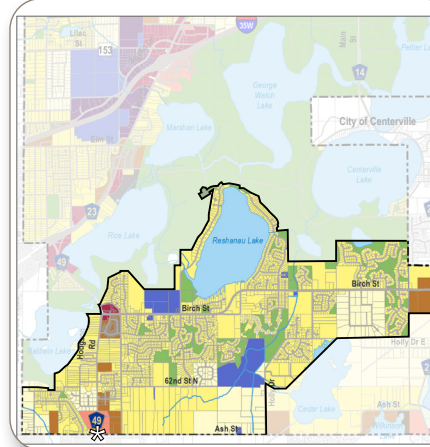
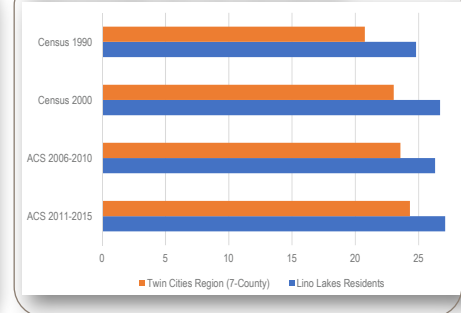
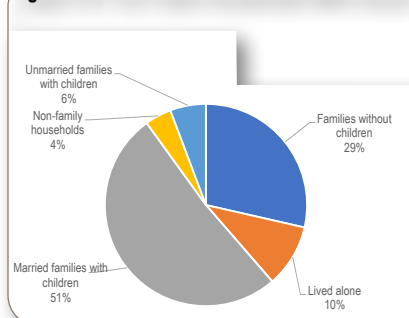


Figure 2-8. Lino Lakes Households 2000 Census



2040 Comprehensive Plan Update

Location

Corcoran, MN

Client

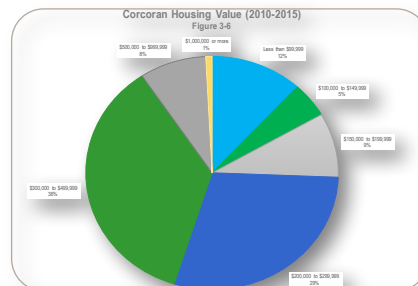
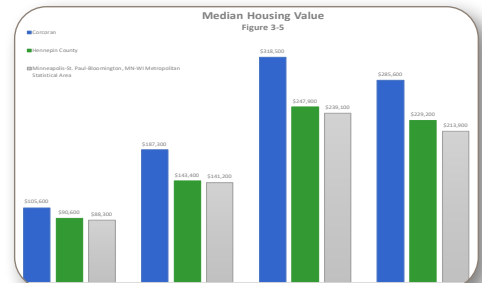
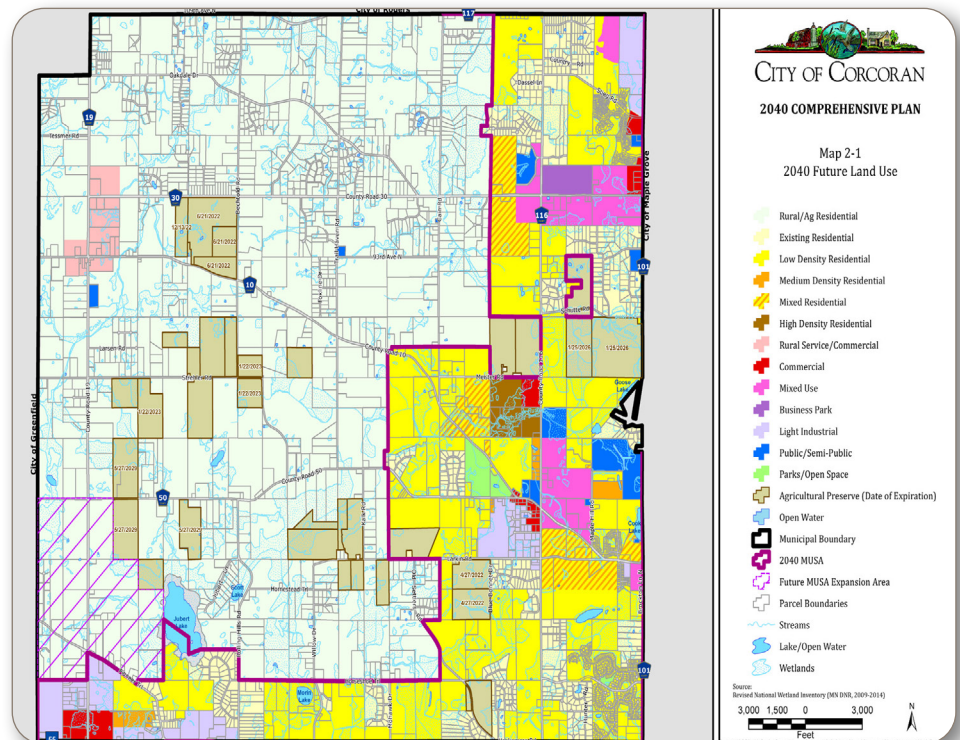
City of Corcoran

Date Completed

2019

In 2017, The City of Corcoran began the process of updating the Comprehensive Plan with Landform leading the effort. Landform worked with City staff, the City's consulting engineer, Council members, commissioners and community members to identify the key aspects for the community to achieve their goals. Three outreach events were held at City Hall, Country Daze and Night to Unite to engage the community.

Through the Comprehensive Plan the City seeks to plan for future growth. Planning for growth is achieved through planning and programs related to land use, economic development, housing, parks, transportation, resiliency and other areas. The Comprehensive Plan includes an implementation section that provides a road map for steps to take after adopting the plan. The 2040 Comprehensive Plan was adopted in 2019.



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Hugo 2040 Comprehensive Plan Update

Location

Hugo, MN

Client

City of Hugo

Date Completed

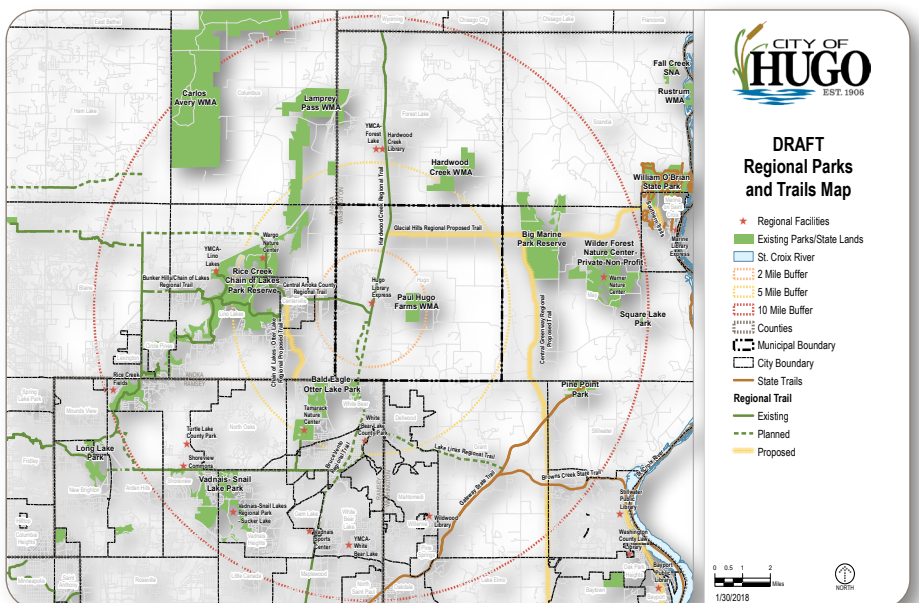
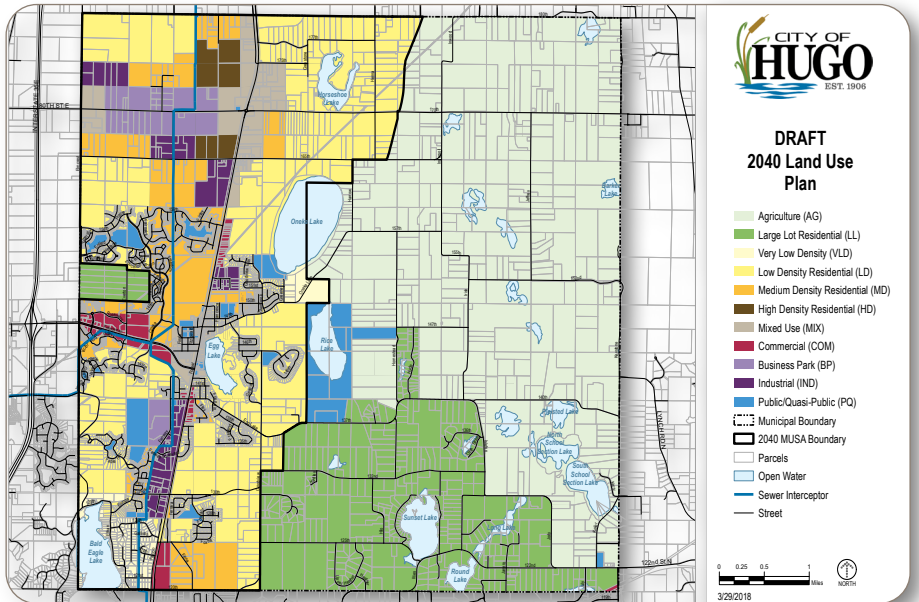
2019

In 2017 Landform was asked to lead Hugo's 2040 Comprehensive Plan Update. Landform worked with City staff, the City's consulting engineer, Council members, commissioners, and community members to identify strengths, weakness, opportunities, and obstacles that stand in the way of the community achieving their goals. Using community feedback and GIS, Landform successfully updated the Comprehensive Plan and helped the community define their vision for the next 20 years.

The Comprehensive Plan is a guide that defines the goals and visions of a community. The plan provides direction for a number of policy areas including land use, transportation, parks, housing, and others. The Comprehensive Plan identifies short- and long-term strategies to work towards achieving the community's vision. It serves as a guide for future decisions on both public and private investment within the community. The 2040 Comprehensive Plan was adopted by the City in 2019.

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Districtwide Trail Crossing Guidance Reassessment

Client

Three Rivers Park District

Schedule

July 2023 - August 2024

Job Focus

Systemwide reassessment of trail crossing guidance to improve safety, consistency, and policy alignment across a regional trail network

Three Rivers Park District engaged TC2 to reassess and update its districtwide trail crossing guidance to reflect current best practices, legal standards, and user needs. The project includes a review of over 400 trail crossings across 30 municipalities, with the goal of improving safety, consistency, and clarity in crossing design and policy. TC2's scope includes technical analysis, stakeholder coordination, and development of a revised guidance document and prioritization framework for future improvements. Key contributions included:

- **Policy and Best Practices Review:**

TC2 reviewed national and state guidance, legal definitions, and historic planning documents to identify gaps and opportunities in the district's existing crossing policies.

- **GIS and Crash Data Analysis:**

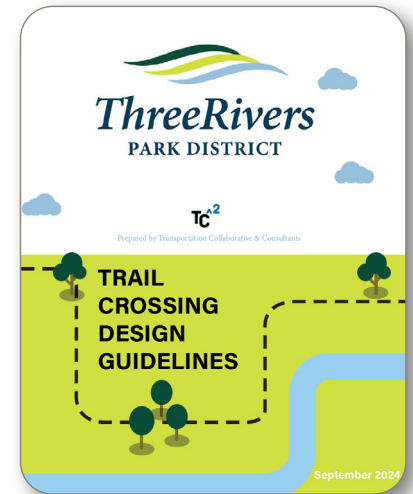
The team conducted a systemwide GIS-based assessment of trail crossings, incorporating crash data and roadway characteristics to evaluate safety performance and identify high-risk locations.

- **Tool and Guidance Development:**

TC2 developed a revised guidance matrix and evaluation tool to support consistent application of treatments across the district, including flowcharts and decision-making frameworks.

- **Stakeholder Collaboration:**

The team coordinated with district staff and agency partners through working group meetings and technical reviews to ensure the updated guidance was practical, supported, and implementable



Carver County Strategic Framework & Asset Management

Client

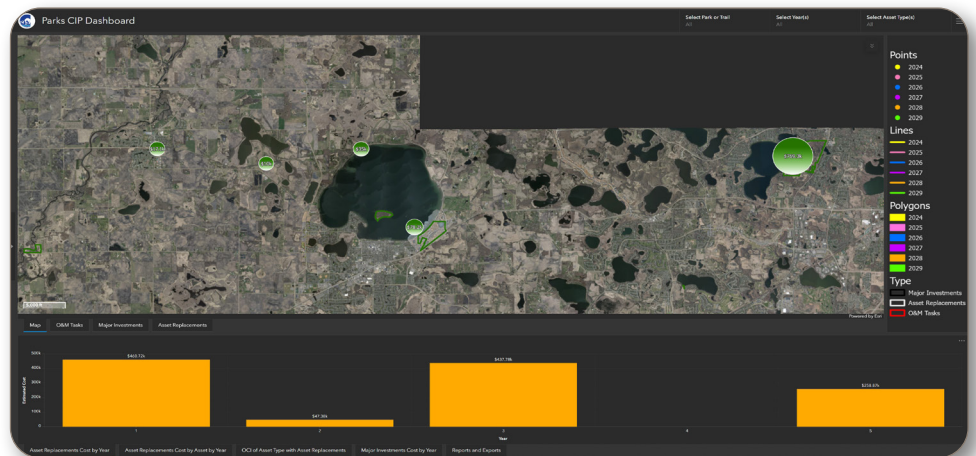
Carver County Parks and Recreation Department

Schedule

July 2023 - Ongoing

Job Focus

Asset management, project prioritization, strategic planning, grant writing, and capital planning



TC2 provides comprehensive planning support for Carver County's Parks and Recreation Department, with a focus on building a strategic foundation for long-term system management. In addition to facilitating visioning workshops with the Parks Commission and County Board to align the parks and trail system with community needs and growth trends, TC2 staff led a full inventory of park and trail assets across the county. This effort included creating a centralized GIS-based database to capture asset conditions and characteristics, enabling data-driven decision-making.

Leveraging this inventory, TC2 and County staff developed a customized asset management tool designed to help the County prioritize projects, schedule maintenance, and plan capital investments over time. These resources informed a prioritized project list and a ten-year financial plan, ensuring future investments are strategic and sustainable. TC2 also supported community engagement through surveys and pop-up events and provided grant writing assistance to secure funding for implementation.

TC²

**CITY COUNCIL
WORK SESSION STAFF REPORT
ITEM NO. 5**

STAFF ORIGINATOR: Katie Larsen, City Planner

DATE OF WORK SESSION: June 1, 2026

TOPIC: Harvest Grange Rezoning and Preliminary Plat

BACKGROUND

At the Work Session, staff will present the June 8, 2026 Council staff report.

The applicant, Twin Cities Land Holding, LLC, is proposing a residential development in the southwest quadrant of CSAH 54 (20th Ave S) and Cedar Street. The development contains four (4) parcels totaling approximately 27 gross acres and 95 housing units. It is called Harvest Grange.

REQUESTED COUNCIL DIRECTION

None. Discussion only.

ATTACHMENTS

1. June 8, 2026 Council Staff Report

**CITY COUNCIL
REGULAR MEETING STAFF REPORT
AGENDA ITEM 7B**

STAFF ORIGINATOR: Katie Larsen, City Planner

MEETING DATE: June 8, 2026

TOPIC: Harvest Grange

- i. Approving 1st Reading of Ordinance No. 02-26 Rezoning Property from R, Rural to R-2, Two Family Residential and R-3, Medium Density Residential
- ii. Approving Resolution No. 26-23 Approving Preliminary Plat

VOTE REQUIRED: Simple Majority

INTRODUCTION

The applicant, Twin Cities Land Holding, LLC, is proposing a residential development in the southwest quadrant of CSAH 54 (20th Ave S) and Cedar Street. The development contains four (4) parcels totaling approximately 27 gross acres and 95 housing units. It is called Harvest Grange.

Tentative Review Schedule:

Complete Application Date:	January 14, 2026
60-Day Review Deadline:	March 15, 2026
60-Day Extension Deadline:	May 14, 2026
60-Day Extension #2 Deadline:	July 13, 2026
Environmental Board Meeting:	January 28, 2026
Park Board Meeting:	February 4, 2026
Planning & Zoning Board Meeting:	February 11, 2026
City Council Work Session:	June 1, 2026
City Council Meeting:	June 8, 2026 June 22, 2026

BACKGROUND

The Land Use Application is for the following:

- Rezone property from R, Rural to R2, Two Family Residential and R-3, Medium Density Residential
- Preliminary Plat

This staff report is based on the following submittals:

- Applicant Narrative dated May 11, 2026
- Harvest Grange Plan Set prepared by Carlson Engineering revision date May 11, 2026
- Land Use Plan prepared by Carlson Engineering revision date May 11, 2026
- Net Area Exhibit prepared by Carlson Engineering revision date May 11, 2026
- Traffic Study prepared by Transportation Collaborative & Consultants, LLC dated May 11, 2026
- Harvest Grange Noise Assessment Update prepared by David Braslau Associates, Inc. dated April 28, 2026
- Geotechnical Exploration Report prepared by Haugo Technical Services dated December 16, 2025
- Soil Boring Data prepared by Haugo Technical Services dated May 11, 2025
- Rare Plant Survey Report prepared by Midwest Natural Resources dated July 14, 2025
- Stormwater Management Plan prepared by Carlson Engineering revision date May 11, 2026
- Wetland WCA Joint Application prepared by Kjolhaug Environmental Services dated May 11, 2026

History

In June 2025, the City reviewed a concept plan for this project that was then referred to as the Nelson Rehbein Property. The concept plan was for 90 housing units (38 single family lots and 52 townhomes).

In February 2026, the Planning & Zoning Board held a public hearing and reviewed a preliminary plat that contained 31 single-family homes on 60ft wide lots and 55 townhomes for a total of 86 housing units. Public comments included concerns regarding traffic access to 20th Avenue and future development of 6795 20th Avenue (Shudy Property). The developer now has a purchase agreement with the property owner and has submitted a revised preliminary plat incorporating this lot.

Current Proposal

The revised preliminary plat now contains 30 single-family homes on 60ft wide lots and 65 townhomes for a total of 95 housing units. See the attached applicant's narrative for a detailed description of the project.

	Original Preliminary Plat (February 2026)	Revised Preliminary Plat (May 2026)	Total
Single Family Lots	31	55	86
Townhome Units	30	65	95

Land Use

The following table includes land uses, acres and %.

Land Use	Acres	%
Total ROW	4.44	16.5%
Wetlands	1.48	5.5%
Storm Ponds	1.49	5.5%
Public Open Space	5.75	21.3%
Private Open Space	3.25	12.1%
Private Open Space Roadway	0.60	2.2%
Total Lot Areas	9.96	36.9%
TOTAL	26.97	100.0%

Total open space (wetlands, storm ponds, public/private open space) is approximately 11.97 acres or 44%.

ANALYSIS

Existing Conditions

The site consists of four (4) existing parcels. The 11 acre Nelson parcel contains an existing house and accessory structures. The 14 acre Rehbein parcels have been used for agricultural purposes. The 2 acre Shudy parcel contains an existing house and accessory structures. A 30ft wide powerline easement exists along the west lot line. Wetlands, private ditch, and floodplain also exist on site.

Surrounding Zoning and Land Use

Direction	Zoning	Current Land Use	2040 Future Land Use
North	City of Centerville	Industrial	Industrial
South	R-1, Single Family Residential	Single family residential	Low Density Residential
East	R, Rural	Rural Residential	Medium Density
West	City of Centerville	Agriculture	City of Centerville

Comprehensive Plan

Land Use

Per the City's 2040 Comprehensive Plan, the 27 acre site is guided medium density residential which requires 4.0-6.0 units per net acre.

The site is in Planning District 3. There are no specific planning goals or issues that need to be addressed for this site.

Density

The following chart details the density calculations using Met Council's formula:

Gross Area (acres)	26.98
Wetlands & Water Bodies	(1.57)
Public Parks & Open Space	0.00
Arterial ROW	(0.91)
Other (Utility Transmission Easement)	(0.63)
Other (Wetland Buffer Area)	(1.05)
Other (Floodplain Mitigation/Stormwater Ponds)	(2.95)
Net Area (acres)	19.87
# of Units	95
Gross Density (units/acre)	3.52
Net Density (units/acre)	4.78

The site is guided medium density residential which requires 4.0-6.0 units per net acre.

The proposed development is 4.78 units per net acre, which is consistent with land use and density requirements.

Growth Management Strategy

Page 3-17 of the 2040 Comprehensive Plan details the City's Growth Management Strategy. The strategy works in conjunction with the City's utility staging plan.

The City will plan to accommodate an annual average of 230 units per year over each 5-year phasing period not to exceed 345 units in any one year. From 2010 to 2025, the City's average annual number of units is 120. This is less than the 230 unit annual allocation allowed.

The proposed 95 lot development would be consistent with the growth management strategy.

Current Zoning and Land Use

Current Zoning	R, Rural
Current Land Use	Agricultural and Rural Residential
Future Land Use per 2040 Comp Plan	Medium Density Residential
Utility Staging Area	Stage 1B (2025-2030)

Rezoning

The site is currently zoned R, Rural. The R, Rural zoning is a holding district until municipal water and sanitary sewer are available to the site and the property owner is interested in having the property developed.

The development will be rezoned R2, Two Family Residential for the 60ft wide single family lots and R-3, Medium Density Residential for the townhomes.

Lot and Setback Requirements

Per City Code Section 1007.112(1), land that is guided medium density residential may be zoned R-2. The following table analyzes the R-2 requirements for the 60ft wide single family lots.

60ft Single Family Lots	R-2 Requirements	Preliminary Plat
Min. Lot Size	7,500 sf	7,501 – 13,977 sf
Min. Lot Width		

--Interior Lot	60 ft	60ft
--Corner Lot	80 ft	80 ft
Min. Lot Depth	125 ft	125 -145ft
--Double Frontage	135 ft	NA
Building Setback (ft)		
-From Streets	25 ft	25 ft
-Rear Yard		
--Principal	25 ft	25 ft
-Accessory	5 ft	5 ft
-Side Yard		
--Principal	10 ft	10 ft
--Accessory	5 ft	10 ft
Buffer Abutting Arterial St	15 ft wide	NA
Impervious Surface	65%	Evaluated w/ building permit

Per City Code Section 1007.113(1), land that is guided medium density residential may be zoned R-3, Medium Density Residential. The following table analyzes the R-3 requirements for the townhomes.

Townhomes	R-3 Requirements	Preliminary Plat
Min. Base Lot Size	24,000 sf	71,340+ sf
Min. Base Lot Width	100 ft	334 ft
Min. Unit Width	24 ft	26-31 ft
Min. Lot Depth	None	NA
Building Setback (ft)		
-From Arterial Streets (20th Ave S)	40 ft	40 ft
-From Local Streets	30 ft	30 ft
-Rear Yard		

--Principal	30 ft	30 ft
-Accessory	5 ft	NA
-Side Yard		
--Principal	10 ft	10 ft
--Accessory	5 ft	NA
From Low Density Residential	35 ft	230+ ft
Buffer From LDR or Arterial Street	20 ft	Landscape buffer provided

Building Design Standards and Other Performance Standards

Building and architectural design standard review will be reviewed with each building permit. City Code Section 1007.043(2) details minimum building type and construction requirements for single family detached dwellings and townhouses. City Code Section 1007.112(4) details minimum R-2 building requirements. City Code Section 1007.113(4) details minimum R-3 building requirements. All building design standards and requirements shall be met.

Subdivision Ordinance

Blocks and Lots

The preliminary plat contains 30 single family residential lots, 65 townhome lots, two (2) townhome common lots and three (3) outlots. Outlots will contain wetlands, buffers, stormwater ponds etc.

Lot or Outlot	Ownership
30 single family lots	Private
65 townhome lots	Private
2 townhome common lots	HOA or Private Entity
Outlot A	HOA or Private Entity
Outlot B	HOA or Private Entity
Outlot C	City

Streets and Alleys

CSAH 54 (20th Ave S) is an A-Minor Arterial Reliever road. Sixty (60) feet of road right-of-way has been dedicated along CSAH 54 from the section line. In the original preliminary plat, Street A onto 20th Ave S. was a right in/right out only public street. With the revised preliminary plat, Street A is now a private street that will not connect to 20th Ave S. Street D will provide full access to 20th Ave. S. near Cedar Street. The developer, City, and Anoka County are evaluating the potential construction of a roundabout at this location.

Heritage Avenue and Street D are public streets with 60ft wide road right-of-way and are 32ft wide back to back with sidewalk on one side.

Streets A, C, and E are private streets serving the townhomes. City Code Section 1007.054 details Private Street requirements. The streets are 26ft back to back. Driveways are a minimum 25ft in length. An HOA or private entity shall maintain the street.

Staff Comments:

1. The private street shall gain access from the public street and shall maintain the street drainage with concrete curb and gutter per City Standard Specifications for Construction. Private street access on urban and rural streets shall have at a minimum a five-foot bituminous or concrete apron. The remainder of the private street shall be designed, constructed and surfaced as approved by the City Engineer.
2. Street signs shall be designed and installed in compliance with City General Specifications and Standard Detail Plates.
3. Signage stating "No Parking - Fire Lane" shall be located along the private street in locations as approved by the City Fire Inspector.

Easements

Standard drainage and utility easements at least 10 feet wide are provided along all lot lines. Easements also cover the entire outlots.

Stormwater Management and Erosion and Sediment Control

Per the City Engineer Memo dated May 27, 2026:

Stormwater management for the Harvest Grange site consists of a two sedimentation basins to provide rate control and water quality treatment. Additional grading is proposed for borrow material and floodplain fill mitigation. There is a significant amount of offsite flows from the east and south that will be passed through the site via an existing ditch system. Existing and proposed discharge rates are summarized below.

Pre- and Post- Development Discharge Rates (cfs)				
Condition	2-Year	10-Year	100-Year	10-Day Snowmelt
Existing	30.94	65.31	130.15	Needed if basins landlocked
Currently Proposed	11.99	28.90	67.59	Needed if basins landlocked

Public Utilities

Public 8" watermain, 8" sanitary sewer, and storm sewer utilities will be installed within the development.

The site is in Sanitary Sewer District 3 (Sub-district 3D). Flow from these areas, including that from Centerville, is collected along East Cedar Street and conveyed east to MCES Meter M220 and Gravity Interceptor 802325.

The site is in Utility Staging Area 1A (2018-2025).

Per the City Engineer memo, the City's water system has the pumping capacity to supply the proposed project. However, due to the City's limited firm capacity each project is being evaluated on a case-by-case basis to determine its impact on the system's peak day demand. Based on this evaluation the projected use falls within our available firm capacity.

Yield Plan

A yield plan is not required because a PUD, Planned Unit Development is not being proposed.

Phasing Plan

Per the narrative, the site is anticipated to be massed graded in one phase.

Traffic Study

A revised Traffic Study was prepared by Transportation Collaborative & Consultants, LLC dated May 11. Per the study,

- Peaks hours are 7:15 am to 8:15am and 4 to 5pm.
- Annual 1.5% growth rate applied to existing traffic volumes
- The development is expected to generate:
 - 52 AM peak hour (14 in/38 out)
 - 61 PM peak hour (36in/25out)
- Total daily trip generation is 700

The study area included the following intersections:

- 20th Avenue (CSAH 54) and Cedar Street
- 20th Avenue (CSAH 54) and Red Oak Lane
- 20th Avenue (CSAH 54) and Birch Street (CSAH 54)

Level of Service

Level of Service (LOS) is used to describe the operating conditions of an intersection. Facilities are given letter designations from “A” (best operating conditions) to “F” (worst conditions).

City Code Section 1001.013(2)(c), Premature Subdivision of the City’s Subdivision Ordinance establishes minimum Level Of Service (LOS) requirements. The ordinance states that if the LOS is A or B, the proposed subdivision shall not the degrade the LOS more than one grade. If the LOS is C or D, it shall not degrade the LOS. Intersections with a LOS of E or F must be improved to ensure a LOS of D or better.

20th Ave (CSAH 54)	Existing LOS		2028 Full Build Peak Hour LOS	
Intersection	A.M. Peak	P.M. Peak	A.M. Peak	P.M. Peak
Cedar Street	A/B	A/B	A/B	A/B
Red Oak Lane	A/B	A/C	A/C	A/C
Birch Street	A/C	A/C	A/C	A/C

The proposed Levels of Service do not degrade by more than one (1) LOS; therefore, the subdivision is not considered premature.

CSAH 54 Corridor Study

Per the May 17, 2024 CSAH 54 Corridor Study prepared by Anoka County, future CSAH 54 road improvements include recommendations for roundabouts at Cedar Street and Birch Street. The developer, City, and Anoka County are evaluating the potential construction of a roundabout at this location.

Noise Study

An updated Traffic Noise Assessment was completed by David Braulau Associates, Inc. dated April 28, 2026.

Minnesota Rule 7030.0040 details noise standards for residential land uses:

	Daytime (7:00 am to 10:00 pm)	Nighttime (10:00 pm to 7:00 am)
L10	65 dBA	55 dBA
L50	60 dBA	50 dBA

L10 is the level exceeded 10% or 6 minutes of an hour. L50 is the level exceeded 50% or 30 minutes of an hour.

Noise receptor sites on buildings with direct exposure to noise from 20th Avenue have been evaluated and compared with the Minnesota noise standards for residential land uses. While predicted traffic noise levels exceed the nighttime residential standard at building facades closest to 20th Avenue, exceptions to the rules permit the commercial noise standards if a 30 dBA reduction in the exterior-to-interior sound level can be achieved with appropriate exterior façade design.

All townhome units adjacent to 20th Avenue (CSAH 54) shall be constructed in such a way that the exterior to interior sound level attenuation is at least 30dB(A) as detailed in the noise study. Window areas shall require a minimum STC 30 glazing.

Parks, Greenways and Trail Plan

Per Figure 10-2: Neighborhood Service Areas of the 2024 Comprehensive Plan, a future neighborhood park is programmed to the southwest of this site. Trails are not required per the park plan. Staff met with the City of Centerville and confirmed that a trail connection to Dupre Road was not feasible due to the potential wetland impacts and ditch crossing costs. The City will require cash in lieu of land dedication.

During the Planning & Zoning Board public hearing, several residents expressed interest in a neighborhood park. With the potential availability of park dedication funds, staff has begun evaluating options for expediting park improvements west of Harvest Grange and Nadeau Acres. This includes outreach to the neighboring property owners and the City of Centerville. One option includes the potential placement of a park within Centerville if an agreement could be reached between the two communities. Staff will be seeking additional direction from the City Council regarding land acquisition as the project moves forward.

Tree Preservation and Landscaping

Tree Preservation and Mitigation Standards

The purpose of these standards is to protect valuable trees and stands of vegetation while not interfering with landowners' reasonable use and development of property. The goal is to minimize unnecessary loss of habitat, biodiversity, forest resources, and to replace removed trees in areas where tree cover is most critical.

A tree survey was completed as part of the proposal. 376 trees were inventoried on site, primarily consisting of ash, maple, and cotton wood. A total of 333 trees are shown for removal, with a mitigation requirement of 92 trees. The developer is proposing to replace with 92 trees, meeting the requirements, along with 59 required boulevard trees (166 total onsite).

Boulevard trees will be planted at a rate of one per lot, with the exception of corner lots getting a tree on each frontage. Townhomes are required to provide 1 tree per 70 LF of frontage. 30 lots including 2 corner lots will require 32 trees and 26 trees are required for the town homes (1,866/70). A total of 59 trees are being proposed as boulevard trees, meeting requirements.

Open Areas Landscape Standards

The purpose of these standards is to provide general site beautification and high aesthetic quality with a mix of plant materials in open areas. Open area landscape standards call for 1 large tree and 2 large shrubs per 2500 sf.

The site has 231,250 sf of proposed open space. This equates to 93 trees being planted in addition to required boulevard trees.

Buffer and Screen Standards

Screening consisting of 6' planting is required between residential uses and arterial or collector streets (20th Ave S). All planting screens shall require at a minimum a double row of plants with triangulated spacing.

Canopy Cover

Canopy cover requirements do not apply to single-family residential developments.

Foundation Landscaping

Foundation landscaping standards do not apply to single family residential development

Sod and Ground Cover Standards

All areas not otherwise improved in accordance with the approved site plans shall have a minimum depth of 4 inches of topsoil and be sodded including boulevard areas. Seed may be provided in lieu of sod in certain cases, including when the area is adjacent to natural areas or wetlands.

Low maintenance turf should be evaluated throughout the development. Ground covers should be drought resistant to reduce the need for irrigation use.

EQB Environmental Review

An Environmental Assessment Worksheet is not mandated. The 30 unattached units and 65 attached units are under the threshold required for a mandatory EAW.

Wetlands

The wetland report was updated by Kjolhaug Environmental Services on May 11, 2026, for the site. Twelve (12) wetlands were delineated onsite totaling 2.77 acres. The majority of the wetlands onsite are currently being farmed and disturbed annually. The vegetation is primarily agricultural crop and invasive grasses. Because of the existing high level of disturbance, minimal wetland vegetation and communities are found onsite. The wetlands are not within the Wetland Management Corridor. Drainage and utility easements will be dedicated over the outlots containing the wetlands.

The project is proposing to impact 0.88 acres of wetland. Wetland mitigation banking will be used to meet RCWD and USACE replacements.

Floodplain

The 2015 FEMA Floodplain Map indicates Zone A flood plain on site. The RCWD floodplain elevation is 901.18. Floodplain fill (2,768 cy) is being mitigated (3,316 cy) via the construction of stormwater ponds, borrow areas, and lake on site.

Staff Comments:

1. A FEMA CLOMR and LOMR shall be required.

Additional City and Government Agency Review Comments

- Anoka County Highway Department comments are attached.
- Centennial ISD#12 did not provide comments.
- Police Department reviewed the preliminary plat and had no comments.
- Fire Department reviewed the revised preliminary plat and had no comments.
- City Engineer comments are attached.
- Environmental Coordinator comments are attached.
- Park Board reviewed the preliminary plat on February 4, 2026 and recommended 100% cash in lieu of land dedication.
- The Planning & Zoning Board held a public hearing on February 11, 2026. Public comments included concerns regarding traffic, parks, and trails. The Board recommended approval of the preliminary plat. The Board also recommended the City initiate conversations with Anoka County regarding a safe crossing over CSAH 54 (20th Avenue) and investigate the viability of constructing a park to the west of the development.

Neighborhood Meeting

The developer hosted a neighborhood meeting on Monday, February 9, 2026. Meeting minutes have been provided.

Findings of Fact

The findings of fact for rezoning and preliminary plat are detailed in the attached ordinance and resolution.

RECOMMENDATION

Staff recommends approval of the Harvest Grange rezoning and preliminary plat with conditions as noted.

ATTACHMENTS

1. Site Location & Aerial Map
2. Applicant Narrative dated May 11, 2026
3. Original Preliminary Plat and Land Use Plan (February 2026)
4. Harvest Grange Plan Set prepared by Carlson Engineering revision date May 11, 2026
5. Land Use Plan prepared by Carlson Engineering revision date May 11, 2026
6. Net Area Exhibit prepared by Carlson Engineering revision date May 11, 2026
7. City Engineer Memo dated May 27, 2026
8. Environmental Coordinator Memo dated June 3, 2026
9. Anoka County Highway Department Letter dated May 27, 2026
10. Neighborhood Meeting Minutes
11. Ordinance No. 02-26 Rezoning from R, Rural to R-2, Two Family Residential and R-3, Medium Density Residential
12. Resolution No. 26-23 Approving Preliminary Plat

Site Location and Aerial Map-Harvest Grange



1 in = 300 Ft

Address Labels

Parcels





HARVEST GRANGE

PRELIMINARY PLAT & REZONING SUBMITTAL NARRATIVE

LINO LAKES, MN

MAY 11, 2026

DEVELOPMENT TEAM

Developer/Contract Buyer: TCLD Land Holdings, LLC

Ben Schmidt, President
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Civil Engineer/Surveyor: Carlson Engineering

Brian Krystofiak, Engineer
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3890 Pheasant Ridge Drive NE
Blaine, MN 55449

Legal: Mark Radke
MRadke@Felhaber.com

GENERAL DESCRIPTION OF REQUEST:

TCLD Land Holdings, LLC respectfully submits plans for a new residential subdivision located directly west of 20th Avenue S (CSAH 54), between West Cedar Street and Red Oak Lane.

Entitlements Requested:

- Rezoning: Parcels 26-31-22-11-0008 (Nelson), 26-32-22-11-0005 (Rehbein), 26-31-22-11-0009 (Rehbein), and 26-31-22-11-0002 (Shudy) from R-Rural to:
 - R-2, Two-Family Residential for single-family homes
 - R-3, Medium-Density Residential for attached townhomes
- Preliminary Plat: Subdivision of 5 to 40 acres

The proposed development will create ninety-five (95) residential lots, supported by full public infrastructure, including city water and sewer. Mass grading will be performed to prepare the site for construction, and the design provides a mix of single-family homes and townhomes to meet the community's housing needs while maintaining neighborhood compatibility.

This project reflects thoughtful planning and design, balancing density, infrastructure capacity, and community character to provide a high-quality residential development.

EXISTING SITE INFORMATION/DESCRIPTION:

That part of the East Half (E1/2) of the Northeast Quarter (NE1/4), Section 26, Township 31, Range 22, Anoka County, Minnesota, described as follows:

Commencing at the Southeast corner of said East Half of the Northeast Quarter; thence Northerly, along the East line of said Northeast Quarter, a distance of 1865.00 feet, to the point of the actual point of beginning; thence Westerly parallel with the South line of said Northeast Quarter, a distance of 578.00 feet; thence Southerly, parallel with said East line of the Northeast Quarter, a distance of 200 feet; thence Westerly parallel with said South line, a distance of 739.7 feet, more or less to the West line of said East Half of the Northeast Quarter; thence Northerly along said West line of said East Half of the Northeast Quarter, a distance of 579.00 feet, more or less to the South line of the North 401 feet of said East Half of the Northeast Quarter; thence Easterly along said South line of the North 401 feet, a distance of 375.5 feet to the West line of the East 944 feet of said East Half of the Northeast Quarter; thence Southerly, along said West line of the East 944 feet, a distance of 188.04 feet, to the South line of the North 589 feet of said East Half of the Northeast Quarter; thence Easterly, along said South line of the North 589 feet, a distance of 944.18 feet, to the East line of said East Half of the Northeast Quarter; thence Southerly along said East line, a distance of 187.86 feet to the actual point of beginning.

AND

That part of the North 401.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota, lying Southerly and Westerly of the North 208.71 feet of the East 417.42 feet, according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The East 944.00 feet of the South 188.00 feet of the North 589.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The Northerly 208.71 feet of the Easterly 417.42 feet of the Northeast Quarter of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota.

(abstract property)

ADDRESS: 6747 20th Avenue (Nelson parcel), Lino Lakes, MN 55038 / 6795 20TH Avenue (Shudy Parcel) / Unassigned Addresses (Rehbein parcels)

CITY/COUNTY: City of Lino Lakes, Anoka County

PARCEL ID NUMBERS: 26-31-22-11-0008 (Nelson); 26-32-22-11-0005 (Rehbein); 26-31-22-11-0009 (Rehbein); and 26-31-22-11-0002 (Shudy)

TOTAL SITE AREA: Approximately (26.98) acres

EXISTING ZONING: R - Rural

PROPOSED ZONING: R2 – Two Family Residential & R3 – Medium Density

EXISTING CONDITIONS:

The site is comprised of four (4) land parcels, including two (2) single-family residential properties located on the northern and southern portions of the site (the Nelson and Shudy parcels), a wooded swale running through the central portion of the property, and agricultural fields occupying the remainder of the site.

The land parcel currently owned by the Nelson family was acquired by Jim Nelson in 1987. Shortly thereafter, construction of the single-family residence began. Historically, the property had been vacant agricultural land prior to Mr. Nelson's purchase. A pole barn was constructed on the property in 1995, and Mr. Nelson currently resides at the site.

The land parcel currently owned by the Shudy family was acquired by Dennis Shudy in 1996. The single-family homestead was constructed in 1969. Historically, the property consisted of vacant agricultural land prior to construction of the residence. Accessory structures were constructed on

the property in 1969 (larger garage) and 1993 (smaller garage), and Mr. Shudy currently resides at the site.

The two (2) remaining parcels are owned by the Rehbein family and were purchased in 2008. No structures or dwellings have been constructed on either parcel. Both parcels have been continuously utilized for agricultural purposes, specifically for hay production.

Based on discussions with all three property owners, there are no known historically significant landscapes or archaeological features present on the site.

The site is located immediately west of 20th Avenue South (County Road 54), is bordered by the Nadeau Acres residential neighborhood to the south, agricultural fields and floodplain to the west, and an industrial building, wetland, and floodplain to the north. Its northern and western boundaries align with the Lino Lakes–Centerville municipal boundary. The current zoning designation for all four (4) parcels is R – Rural.

LOT SIZES, SETBACKS & DENSITY:

The 2040 Future Land Use Map displays this area as medium density residential that allows for 4.0 to 6.0 units per acre. We are proposing R2 – Two Family Residential for the 60’ single-family lots, and R3 – Medium Density for the multi-unit townhomes and a private street to meet the allowed density requirement. Per the updated net area exhibit, we calculate a net density of 4.78 units per net acre, or 3.54 units per gross acre. With standard R2 zoning for the multi-unit townhomes, the density falls to 2.5 units per net acre and will not meet the allowed density requirement. The Harvest Grange Preliminary Plat displays a total of ninety-five (95) residential lots that consist of the following:

- (30) 60’ Single-Family
- (65) Attached Townhome

Below is a summary of the proposed lot standards and setbacks:

Townhome Unit Configuration:

(4) Unit, (5) Unit & (6) Unit Buildings

Townhome Setbacks

Arterial Streets (20th Avenue): 40 feet

Front Local Streets – 30 feet

Rear Yard (Principal): 30 feet

Side - Between Townhome Buildings – 20 feet

Side Corner – 30 feet

Townhome Building Pad Types:

Slab on Grade (SOG)

Single Family Setbacks:

Front Local Streets: 25 feet
Rear (Principal): 25 feet
Side Yard (Principal): 10 feet
Side Yard (Garage): 5 feet
Side Corner: 25 feet

Single Family Building Pad Types:

Walkouts (WO)
Lookouts (LO)

We believe the proposed development plan is consistent with the City of Lino Lake's goals for these parcels.

SANITARY SEWER AND WATERMAIN:

The proposed development will connect to the existing public sanitary sewer system serving the Nadeau Acres development to the south. This sanitary stub is directed at an existing lift station that was designed and constructed to accommodate the Harvest Grange development. Public watermain connections will be made at the existing connection to Nadeau Acres, as well as along 20th Avenue S. to provide a watermain loop.

STREET and SIDEWALKS:

Public street connections will be provided to Nadeau Acres via the existing street stub, as well as to the 20th Avenue S (CSAH 54) and West Cedar Street intersection. The intersection at 20th Avenue S and West Cedar Street will include the necessary turn lane improvements, as previously discussed with Anoka County and the City of Lino Lakes.

Integrating the Shudy parcel into the overall development layout represents a positive outcome for Anoka County, the City of Lino Lakes, and surrounding residents. This approach addresses concerns raised during the Neighborhood and Planning Commission meetings regarding increased traffic through the existing Nadeau neighborhood under the prior right-in/right-out access configuration.

Incorporation of the Shudy property is likely the only viable means of securing the right-of-way needed for the 20th Avenue/West Cedar Street intersection. If developed independently, the Shudy parcel would be largely consumed by the required right-of-way, effectively necessitating acquisition of the property solely for roadway purposes with no accompanying development to offset costs.

Private interior drives will be constructed to serve six (6) of the twelve (12) multi-unit townhome buildings. The proposed private drive will not exceed three hundred (300) feet in length and will loop back to Public Street A. All private drives will be constructed in accordance with City of Lino Lakes General Specifications and Standard Details.

Sidewalk is proposed on one side of the public streets, except within the interior private drive, which serves seven (7) of the twelve (12) townhome buildings.

A summary of the proposed roadway widths and linear footage is provided below:

Linear Footage:

Total Roadway Length: Approximately 3,665 L.F.

- Public Streets: Approximately 2,675 L.F
- Private Drives: Approximately 990 L.F

Proposed Right-of-Way (ROW):

- Internal ROW: 60 feet
- Private Road: 26 feet back-to-back
- Cul-de-sac ROW: 60-foot minimum radius

TRAFFIC STUDY:

A traffic study was completed by Matt Pacyna, PE, of Transportation Collaborative & Consultants, LLC on January 5, 2026. An updated report was subsequently prepared by Transportation Collaborative & Consultants on May 11, 2026, to reflect the revised site layout, including the incorporation of the Shudy property.

The purpose of the study was to evaluate existing traffic conditions within the study area, assess the anticipated traffic impacts associated with the proposed development, and determine whether any roadway or operational improvements would be required to maintain safe and efficient traffic operations.

The updated traffic study concludes that all analyzed intersections and roadway approaches are expected to operate at acceptable Levels of Service (LOS D or better) during peak-hour conditions with the proposed development in place. The proposed development and access locations are consistent with the recommendations of the recently completed CSAH 54 Corridor Study. Traffic generated by the development is projected to result in an average increase in peak-hour delay of approximately one to two seconds at each study intersection.

The study further indicates that forecasted traffic volumes do not meet the established criteria for construction of either a southbound right-turn lane or a northbound left-turn lane. While these improvements are not warranted based on the traffic analysis, Anoka County and City staff have expressed potential interest in considering some of these improvements in the future. Given the costs and impacts associated with implementing the turn lanes, additional coordination between the project team and reviewing agencies is recommended to determine the appropriate short- and long-term intersection configuration and traffic control measures.

The traffic study was prepared in accordance with the requirements of the Lino Lakes City Code and was coordinated with Anoka County.

TRAFFIC NOISE ASSESSMENT:

A Traffic Noise Assessment was prepared by David Braslau Associates on January 6, 2026, to evaluate potential traffic noise impacts from CSAH 54 on the proposed Harvest Grange residential development. An updated Noise Memorandum was subsequently prepared on April 28, 2026, to account for the addition of two (2) townhome units proposed on the Shudy property.

The purpose of the assessment was to determine whether the project complies with the Minnesota State Noise Standards or whether mitigation measures are necessary under Minnesota State Rules to achieve compliance.

The Stamina traffic noise model was utilized to estimate daytime (PM) and nighttime (AM) sound levels at assumed receptor locations corresponding to proposed residential building sites on the property.

Seventeen (17) noise receptor locations associated with buildings having direct exposure to traffic noise from 20th Avenue were analyzed for the initial three parcels and compared to the applicable Minnesota noise standards for residential land uses. An additional eight (8) receptor locations were evaluated for the two (2) buildings proposed on the Shudy property.

As noted in the Executive Summary of the assessment, all residential units included in this assessment can be brought into compliance with state noise standards through the installation of appropriately rated Sound Transmission Class (STC) windows.

STREETLIGHTS:

The streetlight style will be standard light fixtures offered by the utility provider. Proposed locations will be provided with final construction plans.

MASS GRADING:

The site is anticipated to be mass graded in one phase, in accordance with the City of Lino Lake's specifications and guidelines. The proposed grading will maintain drainage patterns similar to existing conditions.

RICE CREEK WATERSHED DISTRICT (RCWD):

An application was initially submitted to the Rice Creek Watershed District on January 5, 2026, requesting approval for Stormwater Management, Erosion and Sediment Control, Floodplain Alteration, and Wetland Alteration. A Delineation Addendum prepared by Kjolhaug Environmental Services was subsequently submitted to the Rice Creek Watershed District on April 30, 2026.

An updated, signed joint application was submitted on May 5, 2026, incorporating the addition of the Shudy parcel located at 6795 20th Avenue. Additional updated project materials were provided to the Rice Creek Watershed District on May 11, 2026, by Kjolhaug Environmental Services and

Carlson Engineering. These updated materials are also included in the submittal to the City of Lino Lakes.

STORMWATER MANAGEMENT:

This site will comply with all applicable requirements of the City of Lino Lakes and the Rice Creek Watershed District stormwater management regulations. Streets, driveways, sidewalks, and the fronts of homes are oriented toward a water quality feature. All stormwater ponds and treatment facilities have been designed in accordance with City and Watershed District standards. Site runoff rates have been reduced for all modeled storm events.

Per staff comments included in the February 11, 2026, Planning Commission report, the City of Lino Lakes will assume ownership and maintenance responsibility for Outlot C. Outlots A and B will be owned and maintained by the homeowner's association. Borrow ponds will be utilized by the townhome association to support a proposed irrigation water reuse system.

FLOODPLAIN MITIGATION:

The floodplain elevation for this site was provided by RCWD. Per the floodplain exhibit, all floodplain fills will be mitigated for within borrow areas and ponding. The FEMA flood line in general follows the flood elevation provided by RCWD. The FEMA floodplain will be removed from lots as feasible with a LOMR-F application. This will occur once grading activities are completed and elevations can be certified.

Below is the floodplain summary per Rice Creek Watershed District Model and as depicted in the floodplain Exhibit F1:

- Floodplain Fill = 2,768 CY
- Floodplain Mitigation = 3,316 CY

WETLAND:

Kjolhaug Environmental Services prepared two wetland reports for the project area. A Wetland Delineation Report covering the two Rehbein parcels was completed on October 19, 2021. A separate Wetland Delineation Report for the Nelson parcel was completed on May 13, 2025.

A Delineation Addendum was subsequently prepared by Kjolhaug Environmental Services and submitted to the Rice Creek Watershed District on April 30, 2026, along with an updated, signed joint application submitted on May 5, 2026, which incorporates the addition of the Shudy parcel located at 6795 20th Avenue. Rice Creek Watershed District issue a Notice of Application on May 8, 2026

Additional updated project materials were provided to the Rice Creek Watershed District on May 11, 2026, by Kjolhaug Environmental Services and Carlson Engineering. These same updated materials were also included in the submittal to the City of Lino Lakes.

The summary below, from the Wetland Buffer Exhibit, reflects the combined wetland impacts associated with all four (4) parcels. These impacts are primarily associated with the proposed street alignments and roadway connections.

WETLAND SUMMARY:

Wetland Fill (WCA): 21,113 SF (0.62 acres)

Wetland Fill (USACE): 11,215 SF (0.26 acres)

Total Wetland Fill: 38,328 SF (0.88 acres)

Required City Wetland Buffer Area: 34,820 SF (0.80 acres)

City Wetland Buffer Area: 45,879 SF (1.05 acres)

City Buffer Width: 10' ft (No Averaging)

Kjolhaug submitted the RPA to Rice Creek Watershed District (RCWD), and RCWD issued an RPA NOD on February 2, 2026.

RARE SPECIES SURVEY RESULTS:

A Rare Plant Survey for the proposed Harvest Grange development was prepared by Midwest Natural Resources, Inc. (MNR) on July 14, 2025. Prior to field investigations, a Rare Plant Survey Protocol was submitted to the Minnesota DNR Endangered Species Coordinator on May 13, 2025. Field surveys were conducted on June 3, 2025, following the MN DNR Species Survey Process and Rare Plant Guidance.

A review of available background information, including the Natural Heritage Information System (NHIS) database, in combination with field survey results, indicates the following for the four (4) subject parcels:

- No mapped Sites of Biodiversity Significance or mapped Native Plant Communities occur within the project boundary.
- No rare plant features were observed in the immediate vicinity of the property during the survey.
- The NHIS database documents a population of water-willow (*Decodon verticillatus*) approximately one mile south of the project site along Amelia Lake. No rare plants were observed within the project area itself.

The NHIS letter provided the following recommended protection measures for water-willow if it occurs in the pond north of the site:

- Retain a buffer between proposed activities and the pond.
- Implement effective erosion prevention and sediment control measures.
- Inspect and clean equipment before operation to prevent the spread of invasive species.
- Revegetating disturbed soil with native species suited to the local habitat as soon as possible after construction.
- Use only weed-free mulches, topsoils, and seed mixes. Special concern should be given to birdsfoot trefoil (*Lotus corniculatus*) and crown vetch (*Coronilla varia*), invasive species that are commercially available and problematic in prairies and disturbed open areas.

NATURAL HERITAGE REVIEW:

As part of the Harvest Grange development, the Minnesota Department of Natural Resources (MN DNR) conducted a Natural Heritage Review (NHIS) on July 24, 2025, to assess potential impacts to rare species and significant natural features within the project area. Blanding's turtles were documented near the proposed development site. In response, a project-specific Blanding Turtle Avoidance Plan Memorandum was prepared by Kjolhaug on December 30, 2025. This requirement will also apply to the Shudy property.

The NHIS correspondence outlined the following required protective measures for Blanding's turtles:

- Limit erosion and sediment control measures to wildlife-friendly options.
- Inspect bare ground within construction areas for turtles before using heavy equipment or performing ground disturbance.
- Provide all contractors with the Blanding's turtle informational flyer.
- Report sightings using the DNR Plant and Animal Observation Form.
- Handle turtles only if they are in imminent danger, moving them by hand out of harm's way; otherwise, leave them undisturbed. Guidance for safe handling is provided in Helping Turtles Across the Road.

The project incorporates a comprehensive Blanding Turtle Avoidance Plan consistent with MN DNR guidance. These measures will be enforced throughout construction to minimize impacts on Blanding's turtles and ensure compliance with state environmental regulations.

TREE INVENTORY/SURVEY:

An onsite Tree Preservation Plan was completed, and a tree removal summary and mitigation plan were prepared in full compliance with the City of Lino Lakes Tree Preservation Administrative Guideline Policy, pursuant to Section 1008.12, Protection of Trees.

PARKS:

Park land dedication for a future park is not proposed. Park dedication requirements shall be paid as a fee.

LANDSCAPING:

A preliminary landscaping plan, together with foundation landscaping plans, has been prepared and submitted for City review and consideration. The proposed landscaping has been designed in accordance with the City of Lino Lakes Code of Ordinances pertaining to landscaping, tree preservation, and tree mitigation requirements.

Based on the applicable ordinance standards and the tree summary calculations identified on Sheet L1 of L2, the total number of required trees for the development is one hundred fifty-two (152) and one hundred and sixty-six (166) are provided.

The preliminary landscaping plan demonstrates compliance with all applicable City of Lino Lakes requirements, including landscaping, boulevard tree placement, buffering and screening, and tree preservation and mitigation standards. All required trees are provided within the proposed open space, boulevard, and mitigation areas. The plan meets or exceeds the minimum requirements established by the City of Lino Lakes.

WATER REUSE FOR IRRIGATION:

Water reuse is proposed for the (65) attached townhomes to reduce potable water demand, support sustainable practices, and protect natural resources. Two stormwater basins, “Borrow Area 11,” will provide water for reuse to meet City of Lino Lakes requirements. Carlson Engineering’s January 6, 2026, Stormwater Re-Use Memo details irrigation volume, availability, and sustainability for City consideration. The final irrigation system, including layout and spray patterns, will be prepared by the selected designer and submitted with the Final Plat.

MONUMENT & MAILBOXES:

The residential development will include an entrance monument that will be owned and maintained by the Townhome Homeowners Association. The proposed monument will be located on the south side of Street A, northwest of Lot 5. The monument will be situated entirely within the townhome base lot, eliminating the need for an easement or the creation of an outlot. The monument will be designed in compliance with the City’s Sign Ordinance (Chapter 1010), and a sign permit will be obtained from the City of Lino Lakes prior to construction.

Cluster mailbox units (CBUs) will be provided to serve all ninety-five (95) lots. The project team will coordinate directly with the mailbox vendor to prepare and submit a Growth Packet to the City of Lino Lakes Post Office for review and approval for mailbox locations. The CBUs will be owned and maintained by the Homeowners Association.

HOUSING/BUILDER INFORMATION:

The Harvest Grange development is planned to include a total of ninety-five (95) homes, thoughtfully designed to provide diverse housing options for the community. The project incorporates two zoning designations: R2 – Two-Family Residential, for the 60-foot single-family lots, and R3 – Medium Density, for the multi-unit townhomes. This combination allows for two distinct housing types and architectural styles, offering choices that meet the needs of a wide range of homebuyers, from growing families to first-time buyers.

The proposed builders have submitted detailed elevations, floor plans, and renderings for both the single-family homes and townhomes. These materials demonstrate the project’s commitment to quality design, neighborhood compatibility, and enhancing the character of the surrounding area, making Harvest Grange a valuable addition to the City’s housing options.

ARCHITECTURAL ELEVATIONS:

The architectural floor plans, elevations, and color renderings included in this submittal are provided as representative depictions of the proposed single-family and attached townhome products. These materials are intended to illustrate the dimensions, mass, and overall design character of the homes proposed for the two designated lot sizes.

The design and documentation have been prepared in accordance with the R2 – Two-Family Residential and R3 – Medium Density zoning standards. Considerations include compliance with minimum building footprints, minimum garage requirements, maximum building heights, maximum impervious surface coverage, exterior material and finish standards, and storm shelter provisions applicable to slab-on-grade construction.

HOMEOWNER’S ASSOCIATIONS & ARCHITECTURAL GUIDELINES

To ensure a visually appealing neighborhood, Harvest Grange will establish a Master Homeowners Association (HOA) tasked with enforcing architectural guidelines that promote diversity and visual interest among homes. These guidelines will include tracking mechanisms to prevent monotony and ensure a variety of styles, materials, and colors throughout the community.

The HOA will also oversee the long-term upkeep of common community amenities to preserve their quality and attractiveness, including the proposed entrance monument and cluster mailbox units.

For the townhome units, the Townhome HOA will provide additional services, including yard and grounds maintenance, as well as maintenance of community irrigation systems, and the private street.

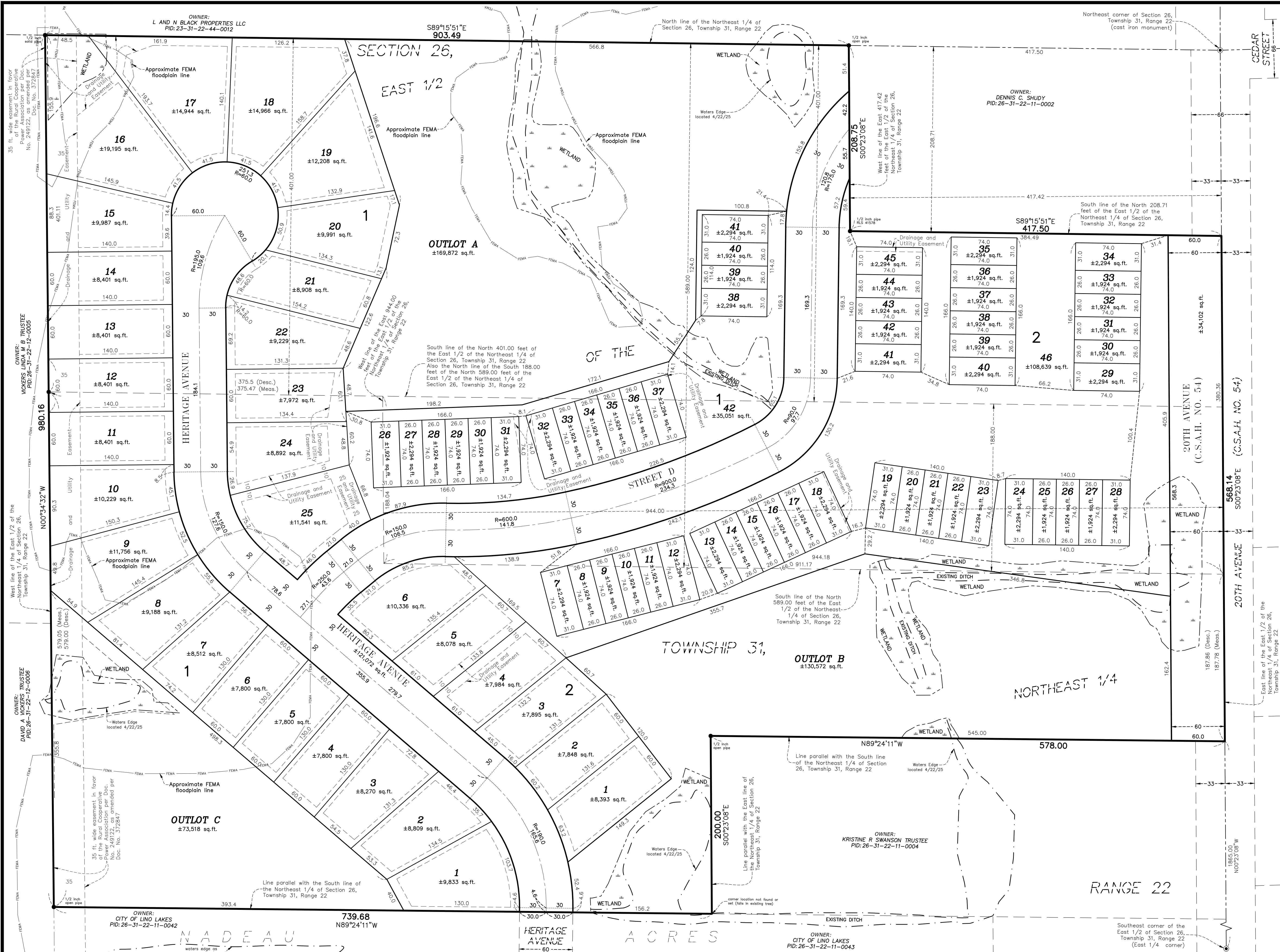
Furthermore, the HOA will manage a review and approval process for all designs to maintain a vibrant streetscape and uphold high aesthetic standards. We believe this approach will enhance the overall character of the community and make a positive contribution to Lino’s architectural landscape.

TIMING/PHASING/STAGING

According to the Lino Lakes 2040 Utility Staging Plan, this area is scheduled to receive utilities between 2018 and 2025. Our planned development is set to begin in late summer to early fall 2026, which aligns with the projected service timeline. The site is proposed to be constructed in a single phase for grading and a single phase for streets and utilities.

CONCLUSION

TCLD Land Holdings LLC is pleased to submit this preliminary plat and rezoning application and believes the proposed site plan aligns with the goals and vision of the City of Lino Lakes. We look forward to collaborating with the City to create a successful new residential development. We respectfully request approval of the Rezoning and Preliminary Plat to allow the Harvest Grange development to proceed to the Mass Grading and Final Plat stages.



PROPERTY DESCRIPTION: (Per Schedule A of Title Commitment File No. 701447, Revision Number 1, with a commitment date of August 28, 2024 at 7:00 am., prepared by Land Title, Inc., as issuing agent for First American Title Insurance Company)

That part of the East Half (E1/2) of the Northeast Quarter (NE1/4), Section 26, Township 31, Range 22, Anoka County, Minnesota, described as follows:
Commencing at the Southeast corner of said East Half of the Northeast Quarter; thence Northerly, along the East line of said Northeast Quarter, a distance of 1865.00 feet, to the point of the actual point of beginning; thence Westerly parallel with the South line of said Northeast Quarter, a distance of 578.00 feet; thence Southerly, parallel with said East line of the Northeast Quarter, a distance of 200 feet; thence Westerly parallel with said South line, a distance of 739.7 feet, more or less to the West line of said East Half of the Northeast Quarter; thence Northerly along said West line of said East Half of the Northeast Quarter, a distance of 579.00 feet, more or less to the South line of the North 401 feet of said East Half of the Northeast Quarter; thence Easterly along said South line of the North 401 feet, a distance of 375.5 feet to the West line of the East 344 feet of said East Half of the Northeast Quarter; thence Southerly, along said West line of the East 344 feet, a distance of 188.04 feet, to the South line of the North 589 feet of said East Half of the Northeast Quarter; thence Easterly, along said South line of the North 589 feet, a distance of 944.18 feet, to the East line of said East Half of the Northeast Quarter; thence Southerly along said East line, a distance of 187.86 feet to the actual point of beginning.

(abstract property)

AND

PROPERTY DESCRIPTION: (Per Schedule A of Title Commitment File No. 702098, Revision Number 1, with a commitment date of March 10, 2025 at 7:00 am., prepared by Land Title, Inc., as issuing agent for Stewart Title Guaranty Company)

AND

That part of the North 401.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota, lying Southerly and Westerly of the North 208.71 feet of the East 417.42 feet, according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The East 944.00 feet of the South 188.00 feet of the North 589.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

(abstract property)

GENERAL NOTES:

1) Bearings shown herein are based on the North line of the East 1/2 of the Northeast 1/4 of Section 26, Township 31, Range 22, which is assumed to bear S89°15'51"E.

SITE DATA

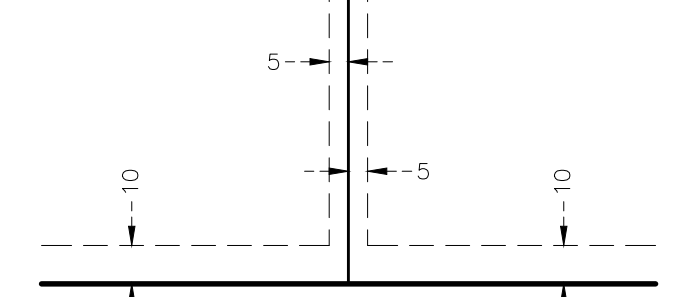
TOTAL SITE AREA	±24.98 AC.
TOTAL ROW AREA	±3.56 AC.
TOTAL OUTLOT AREA	±8.59 AC.
OUTLOT A	±3.90 AC.
OUTLOT B	±3.00 AC.
OUTLOT C	±1.69 AC.
TOTAL LOT AREA	±12.83 AC.
SINGLE FAMILY LOT AREA	±6.93 AC.
TOWNHOME LOT AREA	±2.60 AC.
TOWNHOME COMMON LOT AREA	±3.30 AC.
SMALLEST LOT	±1,924 S.F.
LARGEST LOT	±108,639 S.F.
AVERAGE LOT	±6,351 S.F.

TOTAL NUMBER OF LOTS	88
SINGLE FAMILY LOTS	31
TOWNHOME LOTS	55
TOWNHOME COMMON LOT	2
GROSS DENSITY	3.53 LOTS/AC.
EXISTING ZONING	RURAL
PROPOSED ZONING	R2/R3
UTILITIES	AVAILABLE

MINIMUM RESIDENTIAL SETBACK DATA:	
FRONT	25 FT.
SIDE (GARAGE)	10 FT.
SIDE (HOUSE)	10 FT.
SIDE CORNER	25 FT.
REAR SETBACK	25 FT.

MINIMUM TOWNHOME SETBACK DATA:	
FRONT	30 FT.
SIDE (BETWEEN BUILDINGS)	20 FT.
SIDE CORNER	25 FT.

PROPOSED DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:

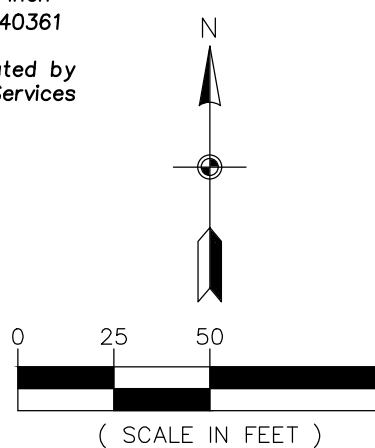


LEGEND

- Denotes Anoka County
- Cast Iron Section Monument
- Denotes Found Iron Monument as noted
- Denotes 5/8 inch by 14 inch rebar marked with RLS 40361
- Denotes Wetlands delineated by Kjelhaug Environmental Services in 2025

BENCHMARKS

- Minnesota Department of Transportation
GSD Station #92399 (Name: 0282 S)
ELEVATION: 931.46 ft. (NAVD88)
- Minnesota Department of Transportation
GSD Station #92394 (Name: 0282 N)
ELEVATION: 911.43 ft. (NAVD88)



3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota

Print Name: Thomas R. Balluff, L.S.
Signature: *Thomas R. Balluff*
Date: 1/02/2026 License #: 40361

DRAWN BY: NJS
ISSUE DATE: 1/02/2026
FILE NO: 2884

TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST
GRANGE
Lino Lakes, MN

PRELIMINARY PLAT

3
of
9

HARVEST GRANGE

LINO LAKES, MINNESOTA

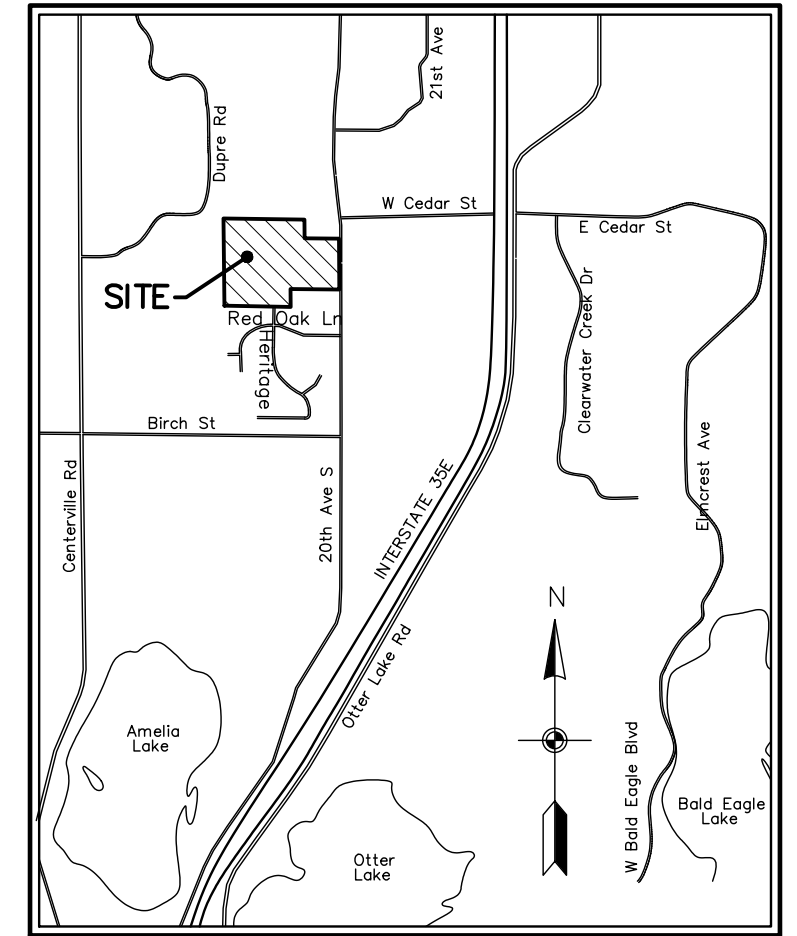


LEGEND

	LAKE/BORROW AREA (NWL)		PUBLIC OPEN SPACE
	STORM PONDS		PRIVATE OPEN SPACE
	WETLANDS (REMAINING)		PRIVATE OPEN SPACE ROADWAY
	SINGLE FAMILY LOTS		
	TOWNHOME LOTS		

SITE DATA

TOTAL SITE AREA	±24.98 AC.	TOTAL NUMBER OF LOTS/UNITS	89
TOTAL ROW AREA	±4.09 AC.	SINGLE FAMILY LOTS	31
WATER AREA	±3.36 AC.	TOWNHOME LOTS	55
WETLANDS (REMAINING)	±1.47 AC.	TOWNHOME COMMON LOTS	3
*LOT AREA & ROW NOT INCLUDED		MINIMUM RESIDENTIAL SETBACK DATA:	
STORM PONDS	±1.89 AC.	FRONT	25 FT.
TOTAL OPEN SPACE	±8.00 AC.	SIDE (GARAGE)	10 FT.
PUBLIC OPEN SPACE	±5.50 AC.	SIDE (HOUSE)	10 FT.
PRIVATE OPEN SPACE	±2.39 AC.	SIDE CORNER	25 FT.
PRIVATE OPEN SPACE RDWY	±0.11 AC.	REAR SETBACK	25 FT.
TOTAL LOT AREA	±9.53 AC.	MINIMUM TOWNHOME SETBACK DATA:	
		FRONT	30 FT.
		SIDE (BETWEEN BUILDINGS)	20 FT.
		SIDE CORNER	25 FT.



VICINITY MAP
NOT TO SCALE

SOIL BORINGS

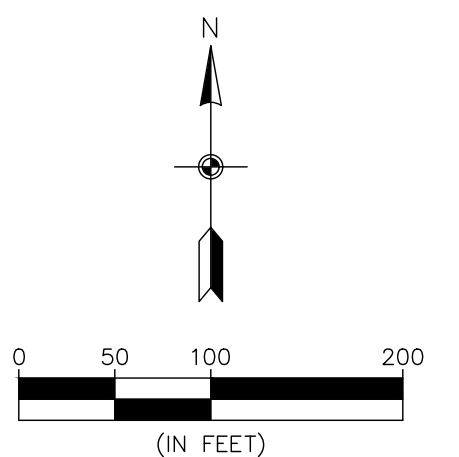
HAUGO GEOTECHNICAL SERVICES
2825 CEDAR AVE. S.
MINNEAPOLIS, MN 55407
(612)729-2959

WETLANDS

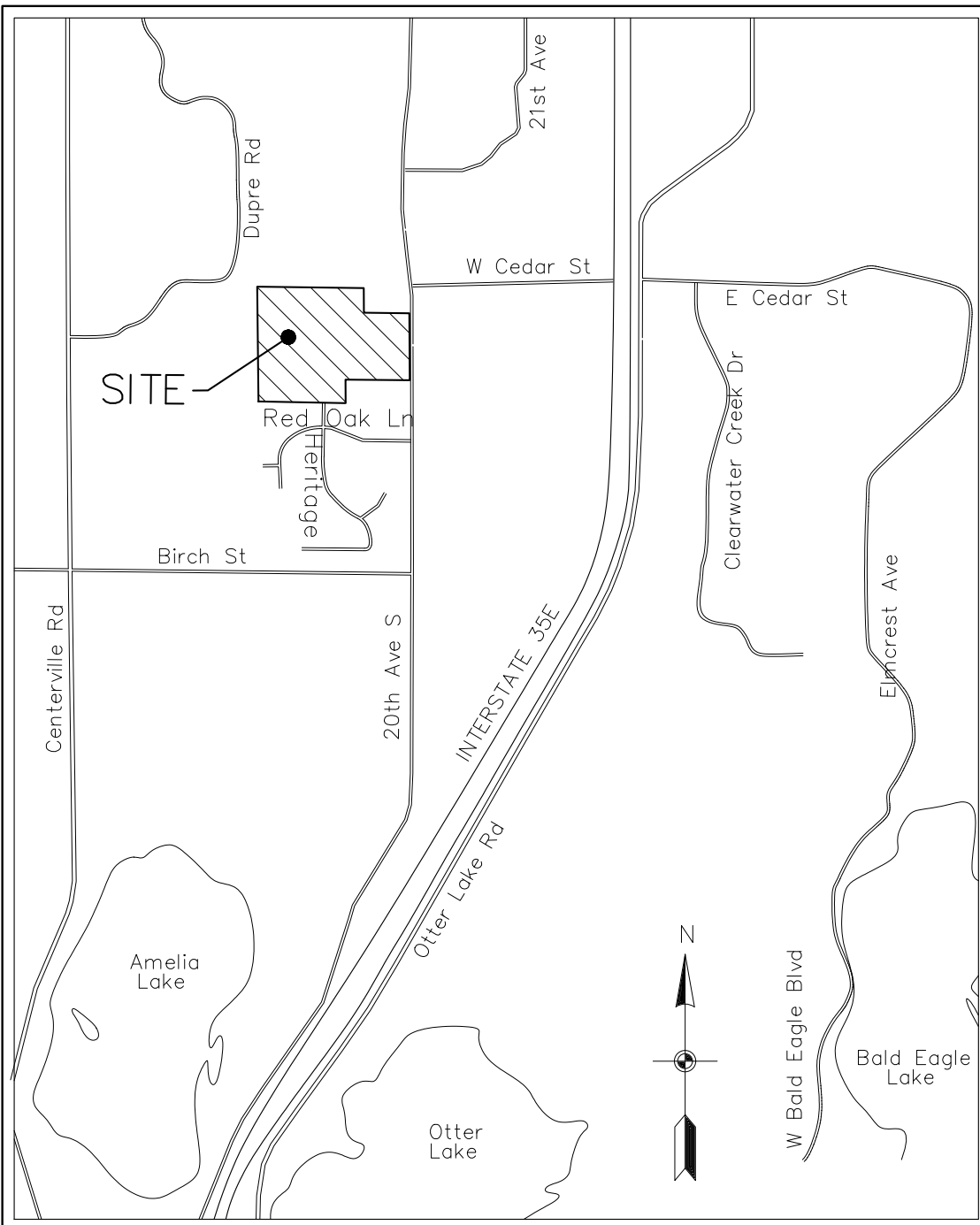
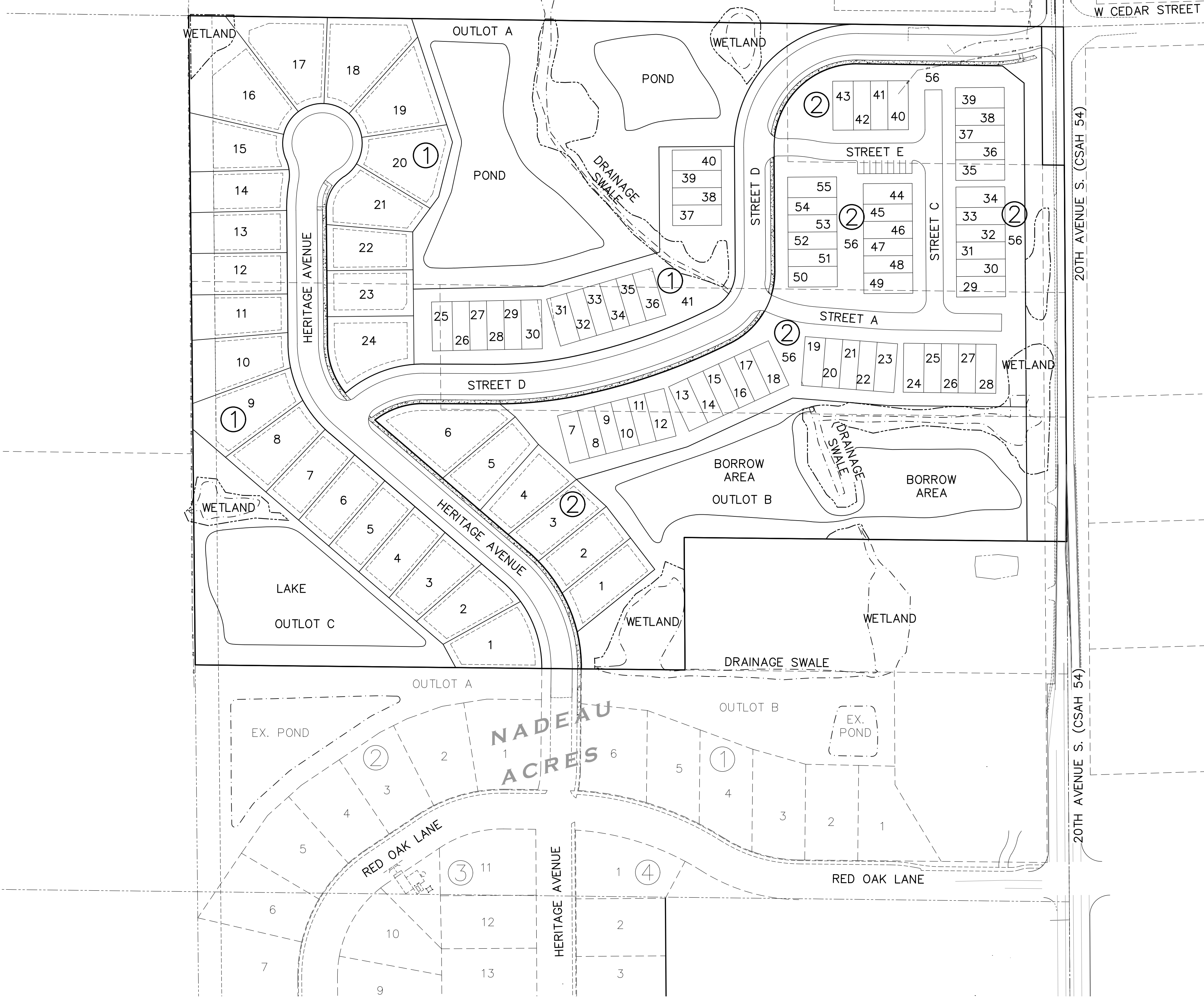
KJOLHAUG ENVIRONMENTAL SERVICES COMPANY
26105 WILD ROSE LANE
SHOREWOOD, MINNESOTA 55331
(952)401-8757

OWNER CONTACT

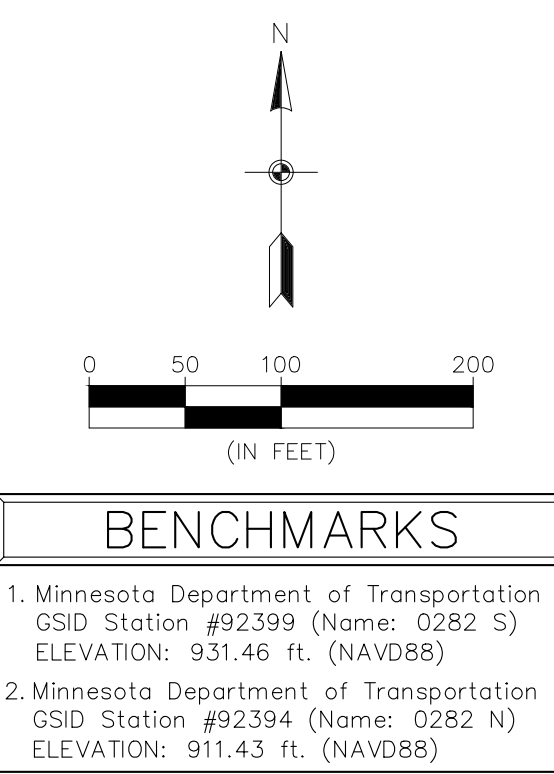
M/I HOMES OF MINNEAPOLIS, LLC.
5354 PARKDALE DRIVE #100
ST. LOUIS PARK, MN 55416
(763)586-7200



HARVEST GRANGE
LINO LAKES, MINNESOTA



VICINITY MAP
NOT TO SCALE



SHEET INDEX	
1.	COVER
2.	EXISTING CONDITIONS
3.	PRELIMINARY PLAT
4.	REMOVALS PLAN
5.	PRELIMINARY SITE & UTILITY PLAN
6.	PRELIMINARY GRADING & EROSION CONTROL PLAN
7-8.	DETAILS
9.	RETAINING WALL PROFILES
R1-R3.	RESOURCE INVENTORY
T1-T4.	TREE PRESERVATION PLAN
L1-L2.	LANDSCAPE PLAN
F1.	FLOODPLAIN EXHIBIT
W1.	WETLAND BUFFER EXHIBIT

CALL BEFORE YOU DIG

Know what's below.
Call before you dig.

The subsurface utility information shown on this plan is utility Quality Level D. This quality level was determined according to the guidelines of CI/ASCE 38-02, entitled "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data."



3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota

Print Name: Brian J. Krystofiak, P.E.
Signature: *Brian J. Krystofiak*
Date: 01/02/26 License #: 25063

Drawn: GIS
Designed: BJK
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

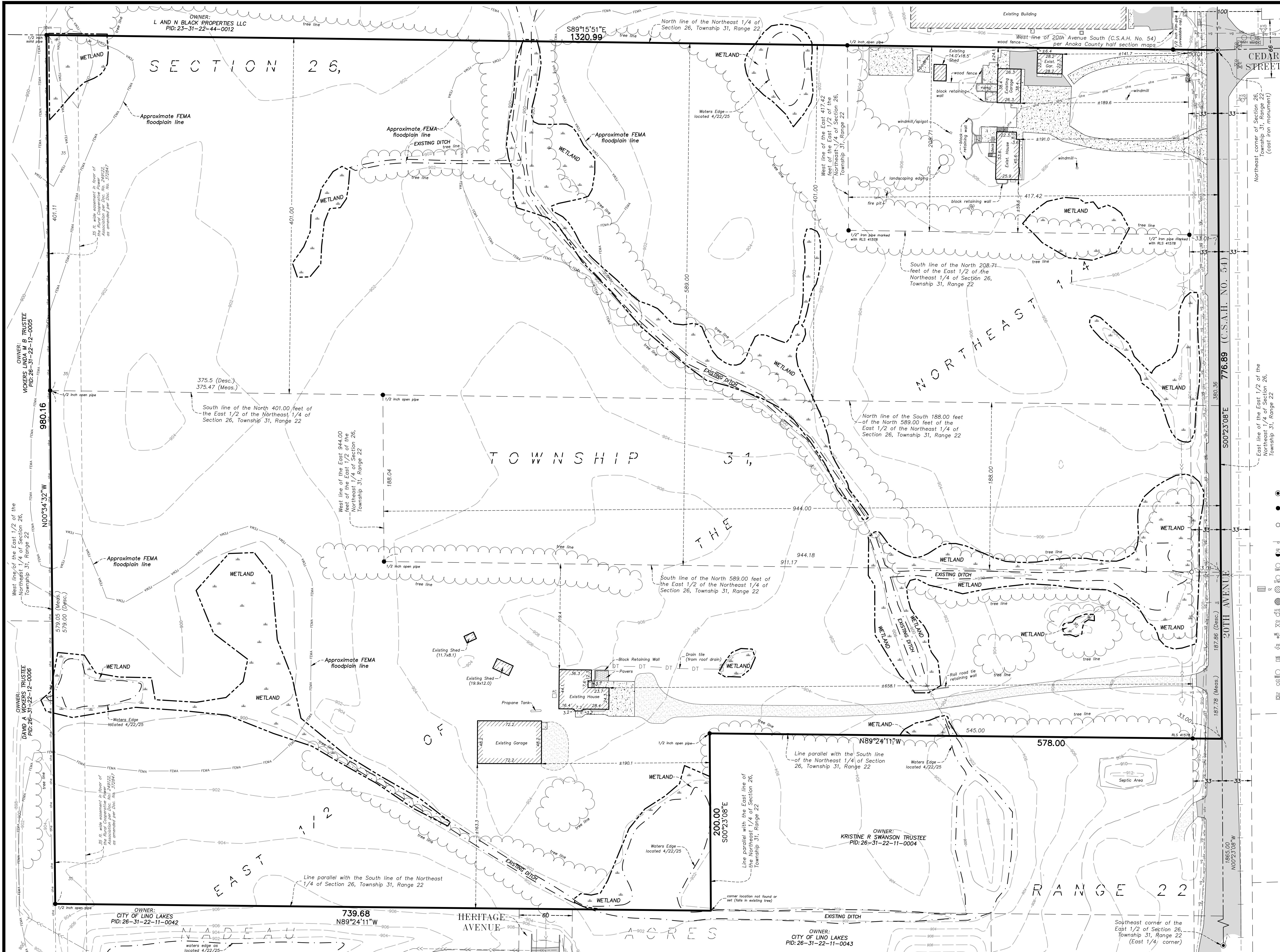
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST GRANGE
Lino Lakes, MN

COVER

1 of 9



PROPERTY DESCRIPTION:

That part of the East Half (E1/2) of the Northeast Quarter (NE1/4), Section 26, Township 31, Range 22, Anoka County, Minnesota, described as follows:

Commencing at the Southeast corner of said East Half of the Northeast Quarter; thence Northerly, along the East line of said Northeast Quarter, a distance of 1865.00 feet, to the point of the actual point of beginning; thence Westerly parallel with the South line of said Northeast Quarter, a distance of 578.00 feet; thence Southerly, parallel with said East line of the Northeast Quarter, a distance of 200 feet; thence Westerly parallel with said South line, a distance of 739.7 feet, more or less to the West line of said East Half of the Northeast Quarter; thence Northerly along said West line of said East Half of the Northeast Quarter, a distance of 579.00 feet, more or less to the South line of the North 401 feet of said East Half of the Northeast Quarter; thence Easterly along said South line of the North 401 feet, a distance of 375.5 feet to the West line of the East 944 feet of said East Half of the Northeast Quarter; thence Southerly, along said West line of the East 944 feet, a distance of 188.04 feet; to the South line of the North 589 feet of said East Half of the Northeast Quarter; thence Easterly, along said South line of the North 589 feet, a distance of 944.18 feet, to the East line of said East Half of the Northeast Quarter; thence Southerly along said East line, a distance of 187.86 feet to the actual point of beginning.

AND

That part of the North 401.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota, lying Southerly and Westerly of the North 208.71 feet of the East 417.42 feet, according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The East 944.00 feet of the South 188.00 feet of the North 589.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The Northerly 208.71 feet of the Easterly 417.42 feet of the Northeast Quarter of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota.

(abstract property)

GENERAL NOTES:

1) Bearings shown hereon are based on the North line of the East 1/2 of the Northeast 1/4 of Section 26, Township 31, Range 22, which is assumed to bear S89°15'51"E.

2) Surveyed property contains ±28.98 acres.

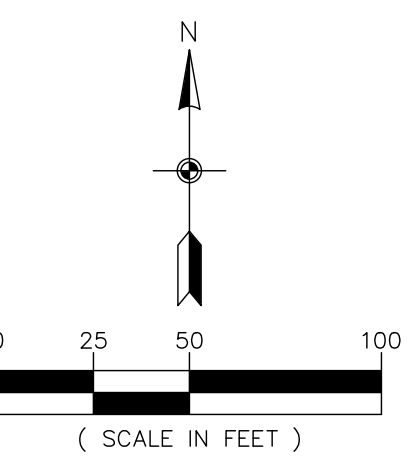
3) Above ground utilities have been field located as shown. All underground locations shown hereon are APPROXIMATE. Prior to any excavations or digging, contact Gopher State One Call for an on-site location (651-454-0002).

LEGEND

- - Denotes Anoka County Cast Iron Section Monument as noted
- - Denotes 5/8 inch by 14 inch rebar marked with RLS 40361
- - Denotes Miscellaneous Sign
- - Denotes Guard Post
- - Denotes Sanitary Manhole
- - Denotes Storm Manhole
- - Denotes Catch Basin
- - Denotes Overflow Structure
- - Denotes Fire Hydrant
- - Denotes Gate Valve
- - Denotes Existing Well
- - Denotes Utility Pole
- - Denotes Mail Box
- - Denotes Water Manhole
- - Denotes Cleanout
- - Denotes Television Box
- - Denotes Air Conditioning
- - Denotes Electric Transformer
- - Denotes Telephone Box
- - Denotes Electric Meter
- - Denotes Underground Gas
- - Denotes Underground Telephone
- - Denotes Underground Television
- - Denotes Overhead Utility Line(s)
- - Denotes Watermain
- - Denotes Sanitary Sewer
- - Denotes Storm Sewer
- - Denotes Existing Fence as noted
- - Denotes Gravel Surface
- - Denotes Concrete Surface
- - Denotes Bituminous Surface
- - Denotes Wetlands delineated by Kjelhaug Environmental Services in 2025
- - Denotes Existing Contour

BENCHMARKS

1. Minnesota Department of Transportation
GSD Station #92398 (Name: 0282 S)
ELEVATION: 931.46 ft. (NAVD88)
2. Minnesota Department of Transportation
GSD Station #92394 (Name: 0282 N)
ELEVATION: 911.43 ft. (NAVD88)



ENGINEERING
SURVEYING
PLANNING

3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota

Print Name: Thomas R. Balluff, L.S.
Signature: *Thomas R. Balluff*
Date: 1/02/2026 License #: 40361

DRAWN BY: bjs
ISSUE DATE: 1/02/2026
FILE NO: 2884

Revisions:
1. 05/11/26 - per Revised Layout

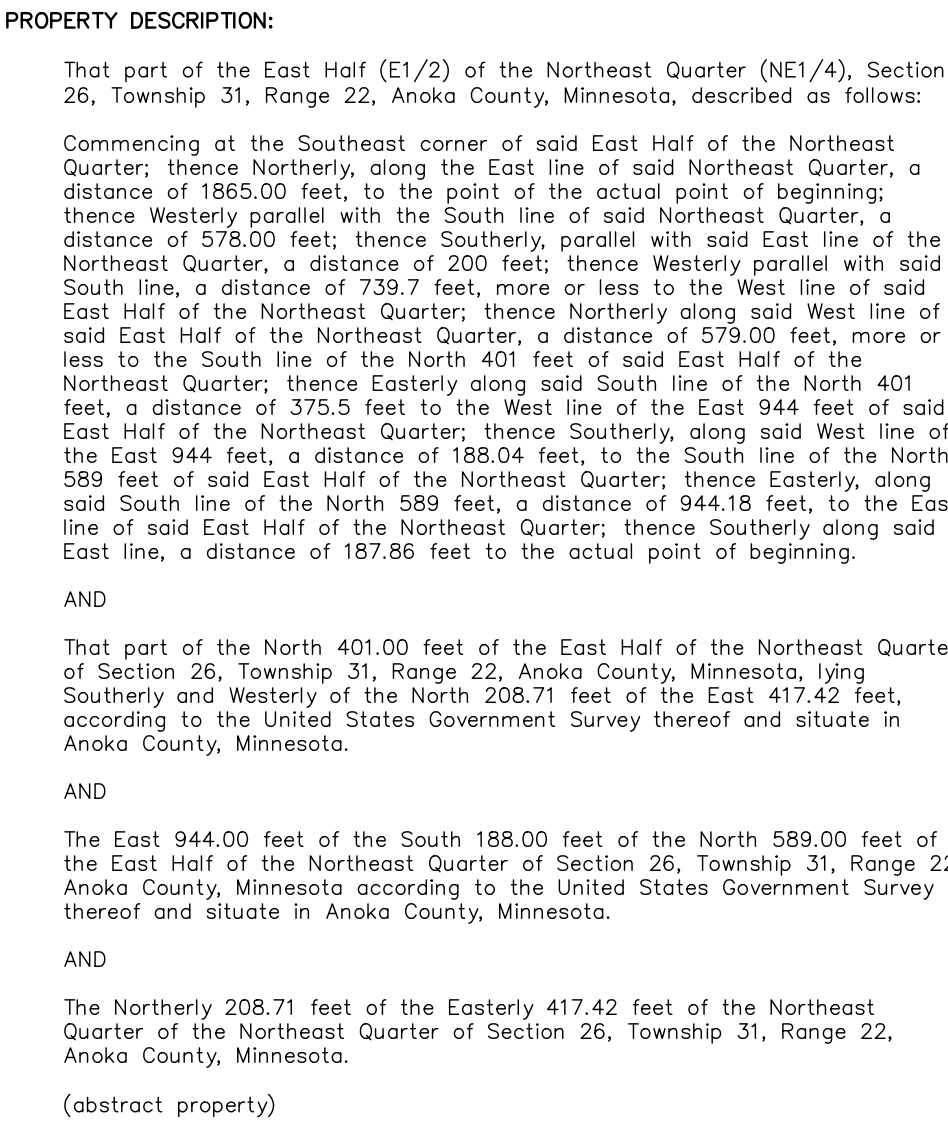
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST
GRANGE
Lino Lakes, MN

EXISTING CONDITIONS

2 of 9



TOTAL SITE AREA	±26.98	AC
TOTAL ROW AREA	±4.44	AC
TOTAL OUTLOT AREA	±8.59	AC
OUTLOT A	±3.76	AC
OUTLOT B	±3.14	AC
OUTLOT C	±1.69	AC
TOTAL LOT AREA	±13.95	AC
SINGLE FAMILY LOT AREA	±6.88	AC
TOWNSHOWN LOT AREA	±3.07	AC
TOWNSHOWN COMMON LOT AREA	±4.00	AC
SMALLEST LOT	±1,924	S.F.
LARGEST LOT	±134,552	S.F.
AVERAGE LOT	±6,264	S.F.

TOTAL NUMBER OF LOTS	97
SINGLE FAMILY LOTS	30
TOWNHOME LOTS	65
TOWNHOME COMMON LOTS	2
GROSS DENSITY	3.60 LOTS/AC
EXISTING ZONING	RURAL
PROPOSED ZONING	R2/R3
UTILITIES	AVAILABLE

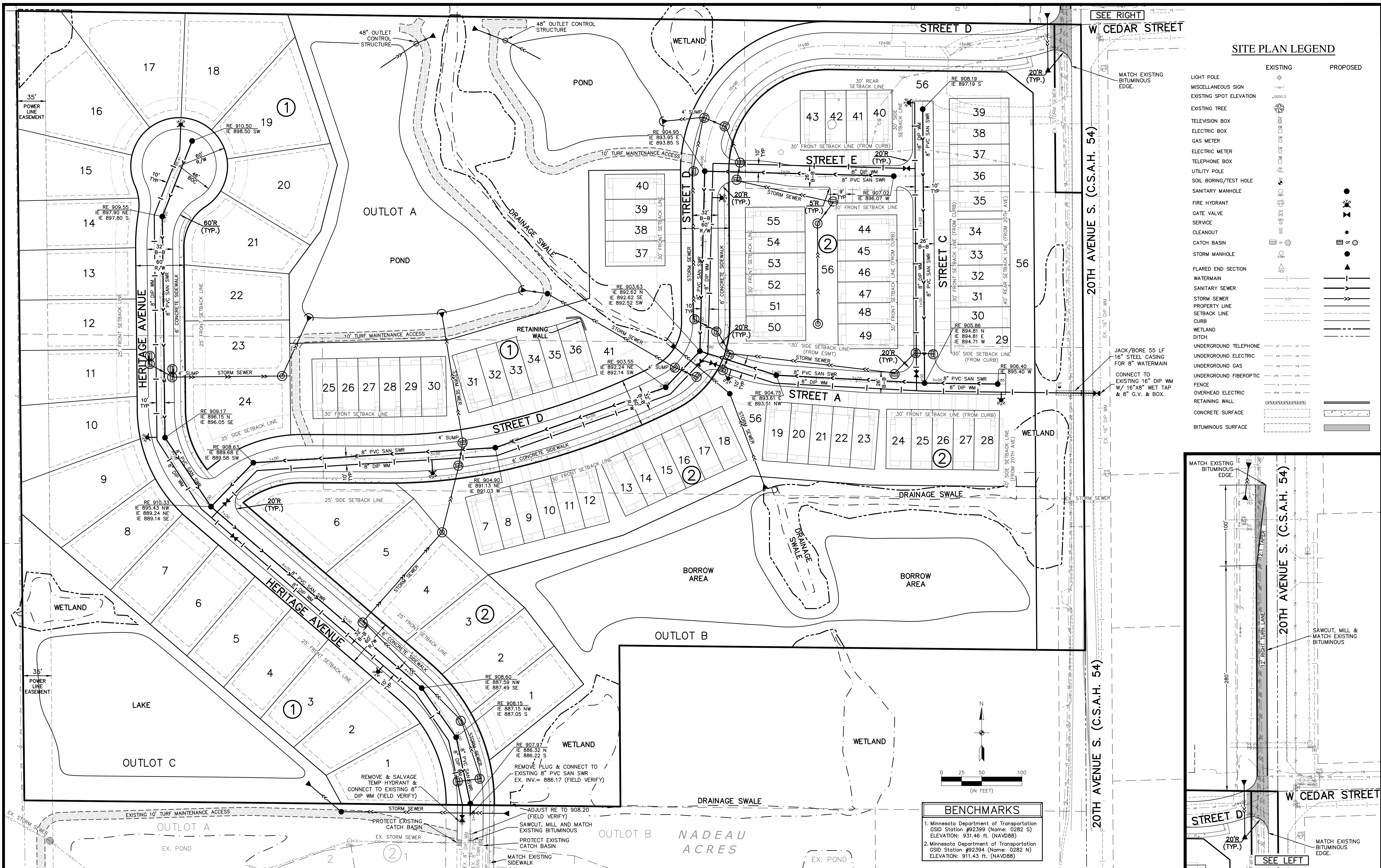
MINIMUM RESIDENTIAL SETBACK DATA:

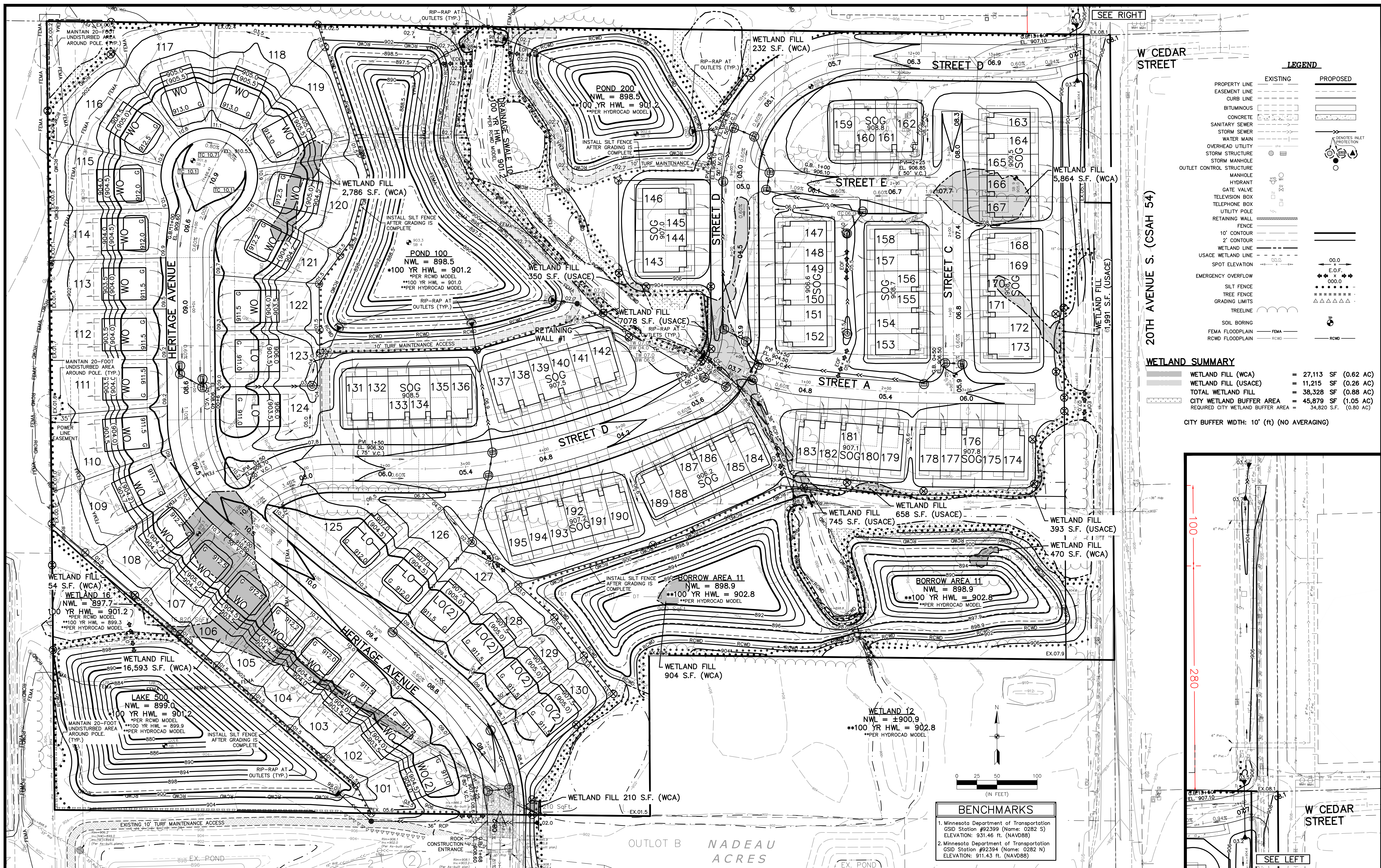
FRONT	25
SIDE (GARAGE)	5
SIDE (HOUSE)	10
SIDE CORNER	25
REAR SETBACK	25

MINIMUM TOWNHOME SETBACK DATA:

FRONT (TO ROW OR BACK OF CURB)	30
SIDE (BETWEEN BUILDINGS)	20
SIDE CORNER	30
TO PARKING BAY	20

- - Denotes Anoka County
Cast Iron Section Monument
- - Denotes Found Iron Monument
as noted
- - Denotes 5/8 inch by 14 inch
rebar marked with RLS 40361
-  - Denotes Wetlands delineated by
Kjohaug Environmental Services
in 2025
- sq.ft.) - Denotes buildable area including
easement area



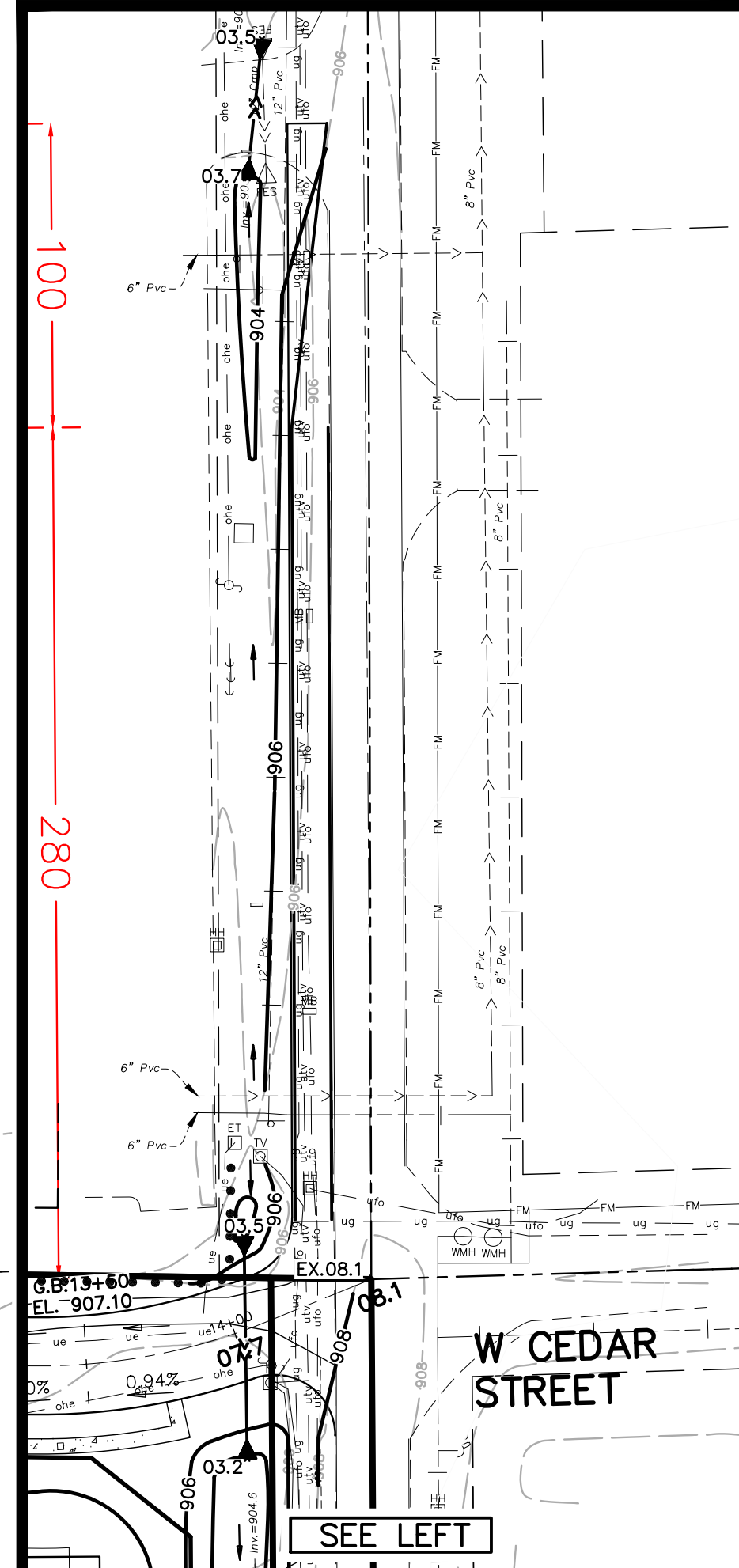


LEGEND	
EXISTING	PROPOSED
PROPERTY LINE	PROPERTY LINE
EASEMENT LINE	EASEMENT LINE
CURB LINE	CURB LINE
BITUMINOUS	BITUMINOUS
CONCRETE	CONCRETE
SANITARY SEWER	SANITARY SEWER
STORM SEWER	STORM SEWER
WATER MAIN	WATER MAIN
OVERHEAD UTILITY	OVERHEAD UTILITY
STORM STRUCTURE	STORM STRUCTURE
STORM MANHOLE	STORM MANHOLE
OUTLET CONTROL STRUCTURE	OUTLET CONTROL STRUCTURE
MANHOLE	MANHOLE
HYDRANT	HYDRANT
GATE VALVE	GATE VALVE
TELEVISION BOX	TELEVISION BOX
TELEPHONE BOX	TELEPHONE BOX
UTILITY POLE	UTILITY POLE
RETAINING WALL	RETAINING WALL
FENCE	FENCE
10' CONTOUR	10' CONTOUR
2' CONTOUR	2' CONTOUR
WETLAND LINE	WETLAND LINE
USACE WETLAND LINE	USACE WETLAND LINE
SPOT ELEVATION	SPOT ELEVATION
EMERGENCY OVERFLOW	EMERGENCY OVERFLOW
SILT FENCE	SILT FENCE
TREE FENCE	TREE FENCE
GRADING LIMITS	GRADING LIMITS
TREELINE	TREELINE
SOIL BORING	SOIL BORING
FEMA FLOODPLAIN	FEMA FLOODPLAIN
RCWD FLOODPLAIN	RCWD FLOODPLAIN

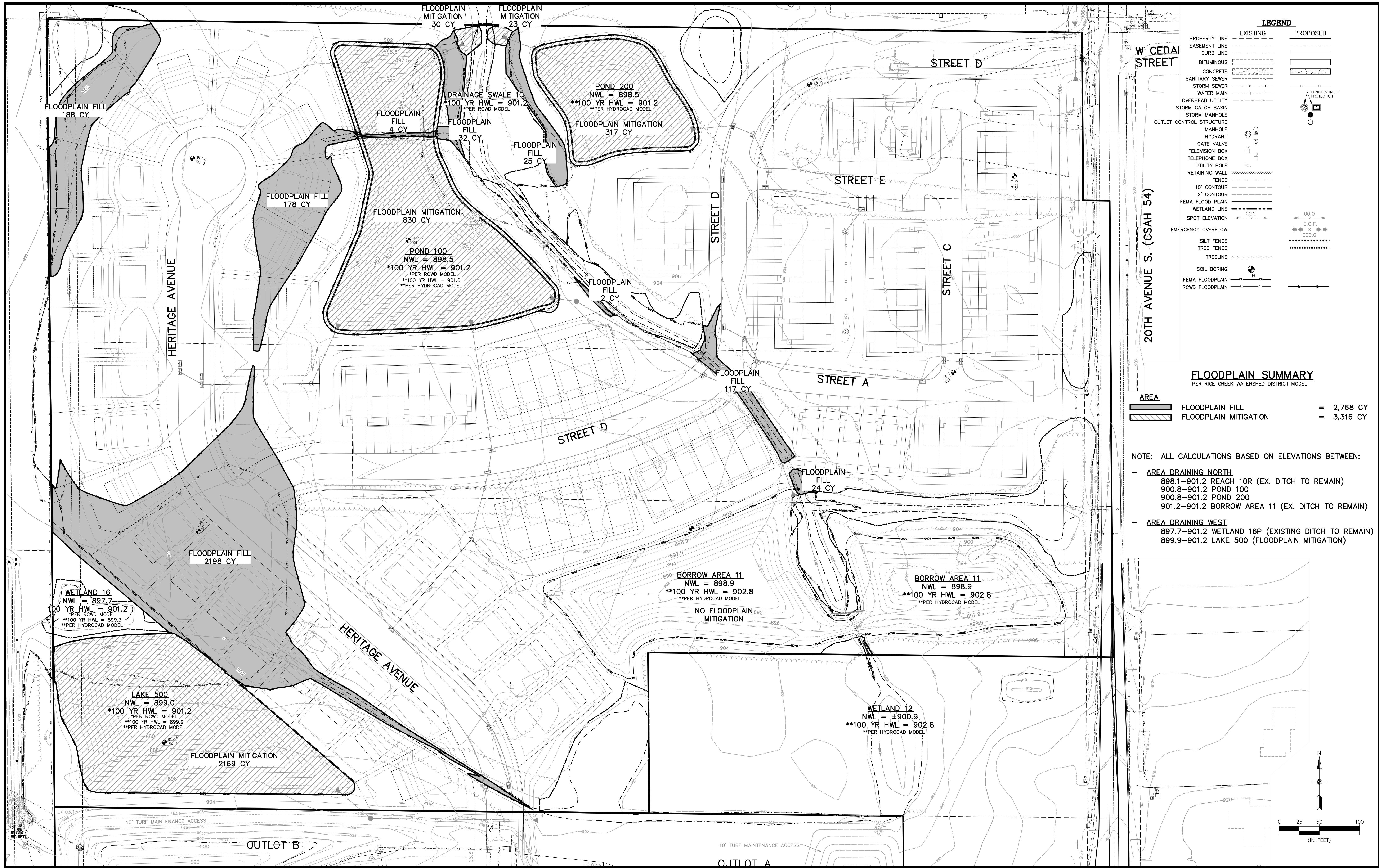
WETLAND SUMMARY	
WETLAND FILL (WCA)	= 27,113 SF (0.62 AC)
WETLAND FILL (USACE)	= 11,215 SF (0.26 AC)
TOTAL WETLAND FILL	= 38,328 SF (0.88 AC)
CITY WETLAND BUFFER AREA	= 45,879 SF (1.05 AC)
REQUIRED CITY WETLAND BUFFER AREA	= 34,820 S.F. (0.80 AC)
CITY BUFFER WIDTH: 10' (ft) (NO AVERAGING)	

BENCHMARKS

- Minnesota Department of Transportation
GSID Station #92399 (Name: 0282 S)
ELEVATION: 931.46 ft. (NAVD88)
- Minnesota Department of Transportation
GSID Station #92394 (Name: 0282 N)
ELEVATION: 911.43 ft. (NAVD88)



 CARLSON ENGINEERING ENGINEERING SURVEYING PLANNING 3890 PHEASANT RIDGE DR NE SUITE 100 BLAINE, MN 55449 TEL 763.483.7900 FAX 763.483.7959 CARLSON-ENGINEERING.COM	I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota Print Name: Brian J. Krystofik, P.E. Signature: <i>Brian J. Krystofik</i> Date: 01/02/26 License #: 25063	Drawn: GJS Designed: BJK Date: 01/02/26	Revisions: 1. 05/11/26 - per Revised Layout	TCLD LAND HOLDINGS, LLC 4800 Olson Memorial Hwy - #100 Golden Valley, MN 55422	 HARVEST GRANGE Lino Lakes, MN	PRELIMINARY GRADING & EROSION CONTROL PLAN	6 of 9
---	--	---	--	---	---	---	--------



3890 PHEASANT RIDGE DR NE
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TEL 763.483.7900
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Print Name: Brian J. Krystofiak, P.E.
Signature: *Brian J. Krystofiak*
Date: 01/02/26 License #: 25063

Drawn: GJS
Designed: BJK
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

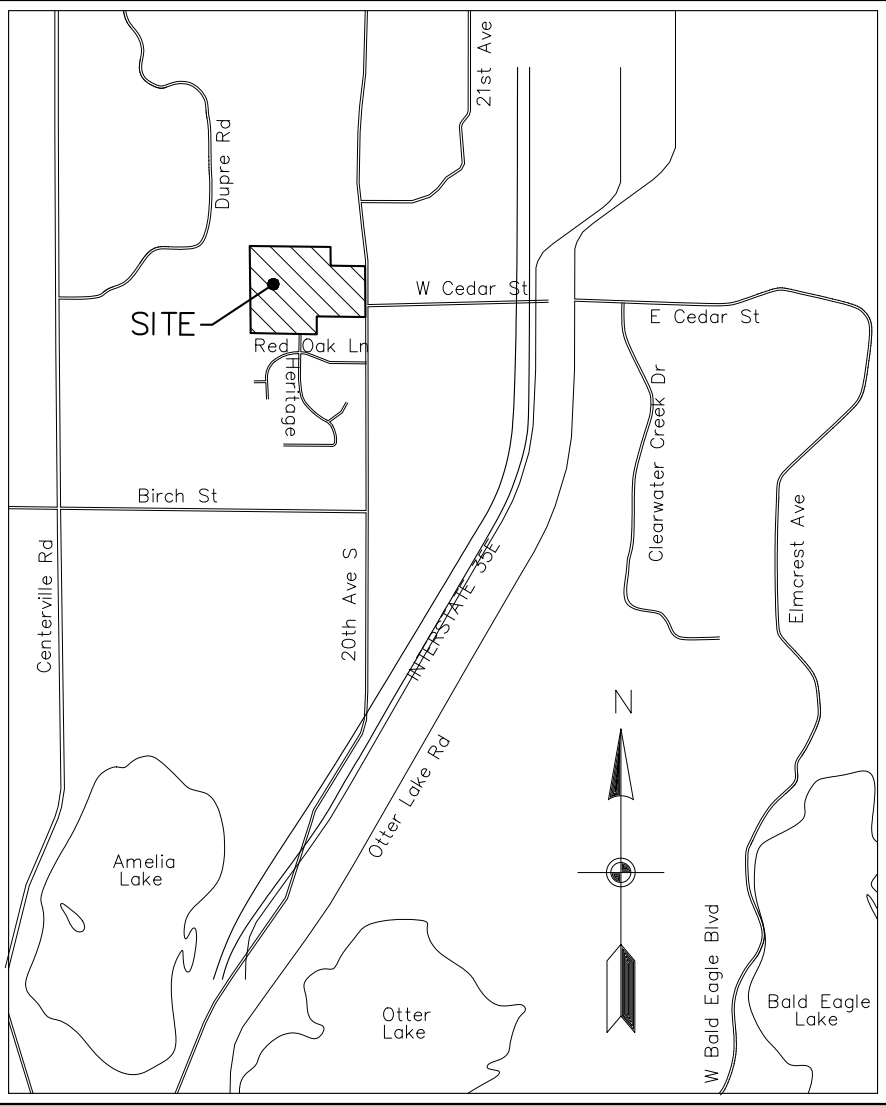
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST
GRANGE
Lino Lakes, MN

FLOODPLAIN EXHIBIT

F1
of
1



VICINITY MAP
NOT TO SCALE

LEGEND	
SITE BOUNDARY LINE	---
EXISTING PROPERTY LINE	---
SECTION LINE	---
1/4 SECTION LINE	---
1/16 SECTION LINE	---
2' CONTOUR	---
10' CONTOUR	---
WETLAND	---
WATER	---
FLOODPLAIN	---
TREE LINE	---
FENCE LINE	---
OVERHEAD ELECTRIC	---
UNDERGROUND ELECTRIC	---
MANHOLE	---
HYDRANT	---
GATE VALVE	---
FLARED END SECTION	---
POWER POLE	---
TELEPHONE BOX	---
TELEVISION BOX	---
MAIL BOX	---
SIGN	---
PHOTO LOCATION, NUMBER, AND DIRECTION (SEE R2)	---

SITE DATA	
TOTAL SITE AREA	24.55 AC.
EXISTING ZONING	RURAL (R)

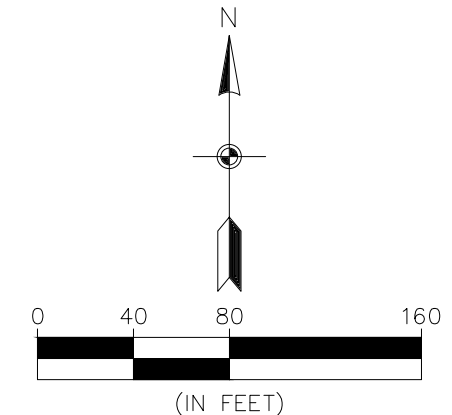
SOIL TYPES	
Bm	Blomford loamy fine sand
BtC	Braham loamy fine sand, 6 to 18 percent slopes
Cb	Cathro muck
Du	Dundas loam
Gc	Glencoe loam
NeA	Nessel fine sandy loam, 1 to 4 percent slopes
Rf	Rifle mucky peat
Wb	Webster loam
ZmB	Zimmerman fine sand, 1 to 6 percent slopes

NOTE: SOIL DATA SHOWN IS BASED ON NATIONAL RESOURCE CONSERVATION SERVICE WEB SOIL SURVEY.

LARGE TREES

- DECIDUOUS TREE
- CONIFEROUS TREE

NOTE: LOCATION OF TREES 18" DIAMETER (DBH) AND LARGER, PRIMARILY UNDESIRABLE SPECIES - COTTONWOOD, GREEN ASH, SILVER MAPLE, SEE TREE PRESERVATION PLAN FOR DETAILS.



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SUITE 100
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TEL 763.489.7900
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CARLSON-ENGINEERING.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota

Print Name: Brian J. Krystofiak, P.E.
Signature: *Brian J. Krystofiak*
Date: 01/02/26 License #: 25063

Drawn: GJS
Designed: BJK
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

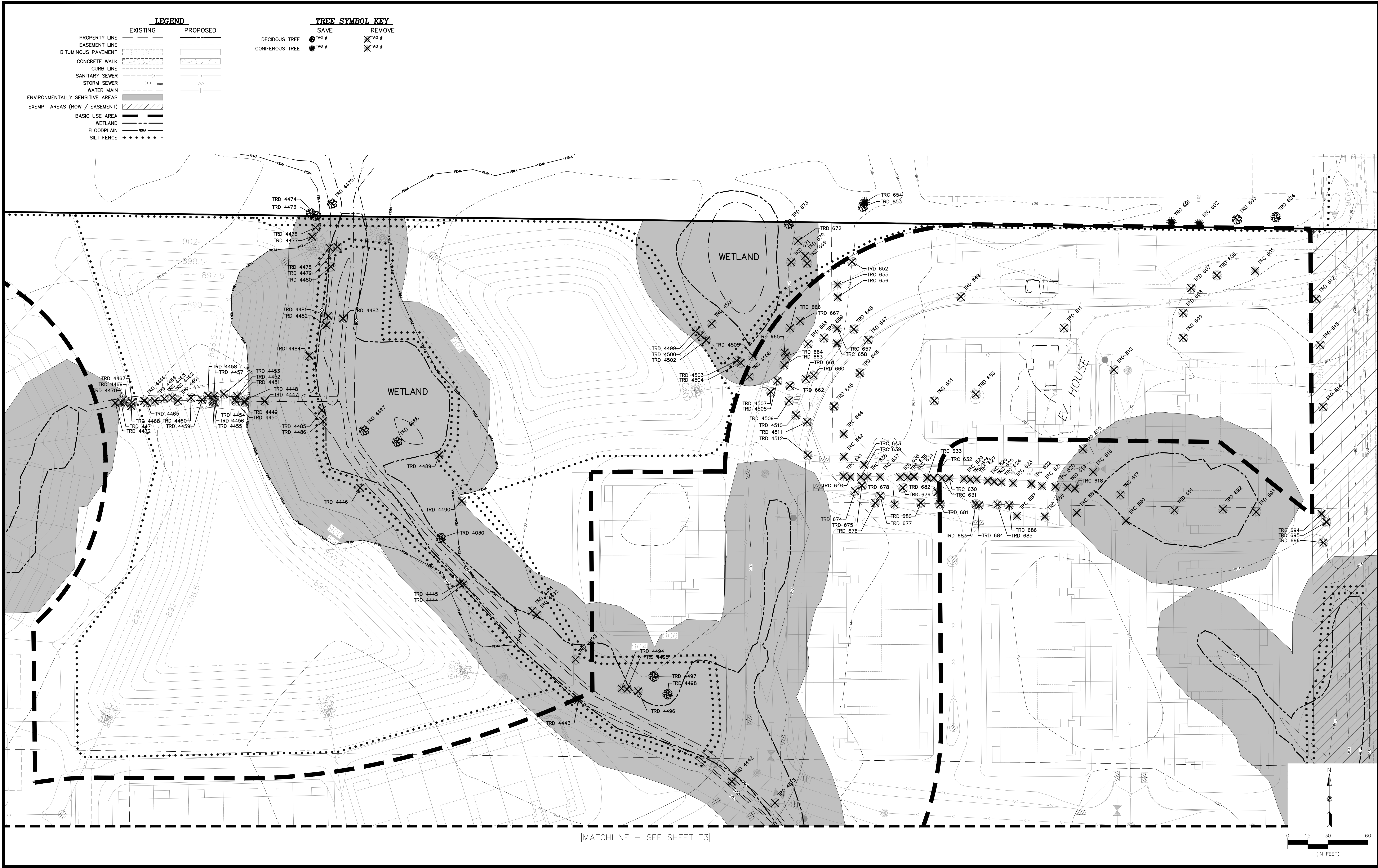
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST GRANGE
Lino Lakes, MN

RESOURCE INVENTORY
WITH AERIAL IMAGERY

R2
of
R3



3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Landscape Architect under the laws of the State of Minnesota

Print Name: Ryan J. Ruttger, RLA
Signature:
Date: 01/02/26 License #: 56346

Drawn: RJR
Designed: RJR
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

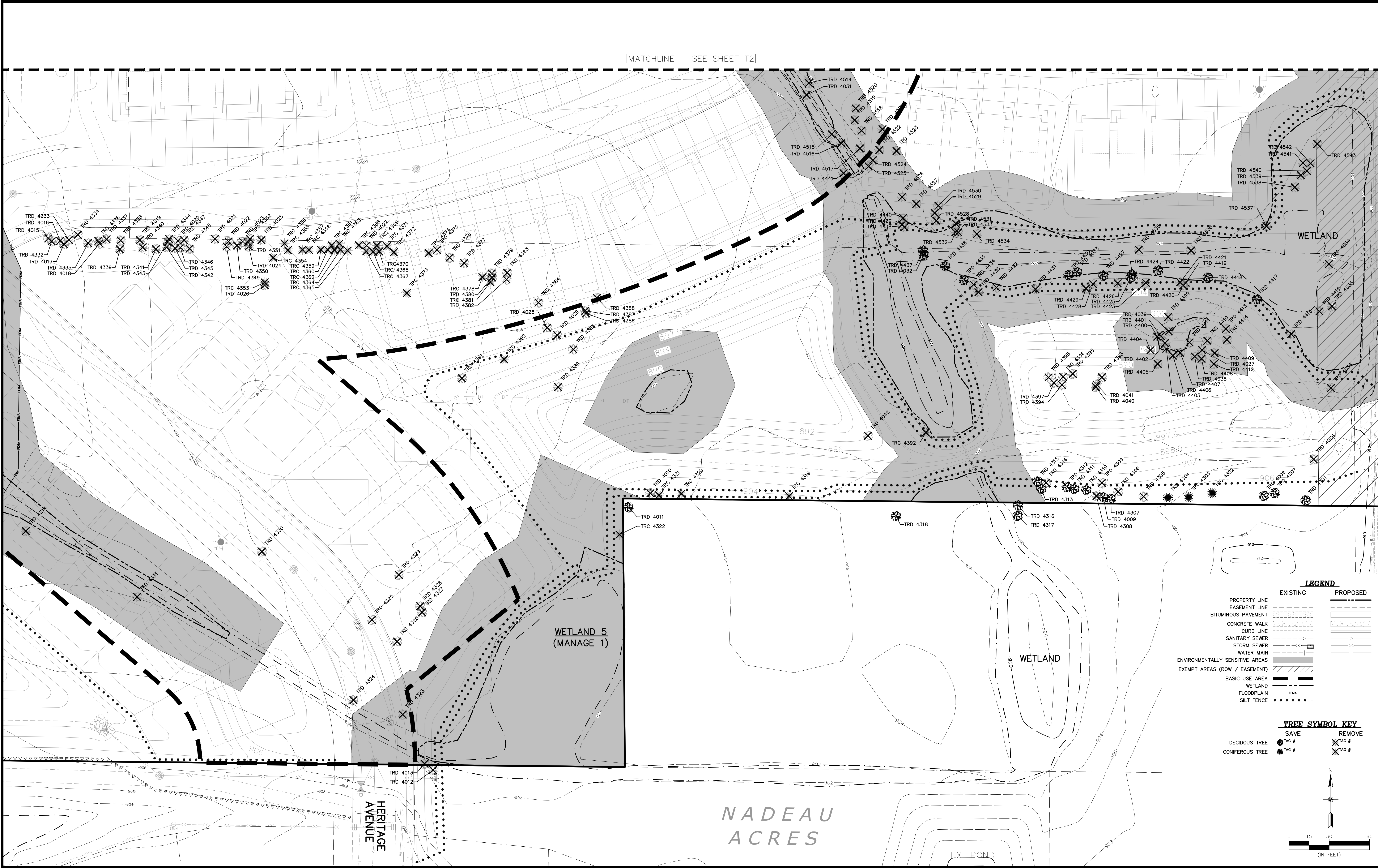
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422



HARVEST GRANGE
Lino Lakes, MN

TREE PRESERVATION PLAN

T2
of
5



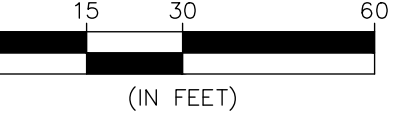
MATCHLINE - SEE SHEET T2

LEGEND

	EXISTING	PROPOSED
PROPERTY LINE		
EASEMENT LINE		
BITUMINOUS PAVEMENT		
CONCRETE WALK		
CURB LINE		
SANITARY SEWER		
STORM SEWER		
WATER MAIN		
ENVIRONMENTALLY SENSITIVE AREAS		
EXEMPT AREAS (ROW / EASEMENT)		
BASIC USE AREA		
WETLAND		
FLOODPLAIN		
SILT FENCE		

TREE SYMBOL KEY

	SAVE	REMOVE
DECIDUOUS TREE		
CONIFEROUS TREE		



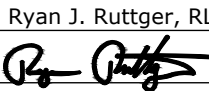


CARLSON
ENGINEERING

ENGINEERING
SURVEYING
PLANNING

3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Landscape Architect under the laws of the State of Minnesota

Print Name: Ryan J. Rutger, RLA
Signature: 
Date: 01/02/26 License #: 56346

Drawn: RJR
Designed: RJR
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422

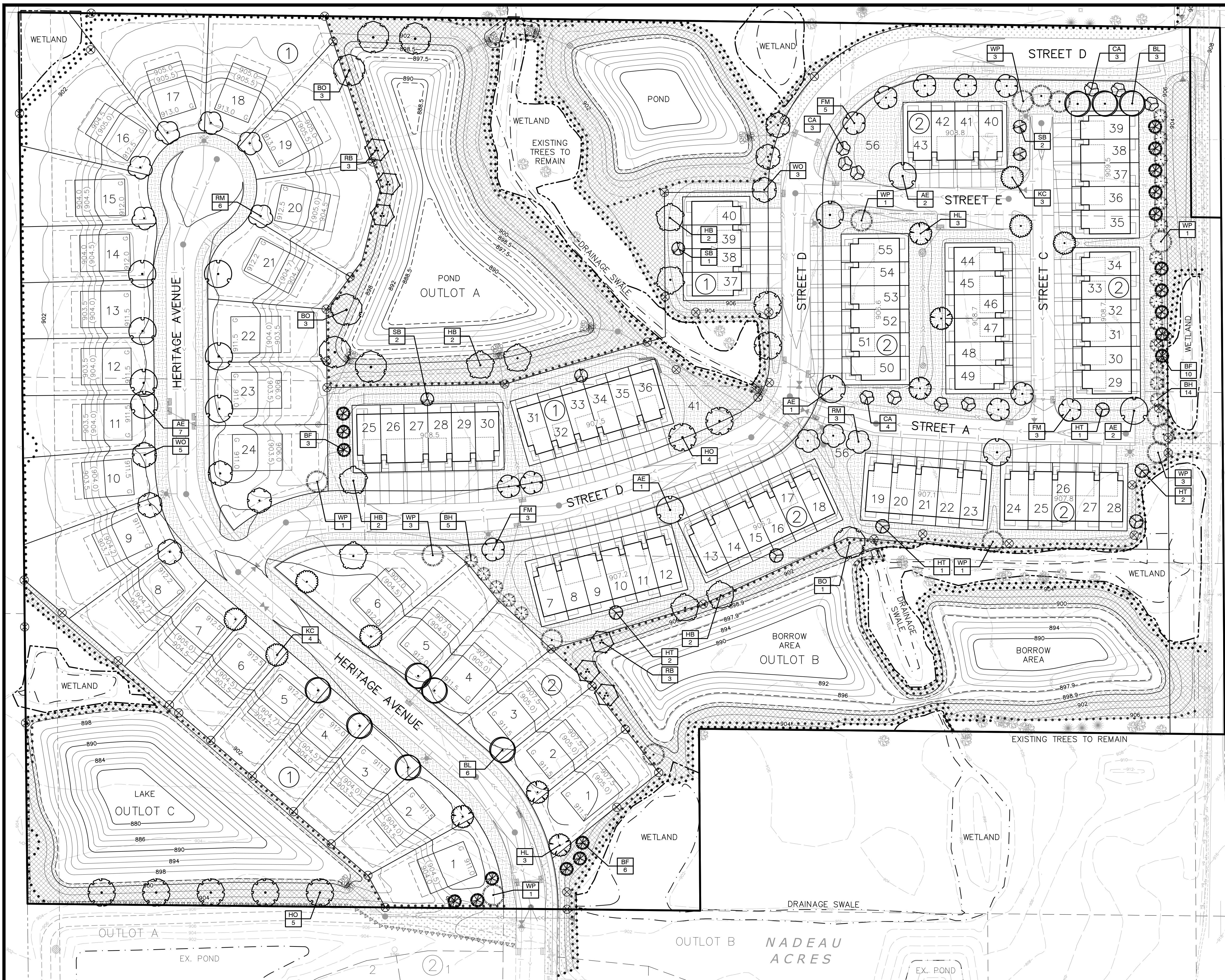


HG
HARVEST GRANGE

HARVEST GRANGE
Lino Lakes, MN

TREE PRESERVATION PLAN

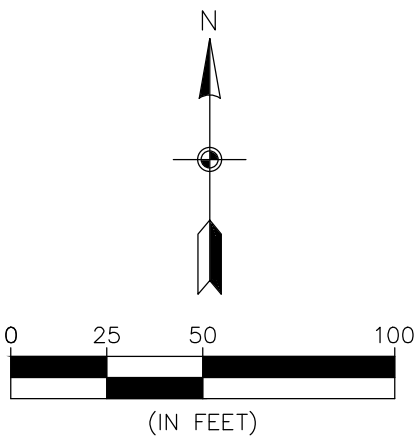
T3
of
5



W CEDAR STREET

- CITY OF LINO LAKES LANDSCAPE REQUIREMENTS**
- OPEN AREA LANDSCAPE STANDARDS. DISTURBED SITE AREAS INCLUDING STORMWATER MANAGEMENT AREAS AND COMMON AREAS IN MULTIFAMILY SITES. ONE (1) LARGE TREE AND TWO (2) LARGE SHRUBS ARE REQUIRED PER 2,500 SQUARE FEET OF OPEN SPACE (ABOVE NORMAL WATER LEVEL). ONE LARGE TREE MAY BE SUBSTITUTED FOR EVERY TWO LARGE SHRUBS IN LIEU OF THE SHRUB REQUIREMENT.
TREES REQUIRED = 93 (231,250 SF EXCLUDING PONDS & WETLANDS / 2,500)
TREES PROVIDED = 93 (INCLUDES MITIGATION TREES PER #4 BELOW)
 - BUFFER AND SCREEN STANDARDS. SCREENING CONSISTING OF 6FT TALL FENCE OR PLANTING SCREEN REQUIRED BETWEEN RESIDENTIAL USES AND ARTERIAL OR COLLECTOR STREETS (20TH AVENUE S). ALL PLANTING SCREENS SHALL REQUIRE AT A MINIMUM A DOUBLE ROW OF PLANTS WITH TRIANGULATED SPACING.
TREES REQUIRED = NA
TREES PROVIDED = 28 (INCLUDED WITH OPEN AREA LANDSCAPE TREES)
 - BOULEVARD TREE STANDARDS. BOULEVARD TREES ARE REQUIRED AT THE RATE OF ONE TREE PER LOT FRONTAGE FOR SINGLE FAMILY AND TWO FAMILY LOTS. TOWNHOME AND MULTI-FAMILY PROPERTIES SHALL PROVIDE BOULEVARD TREES AT A RATE OF ONE TREE PER 70 LINEAR FEET OF STREET FRONTAGE WHERE PROPERTY FRONTS ANY PUBLIC STREET. BOULEVARD TREES SHALL BE PLANTED WITHIN 14 FEET OF THE CURB LINE OR AS OTHERWISE DETERMINED BY THE CITY FORESTER.
TREES REQUIRED = 59 (30 LOTS, INCLUDING 2 CORNER LOTS & 1,866 LF TOWNHOME FRONTAGE / 70)
TREES PROVIDED = 59
 - TREE PRESERVATION AND MITIGATION STANDARDS. REFER TO TREE PRESERVATION PLAN FOR MITIGATION REQUIREMENTS. REPLACEMENT TREES SHALL BE PLANTED ON SITE AND MAY ALSO FULFILL THE OPEN AREAS LANDSCAPE STANDARDS.
TREES REQUIRED = 92 (PER TREE PRESERVATION PLAN)
TREES PROVIDED = 92 (INCLUDED WITH OPEN AREA TREES PROVIDED)
- TOTAL TREES REQUIRED = 152
TOTAL TREES PROVIDED = 166

- LANDSCAPE PLAN NOTES**
- EXISTING CONDITIONS. CONTRACTOR SHALL VERIFY EXISTING CONDITIONS PRIOR TO BIDDING AND CONSTRUCTION START. ANY DISCREPANCIES FOUND THAT AFFECT THE WORK SHALL BE REPORTED TO THE OWNER/LANDSCAPE ARCHITECT FOR CLARIFICATION PRIOR TO BIDDING OR APPROVING ANY ADDITIONAL WORK REQUIRED.
 - UTILITY LOCATES. CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING AND VERIFYING ALL PUBLIC AND PRIVATE UTILITIES, INCLUDING IRRIGATION LINES, AT LEAST 48 HOURS BEFORE EXCAVATING OR IN ACCORDANCE WITH STATE LAW. IN MINNESOTA, CALL Gopher State ONE-CALL AT 651-454-0002 FOR FIELD LOCATION OF PUBLIC UNDERGROUND UTILITY LINES. ALL LOCATES AND ITEMS NOTED AS "FIELD VERIFY" ON THE PLANS SHALL BE VERIFIED BY THE CONTRACTOR AT THEIR EXPENSE.
 - PERMITS. CONTRACTOR SHALL VERIFY WITH THE OWNER/LANDSCAPE ARCHITECT THAT THE REQUIRED PERMITS HAVE BEEN OBTAINED PRIOR TO CONSTRUCTION START. CONTRACTOR SHALL BE RESPONSIBLE FOR COMPLYING WITH ALL APPLICABLE CODES, REGULATIONS, AND PERMITS GOVERNING THE WORK.
 - EXISTING ITEMS TO REMAIN. CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING PAVEMENT, STRUCTURES, UTILITIES, TREES, SITE AMENITIES, ETC. THAT ARE TO REMAIN FROM DAMAGE DURING CONSTRUCTION. CONTRACTOR SHALL BE RESPONSIBLE FOR CORRECTING ANY DAMAGE (AT CONTRACTOR'S EXPENSE) TO EXISTING ITEMS TO REMAIN.
 - CONSTRUCTION STAGING AND ACCESS. CONTRACTOR SHALL VERIFY THE LOCATION FOR CONSTRUCTION STAGING AND SITE ACCESS WITH THE OWNER/LANDSCAPE ARCHITECT PRIOR TO CONSTRUCTION START. CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING PEDESTRIAN AND VEHICLE ACCESS WITHIN AND ADJACENT TO THE SITE THROUGHOUT THE CONSTRUCTION PERIOD UNLESS OTHERWISE NOTED. LONG-TERM STORAGE OF MATERIALS OR SUPPLIES ON-SITE WILL NOT BE PERMITTED. ALL WASTE AND/OR UNUSED MATERIAL SHALL BE PROMPTLY REMOVED FROM THE SITE.
 - SITE REMOVALS. REFER TO CIVIL PLANS FOR GENERAL SITE REMOVALS. ALL ITEMS NOTED TO BE REMOVED SHALL BE COMPLETED BY THE CONTRACTOR AND IMMEDIATELY DISPOSED OF OFF-SITE, IN ACCORDANCE WITH LOCAL REGULATIONS, UNLESS OTHERWISE NOTED. COORDINATE WITH OWNER/LANDSCAPE ARCHITECT FOR ANY ITEMS NOTED AS "REMOVED BY OTHERS" OR "REMOVE AND SALVAGE."
 - UTILITY COORDINATION. REFER TO CIVIL PLAN SHEETS FOR INFORMATION RELATED TO PROPOSED UTILITIES. COORDINATE WITH ELECTRICAL CONTRACTORS FOR SITE ELECTRICAL WORK AND SITE LIGHTING.
 - CONSTRUCTION STAKING. UNLESS OTHERWISE NOTED, CONTRACTOR SHALL BE RESPONSIBLE FOR ESTABLISHING CONTROL POINTS AND ALL CONSTRUCTION FIELD STAKING DURING THE COURSE OF THE PROJECT.
 - DIMENSIONS. DIMENSIONS TAKE PRECEDENCE OVER SCALE. DIMENSIONS ARE TO FACE OF CURB, EDGE OF PAVEMENT/WALKWAY, OR OUTSIDE FACE OF BUILDING UNLESS OTHERWISE NOTED.
 - PLAN QUANTITIES. CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL MATERIAL QUANTITIES PER PLAN. MATERIAL SCHEDULES ARE PROVIDED SOLELY FOR CONTRACTOR'S CONVENIENCE.
 - REFERENCE SPECIFICATIONS. THE FOLLOWING SPECIFICATIONS SHALL GOVERN THIS PROJECT ACCORDING TO THE FOLLOWING ORDER:
 - ADDENDA, WITH THOSE OF A LATER DATE HAVING PRECEDENCE OVER THOSE OF AN EARLIER DATE.
 - LANDSCAPE SPECIFICATIONS.
 - PLAN DRAWINGS.
 - PLANT / MATERIAL SCHEDULES.
 - CITY STANDARD SPECIFICATIONS AND DETAILS.
 - MNDOT STANDARD SPECIFICATIONS FOR CONSTRUCTION, LATEST EDITION.



CALL BEFORE YOU DIG

CARLSON ENGINEERING

ENGINEERING
SURVEYING
PLANNING

3890 PHEASANT RIDGE DR NE
SUITE 100
BLAINE, MN 55449
TEL 763.489.7900
FAX 763.489.7959
CARLSON-ENGINEERING.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Landscape Architect under the laws of the State of Minnesota

Print Name: Ryan J. Ruttger, RLA
Signature:
Date: 01/02/26 License #: 56346

Drawn: RJR
Designed: RJR
Date: 01/02/26

Revisions:
1. 05/11/26 - per Revised Layout

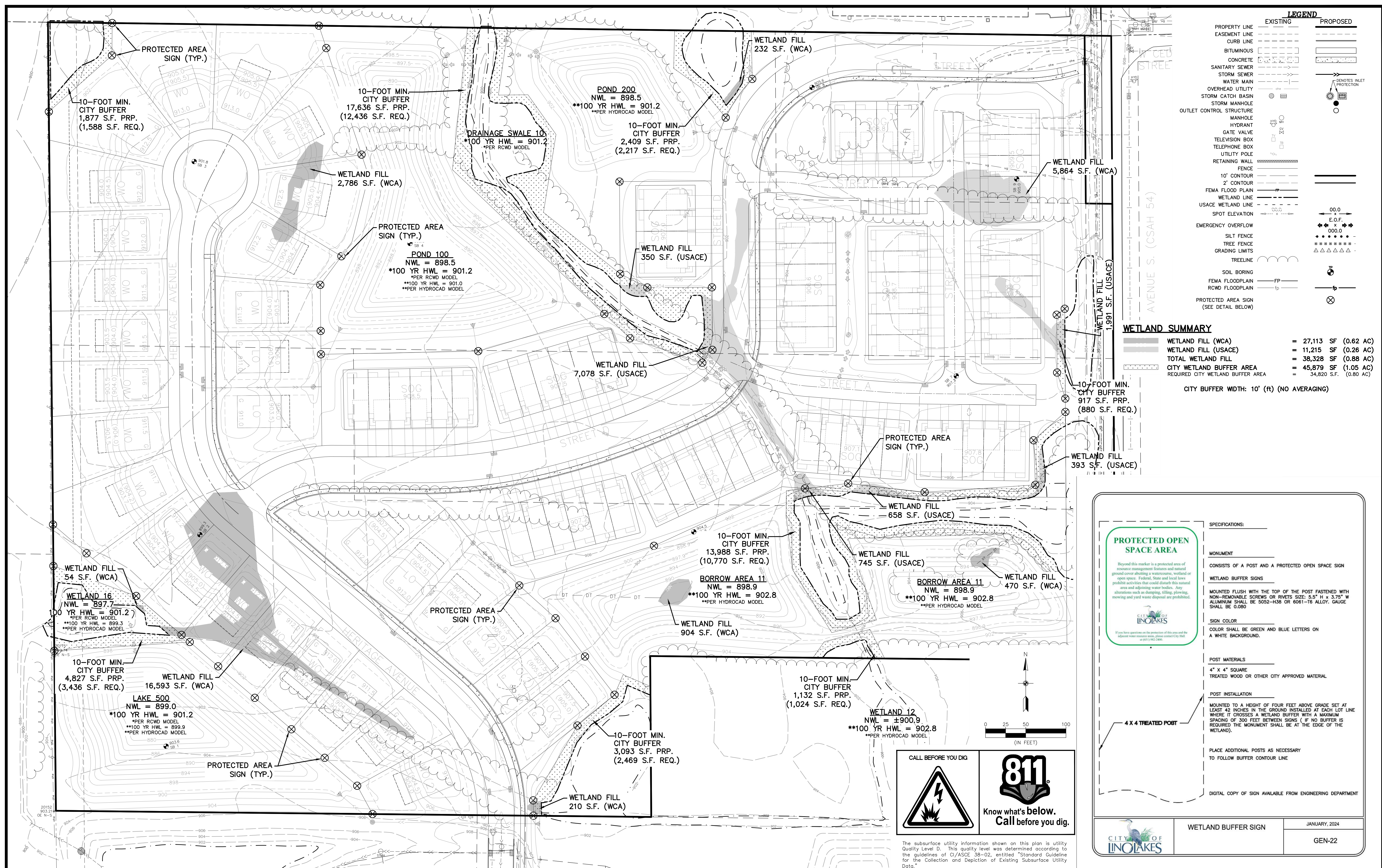
TCLD LAND HOLDINGS, LLC
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422

HARVEST GRANGE

HARVEST GRANGE
Lino Lakes, MN

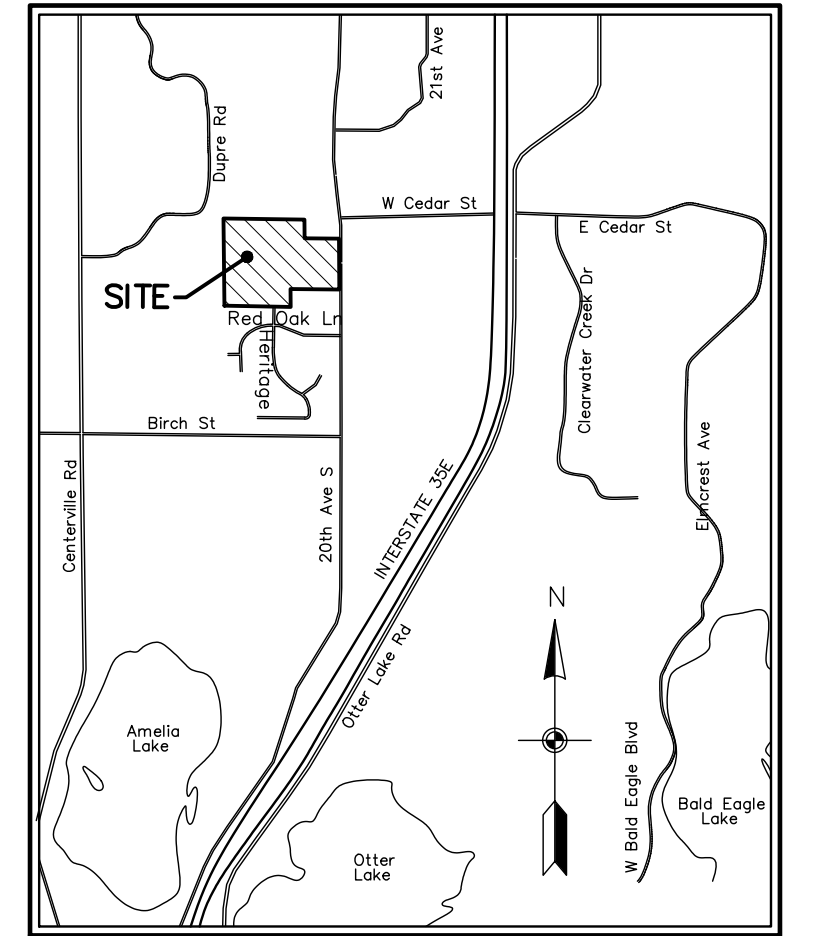
PRELIMINARY LANDSCAPE PLAN

L1 of 2



HARVEST GRANGE

LINO LAKES, MINNESOTA



VICINITY MAP
NOT TO SCALE

SOIL BORINGS
HAUGO GEOTECHNICAL SERVICES
2825 CEDAR AVE. S.
MINNEAPOLIS, MN 55407
(612)729-2959

WETLANDS
KJOLHAUG ENVIRONMENTAL SERVICES COMPANY
26105 WILD ROSE LANE
SHOREWOOD, MINNESOTA 55331
(952)401-8757

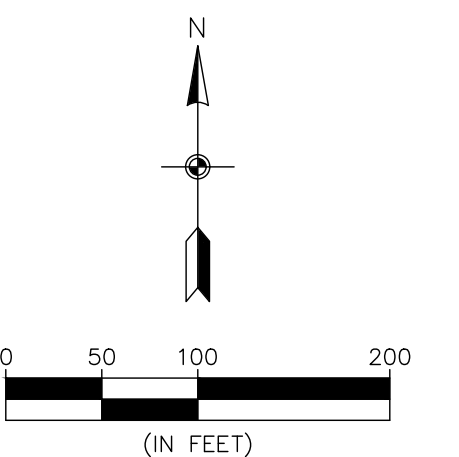
OWNER CONTACT
TCLD LAND HOLDINGS, LLC
1660 HWY 100 SOUTH, SUITE 400
ST. LOUIS PARK, MN 55416

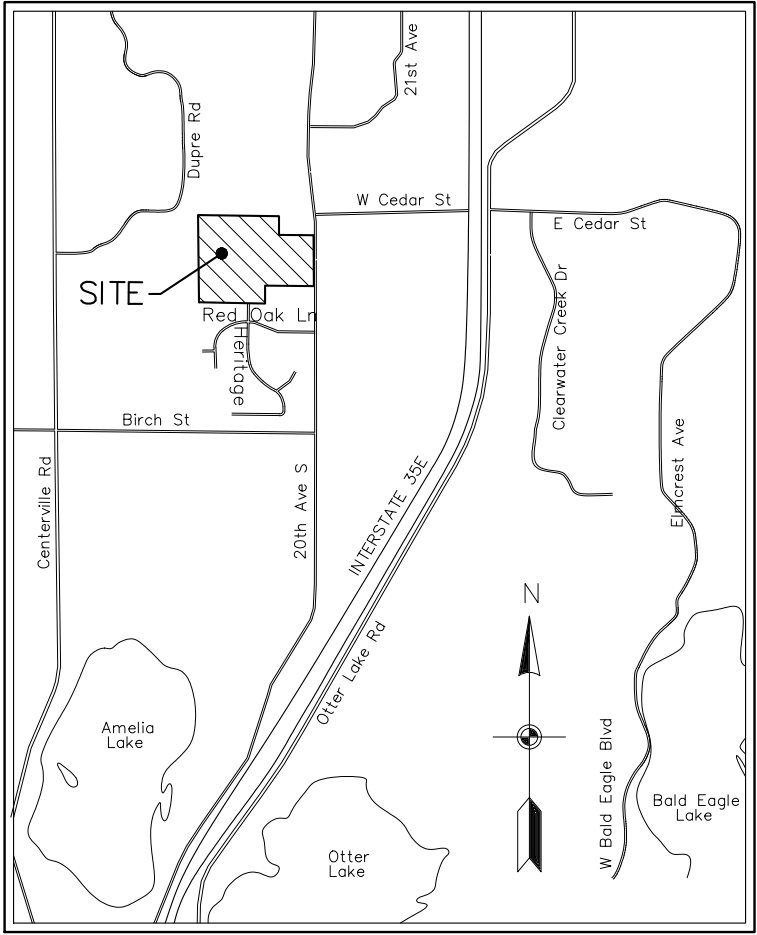
LEGEND

- | | |
|----------------------|----------------------------|
| STORM PONDS | PUBLIC OPEN SPACE |
| WETLANDS (REMAINING) | PRIVATE OPEN SPACE |
| SINGLE FAMILY LOTS | PRIVATE OPEN SPACE ROADWAY |
| TOWNHOME LOTS | |

SITE DATA

TOTAL SITE AREA	±26.98 AC.	TOTAL NUMBER OF LOTS/UNITS	97
TOTAL ROW AREA	±4.44 AC.	SINGLE FAMILY LOTS	30
WATER AREA	±2.97 AC.	TOWNHOME LOTS	65
WETLANDS (REMAINING)	±1.48 AC.	TOWNHOME COMMON LOTS	2
*LOT AREA & ROW NOT INCLUDED			
STORM PONDS	±1.49 AC.	MINIMUM RESIDENTIAL SETBACK DATA:	
TOTAL OPEN SPACE	±9.60 AC.	FRONT	25 FT.
PUBLIC OPEN SPACE	±5.75 AC.	SIDE (GARAGE)	5 FT.
PRIVATE OPEN SPACE	±3.25 AC.	SIDE (HOUSE)	10 FT.
PRIVATE OPEN SPACE RDWY	±0.60 AC.	SIDE CORNER	25 FT.
TOTAL LOT AREA	±9.96 AC.	REAR SETBACK	25 FT.
		MINIMUM TOWNHOME SETBACK DATA:	
		FRONT	30 FT.
		SIDE (BETWEEN BUILDINGS)	20 FT.
		SIDE CORNER	25 FT.
		TO PARKING BAY	20 FT.





VICINITY MAP
NOT TO SCALE

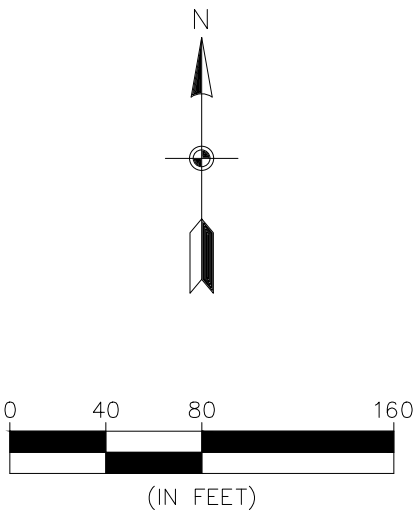
NON-DEVELOPABLE LAND

±1.57 AC.	WETLANDS (REMAINING)
0.00 AC.	DITCH
±0.91 AC.	ARTERIAL ROW
±0.63 AC.	UTILITY EASEMENT (WETLAND & BUFFER NOT INCLUDED)
±1.05 AC.	WETLAND BUFFER AREA
±2.95 AC.	FLOODPLAIN
±7.11 AC.	TOTAL

*CALCULATIONS EXCLUDE OVERLAPPING AREAS

DENSITY CALCULATIONS

±26.98 AC.	GROSS AREA
±7.11 AC.	NON-DEVELOPABLE AREA
±19.87 AC.	NET AREA (GROSS - NON-DEVELOPABLE)
95 UNITS	NUMBER OF UNITS
±3.54 UNITS/AC.	GROSS DENSITY (UNITS/GROSS)
±4.78 UNITS/AC.	NET DENSITY (UNITS/NET)



NET AREA EXHIBIT

HARVEST GRANGE
Lino Lakes, MN

TWIN CITIES LAND
DEVELOPMENT
4800 Olson Memorial Hwy - #100
Golden Valley, MN 55422

REVISIONS

1.	10/8/2025	Revise Layout
2.	1/7/2025	Revise Layout
3.	5/11/2026	Revise Layout
4.		
5.		
6.		
DRAWN BY:	JJO	
ISSUE DATE:	03/21/2025	
FILE NO:	11343	

Memorandum

To: Katie Larsen, Lino Lakes City Planner

From: Kris Keller PE, WSB
Diane Hankee PE, Lino Lakes City Engineer

Date: May 27, 2026

Re: Harvest Grange (formerly Nelson-Rehbein) Parcels
Preliminary Plat Review
028815-000

WSB's review of the Preliminary Plat for the **Harvest Grange (formerly Nelson-Rehbein)** development in Lino Lakes, MN, prepared by Carlson Engineering and received May 11, 2026. Our comments were made on the following documents:

- Harvest Grange – Preliminary Plat Submittal prepared by Carlson Engineering, dated May 11, 2026.

The following review comments should be responded to in writing by the applicant.

[Carlson Response \(5/8/26\)](#)

[WSB Response/Comment \(5/27/2026\)](#)

Engineering

- **General**

The Harvest Grange development includes approximately 25 acres west of 20th Avenue (CSAH 54), between Red Oak Lane and West Cedar Street. The current conceptual project proposes 30 single family lots and 67 Townhome lots (2 common) (97 lots total) and associated infrastructure.

- **Grading**

The Harvest Grange development includes site grading for the 97 lots/units as well as extensions of Heritage Avenue, and other local public street (Street D) and private streets (Street A, C, and E) that are yet to be named.

Comments

- ~~1. Remove 10' turf maintenance access route leg connecting to Heritage Avenue~~
[Carlson Response \(5/8/26\) Maintenance access removed between lots 18 & 19 block 1](#)
[WSB Response/Comment \(5/27/2026\) Complete](#)
- ~~2. Provide additional 10' turf maintenance access route leg connecting to Street D~~

~~Carlson Response (5/8/26) Turf maintenance access between buildings and western ditch line is not feasible due to grading~~
~~WSB Response/Comment (5/27/2026)~~

- ~~3. 10' turf maintenance access routes shall be in minimum 20' easement~~
~~Carlson Response (5/8/26) Noted. Maintenance easement will be 20', route will be graded 10' wide.~~
~~WSB Response/Comment (5/27/2026)~~
- ~~4. Provide grading for a future trail on the West side of 20th Ave (CSAH 54)~~
~~Carlson Response (5/8/26) As Discussed, trail not proposed along CSAH 54 due to additional USACE and WCA wetland impacts~~
- ~~5. See additional red line comments on plan sheets~~
~~Carlson Response (5/8/26) Noted. Plans adjusted accordingly~~
~~WSB Response/Comment (5/27/2026)~~
6. WSB Response/Comment (5/27/2026) All grading for the borrow area should be kept outside of the CSAH 54 right of way
7. WSB Response/Comment (5/27/2026) Remove all existing accesses and culverts in the CSAH 54 right of way.

• Stormwater Management

Stormwater management for the Harvest Grange site consists of a two sedimentation basins to provide rate control and water quality treatment. Additional grading is proposed for borrow material and floodplain fill mitigation. There is a significant amount of offsite flows from the east and south that will be passed through the site via an existing ditch system. Existing and proposed discharge rates are summarized below.

Pre- and Post- Development Discharge Rates (cfs)				
Condition	2-Year	10-Year	100-Year	10-Day Snowmelt
Existing	30.94	65.31	130.15	Needed if basins landlocked
Currently Proposed	11.99	28.90	67.59	Needed if basins landlocked

Comments

1. More detailed utility design will be required in future submittals to review constructability and conflicts. More comments may be generated at that time.
Carlson Response (5/8/26) Noted.
WSB Response/Comment (5/27/2026) Comment remains open for future submittals.
- ~~2. Show the EOF location and elevation for pond 13P on the grading plan. Ensure there is sufficient freeboard to the proposed townhomes to the west.~~
~~Carlson Response (5/8/26) EOF added. Freeboard verified.~~

- ~~3. Stormwater reuse calculations should include the RCWD specific reuse spreadsheet.~~
~~Carlson Response (5/8/26) RCWD spreadsheet added to the SWMP.~~
4. Confirm no water appropriation permit is needed from the MN DNR due to potential groundwater withdrawal in basin 11 for irrigation needs.
Carlson Response (5/8/26) To be completed.
WSB Response/Comment (5/27/2026) Remains an open comment.
- ~~5. Deconflict storm sewer and proposed trees to the extent practical, overlap of planting can result in root intrusion long term, especially where trees are proposed near structures.~~
~~Carlson Response (5/8/26) Landscape adjusted.~~
- ~~6. Review impacts of grading to drainage of existing culverts under 20th Avenue (CSAH 54)~~
~~Carlson Response (5/8/26) No impacts to culverts under 20th with the updated layout.~~
7. Provide a rear yard drainage system to keep site water from draining on to adjacent private property at the westerly development line.
Carlson Response (5/8/26) To be discussed.
WSB Response/Comment (5/27/2026) To be discussed.
8. The existing ditch system needs to be cleared and cleaned out and regraded with the project. Please incorporate into the final construction plans accordingly.
Carlson Response (5/8/26) To be discussed. This may cause wetland impacts.
WSB Response/Comment (5/27/2026) Ditch maintenance is required and not considered wetland impact if addressing erosion.

- **Water Supply**

Water supply for the Harvest Grange development will be served by an existing 16-inch diameter trunk watermain along 20th Avenue (CSAH 54) that will be looped through the site to an existing 8" diameter watermain within Heritage Avenue. Otherwise, the development will include a water system with predominately 8- inch diameter ductile iron pipe (DIP) water main with 1-inch Type K copper services being extended to each lot. An additional water stub will be extended to the north along Street D for looping and future development.

The development is in the City's Drinking Water Study Management Area and has moderate vulnerability and would be subject to those requirements.

The City's water system has the pumping capacity to supply the proposed project. However, due to the City's limited firm capacity each project is being evaluated on a case-by-case basis to determine its impact on the system's peak day demand. Based on this evaluation the projected use falls within our available firm capacity.

Comments

1. ~~Additional review required for placement of utility services and future plan and profile sheets~~
 - a. ~~Identify potential utility conflicts and proposed solutions~~
~~Carlson Response (5/8/26) Utility crossings verified. Right turn lane will cause multiple small utility conflicts that will be addressed with final plans.~~
~~WSB Response/Comment (5/27/2026) To be addressed with final plat~~
2. ~~Applicant to verify water pressure is adequate for all locations within the development. All proposed units are required to be on the municipal water supply.~~
~~Carlson Response (5/8/26) Noted.~~
~~WSB Response/Comment (5/27/2026) To be verified with final plat submittal~~
3. ~~See additional red line comments on plan sheets~~
~~Carlson Response (5/8/26) Comments addressed~~
~~WSB Response/Comment (5/27/2026) Complete~~

- **Sanitary Sewer**

Sanitary sewer collection for the Harvest Grange development will be served by the existing 8-inch polyvinyl chloride (PVC) sanitary sewer within Heritage Avenue and will be extended north to serve the site. The site will be served along with 4-inch Schedule 40 PVC service pipe to each lot. An additional sanitary sewer stub will be extended to the north along Street D.

Comments

1. ~~See additional red line comments on plan sheets~~
~~Carlson Response (5/8/26) Comments addressed.~~
~~WSB Response/Comment (5/27/2026) Complete~~

- **Transportation**

The Harvest Grange property is adjacent to 20th Avenue (CSAH 54) which is A-Minor Arterial Reliever, Heritage Avenue and Red Oak Lane, which are local roads. The applicant is showing connections with the right of way to Heritage Avenue in the south portion of the development and 20th Avenue (CSAH 54) as a right in, right out access across from Cedar Street. In the future when a connection to Cedar Street can be completed, the right in, right out access may be closed per Anoka Co. The intersection of 20th Avenue and Cedar Street was reviewed with Anoka County and the project traffic engineer. It was determined that a southbound right turn lane on 20th Avenue is required. A northbound left turn lane was considered; however, with the planned future roundabout at this location, an additional turn lane is not required with this phase of development.

A traffic study has been completed for the proposed development. The Level Of Service analysis of intersection capacity meets the City's Ordinance. The proposed traffic volume increase on local roads is well within the capacity of the roadway. The City of Lino Lakes' Transportation Plan details the importance of neighborhood street connections.

Trails and sidewalks

Additional trails and sidewalks will be required along the interior and connector roads as directed by the City Planner.

Comments

1. ~~Traffic study comments are included as a separate PDF. Major comments include:~~
 - a. ~~Clarify that no detour was present at the 20th Ave/ Birch St intersection when counts were collected~~
 - b. ~~Clarify letter grades shown in the tables~~
 - c. ~~Are there other future developments west of 20th Ave that will utilize the Cedar Street or Red Oak Lane intersections?~~
 - d. ~~Provide full intersection analysis results in the Appendix~~

~~Carlson Response (5/8/26) Responses to be provided by traffic engineer~~
~~WSB Response/Comment (5/27/2026) Complete.~~
2. ~~The traffic study meets the requirements outlined in City ordinances and the ten-year forecast review of 2040. The build (with development traffic) scenario does not decrease letter grades compared to the no-build scenario.~~

~~Carlson Response (5/8/26) Noted.~~
~~WSB Response/Comment (5/27/2026) Complete.~~
3. Anoka County to verify turn lane requirements at the temporary right-in, right-out.

~~Carlson Response (5/8/26) This is being coordinated with the county.~~
~~WSB Response/Comment (5/27/2026) A southbound right-turn lane is shown at the access across from Cedar Street. Add required signing and striping for the turn lane on final plans.~~
4. ~~Verify intersection sight distance requirements are met at the 20th Avenue and Street A intersection for eastbound right turning vehicles.~~

~~Carlson Response (5/8/26) Site distance verified.~~
~~WSB Response/Comment (5/27/2026) Complete.~~
5. Provide proposed signing and pavement marking on future site plans.

~~Carlson Response (5/8/26) To be shown on final construction plans.~~
~~WSB Response/Comment (5/27/2026) To be verified in a future submittal.~~
6. ~~Provide a temporary cul de sac at the north end of Street D~~
 - a. ~~Include type 3 barriers with future thru street sign~~

~~Carlson Response (5/8/26) Layout revised, no c-d-s shown. Barriers not necessary.~~
~~WSB Response/Comment (5/27/2026) N/A anymore, complete.~~
7. Provide street profiles with horizontal and vertical curves that meet 30 MPH stopping sight distance requirements

~~Carlson Response (5/8/26) Unable to adjust street horizontal curves due to site conditions. Vertical curves may be adjusted as necessary, reduced speed limit signs can be added for streets that do not meet 30 MPH requirements.~~
~~WSB Response/Comment (5/27/2026) Adjust curves or add advisory signage for curves based on MUTCD guidance.~~

- **Landscaping**

A Landscape Plan for the Harvest Grange development has been submitted and is being reviewed by staff and the City's Environmental Coordinator. The Environmental Coordinator will provide separate additional comments.

Comments

- ~~1. Deconflict storm sewer and proposed trees to the extent practical, overlap of planting can result in root intrusion long term, especially where trees are proposed near structures.~~

~~Carlson Response (5/8/26) Revised.~~

~~WSB Response/Comment (5/27/2026) Complete.~~

- **Floodplain**

The site includes ~5% Zone A Floodplain. The Base Flood Elevation is currently shown as 901.18 per RCWD and will need to be approved by FEMA but, typically, the RCWD elevation is accepted by FEMA. A LOMR will ultimately be required as well as applicable floodplain mitigation prior to the issuance of building permits for affected lots. The CLOMR-F application will need to be submitted along with and part of the final plat approval. The floodplain cut and fill figure indicates a net increase in floodplain volume, this must be maintained for RCWD and FEMA floodplain permitting.

- **Drainage and Utility Easements**

Roadways are proposed within right-of-way and lots include standard drainage and utility easements. Larger drainage and utility easements will be required to be provided over any utilities outside the right of way and any surface water management features. The western 60' feet of CSAH 54 should be dedicated as right of way to Anoka County as well as an additional trail easement.

Conservation easements will be required over wetlands. Standard side yard drainage and utility easements and easements over public utilities will be required.

Comments

- ~~1. Street A to be public with dedicated right of way
Carlson Response (5/8/26) N/A — Layout revised.
WSB Response/Comment (5/27/2026) Complete.~~
2. Additional drainage and utility easement will be required for utilities outside the right of way that meet a 1:1 slope with the utility invert and a minimum of 20' width
Carlson Response (5/8/26) Noted.
WSB Response/Comment (5/27/2026) Comment remains open for future submittals.
3. Note additional lot restrictions due to western 35' power line easement
Carlson Response (5/8/26) Noted.

WSB Response/Comment (5/27/2026)

- **Development Agreement**

A development agreement will be required with the final plat.

- **Grading Agreement**

Grading agreement not required at this time.

- **Stormwater Maintenance Agreement**

The surfacewater maintenance for public facilities (Pond 100 and 200) in the Harvest Grange development will be covered under the City's Programmatic Stormwater Management Agreement after the facilities have been installed and accepted by the City.

The surfacewater maintenance of the ditch and borrow areas will be maintained by the HOA and a Declaration for Maintenance of Stormwater Facilities will be required. Both the Rice Creek Watershed District (RCWD) and the City of Lino Lakes shall be parties to the Declaration.

- **Permits Required**

Required permits will be determined at the time of preliminary plat submittal. Potential permits may include some of the following and others:

1. NPDES General Construction Permit
2. City of Lino Lakes Zoning Permit for Construction
3. Minnesota Pollution Control Agency Sanitary Sewer Extension Permit
4. Minnesota Department of Health
5. Rice Creek Watershed District Permit
6. Anoka County Right-of-Way Permit
7. FEMA CLOMR and LOMR

If you or the applicant have any questions regarding these comments, please contact Kris Keller at (612) 419-3083 or kkeller@wsbeng.com. You may also contact Diane Hankee at (651) 982-2430 or dhankee@linolakes.us.



Environmental Memo

To: Katie Larsen, City Planner
From: Tom Hoffman, Environmental Coordinator
Date: June 3, 2026
Re: Environmental Comments – Harvest Grange Preliminary Plat

The Environmental Board recommended the following at their January 28, 2026 meeting:

1. Stormwater management to be reviewed by City Engineer.
 - a. Use of stormwater for irrigation purposes for the site should be evaluated and if feasible, required as part of site development. Larger stormwater ponds constructed for fill should be evaluated for water reuse.
 - b. Infiltration is not feasible onsite.
2. Final wetland banking mitigation credits shall be submitted to the city with confirmation of the bank location.
 - a. **Waiting on final NOD for Shudy Wetland updates**
3. Floodplain alterations shall be completed through RCWD and FEMA for any changes. Any LOMR-F should be completed by the developer to ensure property owners aren't required to obtain flood insurance.
 - a. Floodplain mitigation is being completed onsite and is meeting the required replacement ratio. Any changes within the floodplain or mitigation areas shall be submitted to the city and watershed for review.
4. Several green ash trees are shown in the tree inventory as being saved. Based on the widespread nature of EAB in Lino Lakes, the majority of Ash are infected or dead.
 - a. If the ash tree hasn't been treated for EAB in the past, removal should be evaluated as part of the project to limit dead trees and maintenance issues after home construction.

5. Seed mixes should be updated to MNDOT seed mix design numbers for final plans. Please provide more site-specific mixes for each location.
 - a. Native weed free seed mixes should be proposed to promote wildlife habitat and native ecosystems.
6. Low maintenance turf should be evaluated throughout the development. Ground covers should be drought resistant to reduce the need for irrigation use.
7. Plans show 10' turf maintenance area. 10' is not a large enough access area to provide future maintenance and trucking. Lot 25 block one should show maintenance access extending into the drainage and utility easement.
 - a. Turf is acceptable through the yards, but should be native ground cover along the basin and through outlot A.
 - b. Lot 38 of the town homes appears to have turf going into the buffer area along the drainage swale. Additional buffer should be provided where possible to enhance sediment and pollutant removal.
8. Provide maintenance access to manhole between lots 37 and 38. Between the retaining wall and drainage swale access for future maintenance looks difficult.
9. EOF's between the stormwater basins and drainage swale should be stabilized to prevent future maintenance and erosion concerns.
10. Confirm ownership and maintenance for the drainage swale, understanding is that the city would maintain pipe crossings conveying public drainage. The rest of the system would be privately owned.
11. Provide final calculations and plans for the water re-use irrigation system.
 - a. Include maps of green space to be irrigated.
 - b. Maintenance and Use agreements will need to be completed for water re-use.
 - i. To be included with final plans
12. The project will disturb more than an acre of soil and will be required to obtain an NPDES permit. Proof of permit shall be required before construction.
 - a. A SWPPP shall be required in additional submittals as required by the MPCA meeting sections 5.2-5.26
 - b. Final erosion and sediment control will be reviewed with future submittals

13. Tree removal should be completed in the fall or winter to minimize impacts to migrating or nesting bat populations
14. Recommend planting no more than 30% of a genus for tree planting.
Ornamentals currently show 50% for Crab apple.
15. Currently have 33 boulevard trees show for 30 lots, including to corners. Lot 6 Block 2 has 3 trees. Confirm calculations to reflect additional tree.
16. Driveways on the town homes do not show turf or vegetation between each unit.
Provided additional detail on the areas between driveways and the type of ground cover.
17. On the landscape plan add a detail or comment of where the 27 required boulevard trees are for the town homes. I'm having a hard time distinguishing open space and boulevard trees in these areas to verify requirements.
 - a. Boulevard trees should be spaced between the driveways where feasible to break up the impervious and provide shade.



Anoka County
TRANSPORTATION DIVISION
Highway

Katie Larsen
City of Lino Lakes
600 Town Center Pkwy
Lino Lakes, MN 55014-1182

May 27, 2026

RE: Preliminary Plat – Harvest Grange

Dear Katie,

We have reviewed the Preliminary Plat for Harvest Grange to be located west of CSAH 54 (20th Avenue) and north of Red Oak Lane within the City of Lino Lakes, and I offer the following comments:

- The proposed right of way along CSAH 54 should be sufficient for future reconstruction purposes (60 feet total right of way width west of CSAH 54).
- As proposed, the plat will introduce one new street access onto CSAH 54 across from Cedar Street. A SB CSAH 54 right turn lane will be required to be constructed in conjunction with the development.
- The right of access should be dedicated to Anoka County along CSAH 54 with exception for the proposed street. Any other existing driveways and field entrances shall be removed, and the ditch section restored to match existing depth, slope, and grades.
- Internal site grading shall not commence until the requested ACHD Engineering plan approvals are received, and the applicable permits can be issued.
- Any utility relocation in the CSAH 54 right of way will be required to be coordinated directly by the city/developer.
- Please note that no plantings or private signs will be permitted within the county right of way and care must be exercised when locating private signs, building, structures, plantings, berms, etc. outside of the county right of way, so as not to create any new sight obstructions for this section of CSAH 54.

ACHD would like to work with local governments in promoting compatibility between land use and the county highway system. It should be recognized that residential land uses located adjacent to County highways often results in complaints about traffic noise. Existing and/or future traffic noise from CSAH 54 could exceed noise standards established by the Minnesota Pollution Control Agency (MPCA), the U.S. Department of Housing and Urban Development, and the U.S. Department of Transportation. Minnesota Rule 7030.0030 states that municipalities are responsible for taking all reasonable measures to prevent land use activities listed in the MPCA's Noise Area Classification (NAC) where establishment of the land use would result in violations of established noise standards. It is advised that the City and the Developer assess the noise situation for this development as it is proposed to be located directly adjacent to CSAH 54 and take the level of action deemed necessary to minimize the

Our Passion Is Your Safe Way Home

1440 Bunker Lake Boulevard N.W. ▲ Andover, MN 55304-4005
Office: 763-324-3100 ▲ Fax: 763-324-3020 ▲ www.anokacounty.us/highway

Affirmative Action / Equal Opportunity Employer

impact of any highway noise by incorporating the appropriate noise mitigation elements into the design and phasing of this plat as applicable.

The ACHD Engineering Plan Review process will apply to this site. The following items should be submitted to Camila Arenas, Engineer I, Camila.Arenas@anokacountymn.gov (checklist and payment information are available on our website: <https://www.anokacountymn.gov/4072/Development-Review>):

- Construction plans (including right turn lane plans)
- Utility relocation plans
- Traffic Control plans
- Grading and erosion control plans
- Drainage calculations – Note that the post-developed rate/volume of runoff must not exceed the pre-developed rate/volume of runoff for the 10-year critical design storm
- ACHD Design Requirements Checklist
- Engineering plan review fee (estimated at \$350.00)

Following completion of the ACHD Engineering Plan Review process, the contractor(s) who will be completing any work within the County Right of Way must begin the ACHD Permit process. One street access permit (\$400.00) must be obtained prior to the commencement of any construction. License permit bonding, methods of construction, design details, work zone traffic control, restoration requirements and follow-up inspections are typical elements of the permitting process. Contact Sue Burgmeier via phone at 763.324.3176 or via email at HighwayPermits@anokacountymn.gov for further information and to coordinate the ACHD Permit process.

Thank you for the opportunity to comment. Feel free to contact me if you have any questions regarding this review.

Sincerely,



Logan Keehr, PE
Traffic Engineer II

xc: CSAH 54/Plats+Developments/2026
Jerry Auge, Assistant County Engineer
David Zieglmeier, County Surveyor
Sean Thiel, Traffic Engineering Manager
Sue Burgmeier, Traffic Technician
Camila Arenas, Engineer I

Neighborhood Meeting Summary



Project Name: Harvest Grange

Project Address / Location: 6747 20th Avenue (Nelson parcel), Lino Lakes, MN 55038 /
Unassigned (Rehbein parcels)

Municipality: City of Lino Lakes

Applicant / Developer: TCLD Land Holdings, LLC

Date of Neighborhood Meeting: Monday February 9, 2026

Meeting Format: In-person

Meeting Location: The Rookery Activity Center – Cattail Room - 7690 Village Drive, Lino
Lakes, MN 55014

Meeting Time: 5:30 p.m. to 7:00 p.m.

Notice Method: Mailed notice (attached)

Notice Radius: 600 feet

ATTENDEES:

Applicant / TCLD Land Holding, LLC Representatives:

- Ben Schmidt, Owner
- Tracey Rust, Vice President
- Christine Cook, Development Manager

City Staff:

- N/A

Neighborhood Participants:

- Meeting Sign-in sheet (attached)

PURPOSE OF MEETING:

The purpose of the Harvest Grange neighborhood meeting was to provide an open forum to discuss the proposed neighborhood development, outline the requested approvals, and offer nearby property owners and residents with an opportunity to ask questions and share comments or concerns.

QUESTIONS, COMMENTS, AND DISCUSSION ITEMS:

Representatives from TCLD Land Holdings, LLC responded to questions related to the proposed project, including:

- Existing site conditions
- Project density, proposed building types, and overall neighborhood layout
- Development access and traffic circulation
- Park dedication in relation to the future neighborhood park planned in the area
- Overview of proposed onsite stormwater management best management practices (BMPs)
- Proposed construction schedule and next steps in the approval process
- Tree removal/replacement

A full set of Preliminary Plat materials—including proposed preliminary utility layouts, tree preservation plans, proposed landscaping, and a project rendering—were available and used as visual aids during the meeting.

PRIMARY DISCUSSION POINTS:

Traffic Circulation and Access:

Residents inquired about anticipated access points and expressed safety concerns related to traffic along 20th Avenue, including potential routing through the Nadeau neighborhood. Adjacent residents noted the lack of roadway shoulders and trails along 20th Avenue and shared concerns regarding pedestrian safety, particularly for residents crossing the roadway to access the city park located east of 20th Avenue.

It was noted that existing traffic conditions and potential traffic impacts were evaluated through a traffic study completed as part of the City of Lino Lakes' formal review process. Based on the analysis, the study found that all evaluated intersections and roadway approaches are expected to operate at acceptable levels of service during peak-hour conditions with the proposed development in place.

Park Land/Trails:

Residents expressed concerns regarding the absence of an existing City park serving their neighborhood and the proposed Harvest Grange development. Additional concerns were raised that the land identified as the future park location for the two developments is not currently included in the City's 2040 Comprehensive Plan and continues to be actively farmed by the property owner. Residents also noted that the two neighborhoods are not currently connected to the City's existing trail system.

Lot Density and Building Design:

Comments and questions were raised regarding the proposed project density and the compatibility of the proposed building types and overall design with surrounding neighborhoods. It was noted that the project is not proposed as a Planned Unit Development (PUD) and is intended to comply with applicable R-2 and R-3 zoning ordinances and development standards.

Construction Impacts:

Residents asked about anticipated construction timing, noise, and site access during development. The applicant stated that the site is planned to be mass graded, with public utilities and streets installed in a single phase. Site development activities are anticipated to occur in 2026, with home construction expected to begin in fall 2026 and continue for approximately two to three years.

HARVEST GRANGE NEIGHBORHOOD MEETING SIGN-IN SHEET

MONDAY, FEBRUARY 9, 2026

Name	Address	Phone #	Email
Theresa Vera	6700 Heritage Ave	651.402.0068	trrachowski63@gmail.com
Dennis Shady	6795 20th Ave	651-283-4813	dshady@aol.com
Samuel Nelson Kathy Nelson	6747 20th ave	651-216-6136	s4racin@gmail.com
Danielle Ward-Lover	1987 NORMAN WAY	651-368-3752	danielleward@gmail.com
Jeff Bergh	6685 Heritage Ave	218-488-0005	jibhokter@msn.com
BRAD + KRIS SWANSON	6737 20th AVE	651 653 7613	6516537613@aol.com
JESSICA BORTNERA	19417 RED OAK LN	763-923-3824	jessicabortnera@gmail.com



NEIGHBORHOOD MEETING NOTICE

January 29, 2026

Dear Residents,

TCLD Land Holdings, LLC has submitted a Preliminary Plat and Rezoning application to the City of Lino Lakes for a proposed residential development known as Harvest Grange. The proposed development is located directly west of 20th Avenue and north of the Nadeau Acres Neighborhood.

The subject properties are currently zoned R-Rural Residential. The rezoning request proposes a change to R2-Two Family Residential and R-3-Medium Density Residential to allow for the development of thirty-one (31) single-family lots and fifty-five (55) attached townhome lots.

A neighborhood meeting will be held to provide nearby residents an opportunity to review the development proposal and ask questions of the project team. This meeting is informational and is separate from the formal public review process held before the Lino Lakes Planning Commission and City Council.

Neighborhood Meeting Details

Monday, February 9, 2026

5:30 p.m. – 7 p.m.

The Rookery Activity Center - Cattail Room (located on main floor)
7690 Village Dr, Lino Lakes, MN 55014

If you have any questions prior to the meeting, please feel free to contact:

Christine Cook, Development Manager
Twin Cities Land Development
Phone: 612.710.0685
Email: christine@tclanddev.com

Sincerely,



Ben Schmidt
President
Twin Cities Land Development

Enclosure: Proposed Site Plan



1 st Reading:	Website Notice:
2 nd Reading:	Publication:
Adoption:	Effective:

CITY OF LINO LAKES ORDINANCE NO. 02-26

REZONE CERTAIN REAL PROPERTY FROM R, RURAL TO R-2, TWO FAMILY RESIDENTIAL AND R-3, MEDIUM DENSITY RESIDENTIAL FOR HARVEST GRANGE

The City Council of Lino Lakes ordains:

Section 1: Findings of Fact

1. The City received a Land Use Application to rezone certain property from R, Rural to R-2, Two-Family Residential and R-3, Medium Density Residential.
2. The Planning and Zoning Board held a public hearing on February 11, 2026.
3. Per City Code Section 1007.015 (4):

(e) The Planning and Zoning Board shall hold the public hearing and consider possible adverse effects of the proposed amendment. Its judgement shall be based upon, but not limited to, the following factors:

1. The proposed action is consistent with the official City Comprehensive Plan.

The rezoning is consistent with the 2040 Comprehensive Plan.

2. The proposed action is or will be compatible with present and future land uses of the area.

The rezoning is compatible with present and future residential land uses of the area.

3. The proposed action conforms with all performance standards contained herein.

The Harvest Grange development conforms with all performance standards with minor revisions as noted.

4. The proposed action can be accommodated with existing public services and will not overburden the city's service capacity.

The Harvest Grange development can be accommodated with existing public services and will not overburden the city's service capacity

5. Traffic generation by the proposed action is within capabilities of streets serving the

property as described in § [1007.020](#)(4)(d) of this chapter.

Traffic generated by the Harvest Grange development is within the capabilities of the streets serving the property.

Section 2: Amendment

The Zoning Ordinance of the City of Lino Lakes is hereby amended to rezone the following described property from R, Rural to R-2, Two Family Residential and R-3, Medium Density Residential.

Section 3: Legal Description

The zoning districts are shown in Exhibit A and legally described as:

ZONING DISTRICT DIVISION LINE DESCRIPTION A (R-2, Two Family Residential):

Those parts of the following described parcels:

That part of the East Half of the Northeast Quarter, Section 26, Township 31, Range 22, Anoka County, Minnesota, described as follows:

Commencing at the Southeast corner of said East Half of the Northeast Quarter; thence Northerly, along the East line of said Northeast Quarter, a distance of 1865.00 feet, to the point of the actual point of beginning; thence Westerly parallel with the South line of said Northeast Quarter, a distance of 578.00 feet; thence Southerly, parallel with said East line of the Northeast Quarter, a distance of 200 feet; thence Westerly parallel with said South line, a distance of 739.7 feet, more or less to the West line of said East Half of the Northeast Quarter; thence Northerly along said West line of said East Half of the Northeast Quarter, a distance of 579.00 feet, more or less to the South line of the North 401 feet of said East Half of the Northeast Quarter; thence Easterly along said South line of the North 401 feet, a distance of 375.5 feet to the West line of the East 944 feet of said East Half of the Northeast Quarter; thence Southerly, along said West line of the East 944 feet, a distance of 188.04 feet, to the South line of the North 589 feet of said East Half of the Northeast Quarter; thence Easterly, along said South line of the North 589 feet, a distance of 944.18 feet, to the East line of said East Half of the Northeast Quarter; thence Southerly along said East line, a distance of 187.86 feet to the actual point of beginning.

AND

That part of the North 401.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota, lying Southerly and Westerly of the North 208.71 feet of the East 417.42 feet, according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The East 944.00 feet of the South 188.00 feet of the North 589.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

Lying westerly of the following described line and its northwesterly and southerly extension:

Commencing at the Northeast corner of said Section 26; thence North 89 degrees 15 minutes 51 seconds West, 984.34 feet to the point of beginning of the line to be described; thence South 18 degrees 17 minutes 50 seconds East, 196.57 feet; thence South 14 degrees 09 minutes 21 seconds West, 84.92 feet; thence South 36 degrees 27 minutes 12 seconds West, 66.08 feet; thence South 00 degrees 34 minutes 32 seconds East, 200.00 feet; thence South 65 degrees 12 minutes 03 seconds East, 142.85 feet; thence South 50 degrees 18 minutes 05 seconds East, 30.00 feet; thence South 40 degrees 01 minute 26 seconds East, 54.58 feet; thence South 47 degrees 23 minutes 55 seconds East, 77.97 feet; thence South 47 degrees 52 minutes 02 seconds East, 60.75 feet; thence South 37 degrees 36 minutes 28 seconds East, 120.03 feet; thence South 51 degrees 07 minutes 45 seconds West, 160.00 feet; thence South 00 degrees 00 minutes 00 seconds West, 50.00 feet and said line there terminating.

ZONING DISTRICT DIVISION LINE DESCRIPTION B (R-3, Medium Density Residential):

The Northerly 208.71 feet of the easterly 417.42 feet of the Northeast Quarter of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota.

AND

Those parts of the following described parcels:

That part of the East Half of the Northeast Quarter, Section 26, Township 31, Range 22, Anoka County, Minnesota, described as follows:

Commencing at the Southeast corner of said East Half of the Northeast Quarter; thence Northerly, along the East line of said Northeast Quarter, a distance of 1865.00 feet, to the point of the actual point of beginning; thence Westerly parallel with the South line of said Northeast Quarter, a distance of 578.00 feet; thence Southerly, parallel with said East line of the Northeast Quarter, a distance of 200 feet; thence Westerly parallel with said South line, a distance of 739.7 feet, more or less to the West line of said East Half of the Northeast Quarter; thence Northerly along said West line of said East Half of the Northeast Quarter, a distance of 579.00 feet, more or less to the South line of the North 401 feet of said East Half of the Northeast Quarter; thence Easterly along said South line of the North 401 feet, a distance of 375.5 feet to the West line of the East 944 feet of said East Half of the Northeast Quarter; thence Southerly, along said West line of the East 944 feet, a distance of 188.04 feet, to the South line of the North 589 feet of

said East Half of the Northeast Quarter; thence Easterly, along said South line of the North 589 feet, a distance of 944.18 feet, to the East line of said East Half of the Northeast Quarter; thence Southerly along said East line, a distance of 187.86 feet to the actual point of beginning.

AND

That part of the North 401.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota, lying Southerly and Westerly of the North 208.71 feet of the East 417.42 feet, according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

AND

The East 944.00 feet of the South 188.00 feet of the North 589.00 feet of the East Half of the Northeast Quarter of Section 26, Township 31, Range 22, Anoka County, Minnesota according to the United States Government Survey thereof and situate in Anoka County, Minnesota.

Lying easterly of the following described line and its northwesterly and southerly extension:

Commencing at the Northeast corner of said Section 26; thence North 89 degrees 15 minutes 51 seconds West, 984.34 feet to the point of beginning of the line to be described; thence South 18 degrees 17 minutes 50 seconds East, 196.57 feet; thence South 14 degrees 09 minutes 21 seconds West, 84.92 feet; thence South 36 degrees 27 minutes 12 seconds West, 66.08 feet; thence South 00 degrees 34 minutes 32 seconds East, 200.00 feet; thence South 65 degrees 12 minutes 03 seconds East, 142.85 feet; thence South 50 degrees 18 minutes 05 seconds East, 30.00 feet; thence South 40 degrees 01 minute 26 seconds East, 54.58 feet; thence South 47 degrees 23 minutes 55 seconds East, 77.97 feet; thence South 47 degrees 52 minutes 02 seconds East, 60.75 feet; thence South 37 degrees 36 minutes 28 seconds East, 120.03 feet; thence South 51 degrees 07 minutes 45 seconds West, 160.00 feet; thence South 00 degrees 00 minutes 00 seconds West, 50.00 feet and said line there terminating.

Section 4: Development Regulations

The development shall conform to the plans, requirements, and conditions of approval as listed in Council Resolution No. 26-23.

Section 5: Effect

This ordinance shall be in force and effect from and after its passage and publication according to the Lino Lakes City Charter and upon the filing of the ordinance.

Section 6: Contingency

The rezoning provided for by this ordinance is contingent on the filing of Harvest Grange final plat. Should the final plat not be filed, the rezoning provided by this ordinance shall be null and void.

Adopted by the Lino Lakes City Council this ____ day of _____, 2026.

Rob Rafferty, Mayor

ATTEST:

Roberta Colotti, CMC
City Clerk

EXHIBIT A

**Proposed Zoning Map
and Legal Descriptions**

**CITY OF LINO LAKES
RESOLUTION NO. 26-23**

APPROVING HARVEST GRANGE PRELIMINARY PLAT

WHEREAS, the City received a land use application for Harvest Grange Preliminary Plat, hereinafter referred to as “Development”, and

WHEREAS, City staff has completed a review of the Development based on the following:

- Applicant Narrative dated May 11, 2026
- Harvest Grange Plan Set prepared by Carlson Engineering revision date May 11, 2026
- Land Use Plan prepared by Carlson Engineering revision date May 11, 2026
- Net Area Exhibit prepared by Carlson Engineering revision date May 11, 2026
- Traffic Study prepared by Transportation Collaborative & Consultants, LLC dated May 11, 2026
- Harvest Grange Noise Assessment Update prepared by David Braslau Associates, Inc. dated April 28, 2026
- Geotechnical Exploration Report prepared by Haugo Technical Services dated December 16, 2025
- Soil Boring Data prepared by Haugo Technical Services dated May 11, 2025
- Rare Plant Survey Report prepared by Midwest Natural Resources dated July 14, 2025
- Stormwater Management Plan prepared by Carlson Engineering revision date May 11, 2026
- Wetland WCA Joint Application prepared by Kjolhaug Environmental Services dated May 11, 2026; and

WHEREAS, the Planning & Zoning Board held a public hearing on February 11, 2026 and recommended approval of the Development; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Lino Lakes, Minnesota that

FINDINGS OF FACT

Per Section 1001.013, Premature Subdivision:

(1) *General*. Any concept plan, preliminary plat or final plat deemed premature pursuant to the following criteria shall be denied by the City Council.

(2) *Conditions for establishing a premature subdivision*. A subdivision may be deemed premature should any of the following conditions not be met.

(a) *Consistency with the Comprehensive Plan*. Including any of the following:

1. Land use plan;
2. Transportation plan;
3. Utility (sewer and water) plans;
4. Local water management plan;
5. Capital improvement plan; and
6. Growth management policies, including MUSA allocation criteria.

The Harvest Grange preliminary plat is consistent with the 2040 Comprehensive Plan.

(b) *Consistency with infill policies.* A proposed urban subdivision shall meet the city's infill policies:

1. The urban subdivision must be located within the Metropolitan Urban Service Area (MUSA) or the staged growth area as established by the city's Comprehensive Plan;
2. The cost of utilities and street extensions must be covered by one or more of the following:
 - a. An immediate assessment to the proposed subdivision;
 - b. One hundred percent of the street and utility costs are privately financed by the developer;
 - c. The cost of regional and/or oversized trunk utility lines can be financed with available city trunk funds; and
 - d. The cost and timing of the expenditure of city funds are consistent with the city's capital improvement plan.
3. The cost, operation and maintenance of the utility system are consistent with the normal costs as projected by the water and sewer rate study; and
4. The developer payments will offset additional costs of utility installation or future operation and maintenance.

The Harvest Grange preliminary plat is consistent with infill policies. The development is within the current Utility Staging Area 1A=2018-2025. The cost, operation and maintenance of the utility system is consistent with the normal costs projected by the water and sanitary system plans. No future utility costs are proposed.

(c) *Roads or highways to serve the subdivision.* A proposed subdivision shall meet the following requirements for level of service (LOS), as defined by the Highway Capacity Manual:

1. If the existing level of service (LOS) outside of the proposed subdivision is A or B, traffic generated by a proposed subdivision will not degrade the level of service more than one grade;
2. If the existing LOS outside of the proposed subdivision is C, traffic generated by a proposed subdivision will not degrade the level of service below C;
3. If the existing LOS outside of the proposed subdivision is D, traffic generated by a proposed subdivision will not degrade the level of service below D;
4. The existing LOS must be D or better for all streets and intersections providing access to the subdivision. If the existing level of service is E or F, the subdivision developer must

provide, as part of the proposed project, improvements needed to ensure a level of service D or better;

5. Existing roads and intersections providing access to the subdivision must have the structural capacity to accommodate projected traffic from the proposed subdivision or the developer will pay to correct any structural deficiencies;

6. The traffic generated from a proposed subdivision shall not require city street improvements that are inconsistent with the Lino Lakes capital improvement plan. However, the city may, at its discretion, consider developer-financed improvements to correct any street deficiencies;

7. The LOS requirements in divisions (2)(c)1. to 4. above do not apply to the I-35W/Lake Drive or I-35E/Main St. interchanges. At city discretion, interchange impacts must be evaluated in conjunction with Anoka County and the Minnesota Department of Transportation, and a plan must be prepared to determine improvements needed to resolve deficiencies. This plan must determine traffic generated by the subdivision project, how this traffic contributes to the total traffic, and the time frame of the improvements. The plan also must examine financing options, including project contribution and cost sharing among other jurisdictions and other properties that contribute to traffic at the interchange; and

8. The city does not relinquish any rights of local determination.

The Harvest Grange preliminary plat meets the requirements for level of service (LOS). Existing roads and intersections have capacity to accommodate the proposed subdivision. The city does not relinquish any rights of local determination.

(d) *Water supply.* A proposed subdivision shall be deemed to have an adequate water supply when:

1. The city water system has adequate wells, storage or pipe capacity to serve the subdivision;

2. The water utility extension is consistent with the Lino Lakes water plan and offers the opportunity for water main looping to serve the urban subdivision;

3. The extension of water mains will provide adequate water pressure for personal use and fire protection; and

4. The rural subdivision can demonstrate that each of the proposed lots can be provided with a potable water supply.

The Harvest Grange preliminary plat will have an adequate water supply.

(e) *Waste disposal systems.* A proposed subdivision shall be served with adequate waste disposal systems when:

1. The urban sewered subdivision is located inside the city's MUSA or is consistent with the MUSA allocation criteria;

2. The city has sufficient MUSA and pipe capacity to serve the subdivision if developed to its maximum density;

3. The subdivision will result in a sewer extension consistent with Lino Lakes sewer plan and capital improvement plan;
4. A rural subdivision can demonstrate that each lot can be served by an adequate sanitary sewer disposal system; and
5. A rural subdivision with a proposed communal sanitary sewer or water system has an effective long range management and maintenance program with proper financing.

The Harvest Grange preliminary plat will be served with an adequate waste disposal system.

BE IT FURTHER RESOLVED the Harvest Grange preliminary plat is not deemed premature; and

BE IT FURTHER RESOLVED the Harvest Grange preliminary plat is approved subject to the following conditions:

1. Outlots A and B shall be owned and maintained by an HOA or private entity.
2. Outlot C shall be owned and maintained by the City.
3. The private street shall gain access from the public street and shall maintain the street drainage with concrete curb and gutter per City Standard Specifications for Construction. Private street access on urban and rural streets shall have at a minimum a five-foot bituminous or concrete apron. The remainder of the private street shall be designed, constructed and surfaced as approved by the City Engineer.
4. Street signs shall be designed and installed in compliance with City General Specifications and Standard Detail Plates.
5. Signage stating "No Parking - Fire Lane" shall be located along the private street in locations as approved by the City Fire Inspector.
6. All townhome units adjacent to 20th Avenue (CSAH 54) shall be constructed in such a way that the exterior to interior sound level attenuation is at least 30dB(A) as detailed in the noise study.
 - a. Window areas shall require a minimum STC 30 glazing.
7. A FEMA CLOMR is required with the final plat application.
8. A FEMA LOMR will be required prior to issuing building permits for impacted lots within the floodplain.
9. The developer shall submit to the City the MPCA SSTA Abandonment Reporting Form as proof that the private septic system has been properly removed.
10. The developer shall submit to the City the MDH Well and Boring Sealing Record as proof that the private well has been properly capped.
11. Sheet 3, Preliminary Plat:
 - a. Under Site Data-Minimum Townhome Setback Data: The text shall be revised to:
 - i. Street Right-of-Way Setback
 1. Local = 30ft
 2. Arterial = 40ft
 - ii. Rear Lot Line = 30ft
 - iii. Side Lot Line = 10ft

12. The following comments shall be addressed:

- a. City Engineer Memo dated May 27, 2026
- b. Environmental Memo dated June 3, 2026
- c. Anoka County Highway Department Letter dated May 27, 2026

Adopted by the City Council of the City of Lino Lakes this 8th day of June, 2026.

Rob Rafferty, Mayor

ATTEST:

Roberta Colotti, CMC, City Clerk

**CITY COUNCIL
WORK SESSION STAFF REPORT
ITEM NO. 6**

STAFF ORIGINATOR: Katie Larsen, City Planner

DATE OF WORK SESSION: June 1, 2026

TOPIC: Zoning Ordinance Text Amendment (ZOTA) – Farm Animals

BACKGROUND

Staff has been asked to discuss the City’s zoning ordinance regarding keeping of farm animals, specifically chickens and bees.

The current City’s zoning ordinance ([CHAPTER 1007: ZONING CODE](#)) allows for the keeping of farm animals such as chickens and bees on rurally zoned properties (R, Rural or R-X, Rural Executive). Farm animals are defined as:

ANIMALS, FARM. Any animal commonly associated with a farm or performing work in an agricultural setting. Unless otherwise defined, such animals shall include members of the equestrian family (horses, mules), bovine family (cows, bulls), sheep, poultry (chickens, turkeys), fowl (ducks, geese), swine (excluding Vietnamese pot-bellied pigs), goats, bees, and other animals associated with a farm, ranch, or stable.

There are 17,110 acres of zoned property in the City. 8,919 acres (52%) are rurally zoned and are allowed to keep farm animals. See attached City zoning maps.

Previous Council Work Session Discussions:

Bees:

1. April 7, 2014
2. May 5, 2014
3. July 6, 2020

Chickens:

1. May 22, 2023

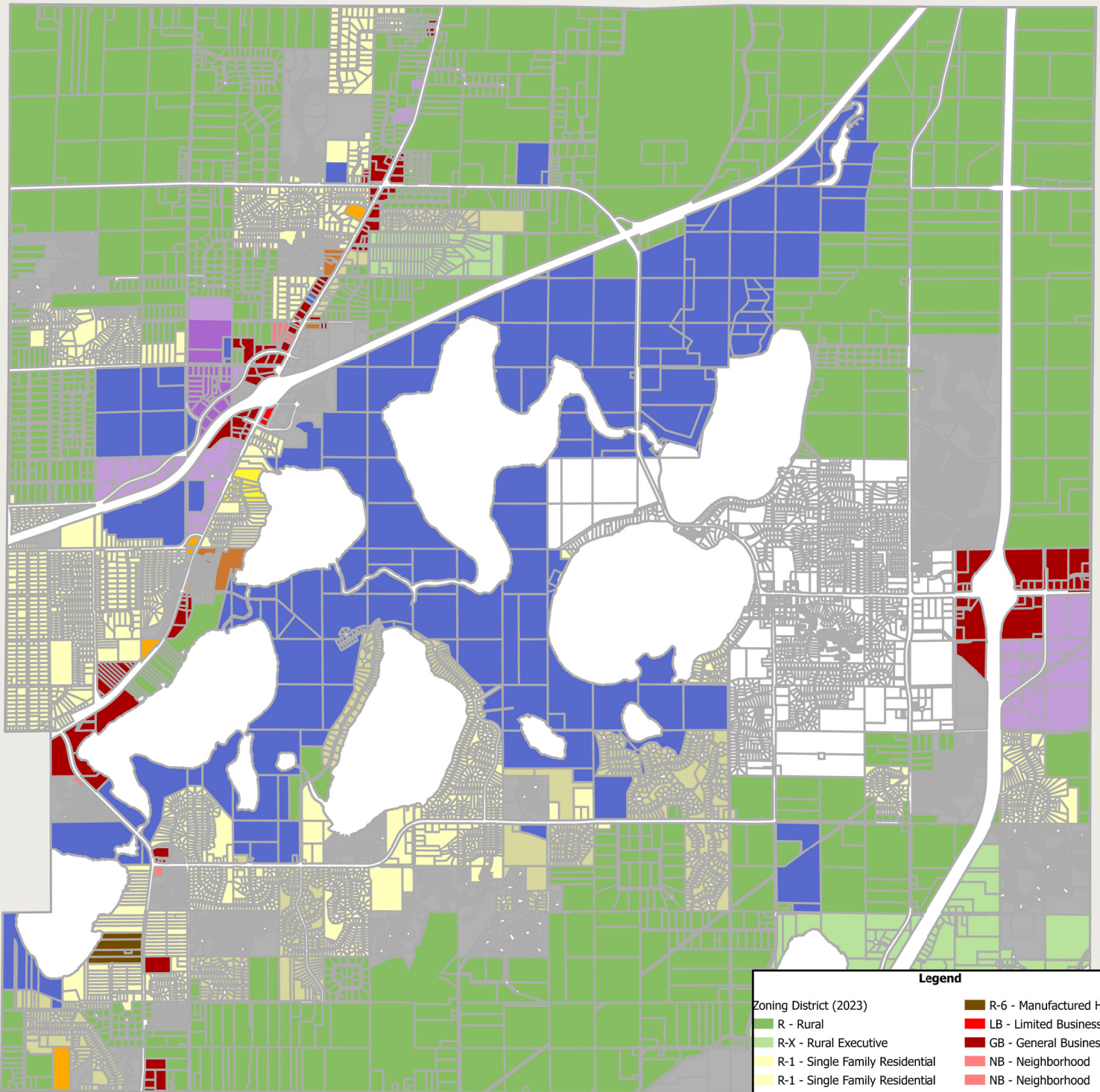
In 2023, the City updated the entire zoning ordinance and there has been no interest by the City Council to allow for chickens or bees in residential zoning districts.

REQUESTED COUNCIL DIRECTION

None. Discussion only.

ATTACHMENTS

1. Zoning Map: All Zoning Districts
2. Zoning Map: R and R-X



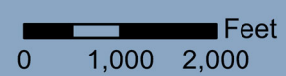
- Legend**
- Zoning District (2023)**
- R - Rural
 - R-X - Rural Executive
 - R-1 - Single Family Residential
 - R-1 - Single Family Residential
 - R-1X - Single Family Executive
 - R-1X - Single Family Executive
 - R-2 - Two Family Residential
 - R-3 - Medium Density Residential
 - R-4 - High Density Residential
 - R-4 - High Density Residential
 - R-6 - Manufactured Home
 - LB - Limited Business
 - GB - General Business
 - NB - Neighborhood
 - NB - Neighborhood
 - GI - General Industrial
 - LI - Light Industrial
 - PSP - Public Semi-Public
 - PUD - Planned Unit
 - PUD - Planned Unit

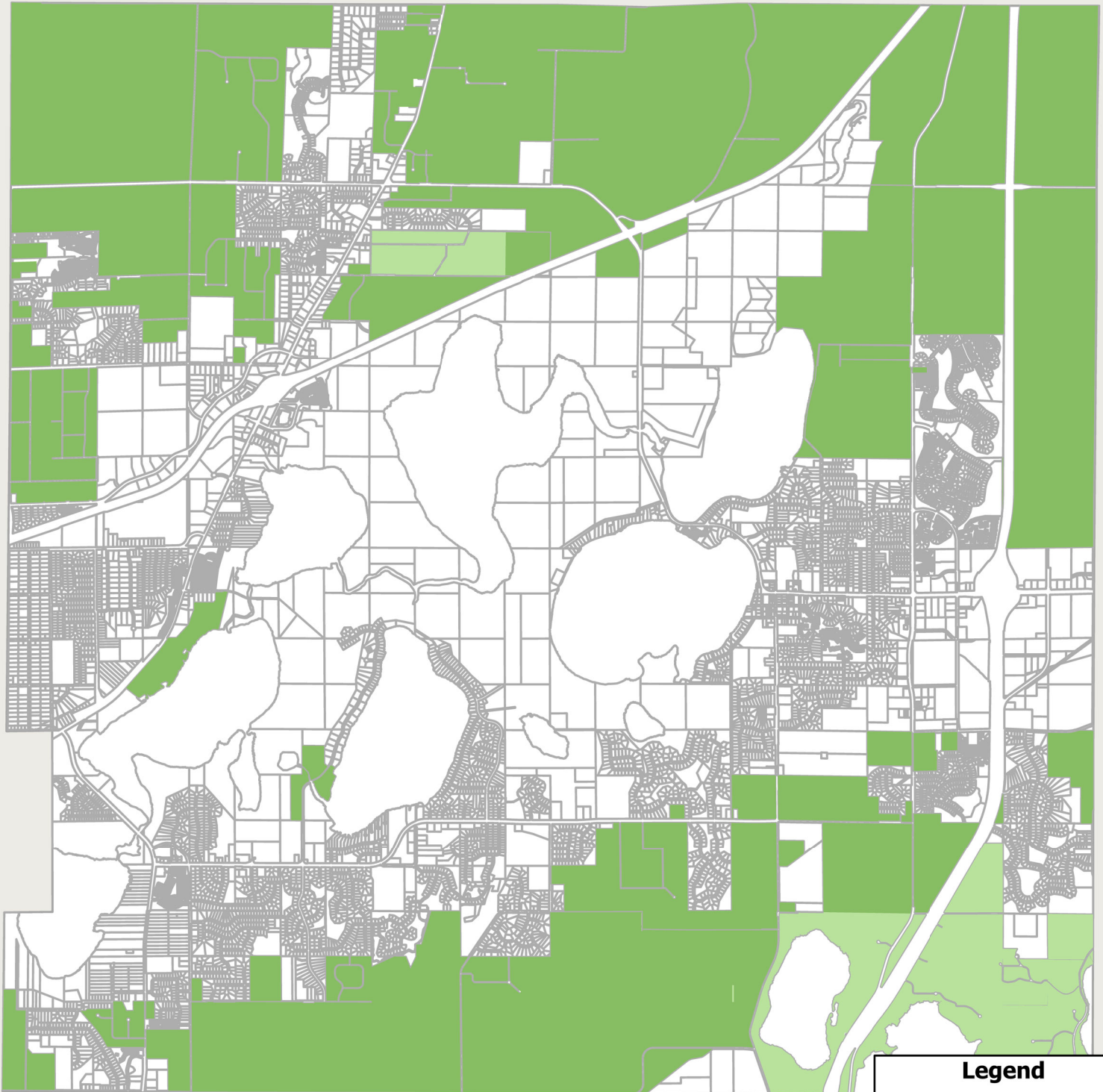


ZONING MAP

All Zoning Districts

17,110 acres





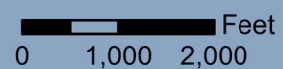
Legend

Zoning R and R-X

- R - Rural
- R-X - Rural Executive



ZONING MAP
R and R-X
8,919 acres



**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 7.**

STAFF ORIGINATOR: Roberta Colotti, City Clerk

MEETING DATE June 1, 2026

AGENDA ITEM: Franchise Agreements

INTRODUCTION

City staff have completed a review of the status of the gas and electric franchise agreements and have identified that certain agreements need to be renewed as presented in this report.

BACKGROUND

Status of Franchise Agreements

- Circle Pines Utilities (DBA Centennial Utilities) – Gas Service
 - Current 20-year franchise adopted in 2012
 - Franchise Fee established as part of franchise agreement
 - Collecting 4% Fee on Residential/Non-Interruptible Customers

- CenterPoint Energy - Gas Service
 - Current 20-year franchise adopted in 2013
 - Agreement identifies that a franchise fee may be collected if established by separate ordinance. The fee must be of the same or a substantially similar amount to that charged to other energy suppliers. Once adopted, 90-day written notice is required before implementation.

- Xcel Energy - Gas & Electric Services
 - No current agreement

- Connexus Energy - Electric Service
 - No current agreement

Attached are the current franchise agreements with Circle Pines (DBA Centennial Utilities) and CenterPoint Energy and draft franchise agreements for Xcel Energy and Connexus Energy, prepared by the City Attorney for the consideration of the City Council.

Franchise Fee Agreements

Each of the franchise drafts allow for a franchise fee by separate ordinance. In addition, the existing CenterPoint Energy gas franchise agreement allows for a franchise fee by separate

ordinance. Currently, the City has a franchise, inclusive of a franchise fee agreement with Circle Pines (DBA Centennial Utilities).

REQUESTED COUNCIL DIRECTION

Council direction regarding the draft franchise agreements with Xcel Energy (gas & electric) and Connexus Energy (electric).

Further direction regarding franchise fee agreements for Xcel Energy (gas & electric), Connexus Energy (electric) and CenterPoint Energy (gas).

ATTACHMENTS

1. Current Gas Franchise w Circle Pines - Centennial Utilites
2. Current Gas Franchise w CenterPoint Energy Franchise - Gas
3. Draft Gas Franchise Agreement - NSP 5.4.26
4. Draft Electric Franchise Agreement - NSP 5.4.26
5. Draft Electric Franchise Agreement - Connexus 5.4.26

1 st Reading: November 13, 2012	Publication: December 4, 2012
2 nd Reading: November 26, 2012	Effective: January 3, 2013

Circle Pines/Centennial Utilities Gas Franchise Ordinance

CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA ORDINANCE NO. 09-12

AN ORDINANCE GRANTING TO CIRCLE PINES UTILITES, DBA CENTENNIAL UTILITIES, A MINNESOTA MUNICIPAL CORPORATION, ITS PERMITTED SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND PUBLIC GROUND OF THE CITY OF LINO LAKES, MINNESOTA, FOR SUCH PURPOSE; AND PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF.

THE CITY COUNCIL OF LINO LAKES ORDAINS:

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Lino Lakes, County of Anoka, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

Company. Circle Pines Utilities DBA Centennial Utilities, a Municipal corporation, its successors and assigns permitted by the City including all successors or assigns that own or operate any part or parts of the Gas Facilities or system subject to this Franchise.

Franchise or Ordinance. This Ordinance, which grants the Franchise to the Company to provide retail natural gas service to customers in the City under the terms and conditions herein.

Gas Facilities or System. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing gas energy for public or private use in the City.

Notice. A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to Administrator, 200 Civic Heights Circle, Circle Pines, Minnesota 55014. Notice to the City shall be mailed to City Administrator, City of Lino Lakes, 600 Town Center Pkwy, Lino Lakes, MN 55014. Either party may change its respective address for the purpose of this Ordinance by Notice to the other parties.

Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is not a Public Way but is held for use in common by the public.

Public Way. Any public right-of-way within the City as defined by Minnesota Statutes, Section 237.162, subd. 3.

SECTION 2. ADOPTION OF FRANCHISE

2.1. Grant and Acceptance of Franchise. City hereby grants Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the nonexclusive right to import, manufacture, distribute and sell gas for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. This right includes the provision of Gas that is (i) manufactured by the Company or its affiliates and delivered by the Company, (ii) purchased and delivered by the Company or (iii) purchased from another source by the retail customer and delivered by the Company. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be adopted by separate ordinance. The Company accepts the grant and agrees to comply with this Ordinance.

2.2 Effective Date: Written Acceptance. This franchise agreement shall be in force and effect from and after approval of this Ordinance, its acceptance by Company, and its publication as required by law. The City by Council resolution may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3. Publication Expense. Company shall pay the expense of a summary publication of this Ordinance.

2.4. Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder or is otherwise in breach of the Franchise, the complaining party shall notify the other party in writing of the default and the desired remedy. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the Notice, the parties may mediate by jointly selecting a mediator to facilitate further discussion. The parties will equally share the fees and expenses of the mediator. If either party objects to use of a mediator or a mutually acceptable mediator cannot be obtained, either party may commence an action in Anoka County District Court to interpret and enforce this Franchise and/or seek such other relief as permitted by law or equity.

2.5 Continuation of Franchise. If the City and the Company are unable to agree on the

terms of the new franchise by the expiration of the term set forth in Section 2.1, the Franchise shall automatically continue based on the same terms for a period of no more than one year but may be terminated with or without cause by either party upon ninety (90) days written notice.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1. Location of Facilities. Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt the operation of any City Utility System. Gas Facilities may be located on or in Public Grounds as determined by the City and as they presently exist on the date of the adoption of this ordinance. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Gas Facilities shall be subject to other reasonable regulations of the City consistent with authority granted to the City to manage its Public Ways and Public Grounds under state law, and to the extent not inconsistent with a specific term of this Franchise.

3.2. Public Ground, Public Way Openings. Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3. Restoration. After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances. Company shall restore the Public Ground to a condition as good as formerly existed, and shall maintain the restoration in good condition for two years thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have the right, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, to make the restoration of the Public Ground at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3.

3.4. Avoid Damage to Gas Facilities. The Company must take reasonable measures to prevent Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Gas Facilities, if given reasonable notice by the City of such work prior to its commencement. The City must take reasonable measures to prevent damage to the Gas Facilities or system during any work performed by the City; its staff or its agents.

3.5. Notice of Improvements to Streets. The City will give Company reasonable

Notice of plans for improvements to Public Ways where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The Notice shall contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) time when the City will start the work, and (v) if more than one Public Way is involved, the order in which the work is to proceed. The Notice will be given to Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities the Company deems necessary.

3.6. Mapping Information. The Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules, Parts 7819.4000 and 7819.4100.

3.7. Relocation in Public Ways. The Company shall comply with Minnesota Rules, Part 7819.3100 and applicable City ordinances consistent with law.

SECTION 4. INDEMNIFICATION

4.1. Indemnity of City. Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the unsafe construction, maintenance, repair, inspection, the issuance of permits, or the negligent operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence, or otherwise wrongful act or omission, except that the Company shall indemnify and defend the City for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. This franchise agreement shall not be interpreted to constitute a waiver by the Company of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

4.2. Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if Notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such Notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 5. VACATION OF PUBLIC WAYS

The City shall give Company at least two (2) weeks prior Notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, Part 7819.3200 and applicable ordinances consistent with law.

SECTION 6. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 7. FRANCHISE FEE

7.1. Right and Form. A franchise fee shall be imposed by the City upon adoption of this ordinance in an amount equal to two percent of the Company's gross revenue within the City for interruptible customers and four percent of the Company's gross revenue for non-interruptible customers ("Franchise Fee"). The Franchise Fee may be based on the following methods: (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis, or (iii) a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City, or (iv) a fee based on a customer meter charge or other rate design, but not to exceed the percentages specified above. The Franchise Fee shall be effective as of October 1, 2012, and shall apply to all gross revenue earned on or after that date. In the event that all other natural gas providers in the City are required to pay a franchise fee of one percent or more, the City may increase the Franchise Fee paid by the Company by one percent for non-interruptible customers, but in no case will the franchise fee exceed five percent of the Company's gross revenue within the City for non-interruptible customers.

7.2. Collection of Fee. The City acknowledges that the Company may collect the Franchise Fee from customers in the City. The City reserves the right to establish and modify from time to time, the rate design of the fee collected from customers of different classes. Fees shall be payable not less than quarterly during complete billing months of the period for which payment are to be made. The Franchise Fee formula may be changed from time to time; however, the change shall meet the same notice requirements and the fee may not be changed more often than annually, and must comply with the terms of this Ordinance. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's Franchise Fee records.

7.3. Continuation of Franchise Fee. If the City and the Company are unable to agree on the terms of a new franchise by the expiration of the term set forth in Section 2.1, the Franchise Fee shall automatically continue based on the same terms for a period of no more than one year unless the Franchise is terminated earlier pursuant to Section 2.5 of this Franchise.

SECTION 8. ABANDONED FACILITIES

The Company shall comply with City ordinances, Minnesota Statutes, Sections 216D.01 et seq. and Minnesota Rules, Part 7819.3300, as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request, and comply with the location requirements of Minnesota Statutes, Section 216D.04 with respect to all Gas Facilities, including abandoned and retired Gas Facilities.

SECTION 9. ADDITIONAL PROVISIONS OF ORDINANCE

9.1. Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

9.2. Limitation on Applicability. This Ordinance shall not in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of this Franchise or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

9.3. No Waiver. The Company shall not be excused from performing the terms of this Ordinance due to the City's failure to enforce its rights hereunder.

9.4. Data. All "data" provided to the City in connection with this Franchise shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

SECTION 10. AMENDMENT PROCEDURE

This Ordinance may be amended at any time by the mutual consent of the City and Company by City adoption of an amendatory ordinance, which shall become effective upon Company consent filed with the City within 60 days after the effective date of the amendatory ordinance.

SECTION 11. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous franchise granted to Company or its predecessor.

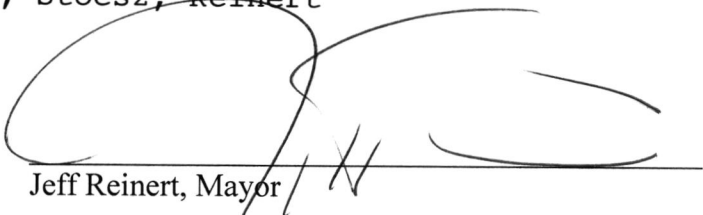
Adopted by the City of Lino Lakes City Council this 26th day of November 2012.

The motion for the adoption of the forgoing ordinance was introduced by Councilmember O'Donnell and duly seconded by Councilmember Roeser and upon vote being taken thereof, the following voted in favor thereof:

O'Donnell, Roeser, Rafferty, Stoesz, Reinert

The following voted against same:

none


Jeff Reinert, Mayor

Attest:


Julianne Bartell, City Clerk

**CITY COUNCIL
AGENDA ITEM 3A**

STAFF ORIGINATOR: Jeff Karlson

MEETING DATE: November 26, 2012

TOPIC: Consider 2nd Reading of Ordinance No. 09-12, Granting a
Nonexclusive Gas Franchise to Circle Pines/Centennial Utilities

VOTE REQUIRED: 3/5

INTRODUCTION

The City Council is being asked to consider the adoption of Ordinance No. 09-12, granting a nonexclusive gas franchise to Circle Pines/Centennial Utilities for a 20-year period. The Council approved the first reading of the ordinance on November 13, 2012.

BACKGROUND

The City's 25-year franchise agreement with Centennial Utilities expired on March 31, 2012. After several months of negotiations, we were able to reach a settlement with Circle Pines/Centennial Utilities.

The new terms include a four percent franchise fee for non-interruptible customers, retroactive to October 1, 2012, which can be increased to a maximum of five percent if Lino Lakes imposes a franchise fee of one percent or more for the other natural gas providers. The previous franchise fee was seven percent.

RECOMMENDATION

Staff is recommending approval of the 2nd reading of Ordinance No. 09-12, granting a nonexclusive franchise to Circle Pines/Centennial Utilities.

ATTACHMENTS

Ordinance No. 09-12

1 st Reading: 2/11/13	Publication: 3/5/13
2 nd Reading: 2/25/13	Effective: 4/4/13

CenterPoint Energy Gas Franchise Ordinance

ORDINANCE NO. 6-12

CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA

AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP., d/b/a CENTERPOINT ENERGY MINNESOTA GAS (“CENTERPOINT ENERGY”), ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF LINO LAKES, ANOKA, COUNTY, MINNESOTA, FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF

THE CITY COUNCIL OF THE CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA, DOES ORDAIN:

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Lino Lakes, County of Anoka, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

Company. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy”) its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this Franchise.

Gas Energy. Gas Energy includes both retail and wholesale natural, manufactured or mixed gas.

Gas Facilities. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing Gas Energy for retail or wholesale use.

Notice. A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to CenterPoint Energy, Minnesota Division Vice President, 800 LaSalle Avenue, Minneapolis, Minnesota 55402. Notice to the City shall be mailed to City Administrator, City of Lino Lakes, 600 Town Center Pkwy, Lino Lakes, MN 55014. Any party may change its respective address for the purpose of this Ordinance by written Notice to the other parties.

Ordinance. This gas franchise ordinance, also referred to as the Franchise.

Public Way. Any highway, street, alley, or other public right-of-way within the City.

Public Ground. Land owned or otherwise controlled by the City for utility easements, park, trail, walkway, open space or other public property, which is held for use in common by the public or for public benefit.

SECTION 2. ADOPTION OF FRANCHISE

2.1 **Grant of Franchise.** City hereby grants Company, for a period of 20 years from the date this Ordinance is passed and approved by the City, the right to import, manufacture, distribute and sell Gas Energy for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future and also the right to transport Gas Energy through the limits of the City for use outside of the City limits. For these purposes, Company may construct, operate, repair, and maintain Gas Facilities in, on, over, under, and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to a public right-of-way ordinance or permit requirements adopted consistent with state law.

2.2 **Effective Date; Written Acceptance.** This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and its acceptance by Company. If Company does not file a written acceptance with the City within 60 days after the date the City Council adopts this Ordinance, or otherwise inform the City, at any time, that the Company does not accept this Franchise, the City Council by resolution shall revoke this Franchise.

2.3. **Service and Gas Rates.** The terms and conditions of service and the rates to be charged by Company for Gas Energy in City are subject to the exclusive jurisdiction of the Commission.

2.4. **Publication Expense.** Company shall pay the expense of publication of this Ordinance.

2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the

default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written Notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity.

2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this Franchise expires, this Franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or the Company serves written Notice to the other party of its intention to allow Franchise to expire. However, in no event shall this Franchise continue for more than one year after expiration of the 20-year term set forth in Section 2.1.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1. **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System. Gas Facilities may be located on Public Grounds in a location selected by the City. The location and relocation of Gas Facilities shall be subject to reasonable regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this Franchise.

3.2. **Street Openings.** Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other public-right-of-way users for similar facilities or work. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar Notice to the City before commencement of the emergency repair, if reasonably possible. Within two business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way or Public Ground, the Company shall restore the Public Ways or Public Grounds in accordance with Minnesota Rules, 7819.1100. Company shall restore the Public Ground to as good a condition as formerly existed, and shall maintain the hard surfaces in good condition for two years thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration of the Public Ways or Public Grounds at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City.

3.4. **Avoid Damage to Gas Facilities.** The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property, or the elements. Per Minnesota Statute 216D.05, the City must take protective measures when it performs work near the Gas Facilities.

3.5. **Notice of Improvements to Streets.** The City will give Company reasonable written Notice of plans for improvements to Public Ways and Public Grounds where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The Notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways or Public Grounds upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way or Public Grounds is involved, the order in which the work is to proceed. The Notice will be given to Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities the Company deems necessary.

3.6 **Mapping Information.** If requested by City, the Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules 7819.4000 and 7819.4100.

3.7. **Emergency Response.** As emergency first-responders, when a public safety concern exists both the City and Company shall respond to gas emergencies within the City without additional direct fee or expense to either City or Company.

SECTION 4. RELOCATIONS

4.1. **Relocation in Public Ways and Public Grounds.** The Company and City shall comply with the provisions of Minnesota Rules 7819.3100, with respect to requests for the Company to relocate Gas Facilities located in either Public Ways or Public Grounds.

4.2. **Projects with Federal Funding.** Relocation, removal, or rearrangement of any Company Gas Facilities made necessary because of the extension into or through City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes Sections 161.45 and 161.46.

SECTION 5. INDEMNIFICATION

5.1. **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence or otherwise wrongful act or omission except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work.

5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written Notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such Notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This Franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability.

SECTION 6. VACATION OF PUBLIC WAYS AND PUBLIC GROUNDS

The City shall give Company at least two weeks prior written Notice of a proposed vacation of a Public Ways or Public Grounds. The City and the Company shall comply with Minnesota Rules 7819.3100 and Minnesota Rules 7819.3200 with respect to any request for vacation.

SECTION 7. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. FRANCHISE FEE

8.1. **Form.** During the term of the franchise hereby granted, the City may charge the Company a franchise fee. The Company will administer the collection and payment of franchise fees to City in lieu of permit fees, or other fees that may otherwise be imposed on the Company in relation to its operations as a public utility in the City. The franchise fee will be collected on a flat per meter basis, or by some other method that is mutually acceptable to both City and Company for each retail customer within the corporate limits of the City. The amount of the fee collected may differ for each customer class. The City will use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City. If the Company claims that the City required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company will provide a formula that will produce a substantially similar fee amount to the City. If the City and Company are unable to agree, the disagreement shall be subject to the Dispute Resolution provisions of this Ordinance.

8.2. **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council. The effective date of the franchise fee ordinance shall be no less than ninety (90) days after written Notice enclosing a copy of the duly adopted and approved ordinance has been served upon the Company by Certified mail. The Company is not required to

collect a franchise fee if the terms of the fee agreement are inconsistent with this franchise or state law, provided the Company notifies the City Council of the same within the ninety (90) day period.

8.3. **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of energy within the City by any other energy supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through an agreed-upon franchise.

8.4. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time, however, the change shall meet the same Notice and acceptance requirements and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company shall not be responsible to pay City fees that Company is unable to collect under Commission rules or order. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's determination of the franchise fee payments.

8.5. **Continuation of Franchise Fee.** If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon. However, the franchise fee will not remain in effect for more than one year after the franchise expires as stated in Section 2.6 of this Franchise. If for any reason the franchise terminates, the franchise fee will terminate at the same time.

SECTION 9. ABANDONED FACILITIES

The Company shall comply with Minnesota Statutes, Section 216D.01 et seq. and Minnesota Rules 7819.3300, as they may be amended from time to time with respect to abandoned facilities located in Public Ways and Public Grounds. The Company shall maintain records describing the exact location of all abandoned and retired Gas Facilities within the Public Ways and Public Grounds produce such records at the City's request and comply with the location requirements of Section 216D.04 with respect to all Gas Facilities, including abandoned and retired Gas Facilities not located in Public Ways and Public Grounds.

SECTION 10. PROVISIONS OF ORDINANCE

10.1. **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2. **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between the City and the Company as the only parties. No provisions herein shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of this Ordinance or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. AMENDMENT PROCEDURE

Either party may propose at any time that this Franchise Ordinance be amended. Franchise Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 60 days after the effective date of the amendatory ordinance. If the Company does not consent to the amendment, the ordinance containing the amendment shall be revoked by City.

Adopted by the Lino Lakes City Council this 25th day of February 2013.

The motion for the adoption of the forgoing ordinance was introduced by Council Member O'Donnell and duly seconded by Council Member Roeser and upon vote being taken thereof, the following voted in favor thereof:

O'Donnell, Roeser, Rafferty, Stoesz, Reinert

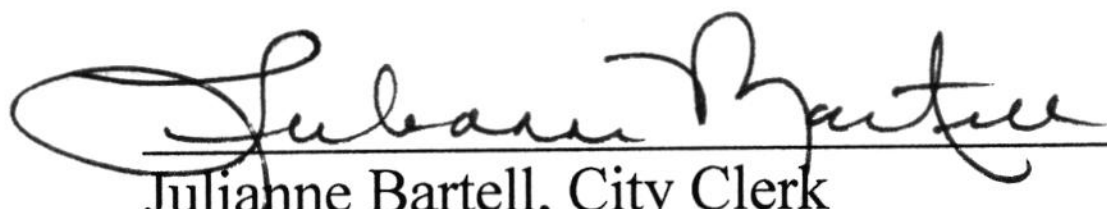
The following voted against same:

none



Jeff Reinert, Mayor

Attest:



Julianne Bartell, City Clerk

**CITY COUNCIL
AGENDA ITEM 3B**

STAFF ORIGINATOR: Jeff Karlson

MEETING DATE: February 25, 2013

TOPIC: Consider 2nd Reading of Ordinance No. 06-12, Granting a
Nonexclusive Gas Franchise to CenterPoint Energy

VOTE REQUIRED: 3/5

INTRODUCTION

The City Council is being asked to consider the adoption of Ordinance No. 06-12, granting a nonexclusive gas franchise to CenterPoint Energy for a 20-year period. The first reading of the ordinance was approved on February 11, 2013.

BACKGROUND

The City's 25-year franchise agreement with CenterPoint Energy expired on the same day as Circle Pines/Centennial Utilities, which was March 31, 2012. The City was able to reach a settlement with Centennial Utilities last October, which included a four percent franchise fee.

The gas franchise with CenterPoint is nearly identical to Centennial Utilities' except that CenterPoint customers in Lino Lakes will not be charged a franchise fee; however, the City Council reserves the right to impose a franchise fee with the condition that similar fees are charged to other gas utilities. The only other gas utility operating in Lino Lakes is Xcel Energy.

RECOMMENDATION

Staff is recommending: adoption of the 2nd reading of Ordinance No. 06-12, granting a nonexclusive franchise to CenterPoint Energy; and (2) adoption of Resolution No. 13-19, approving a summary of Ordinance No. 06-12 for publication.

ATTACHMENTS

Ordinance No. 06-12
Resolution No. 13-19

1 st Reading:	Publication:
2 nd Reading:	Effective:

CenterPoint Energy Gas Franchise Ordinance

ORDINANCE NO. 6-12

CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA

AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP., d/b/a CENTERPOINT ENERGY MINNESOTA GAS (“CENTERPOINT ENERGY”), ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF LINO LAKES, ANOKA, COUNTY, MINNESOTA, FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF

THE CITY COUNCIL OF THE CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA, DOES ORDAIN:

SECTION 1. DEFINITIONS

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Lino Lakes, County of Anoka, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

Company. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy”) its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this Franchise.

Gas Energy. Gas Energy includes both retail and wholesale natural, manufactured or mixed gas.

**Northern States Power Company Utilities Gas Franchise Ordinance
CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA ORDINANCE NO. __-__**

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA MUNICIPAL CORPORATION, ITS PERMITTED SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND PUBLIC GROUND OF THE CITY OF LINO LAKES, MINNESOTA, FOR SUCH PURPOSE; AND PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF.

THE CITY COUNCIL OF LINO LAKES ORDAINS:

SECTION 1. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 City. The City of Lino Lakes, County of Anoka, State of Minnesota.

1.2 City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

1.3 Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

1.4 Company. Northern States Power Company, a Minnesota corporation, its successors and assigns permitted by the City including all successors or assigns that own or operate any part or parts of the Gas Facilities or system subject to this Franchise.

1.5 Franchise or Ordinance. This Ordinance, which grants the Franchise to the Company to provide retail natural gas service to customers in the City under the terms and conditions herein.

1.6 Gas Facilities or System. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing gas energy for public or private use in the City.

1.7 Notice. A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to the Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, 200 Civic Heights Circle, Circle Pines, Minnesota 55014. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is not a Public Way but is held for use in common by the public.

1.9 Public Way. Any public right-of-way within the City as defined by Minnesota Statutes, Section 237.162, subd. 3.

1.10 Right-of-Way Ordinance. Chapter 304 of the City Code, as it may be amended from time to time, titled Administration and Regulation of Public Right-of-Way.

SECTION 2. ADOPTION OF FRANCHISE

2.1 Grant and Acceptance of Franchise. The City hereby grants the Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the nonexclusive right to import, manufacture, distribute and sell gas for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. This right includes the provision of Gas that is (i) manufactured by the Company or its affiliates and delivered by the Company, (ii) purchased and delivered by the Company or (iii) purchased from another source by the retail customer and delivered by the Company. For these purposes, the Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be adopted by separate ordinance. The Company accepts the grant and agrees to comply with this Ordinance.

2.2 Effective Date: Written Acceptance. This franchise agreement shall be in force and effect from and after approval of this Ordinance, its acceptance by the Company, and its publication as required by law. The City, by Council resolution, may revoke this Franchise if the Company does not file a written acceptance with the City within 90 days after publication.

2.3 Service and Gas Rates. The service to be provided and the rates to be charged by the Company for gas service in the City are subject to the jurisdiction of the Commission.

2.4 Publication Expense. The Company shall pay the expense of a summary publication of this Ordinance.

2.5 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder or is otherwise in breach of the Franchise, the complaining party shall notify the other party in writing of the default and the desired remedy. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the Notice, the parties may mediate by jointly selecting a mediator to facilitate further discussion. The parties will equally share the fees and expenses of the mediator. If either party objects to use of a mediator or a mutually acceptable mediator cannot be obtained, either party may commence an action in Anoka County District Court to interpret and enforce this Franchise and/or seek such other relief as permitted by law or equity.

2.6 **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of the new franchise by the expiration of the term set forth in Section 2.1, the Franchise shall automatically continue based on the same terms for a period of no more than one year but may be terminated with or without cause by either party upon ninety (90) days written notice.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1 **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt the operation of any City Utility System. Gas Facilities may be located on or in Public Grounds as determined by the City and as they presently exist on the date of the adoption of this Ordinance. The Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Gas Facilities shall be subject to other reasonable regulations of the City consistent with authority granted to the City to manage its Public Ways and Public Grounds under state law, and to the extent not inconsistent with a specific term of this Franchise.

3.2 **Public Way Openings.** Except as otherwise approved by the City in writing, all new Gas Facilities installed by the Company within the Public Way shall be located within that portion of the Public Way designated for drainage and utility purposes, including dedicated drainage and utility easements, and shall not be located within the traveled roadway, paved street surface, or areas primarily intended for vehicular traffic. Installation of new Gas Facilities within the traveled roadway or paved street surface of a Public Way is prohibited unless the City determines that placement within the drainage and utility portion of the Public Way is impracticable or infeasible. For any Gas Facilities that are lawfully located within the traveled roadway or other portions of the Public Way outside the drainage and utility area, whether existing or approved by the City under this Section, the Company shall not open or disturb the surface of any Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. The Company may, however, open and disturb the surface of any Public Way without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email, or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3 **Public Ground.** Any use of Public Grounds shall require, in addition to any permit required under the Right-of-Way Ordinance, a separate written easement or license agreement approved by the City Council in its sole discretion. The City shall have no obligation to grant such approval, and denial shall not constitute a breach of this Franchise.

3.4 **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances. The Company shall restore the Public Ground to a condition as good as formerly existed, and shall maintain the restoration in good condition for two years thereafter. All work shall be completed as promptly as weather permits, and if the Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have the right, after

demand to the Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, to make the restoration of the Public Ground at the expense of the Company. The Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3. The Company shall also post a construction performance bond consistent with the provisions of Minnesota Rules, parts 7819.3000 and 7819.0100, subpart 6.

3.5 Avoid Damage to Gas Facilities. The Company must take reasonable measures to prevent Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Gas Facilities, if given reasonable notice by the City of such work prior to its commencement. The City must take reasonable measures to prevent damage to the Gas Facilities or system during any work performed by the City; its staff or its agents.

3.6 Notice of Improvements to Streets. The City will give the Company reasonable notice of plans for improvements to Public Ways where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The Notice shall contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) time when the City will start the work, and (v) if more than one Public Way is involved, the order in which the work is to proceed. The Notice will be given to the Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit the Company to make any additions, alterations or repairs to its Gas Facilities the Company deems necessary.

3.7 Mapping Information. The Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules, Parts 7819.4000 and 7819.4100 and the Right-of-Way Ordinance.

3.8 Relocation for City or County Projects. The Company shall, at its sole cost and expense, promptly relocate, remove, or adjust any Gas Facilities located within a Public Way under the jurisdiction of the City or Anoka County when such relocation is required for a City or County public improvement project, including but not limited to utility, street, drainage, or transportation projects. No compensation shall be due from the City for such relocation, except as otherwise required by state or federal law. This obligation shall apply regardless of whether the Gas Facilities were installed before or after adoption of this Franchise.

3.9 Developer-Initiated Improvements. Notwithstanding the foregoing, when a private developer undertakes work within a Public Way that is required by or primarily benefits the City, the Company shall not require the developer to pay for the relocation of Gas Facilities, unless the relocation is necessitated solely by the developer's private improvements and not by a City-required project.

SECTION 4. RELOCATIONS

4.1 Relocation in Public Ways. The Company shall comply with Minnesota Rules,

Part 7819.3100 and applicable City ordinances consistent with law.

4.2 Relocation in Public Grounds. The City may require the Company at the Company's expense to relocate or remove its Gas Facilities from Public Ground upon a finding by the City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Relocation shall comply with applicable city ordinances consistent with law.

4.3 Projects with Federal Funding. Relocation, removal, or rearrangement of any Company Gas Facilities made necessary because of the extension into or through the City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46.

SECTION 5. INDEMNIFICATION

5.1 Indemnity of City. The Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the unsafe construction, maintenance, repair, inspection, the issuance of permits, or the negligent operation of the Gas Facilities located in the Public Ways and/or Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence, or otherwise wrongful act or omission, except that the Company shall indemnify and defend the City for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, the Company's plans or work. This franchise agreement shall not be interpreted to constitute a waiver by the Company of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

5.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if Notice thereof is promptly given to the Company within a period wherein the Company is not prejudiced by lack of such Notice. If the Company is required to indemnify and defend, it will thereafter have control of such litigation, but the Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 6. VACATION OF PUBLIC WAYS

The City shall give the Company at least two (2) weeks prior Notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, Part 7819.3200 and applicable ordinances consistent with law.

SECTION 7. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this

Ordinance. Any governmental unit succeeding the City shall, without the consent of the Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. FRANCHISE FEE

8.1 **Right and Form.** During the term of the franchise hereby granted, and in addition to permit fees being imposed or that the City has a right to impose, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis, or (iii) a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class or combine the methods described in (i) – (iii) above in assessing the fee. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City's required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City and reimburse the City's reasonable fees and costs in reviewing and implementing the formula. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and each review will not delay the implementation of the City-imposed fee.

8.2 **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least thirty (30) days after written notice enclosing such proposed ordinance has been served upon the Company. The fee shall become effective ten (10) days after written notice enclosing such adopted ordinance has been served upon the Company by certified mail.

8.3 **Collection of Fee.** The City acknowledges that the Company may collect the Franchise Fee from customers in the City. The City reserves the right to establish and modify from time to time, the rate design of the fee collected from customers of different classes. Fees shall be payable not less than quarterly during complete billing months of the period for which payment are to be made. The Franchise Fee formula may be changed from time to time; however, the change shall meet the same notice requirements and the fee may not be changed more often than annually, and must comply with the terms of this Ordinance. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's Franchise Fee records.

8.4 **Continuation of Franchise Fee.** If the City and the Company are unable to agree on the terms of a new franchise by the expiration of the term set forth in Section 2.1, the Franchise Fee shall automatically continue based on the same terms for a period of no more than one year unless the Franchise is terminated earlier pursuant to Section 2.6 of this Franchise.

SECTION 9. ABANDONED FACILITIES

The Company shall comply with City ordinances, Minnesota Statutes, Sections 216D.01 et seq. and Minnesota Rules, Part 7819.3300, as they may be amended from time to time. The

Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City’s request, and comply with the location requirements of Minnesota Statutes, Section 216D.04 with respect to all Gas Facilities, including abandoned and retired Gas Facilities.

In addition, whenever the Company undertakes any repair, excavation, construction, installation, or boring activity within a Public Way or Public Ground, including but not limited to the boring or installation of a new gas line, the Company shall, at its sole cost and expense, remove any abandoned or retired Facilities located within the area of such work. For purposes of this Section, “excavation” includes any activity that digs into or in any way physically disturbs or penetrates any part of the Public Way or Public Ground, whether the work is initiated by the City or by the Company.

SECTION 10. ADDITIONAL PROVISIONS OF ORDINANCE

10.1 **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 **Limitation on Applicability.** This Ordinance shall not in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of this Franchise or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

10.3 **No Waiver.** The Company shall not be excused from performing the terms of this Ordinance due to the City’s failure to enforce its rights hereunder.

10.4 **Data.** All “data” provided to the City in connection with this Franchise shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

SECTION 11. AMENDMENT PROCEDURE

This Ordinance may be amended at any time by the mutual consent of the City and the Company by City adoption of an amendatory ordinance, which shall become effective upon the Company consent filed with the City within 60 days after the effective date of the amendatory ordinance.

SECTION 12. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous franchise granted to the Company or its predecessor.

Passed and approved: _____, 2026.

Mayor

Attest:

City Clerk

Date Published: _____

**Northern States Power Company Utilities Electric Franchise Ordinance
CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA ORDINANCE NO. __-__**

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA MUNICIPAL CORPORATION, ITS PERMITTED SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF LINO LAKES, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF LINO LAKES ORDAINS:

SECTION 1. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 City. The City of Lino Lakes, County of Anoka, State of Minnesota.

1.2 City Utility System. Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

1.3 Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

1.4 Company. Northern States Power Company, a Minnesota corporation, its successors and assigns permitted by the City including all successors or assigns that own or operate any part or parts of the Electric Facilities or system subject to this Franchise.

1.5 Franchise or Ordinance. This Ordinance, which grants the Franchise to the Company to provide electrical distribution services to customers in the City under the terms and conditions herein.

1.6 Electric Facilities. Electric transmission and distribution towers, poles, lines, guylines, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

1.7 Notice. A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, 200 Civic Heights Circle, Circle Pines, Minnesota 55014. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is not a Public Way but is held for use in common by the public.

1.9 Public Way. Any public right-of-way within the City as defined by Minnesota Statutes, Section 237.162, subd. 3.

1.10 Right-of-Way Ordinance. Chapter 304 of the City Code, as it may be amended from time to time, titled Administration and Regulation of Public Right-of-Way.

SECTION 2. ADOPTION OF FRANCHISE

2.1 Grant and Acceptance of Franchise. The City hereby grants the Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the non-exclusive right to transmit and furnish electric energy for light, heat and power for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be adopted by the City pursuant to ordinance. The Company accepts the grant and agrees to comply with this Ordinance.

2.2 Effective Date: Written Acceptance. This franchise agreement shall be in force and effect from and after approval of this Ordinance, its acceptance by the Company, and its publication as required by law. The City, by Council resolution, may revoke this franchise agreement if the Company does not file a written acceptance with the City within 90 days after publication.

2.3 Service, Rates and Area. The service to be provided and the rates to be charged by the Company for electric service in the City are subject to the jurisdiction of the Commission. The area within the City in which the Company may provide electric service is subject to the provisions of Minnesota Statutes, Sections 216B. 37 - .40.

2.4 Publication Expense. The Company shall pay the expense of a summary publication of this Ordinance.

2.5 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder or is otherwise in breach of the Franchise, the complaining party shall notify the other party in writing of the default and the desired remedy. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the Notice, the parties may mediate by jointly selecting a mediator to facilitate further discussion. The parties will equally share the fees and expenses of the mediator. If either party objects to use of a mediator or a mutually acceptable mediator cannot be obtained, either party may commence an action in Anoka County District Court to interpret and enforce this Franchise and/or seek such other relief as permitted by law or equity.

2.6 **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of the new franchise by the expiration of the term set forth in Section 2.1, the Franchise shall automatically continue based on the same terms for a period of no more than one year but may be terminated with or without cause by either party upon ninety (90) days written notice.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1 **Location of Facilities.** Electric Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt the operation of any City Utility System. Electric Facilities may be located on or in Public Grounds as determined by the City and as they presently exist on the date of the adoption of this ordinance. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to other reasonable regulations of the City consistent with authority granted to the City to manage its Public Ways and Public Grounds under state law, and to the extent not inconsistent with a specific term of this Franchise.

3.2 **Public Way Openings.** Except as otherwise approved by the City in writing, all new Electric Facilities installed by the Company within the Public Way shall be located within that portion of the Public Way designated for drainage and utility purposes, including dedicated drainage and utility easements, and shall not be located within the traveled roadway, paved street surface, or areas primarily intended for vehicular traffic. Installation of new Electric Facilities within the traveled roadway or paved street surface of a Public Way is prohibited unless the City determines that placement within the drainage and utility portion of the Public Way is impracticable or infeasible. For any Electric Facilities that are lawfully located within the traveled roadway or other portions of the Public Way outside the drainage and utility area, whether existing or approved by the City under this Section, the Company shall not open or disturb the surface of any Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. The Company may, however, open and disturb the surface of any Public Way without a permit if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) Company gives telephone, email, or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3 **Public Ground.** Any use of Public Grounds shall require, in addition to any permit required under the Right-of-Way Ordinance, a separate written easement or license agreement approved by the City Council in its sole discretion. The City shall have no obligation to grant such approval, and denial shall not constitute a breach of this Franchise.

3.4 **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances. The Company shall restore the Public Ground to a condition as good as formerly existed, and shall maintain the restoration in good condition for two years thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and

material, and put the Public Ground in the said condition, the City shall have the right, after demand to the Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, to make the restoration of the Public Ground at the expense of the Company. The Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3. The Company shall also post a construction performance bond consistent with the provisions of Minnesota Rules, parts 7819.3000 and 7819.0100, subpart 6.

3.5 Shared Use of Poles. The Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities whenever such use will not interfere with the use of such poles or towers by the Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by the Company because of such use by City.

3.6 Avoid Damage to Electric Facilities. The Company must take reasonable measures to prevent Electric Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Electric Facilities from damage that could be inflicted on the Electric Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Electric Facilities, if given reasonable notice by the City of such work prior to its commencement. The City must take reasonable measures to prevent damage to the Electric Facilities or system during any work performed by the City, its staff or its agents.

3.7 Notice of Improvements to Streets. The City will give the Company reasonable notice of plans for improvements to Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The Notice shall contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) time when the City will start the work, and (v) if more than one Public Way is involved, the order in which the work is to proceed. The Notice will be given to the Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Electric Facilities the Company deems necessary.

3.8 Mapping Information. The Company must promptly provide complete and accurate mapping information for any of its Electric Facilities in accordance with the requirements of Minnesota Rules, Parts 7819.4000 and 7819.4100 and the Right-of-Way Ordinance.

3.9 Relocation for City or County Projects. The Company shall, at its sole cost and expense, promptly relocate, remove, or adjust any Electric Facilities located within a Public Way and/or Public Ground under the jurisdiction of the City or Anoka County when such relocation is required for a City or County public improvement project, including but not limited to utility, street, drainage, or transportation projects. No compensation shall be due from the City for such relocation, except as otherwise required by state or federal law. This obligation shall apply regardless of whether the Electric Facilities were installed before or after adoption of this Franchise.

3.10 **Developer-Initiated Improvements.** Notwithstanding the foregoing, when a private developer undertakes work within a Public Way that is required by or primarily benefits the City, the Company shall not require the developer to pay for the relocation of Electric Facilities, unless the relocation is necessitated solely by the developer's private improvements and not by a City-required project.

SECTION 4. RELOCATIONS

4.1 **Relocation in Public Ways.** The Company shall comply with Minnesota Rules, Part 7819.3100 and applicable City ordinances consistent with law.

4.2 **Relocation in Public Grounds.** The City may require the Company at the Company's expense to relocate or remove its Electric Facilities from Public Ground upon a finding by the City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Relocation shall comply with applicable city ordinances consistent with law.

4.3 **Projects with Federal Funding.** Relocation, removal, or rearrangement of any Company Electric Facilities made necessary because of the extension into or through the City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46.

SECTION 5. INDEMNIFICATION

5.1 **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the unsafe construction, maintenance, repair, inspection, the issuance of permits, or the negligent operation of the Electric Facilities located in the Public Ways and/or Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence, or otherwise wrongful act or omission, except that the Company shall indemnify and defend the City for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, the Company's plans or work. This franchise agreement shall not be interpreted to constitute a waiver by the Company of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

5.2 **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, the Company at its sole cost and expense shall defend the City in such suit if Notice thereof is promptly given to the Company within a period wherein Company is not prejudiced by lack of such Notice. If the Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 6. VACATION OF PUBLIC WAYS

The City shall give the Company at least two (2) weeks prior Notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, Part 7819.3200 and applicable ordinances consistent with law.

SECTION 7. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of the Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. FRANCHISE FEE

8.1 **Right and Form.** During the term of the franchise hereby granted, and in addition to permit fees being imposed or that the City has a right to impose, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis, or (iii) a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City. The formula for a franchise fee based on units of energy delivered may incorporate both commodity and demand units. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class or combine the methods described in (i) – (iii) above in assessing the fee. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City's required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City and reimburse the City's reasonable fees and costs in reviewing and implementing the formula. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and each review will not delay the implementation of the City-imposed fee.

8.2 **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least thirty (30) days after written notice enclosing such proposed ordinance has been served upon the Company. The fee shall become effective ten (10) days after written notice enclosing such adopted ordinance has been served upon the Company by certified mail.

8.3 **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of electric energy within the City by any other electric energy supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through a previously agreed upon franchise.

8.4 **Collection of Fee.** The City acknowledges that the Company may collect the Franchise Fee from customers in the City. The City reserves the right to establish and modify

from time to time, the rate design of the fee collected from customers of different classes. Fees shall be payable not less than quarterly during complete billing months of the period for which payment are to be made. The Franchise Fee formula may be changed from time to time; however, the change shall meet the same notice requirements and the fee may not be changed more often than annually, and must comply with the terms of this Ordinance. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's Franchise Fee records.

8.5 Continuation of Franchise Fee. If the City and the Company are unable to agree on the terms of a new franchise by the expiration of the term set forth in Section 2.1, the Franchise Fee shall automatically continue based on the same terms for a period of no more than one year unless the Franchise is terminated earlier pursuant to Section 2.6 of this Franchise.

SECTION 9. SERVICE RELIABILITY, INFRASTRUCTURE REPORTING

The Company and the City shall meet annually at a mutually convenient time to discuss items of concern or interest relating to the Company's service reliability in the previous year, compared to other service areas, infrastructure plans for the coming year and other matters raised by the City or the Company. Upon request, the Company shall produce reports comparing its service record in the City to other service areas and provide, among other reasonably required data, System Average Interruption Duration Index (SAIDI), Customers Experiencing Multiple interruptions (CEMI) and municipal pumping station and general customer outage data for the previous year.

SECTION 10. ABANDONED FACILITIES

The Company shall comply with City ordinances, Minnesota Statutes, Sections 216D.01 et seq. and Minnesota Rules, Part 7819.3300, as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request, and comply with the location requirements of Minnesota Statutes, Section 216D.04 with respect to all Electric Facilities, including abandoned and retired Electric Facilities.

In addition, whenever the Company undertakes any repair, excavation, construction, installation, or boring activity within a Public Way or Public Ground, including but not limited to the boring or installation of a new electric conduit or line, the Company shall, at its sole cost and expense, remove any abandoned or retired Facilities located within the area of such work. For purposes of this Section, "excavation" includes any activity that digs into or in any way physically disturbs, penetrates any part of the Public Way or Public Ground, whether the work is initiated by the City or by the Company.

SECTION 11. ADDITIONAL PROVISIONS OF ORDINANCE

11.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this

Ordinance shall prevail.

11.2 **Limitation on Applicability.** This Ordinance shall not in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of this Franchise or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

11.3 **No Waiver.** The Company shall not be excused from performing the terms of this Ordinance due to the City's failure to enforce its rights hereunder.

11.4 **Data.** All "data" provided to the City in connection with this Franchise shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

SECTION 12. AMENDMENT PROCEDURE

This Ordinance may be amended at any time by the mutual consent of the City and the Company by City adoption of an amendatory ordinance, which shall become effective upon the Company consent filed with the City within 60 days after the effective date of the amendatory ordinance.

SECTION 13. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous franchise granted to Company or its predecessor.

Passed and approved: _____, 2026.

Mayor

Attest:

City Clerk

Date Published: _____

Connexus Energy Utilities Electric Franchise Ordinance
CITY OF LINO LAKES, ANOKA COUNTY, MINNESOTA ORDINANCE NO. __-__

AN ORDINANCE GRANTING TO CONNEXUS ENERGY, A MINNESOTA MUNICIPAL CORPORATION, ITS PERMITTED SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF LINO LAKES, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF LINO LAKES ORDAINS:

SECTION 1. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1 City. The City of Lino Lakes, County of Anoka, State of Minnesota.

1.2 City Utility System. Facilities used for providing public utility service owned or operated by the City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

1.3 Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.

1.4 Company. Connexus Energy, a Minnesota cooperative corporation, its successors and assigns.

1.5 Franchise or Ordinance. This Ordinance, which grants the Franchise to the Company to provide electrical distribution services to customers in the City under the terms and conditions herein.

1.6 Electric Facilities. Electric transmission and distribution towers, poles, lines, guylines, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

1.7 Notice. A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, 200 Civic Heights Circle, Circle Pines, Minnesota 55014. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 Public Ground. Land owned or otherwise controlled by the City for park, open

space or similar public purpose, which is not a Public Way but is held for use in common by the public.

1.9 Public Way. Any public right-of-way within the City as defined by Minnesota Statutes, Section 237.162, subd. 3.

1.10 Right-of-Way Ordinance. Chapter 304 of the City Code, as it may be amended from time to time, titled Administration and Regulation of Public Right-of-Way.

SECTION 2. ADOPTION OF FRANCHISE

2.1 Grant and Acceptance of Franchise. The City hereby grants the Company, for a period of twenty (20) years from the date this Ordinance is passed and approved by the City, the non-exclusive right to transmit and furnish electric energy for light, heat and power for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be adopted by the City pursuant to ordinance. The Company accepts the grant and agrees to comply with this Ordinance.

2.2 Effective Date: Written Acceptance. This franchise agreement shall be in force and effect from and after approval of this Ordinance, its acceptance by the Company, and its publication as required by law. The City, by Council resolution, may revoke this franchise agreement if the Company does not file a written acceptance with the City within 90 days after publication.

2.3 Service, Rates and Area. The service to be provided and the rates to be charged by the Company for electric service in the City are subject to the jurisdiction of the Commission. The area within the City in which the Company may provide electric service is subject to the provisions of Minnesota Statutes, Sections 216B. 37 - .40.

2.4 Publication Expense. The Company shall pay the expense of a summary publication of this Ordinance.

2.5 Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder or is otherwise in breach of the Franchise, the complaining party shall notify the other party in writing of the default and the desired remedy. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the Notice, the parties may mediate by jointly selecting a mediator to facilitate further discussion. The parties will equally share the fees and expenses of the mediator. If either party objects to use of a mediator or a mutually acceptable mediator cannot be obtained, either party may commence an action in Anoka County District Court to interpret and enforce this Franchise and/or seek such other relief as permitted by law or equity.

2.6 **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of the new franchise by the expiration of the term set forth in Section 2.1, the Franchise shall automatically continue based on the same terms for a period of no more than one year but may be terminated with or without cause by either party upon ninety (90) days written notice.

SECTION 3. LOCATION, OTHER REGULATIONS

3.1 **Location of Facilities.** Electric Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt the operation of any City Utility System. Electric Facilities may be located on or in Public Grounds as determined by the City and as they presently exist on the date of the adoption of this ordinance. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to other reasonable regulations of the City consistent with authority granted to the City to manage its Public Ways and Public Grounds under state law, and to the extent not inconsistent with a specific term of this Franchise.

3.2 **Public Way Openings.** Except as otherwise approved by the City in writing, all new Electric Facilities installed by the Company within the Public Way shall be located within that portion of the Public Way designated for drainage and utility purposes, including dedicated drainage and utility easements, and shall not be located within the traveled roadway, paved street surface, or areas primarily intended for vehicular traffic. Installation of new Electric Facilities within the traveled roadway or paved street surface of a Public Way is prohibited unless the City determines that placement within the drainage and utility portion of the Public Way is impracticable or infeasible. For any Electric Facilities that are lawfully located within the traveled roadway or other portions of the Public Way outside the drainage and utility area, whether existing or approved by the City under this Section, the Company shall not open or disturb the surface of any Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. The Company may, however, open and disturb the surface of any Public Way without a permit if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) Company gives telephone, email, or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two (2) business days after commencing the repair, Company shall apply for any required permits and pay any required fees.

3.3 **Public Ground.** Any use of Public Grounds shall require, in addition to any permit required under the Right-of-Way Ordinance, a separate written easement or license agreement approved by the City Council in its sole discretion. The City shall have no obligation to grant such approval, and denial shall not constitute a breach of this Franchise.

3.4 **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances. The Company shall restore the Public Ground to a condition as good as formerly existed, and shall maintain the restoration in good condition for two years thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have the right, after

demand to the Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, to make the restoration of the Public Ground at the expense of the Company. The Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3. The Company shall also post a construction performance bond consistent with the provisions of Minnesota Rules, parts 7819.3000 and 7819.0100, subpart 6.

3.5 Shared Use of Poles. The Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities whenever such use will not interfere with the use of such poles or towers by the Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by the Company because of such use by City.

3.6 Avoid Damage to Electric Facilities. The Company must take reasonable measures to prevent Electric Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Electric Facilities from damage that could be inflicted on the Electric Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Electric Facilities, if given reasonable notice by the City of such work prior to its commencement. The City must take reasonable measures to prevent damage to the Electric Facilities or system during any work performed by the City, its staff or its agents.

3.7 Notice of Improvements to Streets. The City will give the Company reasonable notice of plans for improvements to Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The Notice shall contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) time when the City will start the work, and (v) if more than one Public Way is involved, the order in which the work is to proceed. The Notice will be given to the Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Electric Facilities the Company deems necessary.

3.8 Mapping Information. The Company must promptly provide complete and accurate mapping information for any of its Electric Facilities in accordance with the requirements of Minnesota Rules, Parts 7819.4000 and 7819.4100 and the Right-of-Way Ordinance.

3.9 Relocation for City or County Projects. The Company shall, at its sole cost and expense, promptly relocate, remove, or adjust any Electric Facilities located within a Public Way and/or Public Ground under the jurisdiction of the City or Anoka County when such relocation is required for a City or County public improvement project, including but not limited to utility, street, drainage, or transportation projects. No compensation shall be due from the City for such relocation, except as otherwise required by state or federal law. This obligation shall apply regardless of whether the Electric Facilities were installed before or after adoption of this Franchise.

3.10 **Developer-Initiated Improvements.** Notwithstanding the foregoing, when a private developer undertakes work within a Public Way that is required by or primarily benefits the City, the Company shall not require the developer to pay for the relocation of Electric Facilities, unless the relocation is necessitated solely by the developer's private improvements and not by a City-required project.

SECTION 4. RELOCATIONS

4.1 **Relocation in Public Ways.** The Company shall comply with Minnesota Rules, Part 7819.3100 and applicable City ordinances consistent with law.

4.2 **Relocation in Public Grounds.** The City may require the Company at the Company's expense to relocate or remove its Electric Facilities from Public Ground upon a finding by the City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Relocation shall comply with applicable city ordinances consistent with law.

4.3 **Projects with Federal Funding.** Relocation, removal, or rearrangement of any Company Electric Facilities made necessary because of the extension into or through the City of a federally aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46.

SECTION 5. INDEMNIFICATION

5.1 **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the unsafe construction, maintenance, repair, inspection, the issuance of permits, or the negligent operation of the Electric Facilities located in the Public Ways and/or Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence, or otherwise wrongful act or omission, except that the Company shall indemnify and defend the City for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, the Company's plans or work. This franchise agreement shall not be interpreted to constitute a waiver by the Company of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

5.2 **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, the Company at its sole cost and expense shall defend the City in such suit if Notice thereof is promptly given to the Company within a period wherein Company is not prejudiced by lack of such Notice. If the Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 6. VACATION OF PUBLIC WAYS

The City shall give the Company at least two (2) weeks prior Notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, Part 7819.3200 and applicable ordinances consistent with law.

SECTION 7. CHANGE IN FORM OF GOVERNMENT

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of the Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. FRANCHISE FEE

8.1 **Right and Form.** During the term of the franchise hereby granted, and in addition to permit fees being imposed or that the City has a right to impose, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis, or (iii) a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City. The formula for a franchise fee based on units of energy delivered may incorporate both commodity and demand units. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class or combine the methods described in (i) – (iii) above in assessing the fee. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City's required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City and reimburse the City's reasonable fees and costs in reviewing and implementing the formula. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and each review will not delay the implementation of the City-imposed fee.

8.2 **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least thirty (30) days after written notice enclosing such proposed ordinance has been served upon the Company. The fee shall become effective ten (10) days after written notice enclosing such adopted ordinance has been served upon the Company by certified mail.

8.3 **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of electric energy within the City by any other electric energy supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through a previously agreed upon franchise.

8.4 **Collection of Fee.** The City acknowledges that the Company may collect the Franchise Fee from customers in the City. The City reserves the right to establish and modify from time to time, the rate design of the fee collected from customers of different classes. Fees

shall be payable not less than quarterly during complete billing months of the period for which payment are to be made. The Franchise Fee formula may be changed from time to time; however, the change shall meet the same notice requirements and the fee may not be changed more often than annually, and must comply with the terms of this Ordinance. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's Franchise Fee records.

8.5 Continuation of Franchise Fee. If the City and the Company are unable to agree on the terms of a new franchise by the expiration of the term set forth in Section 2.1, the Franchise Fee shall automatically continue based on the same terms for a period of no more than one year unless the Franchise is terminated earlier pursuant to Section 2.6 of this Franchise.

SECTION 9. SERVICE RELIABILITY, INFRASTRUCTURE REPORTING

The Company and the City shall meet annually at a mutually convenient time to discuss items of concern or interest relating to the Company's service reliability in the previous year, compared to other service areas, infrastructure plans for the coming year and other matters raised by the City or the Company. Upon request, the Company shall produce reports comparing its service record in the City to other service areas and provide, among other reasonably required data, System Average Interruption Duration Index (SAIDI), Customers Experiencing Multiple interruptions (CEMI) and municipal pumping station and general customer outage data for the previous year.

SECTION 10. ABANDONED FACILITIES

The Company shall comply with City ordinances, Minnesota Statutes, Sections 216D.01 et seq. and Minnesota Rules, Part 7819.3300, as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request, and comply with the location requirements of Minnesota Statutes, Section 216D.04 with respect to all Electric Facilities, including abandoned and retired Electric Facilities.

In addition, whenever the Company undertakes any repair, excavation, construction, installation, or boring activity within a Public Way or Public Ground, including but not limited to the boring or installation of a new electric conduit or line, the Company shall, at its sole cost and expense, remove any abandoned or retired Facilities located within the area of such work. For purposes of this Section, "excavation" includes any activity that digs into or in any way physically disturbs, penetrates any part of the Public Way or Public Ground, whether the work is initiated by the City or by the Company.

SECTION 11. ADDITIONAL PROVISIONS OF ORDINANCE

11.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

11.2 **Limitation on Applicability.** This Ordinance shall not in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of this Franchise or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

11.3 **No Waiver.** The Company shall not be excused from performing the terms of this Ordinance due to the City's failure to enforce its rights hereunder.

11.4 **Data.** All "data" provided to the City in connection with this Franchise shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

SECTION 12. AMENDMENT PROCEDURE

This Ordinance may be amended at any time by the mutual consent of the City and the Company by City adoption of an amendatory ordinance, which shall become effective upon the Company consent filed with the City within 60 days after the effective date of the amendatory ordinance.

SECTION 13. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous franchise granted to Company or its predecessor.

Passed and approved: _____, 2026.

Mayor

Attest:

City Clerk

Date Published: _____

**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 8.**

STAFF ORIGINATOR: Curt Boehme , Chief of Police

MEETING DATE June 1, 2026

AGENDA ITEM: Consider Ordinance Amendment to Restrict the Sale of Flavored Vape and Tobacco Products

VOTE REQUIRED:

INTRODUCTION

On April 27, 2026, Nathan N., a high school student, spoke during the public comment portion of the City Council meeting and asked the Council to consider adopting a city ordinance restricting the sale of flavored vape and tobacco products. The City Council requested additional information regarding the potential regulation of flavored tobacco and vape products in the city.

BACKGROUND

The Family Smoking Prevention and Tobacco Control Act signed into law in June 2009, gave the Food and Drug Administration authority to regulate the manufacture, distribution, and marketing of tobacco products which included a ban on the sale of cigarettes containing flavors other than menthol. The ban on flavors did not apply to other commercial tobacco products such as cigars, chewing tobacco, e-cigarettes, or vape products.

In August 2020, Minnesota Statute 609.685 went into effect and raised the minimum sales age for all tobacco products from 18 to 21, but the new law did not address the sale of flavored products. However, the law did allow local governments to adopt ordinances imposing regulations on flavored tobacco products. Since the change, several Minnesota cities have adopted ordinances restricting the sale of flavored tobacco products.

According to the Association of Nonsmokers–Minnesota, in 2026 nearby cities such as Shoreview, Arden Hills, Fridley, and Columbia Heights have enacted policies that prohibit or restrict the sale of flavored tobacco and/or e-cigarettes. See the attached document for additional details.

Staff reviewed various city ordinances and found that some cities, such as Shoreview, have implemented a near-complete prohibition on the sale of flavored tobacco products. Others, such as Fridley, prohibited the sale of flavored tobacco products unless the retailer holds a

Tobacco Product Shop license; though, the city does limit the number of such licenses to five within the city.

Shoreview, Ordinance Article XII, Section 10-380

No person shall sell, offer for sale, or otherwise distribute any flavored products. This restriction does not apply to retail establishments licensed as of May 18, 2021, that:

- (1) Prohibit persons under 21 years of age from entering at all times; and
- (2) Derive at least 90 percent of their revenues from the sale of licensed products; and

Fridley, Ordinance 701.05 (6)

No person or retailer may sell or offer for sale any flavored tobacco products unless the person or retailer holds a Tobacco Product Shop License.

Additional research was conducted to determine whether neighboring cities have restricted or prohibited the sale of flavored tobacco products. Currently, Circle Pines, Lexington, Centerville, Blaine, Columbus, Hugo, and Forest Lake do not have ordinances in place that restrict the sale of flavored tobacco products.

Staff contacted the League of Minnesota Cities (LMC) and inquired if they were aware of challenges or lawsuits brought by businesses against cities that have already enacted ordinances. The LMC noted that although there had been previous lawsuits and temporary delays in implementing similar bans, those cases were ultimately resolved, and the bans are now fully in effect.

BUSINESS IMPACTS

If the City were to implement restrictions, approximately 12 businesses would be affected.

1. Casey's General Store
2. Corner Express (Snak Atak)
3. Bill's Superette
4. Holiday Stationstore
5. Kwik Trip
6. Lino Lakes Quick Stop
7. Lino Lakes Tobacco & Vape
8. Chomonix Golf Course
9. G-Will Liquors
10. Lakes 1 Stop (Holiday)
11. AK Smoke Zone
12. JP's Liquor Wine & Beer

RECOMMENDATION

Staff is seeking direction from the Council on whether to proceed with:

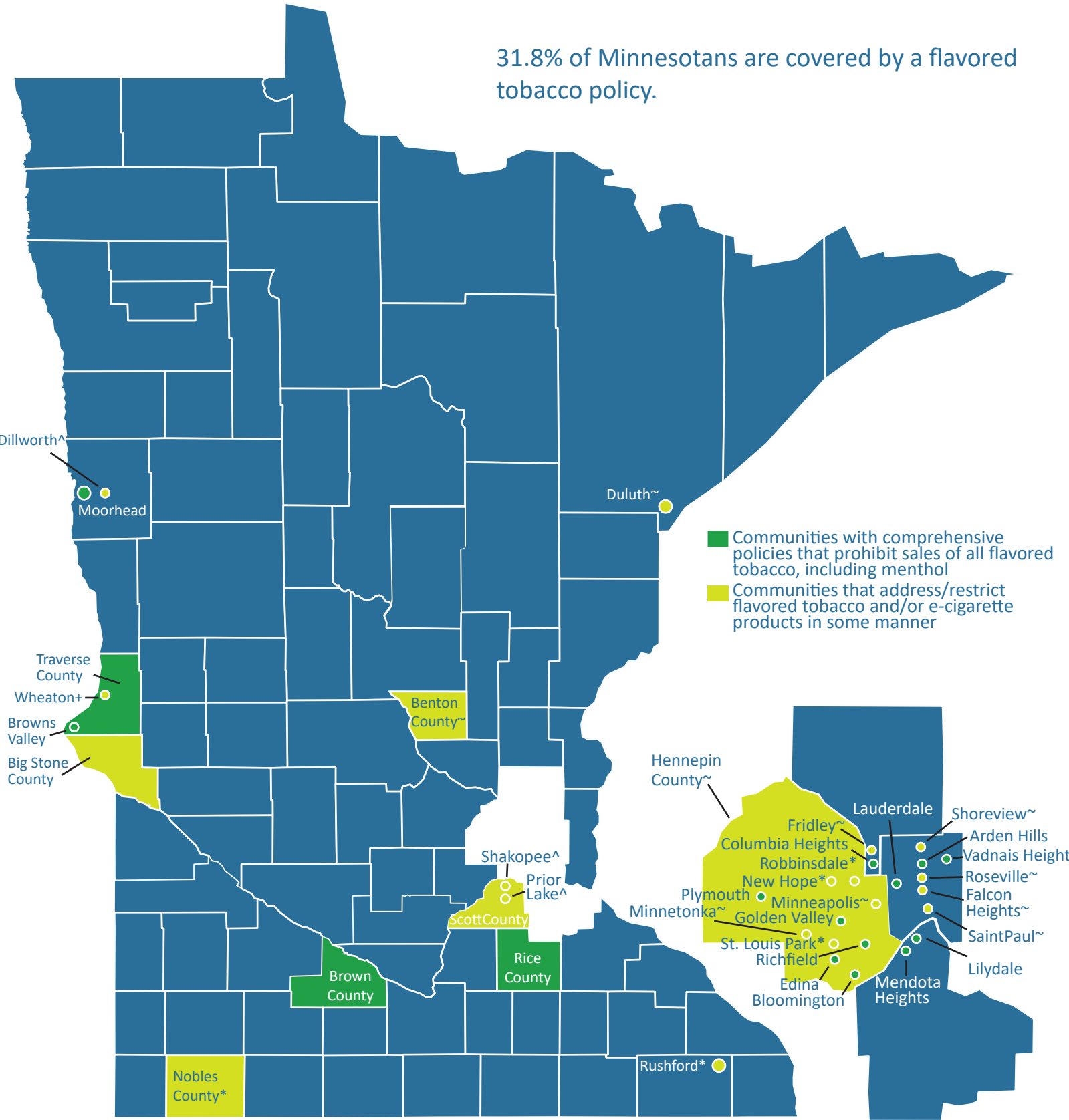
- Drafting a city ordinance that incorporates city-specific restrictions or discontinuing further efforts.
- If the Council requests a draft ordinance, identifying any specific exceptions or restrictions the Council would like included.
- If the City Council requests a draft ordinance, direct staff to notify current tobacco license holders and provide an opportunity for feedback either through a survey or public input period at a future meeting.

ATTACHMENTS

1. Association for Nonsmokers-Minnesota Minnesota Flavor Policy Map

Minnesota communities addressing the sale of flavored commercial tobacco products

31.8% of Minnesotans are covered by a flavored tobacco policy.



**CITY COUNCIL
STAFF REPORT
AGENDA ITEM 9**

STAFF ORIGINATOR: Michael Grochala, Community Development Director

MEETING DATE: June 1, 2026

AGENDA ITEM: City Recreation Complex Development Update

INTRODUCTION

Staff is providing an update on the development of the City recreation complex.

BACKGROUND

At the March 2, 2026, City Council work session the City Council discussed the possibility of selling a portion of the City's Recreation Complex land to a private entity, with the requirement that it be used for recreational purposes. The intent is to have a private group construct a private recreational facility that would generate activity on the site and provide seed money for additional public park improvements. The consensus of the Council was to direct staff to investigate the feasibility of marketing a portion of the property for sale. At that time staff identified a number of items that would need to be examined as part of any consideration:

Preliminary Assessment

Confirm the legal authority to sell park land under current municipal and state laws.

- The property is owned by the City of Lino Lakes. Cities have the authority to sell land. The City Charter requires that the sale is approved by ordinance. Any proceeds are required to be used to retire any outstanding debt.

Review existing park land designations and any deed restrictions.

- Staff has not completed any title work. Review of the original purchase requirements identified some fencing requirements. A title commitment would be completed prior to a property sale.

Review land use and zoning requirements.

- The property is guided parks and open space in the City's Comprehensive Land Use Plan. Land with this designation is intended for passive or active recreational purposes or held for resource management and protection purposes. An athletic facility would be consistent with the land use.
- The zoning is currently zoned PSP, Public-Semi-Public which allows for public parks and recreation facilities.
- Depending on the scope of the private venture additional review by the City Attorney will be necessary to determine conformance with land use and zoning regulations. The addition of private offices, restaurants, etc., may require amendment of both the Comprehensive Plan and zoning of the property.
- Assess the potential impact on public access and community use. Any sale of the property would need to provide for roadway and utility improvements that provide access for the balance of the City Property.

Financial and Valuation Analysis

- Obtain an independent appraisal of the land's fair market value.

No appraisal information has been obtained to date. Developable land may range from 17,000 on the low end to 65,000 on the high end. Given the unique restrictions a sales comparison approach may not be the appropriate appraisal method. An income approach may need to be considered in determining a value.

- Analyze potential revenue against long-term community benefits and costs. Any sale proceeds would be returned to the Park Dedication fund which was used to purchase the property. Annual property taxes on a Based on a \$8.5 M building value the City could expect approximately \$38,000 a year in the City's share of taxes at current rates.
- Consider alternative funding or partnership opportunities. No additional options have been explored to date. However, based on the Park Dedication fee study completed in 2024, if implemented, would set aside 10% of each unit charge for Recreation Complex improvements. Based on a review of developments over the past 10 years, this would possibly provide up to \$400,000 in dedicated funds, while also providing an ongoing source of revenue. Additional, analysis on the park dedication fund would need to be completed to determine the availability of funds based on completed park improvements.

Negotiation and Agreement

- Define terms and conditions for the sale, including use restrictions and reversion clauses.

No action has been taken on this item.

- Determine appropriate process for advertising availability of land – staff would recommend sending out a Request for Interest to possible end users.
- Draft and review sale agreements with legal counsel.

No action has been taken

Current Status

Additionally, still unresolved from the March 2, 2026 work session are a couple of key questions that need to be addressed by the Council:

What is the City Council's development expectations for a private entity-led sports facility?

- Are there minimum size and/or component requirements? Is it a dome or just a turf field, courts, track etc.
- Is there an expectation that a facility would be open to the community for resident use? Can residents use free of charge or for nominal access fees?
- What is the end result of the land sale that the City Council is trying to achieve? Is the intent just to dispose of land, spur additional park development, or fund park development?

The City Council held a strategic planning session on March 30, 2026. The meeting resulted in the prioritization of short-term goals. Development of Tower Park dropped to an Opportunity Goal with staff exploring partnerships when opportunities arise. As a result staff has not actively sought development interest in a land purchase and has had one conversation with a potential interest group.

REQUESTED COUNCIL DIRECTION

Staff is seeking council directions regarding these questions and whether additional resources should be spent pursuing this goal at this time.

ATTACHMENTS

None.