

AGENDA

A. Call to Order

B. Pledge of Allegiance

C. Approval of Agenda

Any additions, deletions, modifications to the agenda will be done at this time.

D. Citizen Input

E. Consent Agenda

- a. Consider approving Council Minutes from the June 15th, 2026 Meeting
- b. Consider MOU for Election Resources with Wright County
- c. Consider Approving Various Personnel Changes
- d. Consider Fee Schedule Modification for HLFD Services
- e. Consider Resolution 26-09 Approving Final Plat for Howard Lake Industrial Park Plat 4
- f. Consider Accepting all Reports & Payment of Claims

F. Presentations, Public Hearings & Related Approvals

- a. Presentation of FY2025 Audit, Greg Burkhardt
- b. Good Neighbor Days 2026 Summary, Chairperson Gina Thesing
- c. Public Hearing PUD & Preliminary Plat for Lake Golf Estates

G. New Business

- a. Consider Resolution 26-10 Accepting Bid and Awarding Contract for the Water Treatment Plant Project
- b. Consider Resolution 26-11 for Preliminary Plat for Lake Golf Estates
- c. Consider Amending Purchase Agreement for Terning Trails Parcel
- d. Consider Terning Trails Twin Homes Concept Plan
- e. Consider Purchase Agreement for 513 10th Avenue
- f. Consider Fee and Scope of Services for BDPI Grant

H. Old Business

I. Administrator's Report

J. Department Reports

K. Council/Committee Report

L. Adjourn

The City Council will adjourn to a Workshop following the regular meeting.

CITY COUNCIL
MEETING MINUTES
CITY OF
HOWARD LAKE
— Est. 1878 —
JUNE 15, 2026

Call to Order

Pledge of Allegiance

Approval of Agenda

Citizen Input

Consent Agenda

Mayor Zimmerman reviewed the items on the consent agenda.

Council Member Kutz moved to approve consent agenda as presented. The motion was seconded by Council Member Deiter and Passed unanimously.

- a. **Consider approving Council Minutes from the May 18, 2026 Meeting and Minutes from the Special Council Meeting on May 27, 2026.**
- b. **Consider Accepting all Reports & Payment of Claims.**
- c. **Consider Downtown Revitalization Grant for Mr. Tire.**
- d. **Consider Various Personnel Appointments.**
- e. **Consider Approving Temporary On-Sale Liquor License and Road Closures.**
- f. **Consider Approval of Community Event Hosted by The Vintage Exchange.**

Presentations, Public Hearings & Related Approvals

- a. **Public Hearing: HLPD Body Worn Camera Policy.**

Close regular meeting and open the public hearing at 7:02 pm.

Chief Thompson provided a history of the County testing body worn cameras that didn't work well. Buffalo has been testing two different types of cameras and we will look at what they decide to go with.

In order to move forward with the body worn cameras, we have to pass a Body Worn Camera Policy ahead of time. This public hearing is to review the policy.

Close the public hearing and open the regular meeting at 7:21 pm.

New Business

- a. **Consider Approving Body Worn Camera Policy for HLPD.**

Following the public hearing discussion, Council Member Deiter moved to approve Body Worn Camera Policy for HLPD. The motion was seconded by Council Member Kutz and unanimously.

b. **Consider Fee and Scope of Services with Development Services Inc. for Small Cities Development Program.**

Haggenmiller provided an overview of the staff report.

Vince Robinson, DSI, shared background of Development Services Inc and how they would be able to help residents and business owners within the city of Howard Lake.

Robinson responded to Council questions related to this program - community questionnaire, participation rate, etc.

Council Member Deiter moved to approve fee and scope of services with Development Service Inc for Small Cities Development Program. The motion was seconded by Council Member Gilbert and unanimously.

c. **Consider Approving Maintenance Project at Memorial Park Baseball Field.**

Theisen presented the staff report to Council.

Council Member Deiter shared additional information from the Parks and Planning Commission meeting on June 9th.

Gilbert amended the motion to request the quotes for the repairs.
Deiter and Gilbert will sit in a meeting with staff and Orphans members.

Council Member Deiter moved to approve maintenance project at Memorial Park Baseball Field, with a not to exceed amount of \$50,000 for fencing and electrical needs and part of the \$100,000 donor match. The motion was seconded by Council Member Gilbert and Passed unanimously.

d. **Consider Approving Street Maintenance Quotes.**

Theisen presented the staff report to Council

Council determined to table the approval waiting for additional information on pricing.

e. **Consider Closed Session Pursuant to Minn. Stat. §13D.05, Subd. 2 to Consider the Sale of Real Estate.**

Theisen started recording at 8:41 pm.
Haggenmiller reviewed the staff report.

Council discussed the possible terms of a TIF and agreed that 19 years is way too long.

Council would like to see terms of \$1.3 million and a max of 16 years of TIF.

Closed the closed session at 8:55 pm
Reopened the regular meeting at 8:55 pm

Mayor Zimmerman reviewed the discussion in the closed session.

Council Member Kutz moved to approve a \$1.3 million, 16-year TIF. The motion was seconded by Council Member/Commissioner Gilbert and Passed unanimously.

Old Business

Administrator's Report

Department Reports

Halvorson provided an update for the street project. Phase 2 bid opening is next week Thursday.

Chief Thompon shared staffing updates and helmet ice cream tickets.

Council/Committee Report

Councilmember Deiter reveiwed the Parks and Planning Meeting from June 9th.

Adjourn

Council Member Kutz moved to adjourn at 8:57 pm. The motion was seconded by Council Member Gilbert and unanimously.

Work Session began at 9:00 pm
1. Public Works Office/Storage Space
2. Grocery Store Options

Attest - City Administrator/Clerk

Mayor



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Consider Approving MOU Regarding Allocation of the Voting Operations, Technology, and Election Resources Account

SECTION: Consent

FROM: Meagan Theisen, Assistant City Administrator

BACKGROUND: Historically, municipalities within Wright County have been eligible to receive a relatively small annual allocation of VOTER Account funds, generally ranging from approximately \$400 to \$500 per year. Under the proposed MOU, participating municipalities would agree to allow Wright County to retain all VOTER Account funding allocated on behalf of the municipality. The County would continue using these funds for election-related expenses that benefit all jurisdictions, including:

- Election equipment maintenance and upgrades
- Absentee ballot mailing costs
- Ballot printing costs
- Election security improvements
- Election official training and support
- Technology maintenance and other allowable election administration expenses

The County notes that it currently only seeks reimbursement from municipalities for annual election equipment maintenance and for stand-alone municipal elections. Retaining the VOTER Account funding would help offset countywide election administration costs and allow the County to continue providing election services without seeking additional reimbursement for expenses such as absentee mailings and ballot production.

COUNCIL ACTION REQUESTED: Approve the MOU with Wright County Regarding Allocation of the Voting Operations, Technology, and Election Resources (VOTER) Account.

ATTACHMENTS: 1. MOU with Wright County

MEMORANDUM OF UNDERSTANDING

Regarding Allocation of the Voting Operations, Technology, and Election Resources (VOTER) Account (Minn. Stat. § 5.305)

This Memorandum of Understanding (“MOU”) is entered into by and between Wright County, Minnesota (“County”) and the undersigned, signatory cities and townships located within Wright County (individually, “Municipality” and collectively, “Municipalities”).

PURPOSE

The purpose of this MOU is to establish a mutual understanding regarding the allocation, administration, and use of funds distributed by the State of Minnesota to Wright County from the **Voting Operations, Technology, and Election Resources Account** (“VOTER Account”) pursuant to Minnesota Statutes § 5.305.

WHEREAS:

1. Wright County incurs significant expenses in providing election administration support, infrastructure, and services benefiting all Municipalities within the County.
2. The State of Minnesota allocates election-related funding (VOTER Account funds) to counties through Minn. Stat. § 5.305 to support election administration, technology improvements, and related operational needs.
3. The County and each Municipality within the County may agree on a distribution plan for the County to allocate some or none of the VOTER Account funds to such Municipality.
4. Absent an agreement on a plan for allocating VOTER Account funds that are received by the County, the County must follow the default allocation distribution to a Municipality as specified in Minn. Stat. § 5.305.
5. If the County follows the default allocation distribution to a Municipality as specified in Minn. Stat. § 5.305, that Municipality must do the following:
 - a. Segregate the VOTER Account funds into a county election funding account.
 - b. Use the VOTER Account funds on expenditures that are directly related to election administration and that are allowed by Minn. Stat. § 5.305.

- c. No later than December 15 of each year, submit a report to the County on the annual expenditures from the VOTER Account fund, which must include the following information:
 - i. Itemized description of each actual expenditure listed by the 12 general categories of expenditures identified in Minn. Stat. § 5.305, subdivision 5, and as it may be amended from time to time.
 - ii. An itemization of the VOTER Account funds that were spent by the Municipality in administering absentee voting or mail voting.
 - iii. The balance of the Municipality's VOTER Account funds at the end of the fiscal year.
 - iv. Potentially a certification from the Municipality that the VOTER Account funds were spent in accordance with Minn. Stat. § 5.305, subdivisions 4 and 5.
 - v. Any other information that may be required by amendments to Minn. Stat. § 5.305 or other related law.
- 6. In accordance with Minn. Stat. § 5.305, the expenditures from the Municipality's VOTER Account funds, and the purpose of each expenditure, would be provided by the County to the Minnesota Secretary of State, who will then provide the same information to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy and finance.
- 7. If a Municipality receives any VOTER Account funds, a Municipality must:
 - a. Expend staff time to create, manage, and audit a county election fund.
 - b. File with the County a detailed annual report outlining VOTER Account funds expenditures and purposes of expenditures.
 - c. Field any questions from the County, Minnesota Secretary of State, or the applicable legislative committees, on the Municipality's VOTER Account expenditures and purposes of expenditures.

NOW, THEREFORE, each Municipality that executes this MOU agrees as follows:

1. Agreement on Fund Allocation

All funds that could have been allocated by the County to the Municipality through a default allocation distribution as specified in Minn. Stat. § 5.305, or through a different agreed-upon allocation between the Municipality and County, shall:

- Be retained by Wright County; and
- Be administered and expended at the discretion of the County for allowable election-related expenses in accordance with Minn. Stat. § 5.305, as it may be amended from time to time.

2. No Distribution of VOTER Account Fund to Municipality

Each Municipality that executes this MOU acknowledges and agrees that the Municipality will get no distribution of funds from the County from the VOTER Account funds receive by the County.

3. Use of Funds by County

The funds retained by the County under this MOU will be used to support election administration within the County, including but not limited to:

- Voting systems and equipment
- Election security improvements
- Absentee and mail voting administration
- Training and support for election officials
- Technology upgrades and maintenance of election equipment
- Other allowable uses in accordance with Minn. Stat. § 5.305

4. Duration and Amendments and Termination

This MOU shall remain in effect for each signatory Municipality until: (1) amended by a mutual agreement between a Municipality and the County; (2) terminated by the County at its discretion; or (3) terminated by a Municipality.

A termination by one or more Municipalities does not terminate the MOU for remaining signatory Municipalities.

This MOU may be terminated by a Municipality. To terminate, the Municipality must provide written notice of termination that is received by the County Auditor before the Minnesota Secretary of State provides the annual allocation of the VOTER Account funds to the County. If the termination notice is received after such annual allocation, the termination will be effective for the subsequent allocation of VOTER Account funds to the County, unless otherwise agreed to by that Municipality and the County.

5. Voluntary Agreement

This MOU reflects a voluntary agreement between each signatory Municipality and the County.

6. Authorization to Execute

The individual signing this MOU on behalf of each Municipality warrants and represents that they have been duly authorized by all necessary actions, including but not limited to any required resolutions or ordinances of the Municipality, to execute this MOU and to bind the Municipality to all the terms of this MOU.

7. Multiple Counterparts

This MOU may be executed in multiple counterparts, all of which will constitute the same MOU agreement between each individual Municipality and the County.

8. Execution

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the dates indicated below.

WRIGHT COUNTY, MINNESOTA

Signature: _____

By (print name): _____

Title: _____

Date: _____

CITY/TOWNSHIP OF HOWARD LAKE

Signature: _____

By (print name): _____

Title: _____

Date: _____



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Consider Various Personnel Appointments

SECTION: New Business

FROM: City Administrator, Nick Haggemiller

BACKGROUND: Per statute, the City Administrator appoints and the City Council confirms employment classification as part of the official record. The following individuals are submitted for approval:

Confirm Appointments

Retired – Jeremy Peterson - Howard Lake Fire Department - 22 years of service.

DECISION MAKING METRICS:

FINANCIAL: This position is budgeted as part of the 2026 General Fund Budget.

LEGAL: All personnel appointments are contingent upon successful background check.

STRATEGIC PLAN: Deliver High Quality, Reliable Infrastructure and Public Services

COUNCIL ACTION REQUESTED: Approve appointments as presented.

ATTACHMENTS: N/A



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Consider Various Updates to the 2026 Fee Schedule

SECTION: New Business

FROM: Meagan Theisen, Assistant City Administrator

BACKGROUND: Below is the list of the proposed changes.

FEE	Current	Proposed	Unit
1. Fire/Ambulance Apparatus – Events	\$0	\$125	Per Unit/Per Hour

Notes/Justification

Howard Lake Fire and Ambulance

The Department determined at a recent meeting that they would like to charge for non-emergent event stand-by. Often times, event coordinators request a rescue vehicle and the ambulance to be on stand-by and the department requests a donation for this service. They would like to move to a standard fee to be billed to the event organizers. A fee of \$125 is the amount they would like to charge at this time.

ALTERNATIVE OPTIONS: Discussion

FINANCIAL: Open.

STAFF RECOMMENDATION: Approve the 2026 Fees and Charges Schedule as presented.

ATTACHMENTS: Proposed 2026 Fee Schedule



Howard Lake Fire & Ambulance Stand-By Service Policy

City of Howard Lake Fire & Ambulance Stand-By Service Policy

Purpose

The purpose of this policy is to establish a consistent process for charging fees when the Howard Lake Fire Department and/or Ambulance Service provides stand-by services at public or private events.

Policy

The Howard Lake Fire Department and Ambulance Service may provide stand-by personnel and apparatus for events when requested by an event organizer or when determined necessary by the Fire Chief or their designee to protect public health and safety.

Stand-by services are subject to the availability of personnel and equipment and shall not interfere with the department's ability to respond to emergency incidents.

Fees

A stand-by service fee shall be charged in accordance with the **City of Howard Lake Fee Schedule**.

- The fee shall be assessed **per apparatus, per hour**.
- Billing time begins when the apparatus is dispatched or leaves the station for the event and ends when the apparatus returns to service, unless otherwise approved by the Fire Chief.
- Any portion of an hour may be billed in accordance with the City's current fee schedule.
- The event organizer or requesting party is responsible for all applicable stand-by service fees.
- Billing will be completed by the City of Howard Lake.
-

Exceptions

The Fire Chief or their designee may waive or reduce the fee for City-sponsored events, governmental agencies, charitable organizations, or other circumstances when determined to be in the best interest of the City.

Administration

The Fire Chief or their designee is responsible for administering this policy and ensuring all stand-by service requests are documented and inform City staff what to bill the event coordinators, in accordance with the adopted City of Howard Lake Fee Schedule.



CITY OF HOWARD LAKE 2026 MASTER FEE SCHEDULE

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City Wide Clean Up Rates.....	3
Police Department Fees.....	3
Public Works Rates.....	3
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Liquor License Fees.....	4
Fire Response Fees.....	4

City of Howard Lake 2026 Fee Schedule

ADMINISTRATIVE	FEE	DESCRIPTION AND/OR ESCROW
Copies	\$0.25	per page
Video/DVD Copy	\$20.00	
Special Assessment Search	\$25.00	
Police Reports	\$0.25	per page
Special Meetings	\$375.00	each for City Council or P & Z
Send or Receive Faxes- Any Number	\$2.00	
Copy of Zoning Ordinance	\$35.00	.25 per page for text only
Copy of Zoning Map	\$2.00	color
Copy of Land Use Map	\$2.00	color
Copy of Subdivision Ordinance	\$35.00	\$.25 per page for text only
Copy of Comprehensive Plan	\$50.00	\$.25 per page for text only
City Map	\$5.00	color
Adult Use License Fee	\$2,000.00	(See Adult Use Ordinance)
Background Check Fee	\$500.00	(See Adult Use Ordinance)
Dog/Cat License	\$5.00	Per Year
Chicken License	\$25.00	Initial License Application
	\$10.00	Annual Renewal
Cigarette (Tobacco) License	\$50.00	
Licensing of Use of Public Property	\$100.00	
Peddlers & Solicitors Background Check	\$35.00	Per Person
Licensing of Peddlers & Solicitors	\$50.00	1 – 14 Days
	\$100.00	1 Month
Data & FOIA Requests	\$0.25	B&W Copies (Per Page)
	\$1.00	Color (per page)
	\$50.00	Staff Time (Per Hour)
Special Vehicle Permit	\$10.00	per vehicle
Short Term Rental License	\$150.00	Per Location Per Year
Short Term Rental Escrow	\$100.00	Per Application & Location
Administrative Citation	\$50.00	1 st citation
	\$100.00	2 nd & additional citations
H.L. PROPERTY RENTAL	FEE	DESCRIPTION AND/OR ESCROW
Community Room	\$150.00	6 hours or less
	\$300.00	more than 6 hours or on a Holiday
Memorial Park or Lions Park Pavilion	\$75.00	6 hours or less
	\$150.00	6 hours or more
BUILDING INSPECTIONS	FEE	DESCRIPTION AND/OR ESCROW
Single Family Residential Rental Certification	\$100.00	Initial Registration & Initial Inspection
	\$50.00	Renewal (3 years)
Multi-Family Residential Rental Certification	\$100.00	Initial Registration & Initial Inspection + \$10/unit over 4
	\$50.00	Renewal (3 years) +\$10 /unit over 4 units
Commercial/Non Maintenance Residential	FEE	DESCRIPTION AND/OR ESCROW
Plumbing Permit	\$5.00	Per fixture, minimum of \$40
HVAC/General Mechanical	\$76.00	Per Unit
Window Replacement	\$75.00	Flat Fee regardless of number of windows installed
Siding Replacement	\$76.00	
Roofing Permit	\$76.00	
Misc./Unclassified Inspections	\$76.00	
Curb & Gutter Permit	\$75.00	
Driveway Permit	\$1,000.00	Escrow (Up to \$900 Refunded)

BUILDING	FEE	DESCRIPTION AND/OR ESCROW
Valuation Based Building Permits		
Assessment Fee (New Construction)	\$50	Under \$500,000
	\$100	Over \$500,000
New Residential Valuation	\$60	Per home/permit
New Commercial Valuation	\$60	Per Structure
New Construction/Additions/Remodels	TBD	2008 Modified UBC Fee Schedule
Sheds (larger than 120 sq. ft.)	TBD	2008 Modified UBC Fee Schedule
Decks	TBD	2008 Modified UBC Fee Schedule
Garages	TBD	2008 Modified UBC Fee Schedule
Basement Finishes	TBD	2008 Modified UBC Fee Schedule
Fire Suppression Systems	TBD	2008 Modified UBC Fee Schedule
Other Building Permits	TBD	2008 Modified UBC Fee Schedule

PLANNING AND ZONING	FEE	DESCRIPTION AND/OR ESCROW
APPLICATIONS		
Sign Permits		
Insert Replacement	\$0	
Wall	\$75	
LED/Monument	TBD	1997 UBC Fee Schedule
Administrative Permit	\$75.00	\$500
Fence Permit	\$75.00	
Sheds (less than 120 square feet)	\$75.00	
Right of Way Permit	\$150.00	\$2,000 Escrow
	\$40	Per Hole Bored
Interim Use Fee	\$75.00	\$500
Annexation by Ordinance Fee	\$200.00	Plus Legal Fees & State Filing Fees
Orderly Annexation Fee		To be determined by the City Council
Land Use Plan Amendment	\$300.00	\$2,000
Rezoning	\$200.00	\$1,000
Zoning Text Amendment	\$200.00	\$1,000
Site Plan Review	\$200.00	\$500
Conditional Use Permit	\$150.00	\$500
PLANNED UNIT DEVELOPMENT		
General Plan	\$300.00	\$1,000
Final Plan	\$300.00	\$1,000
Amendments	\$250.00	\$1,000
SUBDIVISION		
Minor (3 or less lots)	\$100.00	
Preliminary Plat	\$400.00	Plus \$10/per lot 0 - 40 Acres
Final Plat	\$400.00	Plus \$10/per lot 41 - 80 Acres
Street/Alley Vacation	\$100.00	Plus Legal Fees
Utility Feasibility Study		Determined by Engineer
Street Damage Deposit	\$1,000.00	
Parkland Dedication		10% land or 10% land value
TIF District Modification	\$6,000.00	
Grading Permit	\$100.00	
		SUBDIVISION ESCROWS = 1-9 \$1000.00
		10-50 \$3000.00
		51 plus \$5000.00
VARIANCES		
Residential		\$200 + \$250 Escrow
Commercial & Industrial		\$200 + \$250 Escrow

UTILITY HOOK UP CHARGES	FEE	DESCRIPTION AND/OR ESCROW
Sewer Inspection Fee	\$100.00	
Water Inspection Fee	\$100.00	
Water Meter	¾" \$250.00 1" \$400.00	
Utility Ordinance Violations	\$100.00	(Per Month) Ie: Failure to comply with meter swap out, inspections, access etc.
Fire Hydrant Water Hook Up	\$75.00	+ water base rates & gallons used
Water Connection or Turn On Water	\$32.00	
Water Disconnection or Turn Off Water	\$32.00	
Sewer Access Charge (RES.)	\$4,500.00	
Water Access Charge (RES.)	\$3,100.00	
Sewer Access Charge (Comm./Ind.)	\$4,500.00	times residential equivalency
Water Access Charge (Comm./Ind.)	\$3,100.00	times residential equivalency
Sanitary Sewer Trunk Fee	\$4,082.00	per Acre
Water Main Area Fee	\$2,711.00	per Acre
Storm Sewer Area Fee	\$500.00	per Acre
Meter Bypass Fine	\$200.00	
Water Ban Violation	\$100.00	
City Staff Meter or Utility Inspection	\$25.00	
No Read Fee (Utility Meter)	\$20.00	To Be Removed after total Conversion
WATER AND SEWER UTILITY RATES	FEE	DESCRIPTION AND/OR ESCROW
Water	\$4.26	per 1000 gallons plus \$26.88 base rate
Wastewater Treatment Plant	\$7.41	per 1000 gallons
Sewer	\$8.87	per 1000 gallons plus \$30.87 base rate
MN Testing fee	\$0.81	per month
Storm Water	\$7.99	per month
Technology Fee	\$2.75	per month
GARBAGE/RECYCLING RATES	FEE	DESCRIPTION AND/OR ESCROW
30 Gallons/Weekly	\$10.70	per month
60 Gallons/Weekly	\$14.40	per month
90 Gallons/Weekly	\$15.80	per month
Biweekly recycling	\$2.25	per month
Service Changes	\$15.00	
CITY WIDE CLEAN UP RATES (subject to change)	FEE	DESCRIPTION AND/OR ESCROW
Appliances	\$15.00	
Small Load	\$20.00	
Medium Load	\$25.00	
Large Load	\$40.00	
X-Large Load	\$50.00	
Appliances with Freon	\$10.00	
Electronics	\$10.00	
Flat Screen TV	\$10 + \$1/Inch	
Monitors, Tube TVs	\$60.00	
Couches	\$30.00	
Small Upholstery/Cushioned Furniture	\$10.00	
Tires	\$5.00	\$10.00 w/ Rim
Mattress/Box Spring	\$30.00	\$30.00/each
POLICE DEPARTMENT FEES	FEE	DESCRIPTION AND/OR ESCROW
Off Duty Police Officer	\$60.00	per hour
Reserve Officer	\$30.00	per hour
PUBLIC WORKS	FEE	DESCRIPTION AND/OR ESCROW
City Staff	\$100.00	per person per hour
Small Truck	\$100.00	per truck per hour
Pay loader	\$100.00	per hour

PARKING VIOLATIONS	FEE	DESCRIPTION AND/OR ESCROW
Handicap Zone (MS 169.346.3)	\$208.00	
Fire Lane	\$50.00	
Snowbird	\$50.00	
Blocking Fire Hydrant	\$50.00	
No Parking 2AM to 6AM	\$50.00	
Other Parking Violations	\$50.00	
Vehicle Towing	\$150.00	
Storage of Towed Vehicle	\$10.00	per day
PUBLIC NUISANCES	FEE	DESCRIPTION AND/OR ESCROW
Weeds and Blight	\$100.00	per hour/per person + any incurred costs to abate
Sidewalk Snow Removal	\$100.00	Per hour/per person + any incurred costs to abate
Amplified Sound in Motor Vehicle	\$72.00	
Loud Party	\$96.00	
Curfew Violations (1st offense only)	\$30.00	
Dumping Trash - Small	\$68.00	
Dumping Trash - Large	\$220.00	
Open Fire Violation	\$50.00	
Snowmobile/ATV/Golf Cart Violations	\$88.00	
Loose Dog/Cat Fine	\$50.00	1st
	\$100.00	2nd
	\$150.00	3rd
LIQUOR LICENSE FEES	FEE	DESCRIPTION AND/OR ESCROW
Off Sale 3.2 Malt Liquor	\$200.00	
On Sale 3.2 Malt Liquor	\$200.00	
On Sale Wine	\$200.00	
Off Sale Intoxicating	\$200.00	
On Sale Intoxicating	\$2,000.00	
License for Set Ups	\$150.00	
Sunday Liquor	\$200.00	
Temporary On Sale Event	\$1,500.00	Unless waived by City Council
EMERGENCY RESPONSE FEES	FEE	DESCRIPTION AND/OR ESCROW
FIRE		
Engine	\$275.00	per hour (up to 4 personnel)
Ladder/Aerial	\$275.00	per hour (up to 4 personnel)
Water Tender	\$200.00	per hour (up to 2 personnel)
Heavy Rescue/Rescue/Ambulance	\$185.00	per hour (up to 2 personnel)
Command Vehicle/Utility Truck/ Grass Truck	\$85.00	per hour (up to 2 personnel)
ATV/UTV with water tank	\$50.00	per hour (up to 2 personnel)
Extra Personnel	\$15.00	per hour/per person
Fire/Ambulance Apparatus – Events	\$125.00	per hour/per vehicle
COUNTY-WIDE RESPONSE TEAMS		
Special Response Unit	\$500.00	
Fire Investigation Team	\$300.00	
PUBLIC WORKS		
Street Sweeper	\$100.00	per hour
Tipping Fees	Actual Incurred Costs	
Damages and Expenses	Actual Incurred Costs	



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Industrial Park Fourth Final Plat

SECTION: Public Hearing

FROM: Nate Sparks

ATTACHMENTS:

1. Final Plat

BACKGROUND

Between 1040 and 1050 Industries Circle, there is a remnant parcel. The intent is to take this remnant parcel and combine it with 1040 Industries Circle and extend a right-of-way along the southern end of the parcel to provide a possible extension to the west in the future. There would be a new remnant south of the new right-of-way which would be retained by the City for screening /landscaping purposes. The new lot would then be conveyed to a business to construct a building on.

The new addition of the industrial park would be the 4th plat within the park. The preliminary plat was approved in May.

COMPREHENSIVE PLAN / ZONING

The Comprehensive Plan identifies this area as industrial. The property is zoned I-2, General Industrial.

SITE PLAN / PERFORMANCE STANDARD REVIEW

Zoning Performance Standards

The property is zoned I-2 which allows for lots 40,000 square feet in area with 100 feet of width. The proposed new lot exceeds both of these standards. Construction on the lot will need to meet the minimum standards of the I-2 District.

Proposed Plat

The plat would be taking the remainder of Lot 5, Block 2 that is not developed and combining it with the portion of Lot 4, Block 2 intended to be the building site. Then there will be the right-of-way extension and the outlot south of the road. The road extension will allow for the City to expand the industrial park in the future. The proposed plat is consistent with the preliminary plat approval.

STAFF RECOMMENDATION

Staff recommends approval of the final plat, as it appears to meet code requirements.

**CITY OF HOWARD LAKE
RESOLUTION 26-09**

**RESOLUTION APPROVING A FINAL PLAT FOR
HOWARD LAKE INDUSTRIAL PARK FOURTH**

WHEREAS, there has been submitted to the City Council of the City of Howard Lake an application for a final plat at the following legally described property ("the Property"):

That part of Lots 4 and 5, Block 1, HOWARD LAKE INDUSTRIAL PARK SECOND, according to the record plat thereof, Wright County, Minnesota, lying westerly of the following described line: Commencing at the northwest corner of said Lot 5; thence North 89 degrees 33 minutes 45 seconds East, assumed bearing, along the north line of said Lot 5, a distance of 151.64 feet to the point of beginning of the line to be described; thence South 20 degrees 25 minutes 59 seconds East, a distance of 312.86 feet, to the east line of Lot 4, said line also being the right of way line of Industries Circle, as delineated and dedicated on said HOWARD LAKE INDUSTRIAL PARK SECOND and there terminating; and

WHEREAS, the plat proposes to create one buildable parcel, extend a public right-of-way, and create an outlot; and

WHEREAS, the City Council approved the preliminary plat on May 27, 2026; and

WHEREAS, the City Council by this resolution desires to set forth its findings and ruling with respect to the application; and

WHEREAS, finds that the proposed final plat generally meets the requirements of the Howard Lake Zoning and Subdivision Ordinances; and

NOW THEREFORE, BE IT RESOLVED that the City Council approves the final plat for Howard Lake Industrial Park Fourth.

PASSED AND ADOPTED this 20th day of July, 2026.

Peter Zimmerman, Mayor

ATTEST:

Nicholas Haggenmiller, City Administrator-Clerk

Attached:
Final Plat

NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE
SECTION 4, TOWNSHIP 16, RANGE 27

NORTHWEST QUARTER
OF THE
NORTHWEST
QUARTER
SECTION 4,
TOWNSHIP 16,
RANGE 27

LOT 1
BLOCK 1
INDUSTRIES CIRCLE
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Wright County Recorder

NOT TO SCALE

THIS PLAT PREPARED BY

BOLTON & MENK, INC.

THIS PLAT PREPARED BY
NOT TO SCALE
BOLTON & MENK, INC.

VICINITY MAP

CITY OF HOWARD LAKE

CLAIMS & DONATIONS APPROVED

DATE - July 20, 2026

GENERAL FUND	CHECKS: 65986-66159	\$1,726,143.71
PAYROLL	27820-27838, 505048-505150	\$132,424.22
ELECTRONIC	2237-2256	\$89,254.11
TOTAL		\$1,947,822.04

AMBULANCE CLMS	CHECKS: 6325-6335	\$9,021.88
ELECTRONIC	83-84	\$114.80
TOTAL		\$9,136.68

THE LINCOLN NATIONAL LIFE INSURANCE	06/17/26	\$892.56
MN DEPT OF REVENUE	06/17/26	\$9,989.00
CARDPOINTE CC	06/17/26	\$1,789.27
WEX HEALTH INC	06/17/26	\$27.50
MN HEALTHCARE CONSORTIUM	06/17/26	\$10,034.60
INTERNAL REVENUE SERVICE	06/24/26	\$20,604.61
MN DEPT OF REVENUE	06/24/26	\$4,558.52
PERA	06/24/26	\$16,579.89
LEAP-WEX	06/24/26	\$1,175.06
INTERNAL REVENUE SERVICE	07/13/26	\$10,573.74
MN DEPT OF REVENUE	07/13/26	\$2,002.07
PERA	07/13/26	\$8,337.80
LEAP-WEX	07/13/26	\$1,175.06
AUTHNET GATEWAY BILLING	07/14/26	\$25.00
FINKEN WATER CENTERS, INC	07/14/26	\$62.20
CONSUMERS	07/14/26	\$32.16
CUSTOMERS	07/14/26	\$500.00
NCR SECURE PAY	07/14/26	\$173.53
US POSTAL SERVICE	07/14/26	\$558.76
CITIZENS ALLIANCE BANK	07/14/26	\$162.78
DEITER, JASON	06/12/26	\$1,154.37
KUTZ, TOM	06/12/26	\$1,154.37
ZIMMERMAN, PETER A	06/12/26	\$1,616.12
BALDWIN, ALIC	06/12/26	\$166.23
DICKENS, CHRISTENA M	06/12/26	\$110.82
DRUSCH, JACOB D	06/12/26	\$304.75
PETERSON, JEREMY	06/12/26	\$83.11
HUGGETT, NOEL LEE	06/12/26	\$123.16
BONNICK, STEVEN	06/12/26	\$384.48
BALDWIN, ALIC	06/26/26	\$592.50
HUGGETT, NOEL LEE	06/26/26	\$301.07
BONNICK, STEVEN	06/26/26	\$384.48
CHRISTENSEN, THOMAS	06/26/26	\$151.45
BALDWIN, ALIC	07/10/26	\$180.08
DICKENS, CHRISTENA M	07/10/26	\$138.52
DRUSCH, JACOB D	07/10/26	\$221.64
PETERSON, JEREMY	07/10/26	\$83.11
HUGGETT, NOEL LEE	07/10/26	\$359.22
BONNICK, STEVEN	07/10/26	\$1,330.23
AMAZON CAPITAL SERVICES	06/12/26	\$456.61
BELLBOY CORPORATION	06/12/26	\$854.51
BREAKTHRU BEVERAGE	06/12/26	\$845.26
CAPITOL BEVERAGE SALES	06/12/26	\$3,355.22
DRUSCH PLUMBING AND HEATING	06/12/26	\$146.29
GOPHER STATE ONE-CALL, INC	06/12/26	\$149.75
INTL UNION OF OPERATING ENGINE	06/12/26	\$140.00
IUOE LOCAL 49 FRINGE BENEFIT F	06/12/26	\$64.00

KWIK TRIP INC.	06/12/26	\$541.81
LESTER PRAIRIE VETERINARY CLIN	06/12/26	\$375.96
MARCO	06/12/26	\$458.70
MARCO TECHNOLOGIES LLC	06/12/26	\$530.38
MES SERVICE COMPANY LLC	06/12/26	\$7,470.00
MN VALLEY TESTING LAB, INC	06/12/26	\$59.00
MUMFORD SANITATION	06/12/26	\$12,487.15
PAUSTIS WINE COMPANY	06/12/26	\$54.00
RIGHT WAY CLEANING	06/12/26	\$5,000.00
RITOLA, DREW & JANELSA	06/12/26	\$87.71
SOUTHERN GLAZER WINE & SPIRITS	06/12/26	\$1,361.47
STEPHENS, BENJAMIN	06/12/26	\$28.62
TELCOM CONSTRUCTION	06/12/26	\$1,772.00
THE COFFEE SHOP	06/12/26	\$5,000.00
TK ELEVATOR	06/12/26	\$612.62
VERIZON CONNECT NWF, INC	06/12/26	\$147.53
WASTEWATER COMMISSION	06/12/26	\$61,755.08
WICKERT, SCOTT	06/12/26	\$193.00
"CHOPPER" GREG LAMMERS	06/18/26	\$1,200.00
AIR-PRO HEATING & COOLING LLC	06/18/26	\$1,009.00
AMAZON CAPITAL SERVICES	06/18/26	\$255.89
AXON ENTERPRISE INC	06/18/26	\$558.30
BBG LAW	06/18/26	\$1,717.70
BLACKLIGHT ADVENTURES	06/18/26	\$1,325.00
BREAKTHRU BEVERAGE	06/18/26	\$420.60
COURI, & RUPPE, P.L.L.P.	06/18/26	\$187.50
DAHLHEIMER BEVERAGE GREEN ISLE	06/18/26	\$9,906.40
EARL F ANDERSON, INC	06/18/26	\$80.05
NICK HAGGENMILLER	06/18/26	\$36.35
HLWW FFA	06/18/26	\$725.00
HOWARD LAKE TIRE & AUTO	06/18/26	\$5,000.00
IN THE FIELDS	06/18/26	\$2,450.00
JOE'S SPORT SHOP	06/18/26	\$2,442.90
JOHNSON BROTHERS LIQUOR CO.	06/18/26	\$745.27
KROELLS, DUSTY	06/18/26	\$200.00
LATOUR CONSTRUCTION, INC	06/18/26	\$760,220.54
MADDEN GALANTER HANSEN	06/18/26	\$117.50
MENARDS-BUFFALO	06/18/26	\$25.02
MIDWEST MACHINERY CO	06/18/26	\$99.09
MN VALLEY TESTING LAB, INC	06/18/26	\$59.00
MSB EXCAVATING & TILING	06/18/26	\$6,500.00
NCPERS GROUP LIFE INS	06/18/26	\$48.00
PHILLIPS WINE & SPIRITS	06/18/26	\$195.15
PLUNKETT'S PEST CONTROL	06/18/26	\$85.51
SILVERSMITH DATA	06/18/26	\$2,090.00
SMITH, BRADY	06/18/26	\$21.20
STREICHER'S	06/18/26	\$129.99

THE BROKEN BOLT	06/18/26	\$785.00
DAVE THOMPSON	06/18/26	\$140.54
VIKING COCA-COLA	06/18/26	\$151.05
WINSTED FARMERS COOP	06/18/26	\$314.92
WRIGHT HENNEPIN ELECTRIC	06/18/26	\$1,316.00
XCEL ENERGY	06/18/26	\$8,568.33
AMAZON CAPITAL SERVICES	06/26/26	\$369.66
ARTISAN BEER COMPANY	06/26/26	\$756.77
BELLBOY CORPORATION	06/26/26	\$599.15
BOLTON & MENK, INC	06/26/26	\$86,782.50
BURSCH, HEIDI JOY	06/26/26	\$71.04
CAPITOL BEVERAGE SALES	06/26/26	\$8,091.45
DAHLHEIMER BEVERAGE GREEN ISLE	06/26/26	\$1,569.45
EARTHLINK INC	06/26/26	\$25.34
ESTREM, BELINDA	06/26/26	\$100.00
HAWKINS, INC	06/26/26	\$1,507.84
JOHNSON BROTHERS LIQUOR CO.	06/26/26	\$4,151.86
MEDIACOM LLC	06/26/26	\$294.90
MID CENTRAL DOOR	06/26/26	\$15,697.58
MIDWEST MACHINERY CO	06/26/26	\$446.84
MINN DEPARTMENT OF HEALTH	06/26/26	\$23.00
MN DEPT OF LABOR AND INDUSTRY	06/26/26	\$413.00
MSB EXCAVATING & TILING	06/26/26	\$11,550.00
PAUMEN COMPUTER SERVICES, LLC	06/26/26	\$6,412.44
PHILLIPS WINE & SPIRITS	06/26/26	\$1,456.38
RED BULL DISTRIBUTION CO, INC	06/26/26	\$54.70
SOUTHERN GLAZER WINE & SPIRITS	06/26/26	\$3,033.25
TEAM LABORTATORY CHEMICAL, LLC	06/26/26	\$1,025.00
THE COUNTRY STORE-MUNSON LAKES	06/26/26	\$54.99
THE HOME CITY ICE COMPANY	06/26/26	\$617.47
THESING, GINA	06/26/26	\$241.16
VERIZON	06/26/26	\$120.03
VITAL SIGNS	06/26/26	\$3,250.00
WRIGHT COUNTY FINANCE DEPARTME	06/26/26	\$7,212.50
WSB LLC	06/26/26	\$8,680.50
ZOTO, ALONDRA	06/26/26	\$260.00
3X GEAR LLC	07/01/26	\$220.00
AMAZON CAPITAL SERVICES	07/01/26	\$519.02
BREAKTHRU BEVERAGE	07/01/26	\$570.65
CAPITOL BEVERAGE SALES	07/01/26	\$7,452.12
CENTERPOINT ENERGY	07/01/26	\$574.79
CENTURYLINK	07/01/26	\$678.37
DAHLHEIMER BEVERAGE GREEN ISLE	07/01/26	\$17,969.32
NICK HAGGENMILLER	07/01/26	\$27.00
IUOE LOCAL 49 FRINGE BENEFIT F	07/01/26	\$6,700.00
IUOE LOCAL 49 FRINGE BENEFIT F	07/01/26	\$200.00
IUOE LOCAL 49 FRINGE BENEFIT F	07/01/26	\$64.00

JOHNSON BROTHERS LIQUOR CO.	07/01/26	\$346.75
MEDIACOM LLC	07/01/26	\$236.90
MENARDS-BUFFALO	07/01/26	\$71.19
MIDWEST MACHINERY CO	07/01/26	\$152.47
MUMFORD SANITATION	07/01/26	\$12,481.20
SOUTHERN GLAZER WINE & SPIRITS	07/01/26	\$1,166.06
TAFT STETTINIUS & HOLLISTER, L	07/01/26	\$5,800.00
THE HOME CITY ICE COMPANY	07/01/26	\$358.72
T-MOBILE	07/01/26	\$399.54
UNIQUE CONCRETE & STAMPING LLC	07/01/26	\$2,000.00
VIKING COCA-COLA	07/01/26	\$808.15
VINOCOPIA, INC	07/01/26	\$205.50
WASTEWATER COMMISSION	07/01/26	\$57,603.68
WRIGHT COUNTY FINANCE DEPARTME	07/01/26	\$118.00
ABDO LLP	07/09/26	\$5,942.80
ADVANCED POWER SERVICES, INC	07/09/26	\$4,346.00
AMAZON CAPITAL SERVICES	07/09/26	\$183.12
ARTISAN BEER COMPANY	07/09/26	\$420.00
BOLTON & MENK, INC	07/09/26	\$537.50
CENTERPOINT ENERGY	07/09/26	\$148.46
CINTAS	07/09/26	\$562.07
DAHLHEIMER BEVERAGE GREEN ISLE	07/09/26	\$5,764.76
DAILEY DATA & ASSOCIATES, INC	07/09/26	\$56.26
FIRST INDEPENDENT BANK	07/09/26	\$9,212.00
GOPHER STATE ONE-CALL, INC	07/09/26	\$180.30
NICK HAGGENMILLER	07/09/26	\$365.00
HAWKINS, INC	07/09/26	\$2,242.81
HERALD JOURNAL PUBLISHING	07/09/26	\$578.20
JOE'S SPORT SHOP	07/09/26	\$1,828.02
JOHNSON BROTHERS LIQUOR CO.	07/09/26	\$990.80
KOOSMAN, ANDREW	07/09/26	\$65.00
MYRA LAWAY	07/09/26	\$115.54
MARCO	07/09/26	\$458.70
MARCO TECHNOLOGIES LLC	07/09/26	\$530.38
JARED MERGES	07/09/26	\$65.00
METRO WEST INSPECTION SER INC	07/09/26	\$150.00
MINN POLLUTION CONTROL AGENCY	07/09/26	\$55.00
MN MUNICIPAL BEVERAGE ASSN	07/09/26	\$1,200.00
MN VALLEY TESTING LAB, INC	07/09/26	\$59.00
NORTH FORK CUSTOM MEATS LLC	07/09/26	\$48.62
JIM OTTENSTROER	07/09/26	\$65.00
PHILLIPS WINE & SPIRITS	07/09/26	\$1,733.11
CLAYTON PRESTIDGE	07/09/26	\$65.00
REMER, TANYA	07/09/26	\$165.00
SECURITY BANK & TRUST CO.	07/09/26	\$32,843.80
SOUTHERN GLAZER WINE & SPIRITS	07/09/26	\$490.66
ERIC STOLL	07/09/26	\$65.00

STREICHER'S	07/09/26	\$13.98
THEISEN, MEAGAN	07/09/26	\$215.00
US BANK	07/09/26	\$21,478.75
VIA ACTUARIAL SERVICES	07/09/26	\$2,700.00
VISA	07/09/26	\$1,709.10
WSB LLC	07/09/26	\$665.00
ZITZLOFF AUTO REPAIR	07/09/26	\$342.50
BBG LAW	07/16/26	\$1,717.70
BREAKTHRU BEVERAGE	07/16/26	\$1,076.04
CAPITOL BEVERAGE SALES	07/16/26	\$1,877.35
INTL UNION OF OPERATING ENGINE	07/16/26	\$140.00
JOHNSON BROTHERS LIQUOR CO.	07/16/26	\$1,282.90
KWIK TRIP INC.	07/16/26	\$535.52
MADDEN GALANTER HANSEN	07/16/26	\$94.00
MEDIACOM LLC	07/16/26	\$294.90
MINNESOTA UI FUND	07/16/26	\$675.35
MN PUBLIC FACILITIES AUTHORITY	07/16/26	\$386,611.88
MN VALLEY TESTING LAB, INC	07/16/26	\$59.00
PHILLIPS WINE & SPIRITS	07/16/26	\$602.11
SOUTHERN GLAZER WINE & SPIRITS	07/16/26	\$768.95
THE HOME CITY ICE COMPANY	07/16/26	\$584.16
VERIZON CONNECT NWF, INC	07/16/26	\$147.53
WRIGHT HENNEPIN ELECTRIC	07/16/26	\$1,316.00
WRIGHT SWCD	07/16/26	\$25,000.00
XCEL ENERGY	07/16/26	\$10,037.38
CARGILL, ZACHARY C	06/12/26	\$274.21
EASTMAN, KELLY L	06/12/26	\$151.79
GILBERT, EMMAGENE	06/12/26	\$1,150.36
HAGGENMILLER, NICHOLAS A	06/12/26	\$4,652.28
HAKALA, CURTIS L	06/12/26	\$267.36
KOOSMAN, ANDREW	06/12/26	\$1,530.08
MERGES, JARED M	06/12/26	\$2,546.52
MUNSON, ALLAN W.	06/12/26	\$1,150.36
REMER, TANYA M	06/12/26	\$2,005.00
THEISEN, MEAGAN	06/12/26	\$2,620.32
ZANDER, SHARI	06/12/26	\$565.87
DEITER, CHASE	06/12/26	\$220.43
OTTENSTROER, JAMES D	06/12/26	\$2,104.43
PRESTIDGE, CLAYTON P	06/12/26	\$1,876.11
BRAVINDER, SETH Z	06/12/26	\$110.82
DRUSCH, ZACHARY R.	06/12/26	\$304.75
ELMER, DANIEL J	06/12/26	\$152.38
HOLMQUIST, JORDAN R	06/12/26	\$13.85
KING, ELLIOTT	06/12/26	\$207.79
KITTOCK, BRIAN	06/12/26	\$138.52
KITTOCK, NICOLE D	06/12/26	\$156.23
LOEBERTMANN, AMANDA G	06/12/26	\$193.93

LOEBERTMANN, CRAIG	06/12/26	\$83.11
MAGES, ALEX	06/12/26	\$415.57
PETERSON, DAVID T	06/12/26	\$27.70
SCHUELKE, ANDREW L	06/12/26	\$360.16
STOLL, ERIC	06/12/26	\$221.64
WIECH, KYLE	06/12/26	\$166.23
DAHL, LORI	06/12/26	\$263.53
HORSTMANN, REBECCA A	06/12/26	\$140.27
JENSEN, LUCAS	06/12/26	\$174.48
LAWAY, MYRA	06/12/26	\$2,585.60
MILLER, EDWARD M	06/12/26	\$347.02
SOTHAN, LAURIN B	06/12/26	\$362.64
VIRNALA, TASIA, R	06/12/26	\$497.84
CHAFFINS, GORDON	06/12/26	\$241.38
HARTNECK, SEAN M.	06/12/26	\$253.96
JOHNSON, JACOB D	06/12/26	\$2,366.11
PREUSSE, MITCHELL D	06/12/26	\$1,026.28
SZCZEPANIK, DARIUSZ J	06/12/26	\$3,225.41
THOMPSON, DAVID G	06/12/26	\$3,205.96
CARGILL, ZACHARY C	06/26/26	\$274.21
EASTMAN, KELLY L	06/26/26	\$140.40
HAGGENMILLER, NICHOLAS A	06/26/26	\$12,099.66
HALL, JUSTIN D	06/26/26	\$279.76
KOOSMAN, ANDREW	06/26/26	\$1,773.03
MERGES, JARED M	06/26/26	\$2,914.40
REMER, TANYA M	06/26/26	\$2,162.64
THEISEN, MEAGAN	06/26/26	\$2,620.32
ZANDER, SHARI	06/26/26	\$511.24
OTTENSTROER, JAMES D	06/26/26	\$1,888.00
PRESTIDGE, CLAYTON P	06/26/26	\$1,637.17
DAHL, LORI	06/26/26	\$218.43
HORSTMANN, REBECCA A	06/26/26	\$61.58
JENSEN, LUCAS	06/26/26	\$319.88
LAWAY, MYRA	06/26/26	\$2,585.60
MILLER, EDWARD M	06/26/26	\$273.06
SOTHAN, LAURIN B	06/26/26	\$514.88
VIRNALA, TASIA, R	06/26/26	\$344.22
CHAFFINS, GORDON	06/26/26	\$440.17
JOHNSON, JACOB D	06/26/26	\$2,627.85
PREUSSE, MITCHELL D	06/26/26	\$718.02
SZCZEPANIK, DARIUSZ J	06/26/26	\$7,539.39
THOMPSON, DAVID G	06/26/26	\$8,613.58
CARGILL, ZACHARY C	07/10/26	\$309.35
EASTMAN, KELLY L	07/10/26	\$72.09
HAGGENMILLER, NICHOLAS A	07/10/26	\$4,652.28
HAKALA, CURTIS L	07/10/26	\$12.28
KOOSMAN, ANDREW	07/10/26	\$1,530.08

MERGES, JARED M	07/10/26	\$2,528.84
REMER, TANYA M	07/10/26	\$2,005.00
THEISEN, MEAGAN	07/10/26	\$2,620.32
ZANDER, SHARI	07/10/26	\$428.40
DEITER, CHASE	07/10/26	\$353.55
OTTENSTROER, JAMES D	07/10/26	\$1,954.05
PRESTIDGE, CLAYTON P	07/10/26	\$1,876.11
DRUSCH, ZACHARY R.	07/10/26	\$554.10
ELMER, DANIEL J	07/10/26	\$69.26
KING, ELLIOTT	07/10/26	\$637.21
KITTOCK, BRIAN	07/10/26	\$83.11
KITTOCK, NICOLE D	07/10/26	\$267.05
LOEBERTMANN, AMANDA G	07/10/26	\$193.93
LOEBERTMANN, CRAIG	07/10/26	\$110.82
MAGES, ALEX	07/10/26	\$304.75
PETERSON, DAVID T	07/10/26	\$249.34
SCHUELKE, ANDREW L	07/10/26	\$470.98
STOLL, ERIC	07/10/26	\$360.16
STUEVEN, MARK J	07/10/26	\$55.41
WIECH, KYLE	07/10/26	\$193.93
DAHL, LORI	07/10/26	\$65.53
HORSTMANN, REBECCA A	07/10/26	\$558.63
JENSEN, LUCAS	07/10/26	\$331.85
KOOSMAN, HOPE A	07/10/26	\$109.68
LAWAY, MYRA	07/10/26	\$2,585.60
MILLER, EDWARD M	07/10/26	\$315.32
SOTHAN, LAURIN B	07/10/26	\$532.02
VIRNALA, TASIA, R	07/10/26	\$381.77
CHAFFINS, GORDON	07/10/26	\$123.06
HARTNECK, SEAN M.	07/10/26	\$7.12
JOHNSON, JACOB D	07/10/26	\$2,451.80
PREUSSE, MITCHELL D	07/10/26	\$627.73
SZCZEPANIK, DARIUSZ J	07/10/26	\$1,480.27
THOMPSON, DAVID G	07/10/26	\$3,205.96
		\$1,947,822.04

CUSTOMERS-AMBULANCE	06/17/26	\$84.85 Gateway Services
CUSTOMERS-AMBULANCE	07/06/26	\$29.95 Gateway Services
BOUNDTREE MEDICAL LLC	06/12/26	\$1,449.01 Medical Supplies
CITY OF HOWARD LAKE	06/12/26	\$3,495.00 May Ambulance Pay
CM2 SUPPLY	06/12/26	\$315.40 Med Oxygen
HOWARD LAKE TIRE & AUTO	06/12/26	\$1,356.55 Repairs on 2017 Ford E-450
JOE'S SPORT SHOP	06/12/26	\$323.52 Fuel for Ambulance
KEAVENY PHARMACY	06/12/26	\$147.98 Medical Supplies
RIDGEVIEW MEDICAL CENTER	06/12/26	\$1,200.00 Ambulance Community Assist
US POSTAL SERVICE	06/12/26	\$90.00 Post Office Box Service Fee
ZOLL MEDICAL CORPORATION	06/12/26	\$432.27 Medical Supplies
T-MOBILE	07/01/26	\$49.19 Ambulance Cell Phone-Acct#973663744
VISA	07/01/26	\$162.96 Fuel for Ambulance
		\$9,136.68

CITY OF HOWARD LAKE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2025

CITY OF HOWARD LAKE, MINNESOTA

ELECTED OFFICIALS

		Term Expires
Peter Zimmerman	Mayor	2026
Jason Deiter	Council Member	2026
Tom Kutz	Council Member	2028
Gene Gilbert	Council Member	2028
Al Munson	Council Member	2026

EX OFFICIO

Nick Haggemiller	City Administrator/Clerk	Appointed
Abdo Financial Solutions	Contracted Accounting Firm	Appointed

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Howard Lake, 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 Howard Lake, Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Howard Lake, Minnesota, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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 Howard Lake, 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 Howard Lake, 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 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 *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Howard Lake, 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 Howard Lake, 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 management's discussion and analysis, budgetary comparison information, and pension schedules be presented to supplement the basic financial statements. Such information, 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 required supplementary 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 Howard Lake, Minnesota's basic financial statements. The combining and individual nonmajor fund financial statements 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the City of Howard Lake, 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 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 Howard Lake, 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 Howard Lake, Minnesota's internal control over financial reporting and compliance.



Fergus Falls, Minnesota
June 29, 2026

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

This section of the City of Howard Lake's financial report provides the reader with management's overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, and (4) identify any changes in the City's financial plan (approved budget).

The financial discussion and analysis presented in this section is intended to be used in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2025 fiscal year include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$31,556,522 (net position) as of December 31, 2025. Of this amount, \$14,447,240 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,240,325.
- Government-wide revenues were \$11,200,974 while government-wide expenses totaled \$6,960,649.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,435,213, a decrease of \$34,659 in comparison with the prior 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 are comprised of three components:

- 1) Government-wide financial statements, providing information for the City as a whole.
- 2) Fund financial statements, providing detailed information for the City's significant funds.
- 3) Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund financial statements.

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

This report also contains other supplementary information in addition to the basic financial statements themselves. A brief description of the basic financial statements follows:

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 liabilities, 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 the 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 not used, compensated absences).

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, sanitation, culture and recreation, and housing and economic development. The business-type activities of the City include water utility, sewer utility, and liquor store operations.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

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

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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 government's near-term financing decisions. The governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains forty-four individual governmental funds. Information is presented separately in the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General; TIF #18 Forsman Farms; TIF #19 Munson Lakes; G.O. Tax Increment Refunding Bonds, Series 2021A; and 2023 Street & Utility Project funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds – The City maintains three proprietary funds. These 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 utility, sewer utility, and liquor store services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, sewer utility, and liquor store services, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Notes to the financial statements 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 on pages 25-68 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as a budgetary comparison schedule for the general fund. Required supplementary information can be found on pages 69-90 of this report. Also, this report presents certain other supplementary information such as combining financial information for nonmajor governmental funds. Other supplementary information can be found on pages 91-100 of this report.

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City's combined net position increased from a year ago. Our analysis below focuses on the net position (Tables 1 and 2) and changes in net position (Tables 3 and 4) of the City's governmental and business-type activities.

Table 1
Condensed Comparative Statement of Net Position

	Governmental Activities		
	2025	2024	Change
Assets			
Current and other assets	\$ 5,128,208	\$ 5,134,079	\$ (5,871)
Capital assets	24,881,010	19,043,601	5,837,409
Total Assets	30,009,218	24,177,680	5,831,538
Deferred outflows of resources	956,039	656,297	299,742
Liabilities			
Current	1,209,919	1,503,426	(293,507)
Long-term	13,077,248	7,097,959	5,979,289
Total Liabilities	14,287,167	8,601,385	5,685,782
Deferred inflows of resources	948,069	608,148	339,921
Net Position			
Net investment in capital assets	12,121,716	12,242,906	(121,190)
Restricted	630,841	968,375	(337,534)
Unrestricted	2,977,464	2,413,163	564,301
TOTAL NET POSITION	\$ 15,730,021	\$ 15,624,444	\$ 105,577

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Statement of Net Position (Continued)

Condensed Comparative Statement of Net Position

	Business-Type Activities		Change
	2025	2024	
Assets			
Current and other assets	\$ 12,636,304	\$ 8,929,221	\$ 3,707,083
Capital assets	7,045,165	6,973,772	71,393
Total Assets	19,681,469	15,902,993	3,778,476
Deferred outflows of resources	127,697	107,590	20,107
Liabilities			
Current	684,114	816,584	(132,470)
Long-term	3,161,552	3,742,657	(581,105)
Total Liabilities	3,845,666	4,559,241	(713,575)
Deferred inflows of resources	136,999	96,363	40,636
Net Position			
Net investment in capital assets	4,356,725	3,620,668	736,057
Unrestricted	11,469,776	7,734,311	3,735,465
TOTAL NET POSITION	\$ 15,826,501	\$ 11,354,979	\$ 4,471,522

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Statement of Activities

Governmental activities – net position of the City's governmental activities decreased by \$231,197. Table 3 presents the key elements of the decrease.

Table 3
Condensed Comparative Statement of Activities

	Governmental Activities		
	2025	2024	Change
Revenues			
Program revenues			
Charges for services	\$ 753,977	\$ 882,254	(128,277)
Operating grants and contributions	190,534	221,616	(31,082)
Capital grants and contributions	111,723	1,042,123	(930,400)
General revenues			
Property taxes and tax increments	2,270,405	1,956,713	313,692
Grants and contributions			
not restricted	689,711	689,047	664
Net investment income	98,443	109,268	(10,825)
Other	143,096	50,790	92,306
Gain (loss) on disposals	-	(81,791)	81,791
Total Revenues	4,257,889	4,870,020	(612,131)
Expenses			
General government	982,842	806,463	176,379
Public safety	769,620	870,325	(100,705)
Public works	653,148	1,096,225	(443,077)
Sanitation	176,974	170,200	6,774
Health	-	8,700	(8,700)
Culture and recreation	239,951	245,100	(5,149)
Economic development	689,805	242,609	447,196
Cemetery	10,000	10,000	-
Other	345,850	16,066	329,784
Interest on long-term debt	320,118	247,880	72,238
Total Expenses	4,188,308	3,713,568	474,740
Net income (loss) before capital			
contributions and transfers	69,581	1,156,452	(1,086,871)
Capital contributions	(318,299)	(306,889)	(11,410)
Transfers	17,521	738,346	(720,825)
CHANGE IN NET POSITION	\$ (231,197)	\$ 1,587,909	\$ (1,819,106)

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Statement of Activities (Continued)

Business-type activities – net position of the City's business-type activities increased by \$4,471,522. Table 4 presents the key elements of the increase.

Table 4
Condensed Comparative Statement of Activities

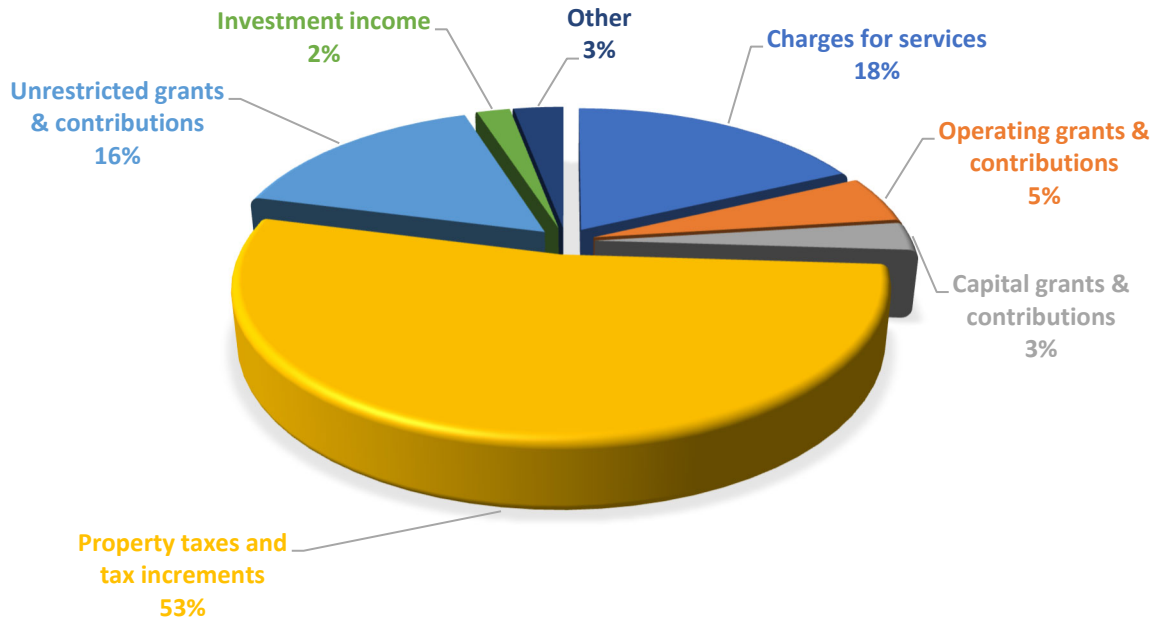
	Business-Type Activities		
	2025	2024	Change
Revenues			
Program revenues			
Charges for services	\$ 3,508,976	\$ 3,482,340	26,636
Capital grants and contributions	193,935	194,141	(206)
General revenues			
Investment income	43,706	45,302	(1,596)
Other	27,540	6,156	21,384
Total Revenues	<u>3,774,157</u>	<u>3,727,939</u>	<u>46,218</u>
Expenses			
Water	591,494	531,067	60,427
Sewer	1,098,945	1,086,618	12,327
Municipal liquor	1,081,902	1,090,625	(8,723)
Total Expenses	<u>2,772,341</u>	<u>2,708,310</u>	<u>64,031</u>
Excess of revenues over			
Net income before transfers			
and other items	1,001,816	1,019,629	(17,813)
Capital contributions	318,299	306,889	11,410
Transfers	(17,521)	(738,347)	720,826
Change in equity interest	3,168,928	(51,194)	3,220,122
CHANGE IN NET POSITION	<u>\$ 4,471,522</u>	<u>\$ 536,977</u>	<u>\$ 3,934,545</u>

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

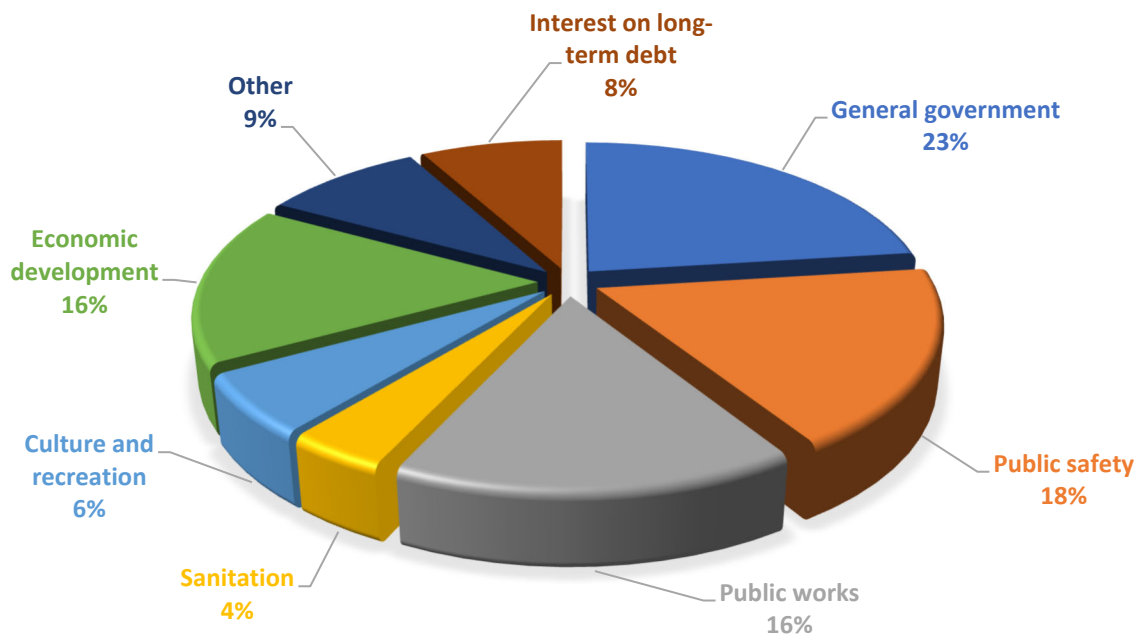
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenues and Expenses – the following two charts visually illustrate the City's revenues and expenses for its governmental activities:

REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES



CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

FINANCIAL ANALYSIS OF THE CITY'S FUNDS
(FUND FINANCIAL STATEMENTS)

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

General Fund – the change in the City's General Fund balance was an increase of \$1,100,333.

Special Revenue Funds – the change in the City's special revenue fund balances was a decrease of \$134,530.

Debt Service Funds – the change in the City's debt service fund balances was a decrease of \$222,842.

Capital Projects Funds – the change in the City's capital projects fund balances was a decrease of \$777,620.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was approved in December 2024 and was not updated during the year. Actual revenues were under budgeted revenues by \$17,853 for 2025. Actual expenditures exceeded budgeted amounts by \$89,353.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2025, the City had \$45,959,811 invested in a broad range of capital assets.

Major capital additions during 2025 included the library improvements project, the replacement wall at 817 6th Street, the trails and paradise place overlay project, the city parking lots project, and the MN DOT TH12 city improvements.

Projects in process at year include the street and utility improvements project, the veterans memorial, the Bayview apartments/street shop development, and water treatment facility project.

Additional information on the City's capital assets can be found in note 6 on pages 39-41 of this report.

CITY OF HOWARD LAKE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-Term Obligations

At the end of the current fiscal year, the City had \$16,294,785 of outstanding in bonds and notes payable, compared to \$10,998,000 as of the end of the previous year, an increase of \$5,296,785. The increase is due to bonds issued in the current year for the library project.

Additional information on the City's long-term obligations can be found in note 7 on pages 41-44 of this report.

ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE

Fiscal Year 2026 continued a period of significant investment in Howard Lake's infrastructure while demonstrating the City's commitment to sound financial stewardship. Major capital improvement projects currently underway are tracking at or below budget, and projects planned for the coming years have likewise been awarded at favorable bid prices that remain within or below projected budgets. These results reflect careful planning, competitive bidding, and disciplined project management.

The City continues to implement a comprehensive long-range financial plan focused on strengthening fund balances, responsibly managing capital assets, and ensuring the long-term sustainability of municipal operations. Working closely with the City's contracted financial consultant, ABDO Solutions, City leadership has made substantial progress in executing this strategy. Collectively, these efforts have positioned the City on a stable financial trajectory while maintaining its ability to address critical infrastructure needs.

Howard Lake's local economy also remains strong across all sectors. Residential development continues at a healthy pace, local employers report sustained business activity and continued workforce demand, and commercial investment remains robust. Most notably, the downtown district is experiencing a resurgence with renewed private investment, redevelopment activity, and growing interest from new businesses. These positive economic trends reinforce confidence in the City's long-term outlook and support continued strategic investment in the community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City's citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have any questions about this report or would like additional information, contact the City Clerk/Treasurer's office at City Hall, 315 N Broadway, PO Box 350, Howard Lake, MN 56572.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets			
Cash and investments	\$ 3,412,023	\$ 2,358,468	\$ 5,770,491
Accounts receivable	498,124	269,777	767,901
Taxes receivable	64,866	-	64,866
Special assessments receivable	11,548	116,121	127,669
Due from other governmental units	54,195	-	54,195
Other receivables	640	-	640
Inventories	-	212,368	212,368
Prepaid expense	20,769	5,707	26,476
Property held for resale	901,859	-	901,859
Total Current Assets	4,345,037	3,581,430	7,926,467
Noncurrent assets			
Equity interest in joint venture	-	9,054,874	9,054,874
Loans receivable - long-term	528,448	-	528,448
Capital assets not being depreciated	6,500,764	799,056	7,299,820
Capital assets net of accumulated depreciation	18,380,246	6,246,109	24,626,355
Net pension asset	254,723	-	254,723
Total Noncurrent Assets	25,664,181	16,100,039	41,764,220
Total Assets	30,009,218	19,681,469	49,690,687
DEFERRED OUTFLOWS OF RESOURCES			
Pension	845,897	71,481	917,378
OPEB	110,142	56,216	166,358
Total Deferred Outflows of Resources	956,039	127,697	1,083,736
LIABILITIES			
Current Liabilities			
Accounts payable	377,712	18,865	396,577
Accrued expenses	382,021	61,455	443,476
Accrued payroll	31,062	16,328	47,390
Accrued interest payable	134,916	13,466	148,382
Customer deposits	42,755	-	42,755
Current portion of long-term debt	241,453	574,000	815,453
Total Current Liabilities	1,209,919	684,114	1,894,033
Long-Term Liabilities			
Compensated absences	113,570	35,291	148,861
Bonds and loans payable, net	12,517,841	2,955,440	15,473,281
Net OPEB liability	7,773	3,967	11,740
Net pension liability	438,064	166,854	604,918
Total Long-Term Liabilities	13,077,248	3,161,552	16,238,800
Total Liabilities	14,287,167	3,845,666	18,132,833
DEFERRED INFLOWS OF RESOURCES			
Pension	948,069	136,999	1,085,068
NET POSITION			
Net investment in capital assets	12,121,716	4,356,725	16,478,441
Restricted for			
TIF expenditures	180,479	-	180,479
Debt service	195,639	-	195,639
Pension	254,723	-	254,723
Unrestricted	2,977,464	11,469,776	14,447,240
TOTAL NET POSITION	\$ 15,730,021	\$ 15,826,501	\$ 31,556,522

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

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 982,842	\$ 197,639	\$ -	\$ -	\$ (785,203)	\$ -	\$ (785,203)
Public safety	769,620	385,308	154,014	14,100	(216,198)	-	(216,198)
Public works	653,148	-	22,270	17,885	(612,993)	-	(612,993)
Sanitation	176,974	168,775	-	-	(8,199)	-	(8,199)
Culture and recreation	239,951	2,255	14,250	69,933	(153,513)	-	(153,513)
Housing and economic development	689,805	-	-	-	(689,805)	-	(689,805)
Other	355,850	-	-	-	(355,850)	-	(355,850)
Interest and fiscal costs on long-term debt	320,118	-	-	9,805	(310,313)	-	(310,313)
Total Governmental Activities	4,188,308	753,977	190,534	111,723	(3,132,074)	-	(3,132,074)
Business-Type Activities							
Water	591,494	789,946	-	-	-	198,452	198,452
Sewer	1,098,945	1,702,914	-	193,935	-	797,904	797,904
Liquor	1,081,902	1,016,116	-	-	-	(65,786)	(65,786)
Total Business-Type Activities	2,772,341	3,508,976	-	193,935	-	930,570	930,570
TOTAL PRIMARY GOVERNMENT	\$ 6,960,649	\$ 4,262,953	\$ 190,534	\$ 305,658	(3,132,074)	930,570	(2,201,504)
General revenues							
Property taxes					1,746,658	-	1,746,658
Franchise fees					8,611	-	8,611
Tax increments					515,136	-	515,136
Aids and payments from the state					689,711	-	689,711
Unrestricted net investment earnings					98,443	43,706	142,149
Miscellaneous							
Insurance Recovery					29,565	-	29,565
Other					113,531	27,540	141,071
Capital contributions					(318,299)	318,299	-
Transfers					17,521	(17,521)	-
Change in equity interest					-	3,168,928	3,168,928
Total General Revenues and Other Items					2,900,877	3,540,952	6,441,829
CHANGE IN NET POSITION					(231,197)	4,471,522	4,240,325
NET POSITION – BEGINNING, AS PREVIOUSLY REPORTED					15,624,444	11,354,979	26,979,423
ERROR CORRECTIONS					336,774	-	336,774
NET POSITION - BEGINNING, AS CORRECTED					15,961,218	11,354,979	27,316,197
NET POSITION – ENDING					\$ 15,730,021	\$ 15,826,501	\$ 31,556,522

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

Fund Financial Statements

CITY OF HOWARD LAKE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	TIF #18 Forsman Farms	TIF #19 Munson Lakes	G.O. Tax Increment Refunding Bonds, Series 2021A	2023 Street & Utility Project	Other Governmental Funds	Total
ASSETS							
Cash and investments	\$ 966,411	\$ 380,169	\$ -	\$ 97,055	\$ -	\$ 1,968,388	\$ 3,412,023
Accounts receivable	20,309	-	-	-	449,647	28,168	498,124
Taxes receivable – delinquent	64,866	-	-	-	-	-	64,866
Special assessments receivable	9,935	-	-	-	-	1,613	11,548
Due from other governmental units	10,609	-	-	-	-	43,586	54,195
Loans receivable	-	-	-	528,448	-	-	528,448
Other receivables	-	-	-	-	-	640	640
Due from other funds	1,066,032	-	-	-	-	44,735	1,110,767
Advance to other funds	677,995	-	-	-	-	-	677,995
Property held for resale	901,859	-	-	-	-	-	901,859
Prepaid items	19,377	-	-	-	-	1,392	20,769
TOTAL ASSETS	\$ 3,737,393	\$ 380,169	\$ -	\$ 625,503	\$ 449,647	\$ 2,088,522	\$ 7,281,234
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 23,940	\$ -	\$ -	\$ -	\$ 335,135	\$ 18,637	\$ 377,712
Special assessments payable	-	-	-	-	-	-	-
Accrued expenses	1,852	380,169	-	-	-	-	382,021
Accrued payroll	31,062	-	-	-	-	-	31,062
Due to other funds	44,735	-	36,367	-	515,885	1,132,767	1,729,754
Customer deposits	42,755	-	-	-	-	-	42,755
Advances from other funds	-	-	421,787	-	-	256,208	677,995
Total Liabilities	144,344	380,169	458,154	-	851,020	1,407,612	3,241,299
Deferred Inflows of Resources							
Unavailable revenue - taxes	64,866	-	-	-	-	-	64,866
Unavailable revenue - special assessments	9,795	-	-	-	-	1,613	11,408
Unavailable revenue - loans receivable	-	-	-	528,448	-	-	528,448
Total Deferred Inflows of Resources	74,661	-	-	528,448	-	1,613	604,722
Fund Balances							
Nonspendable for							
Prepaid items	19,377	-	-	-	-	1,392	20,769
Due from other funds	1,744,027	-	-	-	-	-	1,744,027
Property held for resale	901,859	-	-	-	-	-	901,859
Restricted							
TIF district expenditures	-	-	-	-	-	180,479	180,479
Debt service	-	-	-	97,055	-	98,584	195,639
Unrestricted							
Assigned for							
Ambulance operations	-	-	-	-	-	623,211	623,211
Police emergency assistance	-	-	-	-	-	4,690	4,690
Capital project expenses	-	-	-	-	-	721,431	721,431
Unassigned	853,125	-	(458,154)	-	(401,373)	(950,490)	(956,892)
Total Fund Balances	3,518,388	-	(458,154)	97,055	(401,373)	679,297	3,435,213
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,737,393	\$ 380,169	\$ -	\$ 625,503	\$ 449,647	\$ 2,088,522	\$ 7,281,234

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

CITY OF HOWARD LAKE, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	\$ 3,435,213
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Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources; therefore, they are not reported as assets in the governmental funds:

General capital assets	\$ 26,798,473	
Construction in progress	6,273,336	
Accumulated depreciation	<u>(8,190,799)</u>	24,881,010

Delinquent and deferred property taxes and special assessments receivable are earned, but not available in the current period; therefore, they are recorded as deferred inflows of resources in the fund financial statements, but are a part of net position:

Unavailable revenue - taxes	64,866	
Unavailable revenue - special assessments	11,408	
Unavailable revenue - loans receivable	<u>528,448</u>	604,722

Some assets, including net pension assets, are not receivable in the current period; therefore, they are not reported in the governmental funds.	254,723
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Accrued vacation pay is not due and payable in the current period; therefore, it is not reported as a liability in the funds. Accrued vacation pay is included in long-term liabilities in the statement of net position.	(113,570)
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Accrued interest on bonds is not recorded as a liability in the governmental funds; however, the statement of net position records this amount. Accrued interest at year-end is:	(134,916)
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Long-term debt payable is not due and payable in the current period; therefore, they are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds and notes	(12,759,294)
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Some liabilities, including net pension obligations, are not due and payable in the current period; therefore, they are not reported in the governmental funds.

Net pension liability	(438,064)	
Net OPEB liability	<u>(7,773)</u>	(445,837)

Deferred outflows and inflows of resources related to pension are applicable to future periods; therefore, they are not reported in the governmental funds.

Deferred outflows of resources related to pensions		845,897
Deferred outflows of resources related to OPEB		110,142
Deferred inflows of resources related to pensions		<u>(948,069)</u>

TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES	<u>\$ 15,730,021</u>
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(The accompanying notes are an integral part of these financial statements.)

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	TIF #18 Forsman Farms	TIF #19 Munson Lakes	G.O. Tax Increment Refunding Bonds, Series 2021A	Formerly Major Fund Water Treatment Facility Project	2023 Street & Utility Project	Formerly Major Fund Library Project	Other Governmental Funds	Total
REVENUES									
Taxes									
Property taxes	\$ 1,406,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,029	\$ 1,720,491
Franchise taxes	8,611	-	-	-	-	-	-	-	8,611
Tax increments	-	283,468	23,418	-	-	-	-	208,250	515,136
Special assessments	7,032	-	-	-	-	-	-	2,090	9,122
Licenses and permits	83,764	-	-	-	-	-	-	-	83,764
Intergovernmental	867,524	-	-	-	-	-	-	23,706	891,230
Charges for services	387,235	-	-	-	-	-	-	276,875	664,110
Fines and forfeits	6,103	-	-	-	-	-	-	-	6,103
Loan repayments	-	-	-	38,613	-	-	-	-	38,613
Net investment earnings	34,023	4,194	-	1,466	-	-	-	58,760	98,443
Contributions and donations	37,179	-	-	-	-	-	-	53,754	90,933
Other	58,446	-	-	-	-	-	-	106,644	165,090
Total Revenues	2,896,379	287,662	23,418	40,079	-	-	-	1,044,108	4,291,646
EXPENDITURES									
Current									
General government	954,227	-	-	-	-	-	-	-	954,227
Public safety	934,973	-	-	-	-	-	-	113,321	1,048,294
Public works	262,501	-	-	-	-	-	-	126,573	389,074
Sanitation	176,974	-	-	-	-	-	-	-	176,974
Culture and recreation	117,270	-	-	-	-	-	-	24,164	141,434
Housing and economic development	-	462,249	-	-	-	-	-	78,498	540,747
Other	18,339	-	-	-	-	-	-	-	18,339
Debt service									
Principal	-	-	-	28,000	-	-	-	259,927	287,927
Interest	-	-	-	9,920	-	20,000	-	191,873	221,793
Capital outlay	29,301	-	-	-	-	5,109,329	-	1,700,312	6,838,942
Total Expenditures	2,493,585	462,249	-	37,920	-	5,129,329	-	2,494,668	10,617,751
REVENUES OVER (UNDER) EXPENDITURES	402,794	(174,587)	23,418	2,159	-	(5,129,329)	-	(1,450,560)	(6,326,105)
OTHER FINANCING SOURCES (USES)									
Bond issue proceeds	-	-	-	-	-	5,503,713	-	740,647	6,244,360
Insurance recovery	1,500	-	-	-	-	-	-	28,065	29,565
Interest received on interfund debt	19,150	-	-	-	-	-	-	-	19,150
Interest paid on interfund debt	-	-	(17,021)	-	-	-	-	(2,129)	(19,150)
Transfers in	867,638	-	-	-	-	-	-	638,707	1,506,345
Transfers out	(190,749)	-	-	-	-	-	-	(1,298,075)	(1,488,824)
Total Other Financing Sources (Uses)	697,539	-	(17,021)	-	-	5,503,713	-	107,215	6,291,446
NET CHANGE IN FUND BALANCES	1,100,333	(174,587)	6,397	2,159	-	374,384	-	(1,343,345)	(34,659)
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	2,081,283	-	(464,551)	94,896	(484,474)	(954,918)	-	2,860,862	3,133,098
ERROR CORRECTION	336,772	-	-	-	187,185	179,161	-	(366,344)	336,774
CHANGE WITHIN FINANCIAL REPORTING ENTITY (MAJOR TO NONMAJOR FUND)	-	-	-	-	297,289	-	-	(297,289)	-
CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)	-	174,587	-	-	-	-	-	(174,587)	-
FUND BALANCE - BEGINNING, AS RESTATED	2,418,055	174,587	(464,551)	94,896	-	(775,757)	-	2,022,642	3,469,872
FUND BALANCES – ENDING	<u>\$ 3,518,388</u>	<u>\$ -</u>	<u>\$ (458,154)</u>	<u>\$ 97,055</u>	<u>\$ -</u>	<u>\$ (401,373)</u>	<u>\$ -</u>	<u>\$ 679,297</u>	<u>\$ 3,435,213</u>

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

CITY OF HOWARD LAKE, MINNESOTA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$	(34,659)
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Amounts reported for the governmental activities in the statement of activities are different because:

Capital assets are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,013,070	
Construction in progress	5,332,449	
Depreciation	<u>(508,110)</u>	5,837,409

Interest on long-term debt is not recognized until due in the governmental funds. In the statement of activities, interest is recognized as it accrues. This adjustment is the difference in accrued interest payable between the prior year and the current year.

Accrued interest payable - December 31, 2025	(134,916)	
Accrued interest payable - December 31, 2024	<u>38,760</u>	(96,156)

Loans receivable are recognized as revenue when collected in the governmental funds, but the revenue was already recognized when assessed in the statement of activities. This adjustment is the difference in loans receivable between the prior year and the current year.

Loans receivable - December 31, 2025	528,448	
Loans receivable - December 31, 2024	<u>(567,061)</u>	(38,613)

Delinquent property taxes receivable will be collected, but are not available soon enough to pay for the current period's expenditures; therefore, they are deferred inflows of resources. This amount represents the change in deferred inflows of resources in the current period.

Unavailable taxes - December 31, 2025	64,866	
Unavailable taxes - December 31, 2024	<u>(38,699)</u>	26,167

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unearned revenue in the current period.

Unavailable taxes - special assessments - December 31, 2025	11,408	
Unavailable taxes - special assessments - December 31, 2024	<u>(10,725)</u>	683

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond proceeds	(6,244,360)	
Principal payments on long-term debt	287,927	
Amortization of bond discount and premium	<u>(2,166)</u>	(5,958,599)

In the statement of activities, accrued compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount paid during the year:

Compensated absences - December 31, 2025	(113,570)	
Compensated absences - December 31, 2024	<u>92,117</u>	(21,453)

Governmental funds report City pension contributions and OPEB as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

Net pension asset (fire relief) - December 31, 2025	254,723	
Net pension asset (fire relief) - December 31, 2024	(207,757)	
Net pension liability - December 31, 2025	(438,064)	
Net pension liability - December 31, 2024	486,354	
Net OPEB liability - December 31, 2025	(7,773)	
Net OPEB liability - December 31, 2024	6,720	
Deferred outflows of resources, pension - December 31, 2025	845,897	
Deferred outflows of resources, OPEB - December 31, 2025	110,142	
Deferred outflows of resources, pension - December 31, 2024	(558,033)	
Deferred outflows of resources, OPEB - December 31, 2024	(98,264)	
Deferred inflows of resources, pension - December 31, 2025	(948,069)	
Deferred inflows of resources, pension - December 31, 2024	<u>608,148</u>	54,024

CHANGE IN NET POSITION – GOVERNMENTAL ACTIVITIES	\$	(231,197)
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(The accompanying notes are an integral part of these financial statements.)

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Liquor	Total
ASSETS				
Current Assets				
Cash and investments	\$ 1,108,638	\$ 1,247,830	\$ 2,000	\$ 2,358,468
Accounts receivable	89,666	180,111	-	269,777
Special assessments receivable	39,528	76,593	-	116,121
Due from other funds	618,989	391,392	-	1,010,381
Inventories	-	-	212,368	212,368
Prepaid items	2,041	266	3,400	5,707
Total Current Assets	1,858,862	1,896,192	217,768	3,972,822
Noncurrent Assets				
Equity interest in joint venture	-	9,054,874	-	9,054,874
Capital assets not being depreciated	792,056	7,000	-	799,056
Capital assets being depreciated, net	3,089,261	3,148,026	8,822	6,246,109
Total Noncurrent Assets	3,881,317	12,209,900	8,822	16,100,039
Total Assets	5,740,179	14,106,092	226,590	20,072,861
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	22,654	14,240	34,587	71,481
Related to OPEB	26,319	17,631	12,266	56,216
Total Deferred Outflows of Resources	48,973	31,871	46,853	127,697
LIABILITIES				
Current Liabilities				
Accounts payable	592	161	18,112	18,865
Accrued expenses	448	51,875	9,132	61,455
Accrued payroll	5,921	3,674	6,733	16,328
Accrued interest payable	5,532	7,934	-	13,466
Due to other funds	-	-	391,392	391,392
Current portion of long-term debt	174,500	399,500	-	574,000
Total Current Liabilities	186,993	463,144	425,369	1,075,506
Noncurrent Liabilities				
Compensated absences	13,913	9,810	11,568	35,291
Bonds and loans payable, net	1,156,720	1,798,720	-	2,955,440
OPEB liability	1,857	1,244	866	3,967
Net pension liability	52,878	33,234	80,742	166,854
Total Noncurrent Liabilities	1,225,368	1,843,008	93,176	3,161,552
Total Liabilities	1,412,361	2,306,152	518,545	4,237,058
DEFERRED INFLOWS OF RESOURCES				
Pension	43,419	27,294	66,286	136,999
NET POSITION				
Net investment in capital assets	2,550,097	1,797,806	8,822	4,356,725
Unrestricted	1,783,275	10,006,711	(320,210)	11,469,776
TOTAL NET POSITION	\$ 4,333,372	\$ 11,804,517	\$ (311,388)	\$ 15,826,501

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

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Liquor	Total
GROSS PROFIT				
Sales	\$ -	\$ -	\$ 994,752	\$ 994,752
Cost of sales	-	-	(653,268)	(653,268)
Gross profit	-	-	341,484	341,484
OPERATING REVENUES				
Charges for services	754,171	1,640,428	-	2,394,599
Miscellaneous	-	-	21,364	21,364
Total Operating Revenues	754,171	1,640,428	21,364	2,415,963
OPERATING EXPENSES				
Salaries and wages	153,323	102,708	181,389	437,420
Payroll taxes	10,752	7,700	14,169	32,621
Pension expense	8,276	4,751	43,821	56,848
Employee benefits	32,098	21,819	20,077	73,994
Repairs and maintenance	120,441	74,726	8,400	203,567
Insurance	-	-	8,345	8,345
Utilities	26,602	15,063	10,531	52,196
Credit card fees	-	-	82,831	82,831
Supplies	37,419	12,207	11,965	61,591
Professional fees	23,086	23,086	23,085	69,257
Wastewater commission charges	-	696,589	-	696,589
Meetings and travel	1,050	55	1,578	2,683
Testing	1,435	-	-	1,435
Depreciation	136,556	107,980	2,370	246,906
Miscellaneous	21,662	5,418	20,073	47,153
Total Operating Expenses	572,700	1,072,102	428,634	2,073,436
OPERATING INCOME (LOSS)	181,471	568,326	(65,786)	684,011
NONOPERATING REVENUES (EXPENSES)				
Special assessments	35,775	62,486	-	98,261
Local grants and aids	-	193,935	-	193,935
Net investment earnings	20,307	23,399	-	43,706
Other income	27,261	-	279	27,540
Interest expense	(18,794)	(26,843)	-	(45,637)
Total Nonoperating Revenues (Expenses)	64,549	252,977	279	317,805
NET INCOME (EXPENSE) BEFORE TRANSFERS AND OTHER ITEMS	246,020	821,303	(65,507)	1,001,816
TRANSFERS AND OTHER ITEMS				
Capital contributions, net of related debt	318,299	-	-	318,299
Transfers out	(17,521)	-	-	(17,521)
Change in equity interest	-	3,168,928	-	3,168,928
Net Transfers and Other Items	300,778	3,168,928	-	3,469,706
CHANGE IN NET POSITION	546,798	3,990,231	(65,507)	4,471,522
TOTAL NET POSITION – BEGINNING	3,786,574	7,814,286	(245,881)	11,354,979
TOTAL NET POSITION – ENDING	<u>\$ 4,333,372</u>	<u>\$ 11,804,517</u>	<u>\$ (311,388)</u>	<u>\$ 15,826,501</u>

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

CITY OF HOWARD LAKE, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Liquor	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 763,143	\$ 1,640,765	\$ 1,016,116	\$ 3,420,024
Payments to suppliers/vendors	(216,663)	(860,223)	(793,090)	(1,869,976)
Payments to employees	(151,193)	(101,771)	(177,611)	(430,575)
Payments to other governmental units	(55,484)	(37,059)	(52,977)	(145,520)
Other receipts	27,261	-	279	27,540
Other payments	(21,662)	(5,418)	(20,073)	(47,153)
Net Cash Provided by Operating Activities	345,402	636,294	(27,356)	954,340
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to other funds	(618,989)	(27,356)	-	(646,345)
Payments from other funds	918,841	-	27,356	946,197
Transfers to other funds	(17,521)	-	-	(17,521)
Special assessments received	33,629	60,168	-	93,797
Net Cash Provided by Noncapital Financing Activities	315,960	32,812	27,356	376,128
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Intergovernmental revenue received	-	193,935	-	193,935
Principal paid on capital debt	(218,500)	(441,500)	-	(660,000)
Interest paid on capital debt	(22,530)	(31,858)	-	(54,388)
Net Cash Used by Capital and Related Financing Activities	(241,030)	(279,423)	-	(520,453)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	20,307	23,399	-	43,706
NET INCREASE IN CASH AND INVESTMENTS	440,639	413,082	-	853,721
CASH AND INVESTMENTS – BEGINNING	667,999	834,748	2,000	1,504,747
CASH AND INVESTMENTS – ENDING	<u>\$ 1,108,638</u>	<u>\$ 1,247,830</u>	<u>\$ 2,000</u>	<u>\$ 2,358,468</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 181,471	\$ 568,326	\$ (65,786)	\$ 684,011
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation expense	136,556	107,980	2,370	246,906
Other income	27,261	-	279	27,540
Net operating changes in				
Accounts receivable	8,972	337	-	9,309
Inventory	-	-	13,091	13,091
Prepaid items	(1,642)	133	(713)	(2,222)
Deferred outflows of resources - pension	(4,189)	(2,088)	(13,830)	(20,107)
Accounts payable	(5,436)	(90,505)	(14,597)	(110,538)
Accrued expenses	448	51,875	9,132	61,455
Accrued payroll	2,645	1,538	2,517	6,700
Compensated absences	(515)	(601)	1,261	145
Net pension liability	(8,767)	(5,871)	11,688	(2,950)
Net OPEB liability	157	72	135	364
Deferred inflows of resources	8,441	5,098	27,097	40,636
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 345,402</u>	<u>\$ 636,294</u>	<u>\$ (27,356)</u>	<u>\$ 954,340</u>

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

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Howard Lake, Minnesota was incorporated under the laws of the State of Minnesota and operates under a mayor-council form of government. The mayor and four council members are elected by the voters of the City.

The financial statements of the reporting entity include those of the City (the primary government) and the component units for which the primary government is financially accountable. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or the potential component unit is fiscally dependent on the City.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component unit's funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Following are the City's blended component units:

Blended Component Unit

Howard Lake Housing and Redevelopment Authority is a legal entity separate from the City. Although legally separate, the Howard Lake Housing and Redevelopment Authority is reported as if it were part of the primary government because it provides services exclusively for the City. Separate financial statements are not prepared for the Howard Lake Housing and Redevelopment Authority.

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Joint Ventures and Jointly Governed Organizations

In 2008, the City entered into a joint powers agreement with the City of Annandale and the City of Maple Lake to establish the Annandale-Maple Lake-Howard Lake Wastewater Commission (the Commission), effective January 1, 2009. The purpose of the Commission is to make available wastewater treatment within the present and future boundaries of the cities, and to serve such other areas as the Commission approves. As part of the joint venture, the City of Howard Lake agrees to fund the debt service and operating funds of the Commission according to the terms of the agreement. Each city has a one-third equity interest in the Commission. In 2010, all three cities approved amending the joint powers agreement. The wastewater treatment plant was transferred to the Commission and all three cities will continue to pay user fees to the Commission based on usage, as well as submit sewer access charges. Because there is explicit measurable equity interest in the joint venture, the interest is reported in the government-wide financial statements, as well as in the Sewer Fund. Separate financial statements can be obtained by contacting the Wastewater Commission, P.O. Box K, Annandale, MN 55302.

The following represents the significant accounting policies used by the City:

Basis of Presentation

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. As a general rule, eliminations have been made to minimize the double counting of internal activities. There are some exceptions to that general rule, certain charges between the City's enterprise functions and various other functions of the government. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include a) fees and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including a fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. 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, result from non-exchange transactions. Other nonoperating revenues are ancillary activities such as investment earnings.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following types of funds:

Governmental Funds

General Fund – the General Fund is the general operating fund of the City. It is used to account for all financial resources and transactions, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, public works, parks and recreation, and general government services.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Special Revenue Funds – used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for specific purposes. The City's major special revenue funds are as follows:

TIF #18 Forsman Farms – used to account for tax increments collected and paid out related to the Forsman Farms redevelopment district.

TIF #19 Munson Lakes – used to account for tax increments collected and paid out related to the Munson Lakes redevelopment district.

Debt Service Funds – used to account for the accumulation of, resources for, and the payment of, long-term debt principal, interest, and related costs. The City's major debt service funds are as follows:

G.O. Tax Increment Bonds, Series 2021A – used to account for the debt repayment related to the 2021A tax increment bonds.

Capital Project Funds – used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City's major capital projects funds are as follows:

2023 Street & Utility Project – used to account for expenditures related to the 2023 street and utility project.

Proprietary Funds

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the cost of providing goods or services be financed or recovered primarily through user charges. The City's major enterprise funds and their purposes are as follows:

Water – accounts for the provision of water services to the City's residents.

Sewer – accounts for the provision of sewer services to the City's residents.

Liquor – accounts for the operation of the Howard Lake Liquor Store.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Under the accrual basis of accounting, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances, and loans. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 enterprise funds include but 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.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Government-Wide and Proprietary Fund Financial Statements (Continued)

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds from general long-term debt and acquisitions under finance agreements are reported as other financing sources.

The City considers all revenues available if they are collected within 60 days after year-end, except for property taxes. All taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments (Including Cash Equivalents)

Available cash balances from all funds are pooled and invested in accordance with Minnesota Statutes. Each fund's share of the pool is shown on the financial statements as "cash and investments." For reporting purposes, petty cash and change funds are also considered cash and investments. For the purposes of the proprietary fund-type statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Certificates of deposit are valued at cost plus reinvested dividends, and other investments are stated at fair value.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Property tax levies are set by the City Council in December of each year and are certified to Wright County for collection in the following year. In Minnesota, counties act as collection agencies for all property taxes. The county spreads the levy over assessable property. Property taxes become a lien on January 1. Property tax payments are due in two equal installments, on May 15 and October 15. Taxes become delinquent if not paid by the due date. The County is required to distribute collections to the City three times each year.

Property taxes receivable which have been collected and received by the City within 60 days subsequent to year end are considered measurable and available, and are recognized as revenues in the governmental fund financial statements. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period. Property tax receivables are deemed to be substantially collectable or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary.

Receivables for federal and state grants, and state, county, and local shared revenue, are recorded as revenue in all fund types as earned.

Assessment liens receivable are recorded as receivables at the time property owners are assessed for property improvements. Assessment lien installments which are expected to be collected in the following year in accordance with the modified accrual basis of accounting are considered measurable and available and are recognized as revenues. All other assessment liens receivable are offset by unearned revenues and, accordingly, have not been recorded as revenue. Assessments are payable over a term of years at an interest rate established by the City Council.

Receivables of the proprietary fund types are recorded as revenue when earned, including services earned but not billed.

Inventories

Inventories in the proprietary fund types are stated at cost, using a first-in, first-out (FIFO) method. Expenses are recognized as the inventories are used (consumption method).

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

Capital assets, which include property, plant, right to use leases, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and are defined by the government as assets with an initial individual cost of more than \$5,000 and estimated useful life in excess of one years. Capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the time of donation. Intangible assets with an indefinite useful life are included in non-depreciable assets. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	20 years
Vehicles	8 years
Machinery and equipment	5 – 20 years
Utility distribution system	40 years
Infrastructure	40 years

In governmental fund financial statements, capital assets purchased are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated vacation, sick leave balances, and compensatory time. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive such payments upon termination are included. The liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. The government-wide and proprietary fund statement of net position reports both current and noncurrent portions of compensated absences using full accrual accounting. The current portion consists of an amount based on expected or known retirements coming in the next fiscal year. The noncurrent portion consists of the remaining amount of vacation, total vested sick leave, and compensatory time.

The City compensates employees who resign or retire for their unused sick leave up to 144 hours, unused compensatory time up to 80 hours, and for their unused vacation. Employees are granted vacation based on their years of service. Vacation must be used within twelve months from the time it is earned, unless the City Council grants an extension.

Other Postemployment Benefits

Employees of the City pay health care premiums based on a negotiated rate. The City has an implicit rate subsidy factor in postemployment health care expenses which accounts for the difference employees would pay if there were no retirees on the City's insurance policy.

Long-Term Obligations

In the government-wide and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources and payments of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category – pension deferrals and OPEB deferrals reported in the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The City has several items that qualify for reporting in this category – property taxes and special assessments receivable, OPEB deferrals, and pension deferrals.

Net Position and Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital asset. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute. When both restricted and unrestricted net position is available for use, it is the City's policy to use restricted first and then unrestricted.

Fund Balance

Governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the governing body itself or by some person or body delegated to exercise such authority in accordance with policy established by the council. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

The following funds had deficit fund balances as of December 31, 2025:

Major Governmental Funds	
TIF #19 Munson Lakes	\$ 458,154
2023 Street & Utility Project	401,373
Nonmajor Governmental Funds	
TIF #17 Emarcor	5,299
Good Neighbor Day	1,504
TIF #23 Terning Trails Apartments	3,841
G.O. Tax Increment Bonds, Series 2019A	61,265
Crawford Properties	5,210
Veterans Memorial Fund	56,363
TIF #22 Reeds & Rushes Event	164,960
Storm Water Utility Project	44,919
Street & Utility Phase 2	372,966
Water Treatment Facility Project	618,988
Proprietary Funds	
Municipal Liquor Store	311,388

Deficits will be eliminated by future revenues, transfers, property tax levies, and collection of tax increments.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information

GASB Statement No. 34 requires that budget vs. actual information be presented for the general fund and all budgeted major special revenue funds. Budget vs. actual information and related notes can be found in the required supplementary information following this report.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

Minnesota Statutes authorize the City to deposit its cash and to invest in certificates of deposit in financial institutions designated by the City Council.

The City maintains a cash and investment pool that is available for use by all funds. As of December 31, 2025, the City's cash and investment balances are reported as follows:

Pooled cash in checking	\$ 2,098,588
Departmental checking accounts	531,510
Departmental certificates of deposit	714,027
Cash on hand	2,000
Investments	<u>2,424,366</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 5,770,491</u>

Custodial Credit Risk – deposits – the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City maintains its deposits in accordance with Minn. Stat. § 118A.03. Under that statute, all deposits must be covered by Federal Deposit Insurance Corporation (FDIC) or collateralized with eligible securities in an amount equal to 110% of the deposits not covered by FDIC or corporate surety bonds. As of December 31, 2025, the City's deposits with various financial institutions had a bank balance of \$3,543,695. Of these deposits, \$500,000 was covered by FDIC insurance and \$3,043,695 was collateralized in accordance with Minn. Stat. § 118A.03.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

Investment of City funds is restricted by *Minnesota Statutes*. Authorized investments include obligations of the U.S. Treasury and U.S. Agencies, bankers' acceptances, certain repurchase agreements and commercial paper rated A-1 by Standard & Poor's Corporate or P-1 by Moody's Commercial Paper Record.

The City had the following investments at December 31, 2025:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments held with broker:				
4M fund	\$ 2,424,366	\$ 2,424,366	\$ -	\$ -
TOTAL	\$ 2,424,366	\$ 2,424,366	\$ -	\$ -

The Minnesota Municipal Money Market Fund (4M Fund) operates in accordance with appropriate State laws and regulations. The 4M fund is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under Rule 2a-7 of the Investment Company Act of 1940. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M fund can be obtained by contacting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402.

The investments of the City are exposed to various risks as follows:

Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City's policy, which adheres to State of Minnesota law, is to limit its corporate and municipal investments as noted above. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality per GASB Statement No. 40. The City's investments in money market and certificates of deposit are not rated.

Concentration of Credit Risk – the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that the City may invest in any one issuer.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 – RECEIVABLES

Receivables as of December 31, 2025 are as follows:

	<u>Total Receivables</u>	<u>Amounts not Scheduled for Collection During Subsequent Year</u>
Governmental Activities		
Accounts	\$ 498,124	\$ -
Taxes	64,866	-
Special assessments	11,548	10,369
Other	640	-
Loans	528,448	490,291
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,103,626</u>	<u>\$ 500,660</u>
Business-Type Activities		
Accounts	\$ 269,777	\$ -
Special assessments	116,121	88,281
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 385,898</u>	<u>\$ 88,281</u>

NOTE 5 – LOANS RECEIVABLE

The City has Economic Recovery Grant funds available in the form of a revolving loan. Currently, there is one loan outstanding along with developer agreements as listed below.

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
The Lodge of Howard Lake	\$ 1,134,134	1.75% - 4.75%	2/1/2040	\$ 528,448
TOTAL				<u>\$ 528,448</u>

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6 – CAPITAL ASSETS

Activity in capital assets for the City was as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance 2025</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 262,289	\$ 10,139	\$ 45,000	\$ 227,428
Construction in progress	6,290,702	6,060,532	6,077,898	6,273,336
	<u>6,552,991</u>	<u>6,070,671</u>	<u>6,122,898</u>	<u>6,500,764</u>
Capital assets being depreciated				
Buildings	3,775,794	5,274,326	323,545	8,726,575
Improvements other than buildings	2,682,197	1,065,331	-	3,747,528
Equipment and vehicles	3,347,631	64,698	7,326	3,405,003
Infrastructure	10,691,939	-	-	10,691,939
	<u>20,497,561</u>	<u>6,404,355</u>	<u>330,871</u>	<u>26,571,045</u>
Accumulated depreciation for				
Buildings	(2,146,058)	(64,587)	(316,987)	(1,893,658)
Improvements other than buildings	(663,841)	(61,278)	-	(725,119)
Equipment and vehicles	(1,770,201)	(153,079)	(7,326)	(1,915,954)
Infrastructure	(3,426,902)	(229,166)	-	(3,656,068)
	<u>(8,007,002)</u>	<u>(508,110)</u>	<u>(324,313)</u>	<u>(8,190,799)</u>
Total capital assets being depreciated, net	<u>12,490,559</u>	<u>5,896,245</u>	<u>6,558</u>	<u>18,380,246</u>
TOTAL GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u><u>\$19,043,550</u></u>	<u><u>\$11,966,916</u></u>	<u><u>\$ 6,129,456</u></u>	<u><u>\$24,881,010</u></u>

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance 2024	Additions	Removals	Balance 2025
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 7,000	\$ -	\$ -	\$ 7,000
Construction in progress	473,757	318,299	-	792,056
	480,757	318,299	-	799,056
Capital assets being depreciated				
Buildings	794,621	-	-	794,621
Other improvements	54,022	-	-	54,022
Wastewater treatment plant	103,937	-	-	103,937
Water treatment plant	874,157	-	-	874,157
Water and sewer lines	9,784,349	-	-	9,784,349
Equipment and vehicles	477,860	-	-	477,860
	12,088,946	-	-	12,088,946
Accumulated depreciation for				
Buildings	(681,177)	(18,075)	-	(699,252)
Other improvements	(47,098)	(746)	-	(47,844)
Wastewater treatment plant	(103,937)	-	-	(103,937)
Water treatment plant	(777,375)	(24,334)	-	(801,709)
Water and sewer lines	(3,602,484)	(195,687)	-	(3,798,171)
Equipment and vehicles	(383,860)	(8,064)	-	(391,924)
	(5,595,931)	(246,906)	-	(5,842,837)
Total capital assets being depreciated, net	6,493,015	(246,906)	-	6,246,109
TOTAL BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 6,973,772	\$ 71,393	\$ -	\$ 7,045,165

Depreciation expense was charged to the following functions or programs as follows:

General government	\$ 86,415
Public safety	75,884
Public works	292,149
Culture and recreation	53,662
TOTAL	\$ 508,110

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions or programs as follows:

Water	\$ 136,556
Sewer	107,981
Municipal liquor	<u>2,369</u>
TOTAL	<u>\$ 246,906</u>

At December 31, 2025 the City had remaining contractual construction commitments for street/utility project in the amount of \$2,678,107.

NOTE 7 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The City issues general obligation (G.O.) bonds to provide for financing tax increment projects, street improvements, and facility construction. Debt service is covered respectively by property taxes, tax increments, and special assessments levied against benefited properties with any shortfalls being paid from general taxes.

G.O. bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15 years serial bonds with equal debt service payments each year.

Components of Long-Term Debt

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 2025</u>
Governmental Activities				
General Obligation Bonds				
Tax abatement bonds, series 2018A	980,000	2040	2.6 - 4%	\$ 785,000
Tax increment bonds, series 2019A	735,000	2044	2.00%	625,000
Tax increment refunding bonds, series 2021A	591,000	2040	2.00%	482,000
Bond anticipation note, series 2025A	12,240,000	2027	5.25%	5,503,713
Street construction plan bond, series 2025C	741,000	2046	4.85%	741,000
G.O. Revenue Bonds				
Storm sewer revenue bonds, series, 2011A	690,000	2026	1.75 - 2.6%	40,000
G.O. Certificates				
Equipment certificate of indebtedness, series 2023A	384,000	2033	3.05%	346,000
Revenues Bonds				
Taxable lease revenue bond, series, 2024A	3,582,000	2064	2.13%	3,524,257
Taxable lease revenue bond, series, 2024B	733,000	2064	3.25%	<u>723,815</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u>\$ 12,770,785</u>

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

Components of Long-Term Debt (Continued)

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 2025</u>
Business-Type Activities				
General Obligation Bonds				
Sewer and water revenue crossover refunding, series 2012A	3,260,000	2027	2 - 2.65%	305,000
General Obligation Notes				
Sewer revenue note of 2009	2,606,000	2028	1.08%	634,000
Water revenue note of 2011	2,059,069	2040	1.22%	1,176,000
Sewer revenue note of 2011	2,508,122	2040	1.00%	<u>1,409,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES				<u>\$ 3,524,000</u>

Debt service funds are used to liquidate the governmental activities outstanding bonded indebtedness, notes, and contracts for deed.

The changes in long-term obligations is as follows:

	<u>Balance 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 2025</u>	<u>Due Within One Year</u>
Governmental Activities					
G.O. bonds	\$ 2,030,000	\$ 6,244,713	\$ 138,000	\$ 8,136,713	\$ 94,000
G.O. revenue bonds	85,000	-	45,000	40,000	40,000
G.O. certificates	384,000	-	38,000	346,000	39,000
Revenue bonds	4,315,000	-	66,928	4,248,072	68,453
Unamortized bond premium	-	-	-	-	-
Unamortized bond discount	(13,305)	-	(1,814)	(11,491)	-
Net bonds and notes payable	<u>6,800,695</u>	<u>6,244,713</u>	<u>286,114</u>	<u>12,759,294</u>	<u>241,453</u>
Other Liabilities					
Capital leases payable	-	-	-	-	-
Compensated absences	92,117	21,453	-	113,570	-
Net pension liability	486,354	-	48,290	438,064	-
Net OPEB liability	6,720	1,053	-	7,773	-
Total Other Liabilities	<u>585,191</u>	<u>22,506</u>	<u>48,290</u>	<u>559,407</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 7,385,886</u>	<u>\$ 6,267,219</u>	<u>\$ 334,404</u>	<u>\$ 13,318,701</u>	<u>\$ 241,453</u>

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

	Balance 2024	Increases	Decreases	Balance 2025	Due Within One Year
Business-Type Activities					
Bonds and Notes Payable					
General obligation bonds	\$ 600,000	\$ -	\$ 295,000	\$ 305,000	\$ 205,000
General obligation revenue notes	3,584,000	-	365,000	3,219,000	369,000
Unamortized bond premium	10,104	-	4,664	5,440	-
Total Bonds and Notes Payable	4,194,104	-	664,664	3,529,440	574,000
Other Liabilities					
Compensated absences	35,146	145	-	35,291	-
Net pension liability	169,804	-	2,950	166,854	-
Net OPEB liability	3,603	364	-	3,967	-
Total Other Liabilities	208,553	509	2,950	206,112	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,402,657	\$ 509	\$ 667,614	\$ 3,735,552	\$ 574,000

The annual debt service requirements to maturity for all bonds and notes outstanding are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Years Ending December 31				
2026	\$ 241,453	\$ 228,279	\$ 574,000	\$ 43,000
2027	5,720,727	192,131	472,000	33,870
2028	240,611	185,998	377,000	29,452
2029	246,247	179,235	165,000	23,086
2030	251,921	172,178	166,000	22,174
2031 - 2035	1,279,127	748,400	860,000	78,586
2036 - 2040	1,294,312	558,212	910,000	30,246
2041 - 2045	902,480	385,582	-	-
2046 - 2050	622,411	271,330	-	-
2051 - 2055	632,983	201,352	-	-
2056 - 2060	710,198	124,137	-	-
2061 - 2064	628,315	37,183	-	-
TOTAL	\$ 12,770,785	\$ 3,284,017	\$ 3,524,000	\$ 260,414

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

Conduit Debt Obligations

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued a revenue note to provide funding to a private-sector entity for a project deemed to be in the public interest. Although this note bears the name of the City, the City has no obligation for such debt. Accordingly, the note is not reported as a liability in the financial statements of the City.

The original amount of the obligation is \$7,188,000 and the balance outstanding at December 31, 2025 is \$5,961,212.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

Interfund receivable and payable balances at December 31, 2025 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TIF #23 Terning Trails Apartments	\$ 3,841
General	TIF #19 Munson Lakes	36,367
General	Crawford Properties	5,210
General	Veterans Memorial Fund	56,363
General	Storm Water Utility Project	44,919
General	2023 Street & Utility Project	515,885
General	TIF #22 Reeds & Rushes	14,960
General	Street & Utility Phase 2	372,966
General	Water Quality Planning	15,520
Fire Equipment	General	44,735
Water	Water Treatment Facility	618,989
Sewer	Liquor	391,392
TOTAL		<u>\$ 2,121,147</u>

The purpose of the above interfund short-term loans was to provide financing for operating purposes and to cover deficit cash balances.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund Advances

Interfund receivable and payable balances at December 31, 2025 were as follows:

<u>Advance to Other Funds</u>	<u>Advance From Other Funds</u>	<u>Amount</u>
General	TIF #19 Munson Lakes	\$ 421,787
General	Nonmajor governmental funds	256,208
TOTAL		<u>\$ 677,995</u>

The purpose of the above interfund advances was to fund operations of tax increment financing districts projects, within both major and nonmajor funds, until TIF amounts are received, along with a nonmajor debt service fund.

Interfund Transfers

The City transferred cash between funds as follows:

	<u>Transfer In</u>		
	<u>Nonmajor</u>		
	<u>Governmental</u>		
	<u>General</u>	<u>Funds</u>	<u>Total</u>
Transfer out			
General	\$ -	\$ 190,749	\$ 190,749
Water	-	17,521	17,521
Nonmajor governmental funds	867,638	430,437	1,298,075
TOTAL	<u>\$ 867,638</u>	<u>\$ 638,707</u>	<u>\$ 1,506,345</u>

The purpose of the transfers was to provide funding for operating purposes, capital improvement projects and capital outlay, and to cover debt obligations.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 9 – NET INVESTMENT IN CAPITAL ASSETS

Governmental activities net position reported as net investment in capital assets on the government-wide statement of net position is comprised of the following:

Land	\$ 227,428
Construction in progress	6,273,336
Other capital assets, net of accumulated depreciation	18,380,246
Less: long-term debt outstanding	<u>(12,759,294)</u>
NET INVESTMENT IN CAPITAL ASSETS	<u>\$ 12,121,716</u>

Business-type activities net position reported as net investment in capital assets includes the following:

Land	\$ 7,000
Construction in progress	792,056
Other capital assets, net of accumulated depreciation	6,246,109
Less: long-term debt outstanding	<u>(2,688,440)</u>
NET INVESTMENT IN CAPITAL ASSETS	<u>\$ 4,356,725</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA). These plan provisions are established and administered according to *Minnesota Statutes* chapters 353, 353D, 353E, 353G, and 356. PERA's defined 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.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description (Continued)

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

Membership in the Police & 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 & 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.

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

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a 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 increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members are required to contribute 6.50% of their annual covered salary in calendar year 2025 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were \$62,405. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.8% 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 \$42,624. The City's contributions were equal to the required contributions as set by state statute.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$306,366 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 \$7,391.

City's proportionate share of the net pension liability	\$ 306,366
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>7,391</u>
TOTAL	<u>\$ 313,757</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 0.0092% at the end of the measurement period and 0.0089% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of \$16,145 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional (\$1,134) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At December 31, 2025, the City reported its proportionate share of the General Employees Plan's 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	\$ 35,473	\$ -
Changes in actuarial assumptions	5,538	104,956
Net collective difference between projected and actual investment earnings	-	133,632
Changes in proportion	57,432	12,970
Contributions paid to PERA subsequent to the measurement date	32,811	-
TOTAL	\$ 131,254	\$ 251,558

The \$32,811 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:

	Pension Expense Amount
Year Ended December 31:	
2026	\$ (23,219)
2027	(60,308)
2028	(45,207)
2029	(24,381)
TOTAL	\$ (153,115)

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$298,552 for its proportionate share of 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 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 total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0255% at the end of the measurement period and 0.0250% 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 \$10,349.

City's proportionate share of the net pension liability	\$ 298,552
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>10,349</u>
TOTAL	<u><u>\$ 308,901</u></u>

For the year ended December 31, 2025, the City recognized pension expense of \$80,197 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$6,803 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

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 \$6,803 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 189,037	\$ -
Changes in actuarial assumptions	344,609	613,782
Net collective difference between projected and actual investment earnings	-	143,746
Changes in proportion	103,830	10,337
Contributions paid to PERA subsequent to the measurement date	35,726	-
TOTAL	\$ 673,202	\$ 767,865

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

The \$35,726 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 to pensions will be recognized in pension expense as follows:

	Pension Expense Amount
Year Ended December 31:	
2026	\$ 37,458
2027	(49,276)
2028	(107,633)
2029	(15,887)
2030	4,949
TOTAL	\$ (130,389)

3. Aggregate Pension Expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2025 was \$96,342.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	5.10%
International equity	16.50%	5.30%
Fixed income	25.00%	0.75%
Private markets	25.00%	5.90%
TOTAL	100.00%	

Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.50% after one year of service to 3% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 10.75% after one year of service to 3% after 23 years of service.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Methods and Assumptions (Continued)

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

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

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

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Methods and Assumptions (Continued)

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 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity Analysis				
Net Pension Liability (Asset) at Different Discount Rates				
	General Employees Fund		Police and Fire Fund	
1% lower	6.00%	\$ 744,114	6.00%	\$ 782,270
Current discount rate	7.00%	306,366	7.00%	298,552
1% higher	8.00%	(48,747)	8.00%	(98,656)

Pension Plan Fiduciary Net Position

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

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN

Plan Description

Firefighters of the City are members of the Association. The Association is the administrator of a single-employer defined benefit pension plan available to firefighters. The plan is administered by the Association pursuant to Minnesota Statutes Chapter 69, Chapter 424A and the Association's bylaws. As of December 31, 2025, the plan covered 26 active firefighters and 6 vested terminated firefighters whose pension benefits are deferred.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN (Continued)

Benefits Provided

The plan provides a lump-sum 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 per year of service approved by the City. The plan includes a \$2,000 service pension benefit for each year of service plus a supplemental benefit of 10% of the regular lump sum distribution, but not more than \$1,000. Members are eligible for a lump-sum retirement benefit at 50 years of age with ten years of service. Plan provisions include a pro-rated vesting schedule that will be reduced by 4% for each year of service less than 20 years.

Contributions

The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota Statutes, and voluntary City contributions. As of December 31, 2025, the State of Minnesota contributed \$83,261 in fire state aid to the plan on behalf of the fire department. Required employer contributions are calculated annually based on statutory provisions.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN (Continued)

Pension Costs

The City reported a net pension liability (asset) of (254,723). The City's net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by an independent actuary applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 1-1-2024	\$ 589,909	\$ 816,809	\$ (226,900)
Changes for the year:			
Service cost	26,756	-	26,756
Interest	32,185	-	32,185
Differences between expected and actual experience	(32,306)	-	(32,306)
Changes in assumptions	(1,130)	-	(1,130)
Changes of benefit terms	70,750	-	70,750
Contributions - State and local	-	39,586	(39,586)
Net investment income	-	98,317	(98,317)
Benefit payments	(62,963)	(62,963)	-
Administrative expense	-	(13,825)	13,825
Net change	<u>33,292</u>	<u>61,115</u>	<u>(27,823)</u>
BALANCE AT 12-31-2024	<u>\$ 623,201</u>	<u>\$ 877,924</u>	<u>\$ (254,723)</u>

For the year ended December 31, 2024, the City recognized pension expense of \$89,974.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN (Continued)

Pension Costs (Continued)

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 13,941	\$ 50,479
Changes in actuarial assumptions	10,720	19,951
Net difference between projected and actual investment earnings	-	31,249
Contributions to the plan subsequent to measurement date	88,261	-
TOTAL	\$ 112,922	\$ 101,679

The \$88,261 reported as deferred outflows of resources related to pensions resulting from state aid received for the plan subsequent to the measurement date will be recognized as an increase of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pension plans will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2026	\$ (6,809)
2027	(2,048)
2028	(25,603)
2029	(14,692)
2030	(9,538)
Thereafter	(18,328)
TOTAL	\$ (77,018)

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Straight-line
Remaining amortization period	5 years
Asset valuation method	Market value of assets
Inflation rate	2.50%
Investment rate of return	5.75%, net of administrative expenses

The actuarial assumptions used in the December 31, 2024 valuation were based on an actuarial valuation model with three components as outlined in Actuarial Standard of Practice No. 56 – Modeling (ASOP 56).

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

Changes in Plan Provisions:

- The expected investment return and discount rate increased from 5.50% to 5.75% to reflect updated capital market assumptions.
- The disability, mortality, and withdrawal assumptions were updated from the rates used in the July 1, 2023 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the 2024 PERA of Minnesota Public Employees Police & Fire Plan experience study.

Discount Rate

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at a rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – HOWARD LAKE FIRE RELIEF ASSOCIATION – SUPPLEMENTAL PENSION PLAN (Continued)

Pension Liability (Asset) Sensitivity

The following presents the net pension liability (asset) calculated using the discount rate as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
1% decrease in discount rate (4.75%)	\$ 642,733	\$ 877,924	\$ (235,191)
Current discount rate (5.75%)	623,201	877,924	(254,723)
1% increase in discount rate (6.75%)	604,417	877,924	(273,507)

Plan Investments/Investment Policy

The City of Howard Lake Fire Relief Association does not have a formal investment policy.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued financial report.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This implementation allows the City to report its total OPEB liability, deferred inflows of resources, deferred outflows of resources, and OPEB expense and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees less the OPEB plan's fiduciary net position on the financial statements.

Plan Description

The City operates a single-employer retiree benefit plan (the Plan) that provides health, dental, and life insurance to eligible employees and their spouses through the District's commercial insurance plans. There are 12 active participants and 0 retired participants. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

Total OPEB Liability

The City's total OPEB liability of \$11,740 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Changes in Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at 1-1-2024	\$ 10,323
Changes for the year:	
Service cost	1,290
Interest	438
Changes of assumptions or other inputs	(311)
Net changes	<u>1,417</u>
BALANCE AT 12-31-2024	<u>\$ 11,740</u>

Retiree premiums were updated to current levels.

There were no changes in plan provisions, demographic, or other assumptions for 2024. Changes of economic assumptions reflect a change in the discount rate from 3.77% in 2023 to 4.08% in 2024.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

Changes in Total OPEB Liability (Continued)

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-percentage-point lower or 1-percentage-point higher than the current discount rate and healthcare cost trend rate:

	1.0% Decrease in Discount Rate (3.08%)	Current Discount Rate (4.08%)	1.0% Increase in Discount Rate (5.08%)
Total OPEB Liability	\$ 12,766	\$ 11,740	\$ 10,784

	1.0% Decrease (5.90%)	Healthcare Cost Trend Rates (6.90%)	1.0% Increase (7.90%)
Total OPEB Liability	\$ 10,294	\$ 11,740	\$ 13,434

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized the OPEB expense of \$1,417. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
CONTRIBUTIONS PAID SUBSEQUENT TO MEASUREMENT DATE	\$ 166,358	\$ -

The \$0 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2026.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.77%
Inflation Rate	2.50%
Mortality	
General Employees	From the 2023 PERA of MN General Employees Retirement Plan Experience Study, Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments
Police & Fire	From the July 1, 2023 PERA of MN Public Employees' Police & Fire Plan actuarial valuation, Pub-2010 Public Safety mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments
Healthcare Cost Trend Rates	6.9% for fiscal year 2024, gradually decreasing over several decades to an ultimate rate of 3.9% in fiscal year 2075 and later years

A discount rate of 3.77% was applied in the measurement date of the total OPEB liability. The discount rate is based on the index rate for 20-year, tax-exempt municipal bonds with an average rating of AA or higher.

Since the last valuation, the following changes have been made:

Changes in Assumptions:

- The discount rate was changed from 3.77% to 4.08% based on updated 20-year municipal bond rates.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 13 – TAX ABATEMENT

The City is authorized by *Minnesota Statute* 469.174 through 469.179 to enter into tax increment financing plans. Tax increment financing may be granted on case-by-case basis and may be subject to certain stipulations determined by the City at the time is it entered.

Business	Purpose	Percent Abated	Current Year Amount Abated
Foresman Farms	Pay-As-You-Go TIF Note	93%	\$ 462,248
The Lodge of Howard Lake	TIF Bond	95%	22,631
City of Howard Lake and Joey & Karen Drusch	Pay-As-You-Go TIF Note & TIF Bonds	96%	37,689

NOTE 14 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; job-related illnesses or injuries to employees and natural disasters. The City has entered into a joint powers agreement with the League of Minnesota Cities Insurance Trust (LMCIT). LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities. The City also carries commercial insurance for certain other risks of loss, including employee health insurance.

The agreement for formation of LMCIT provides that the pool be self-sustaining through member assessments and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. LMCIT can make additional assessments to make the pool self-sustaining. The City has determined that it is not possible to estimate the amount of such additional assessments; however, they are not expected to be material to the financial statements. There were no significant reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 15 – ERROR CORRECTIONS

The following error corrections were made by the client during 2025:

Correction #1

General Fund – increased beginning fund balance by \$133,082. Reason for correction was to adjust beginning balances of land held for resale amounts to lower of cost or market value.

This error correction also affects beginning net position of governmental activities in government-wide statements.

Correction #2

General Fund – increased beginning fund balance by \$203,690. Reason for correction was to move land purchased in a previous year that was expensed, but determined it should be reported as property held for resale.

This error correction also affects beginning net position of governmental activities in government-wide statements.

Disclosure related to Corrections #1 and #2:

During the review of prior year balances, management identified an error in previously reported property held for resale in the General Fund and governmental activities. The prior year ending balance did not capture all properties held for resale along with one property not properly reports as the lower of cost or market. As a result, beginning fund balance as of January 1, 2025 for the General Fund has been restated as follows:

Beginning fund balance, as previously reported	\$2,081,283
Correction of land held for resale	\$336,772
Beginning fund balance, as restated	\$2,418,055

Correction #3

City Hall & Lions Park – increased beginning fund balance by \$3,311.

Storm Water Utility – increased beginning fund balance by \$3,311.

Water Treatment Facility – increased beginning fund balance by \$187,185.

2023 Street & Utility Project – decreased beginning fund balance by \$193,805.

Reason for corrections was for street and utility project expenditures recorded in incorrect funds.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 15 – ERROR CORRECTIONS (Continued)

Disclosure related to Corrections #3:

During the review of prior year balances, management identified an error in previously reported street and utility project expenditures. In the prior year, some of the street and utility project expenditures were reported in other funds and not in the capital project fund. As a result, beginning fund balance as of January 1, 2025 for the 2023 Street & Utility Project Fund was decreased by \$193,806, and beginning fund balances for the City Hall & Lions Park Fund, Storm Water Utility Fund, and the Water Treatment Facility Fund were increased by \$3,311, \$3,311, and \$187,185, respectively. This change had no effect on beginning net position for the governmental activities.

Correction #4

2023 Street and Utility Project (548) – increased beginning fund balance by \$372,966.
Street & Utility Project Phase 2 (559) – decreased beginning fund balance by \$372,966.
Reason for correction was to create a new fund for phase 2 of the street and utility project.

Disclosure related to Correction #4:

During the review of prior year balances, management identified an error in previously reported street and utility capital project. The prior year ending fund balance of the 2023 Street & Utility Project Fund included expenditures related to phase 2 of the project. Phase 2 expenditures should have been accounted for in a separate fund. As a result, beginning fund balance as of January 1, 2025 for the 2023 Street & Utility Project Fund was increased by \$372,966 and the beginning fund balance of the Street & Utility Project Phase 2 Fund decreased by \$372,966. This error correction had no effect on beginning net position for the governmental activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 1,425,934	\$ 1,425,934	\$ 1,406,462	\$ (19,472)
Franchise taxes	10,000	10,000	8,611	(1,389)
Total Taxes	1,435,934	1,435,934	1,415,073	(20,861)
Special assessments	5,000	5,000	7,032	2,032
Licenses and permits	95,500	95,500	83,764	(11,736)
Intergovernmental				
Federal grants	-	-	14,100	14,100
State				
Local government aid	689,711	689,711	689,711	-
Fire relief aid	30,000	30,000	88,261	58,261
Police aid	30,000	30,000	47,542	17,542
Other	49,618	49,618	27,359	(22,259)
County				
Highway aid	15,000	15,000	551	(14,449)
Total Intergovernmental	814,329	814,329	867,524	53,195
Charges for Services				
General government fees	59,000	59,000	24,971	(34,029)
Fire services	150,000	150,000	135,011	(14,989)
Public safety	50,000	50,000	76,476	26,476
Recycling	32,000	32,000	27,757	(4,243)
Refuse services	130,000	130,000	118,913	(11,087)
Assessment searches	2,500	2,500	1,852	(648)
Community center fees	1,500	1,500	1,660	160
Park fees	1,000	1,000	595	(405)
Total Charges for Services	426,000	426,000	387,235	(38,765)
Fines and Forfeitures	1,400	1,400	6,103	4,703
Investment Earnings	27,500	27,500	34,023	6,523
Contributions and Donations	25,000	25,000	37,179	12,179
Other	83,569	83,569	58,446	(25,123)
Total Revenues	2,914,232	2,914,232	2,896,379	(17,853)
EXPENDITURES				
Current				
General Government				
Mayor and council	30,816	30,816	46,596	15,780
Clerk/finance and administration	341,741	341,741	339,310	(2,431)
Professional fees	128,800	128,800	194,467	65,667
Government buildings	63,658	63,658	89,986	26,328
Planning and zoning	54,600	54,600	54,562	(38)
Other - unallocated	204,722	204,722	229,306	24,584
Total General Government	824,337	824,337	954,227	129,890

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
EXPENDITURES (Continued)				
Current				
Public Safety				
Police	\$ 603,100	\$ 603,100	\$ 588,592	\$ (14,508)
Fire	190,136	190,136	304,056	113,920
Ambulance	83,507	83,507	38,000	(45,507)
Other public safety	2,750	2,750	4,325	1,575
Total Public Safety	879,493	879,493	934,973	55,480
Health	13,500	13,500	-	(13,500)
Public Works				
Street maintenance	257,447	257,447	262,501	5,054
Sanitation	157,000	157,000	176,974	19,974
Culture and Recreation				
Parks	56,094	56,094	44,334	(11,760)
Summer recreation	8,500	8,500	7,049	(1,451)
Community center	30,500	30,500	19,150	(11,350)
South Shore Event Center	47,111	47,111	46,737	(374)
Total Culture and Recreation	142,205	142,205	117,270	(24,935)
Miscellaneous				
Cemetery	10,000	10,000	10,000	-
Cable	7,000	7,000	6,744	(256)
Information technology	9,000	9,000	1,595	(7,405)
Total Miscellaneous	26,000	26,000	18,339	(7,661)
Capital Outlay				
Public safety	101,750	101,750	23,556	(78,194)
Culture and recreation	2,500	2,500	5,745	3,245
Total Capital Outlay	104,250	104,250	29,301	(74,949)
Total Expenditures	2,404,232	2,404,232	2,493,585	89,353
REVENUES OVER (UNDER) EXPENDITURES	510,000	510,000	402,794	(107,206)
OTHER FINANCING SOURCES (USES)				
Insurance recovery	20,000	20,000	1,500	(18,500)
Interest received on interfund debt	-	-	19,150	19,150
Transfers in	70,000	70,000	867,638	797,638
Transfers out	(600,000)	(600,000)	(190,749)	409,251
Total Other Financing Sources (Uses)	(510,000)	(510,000)	697,539	1,207,539
NET CHANGE IN FUND BALANCES	-	-	1,100,333	1,100,333
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	2,081,283	2,081,283	2,081,283	-
ERROR CORRECTION	336,772	336,772	336,772	-
FUND BALANCES – BEGINNING, AS RESTATED	2,418,055	2,418,055	2,418,055	-
FUND BALANCES – ENDING	<u>\$ 2,418,055</u>	<u>\$ 2,418,055</u>	<u>\$ 3,518,388</u>	<u>\$ 1,100,333</u>

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
(Last Ten Years)

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (d)	Contributions as a Percentage of Covered- Employee Payroll (b/d)
Public Employees General Employees Fund					
December 31, 2025	\$ 62,405	\$ 62,405	\$ -	\$ 832,160	7.50%
December 31, 2024	57,886	57,886	-	771,806	7.50%
December 31, 2023	55,172	55,172	-	735,627	7.50%
December 31, 2022	48,647	48,647	-	648,623	7.50%
December 31, 2021	37,859	37,859	-	504,787	7.50%
December 31, 2020	37,584	37,584	-	501,114	7.50%
December 31, 2019	37,106	37,106	-	494,743	7.50%
December 31, 2018	34,561	34,561	-	460,808	7.50%
December 31, 2017	31,066	31,066	-	414,006	7.50%
December 31, 2016	29,568	29,568	-	394,240	7.50%
Public Employees Police and Fire Fund					
December 31, 2025	\$ 42,624	\$ 42,624	\$ -	\$ 240,816	17.70%
December 31, 2024	65,025	65,025	-	367,376	17.70%
December 31, 2023	58,511	58,511	-	330,571	17.70%
December 31, 2022	51,591	51,591	-	291,474	17.70%
December 31, 2021	40,978	40,978	-	231,514	17.70%
December 31, 2020	41,387	41,387	-	233,825	17.70%
December 31, 2019	40,881	40,881	-	241,186	16.95%
December 31, 2018	34,449	34,449	-	212,648	16.20%
December 31, 2017	32,637	32,637	-	201,463	16.20%
December 31, 2016	33,091	33,091	-	204,265	16.20%

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
(Last Ten Years)

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	Employer's Covered- Employee Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Public Employees General Employees Fund							
June 30, 2025	0.0092%	\$ 306,366	\$ 7,391	\$ 313,757	\$ 832,160	37.70%	90.78%
June 30, 2024	0.0089%	329,744	8,527	338,271	771,806	43.83%	89.08%
June 30, 2023	0.0092%	514,454	14,251	528,705	735,627	71.87%	83.10%
June 30, 2022	0.0074%	586,083	17,370	603,453	648,623	93.04%	76.67%
June 30, 2021	0.0074%	316,013	9,618	325,631	504,787	64.51%	84.00%
June 30, 2020	0.0071%	425,677	13,092	438,769	501,114	87.56%	79.06%
June 30, 2019	0.0068%	375,958	11,666	387,624	470,784	82.34%	80.23%
June 30, 2018	0.0068%	377,236	12,510	389,746	460,808	84.58%	79.53%
June 30, 2017	0.0058%	370,268	4,669	374,937	414,006	90.56%	75.90%
June 30, 2016	0.0064%	519,648	6,804	526,452	394,240	133.54%	68.91%
Public Employees Police and Fire Fund							
June 30, 2025	0.0255%	\$ 298,552	\$ 10,349	\$ 308,901	\$ 240,816	128.27%	91.78%
June 30, 2024	0.0250%	326,414	12,443	338,857	367,376	92.24%	90.17%
June 30, 2023	0.0250%	431,718	17,452	449,170	330,571	135.88%	86.47%
June 30, 2022	0.0217%	944,298	41,165	985,463	291,474	338.10%	70.53%
June 30, 2021	0.0192%	148,204	6,642	154,846	231,514	66.88%	93.66%
June 30, 2020	0.0207%	272,848	6,401	279,249	233,825	119.43%	87.19%
June 30, 2019	0.0222%	236,341	-	236,341	235,529	100.34%	89.26%
June 30, 2018	0.0194%	206,784	-	206,784	212,648	97.24%	88.84%
June 30, 2017	0.0200%	270,024	-	270,024	201,463	134.03%	85.43%
June 30, 2016	0.0220%	882,898	-	882,898	204,265	432.23%	63.88%

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CHANGES IN THE NET PENSION ASSET AND RELATED RATIOS
HOWARD LAKE FIRE RELIEF ASSOCIATION
(Last Ten Years*)

	Measurement Date						
	2024	2023	2022	2021	2020	2019	2018
Total Pension Liability							
Service cost	\$ 26,756	\$ 25,130	N/A	\$ 23,877	\$ 18,011	\$ -	\$ 16,861
Interest	32,185	33,967	N/A	23,658	31,274	18,000	28,585
Differences between expected and actual experience	(32,306)	-	N/A	-	31,726	116,790	(17,525)
Changes in assumptions	(1,130)	-	N/A	-	24,390	-	(425)
Changes in benefit terms	70,750	16,654	N/A	40,284	-	-	-
Benefit payments	(62,963)	(156,600)	N/A	(84,767)	(92,117)	(54,000)	(29,000)
Net change in total pension liability	33,292	(80,849)	N/A	3,052	13,284	80,790	(1,504)
Total pension liability - beginning	589,909	670,758	612,997	609,945	596,661	515,871	517,375
Total pension liability - ending (a)	623,201	589,909	670,758	612,997	609,945	596,661	515,871
Plan Fiduciary Net Position							
State and municipal contributions	39,586	84,238	N/A	29,792	54,691	50,212	45,480
Net investment income	98,317	94,010	N/A	53,859	75,413	156,042	(38,140)
Benefit payments	(62,963)	(156,600)	N/A	(84,767)	(92,117)	(54,000)	(29,000)
Administrative expense	(13,825)	(7,805)	N/A	(2,025)	(1,012)	(6,900)	(6,737)
Net change in fiduciary net position	61,115	13,843	N/A	(3,141)	36,975	145,354	(28,397)
Fiduciary net position - beginning	816,809	802,966	820,754	823,895	786,920	641,566	669,963
Fiduciary net position - ending (b)	877,924	816,809	802,966	820,754	823,895	786,920	641,566
ASSOCIATION'S NET PENSION ASSET - ENDING (a - b)	\$ (254,723)	\$ (226,900)	\$ (132,208)	\$ (207,757)	\$ (213,950)	\$ (190,259)	\$ (125,695)
Fiduciary net position as a percentage of the total pension liability	140.87%	138.46%	119.71%	133.89%	135.08%	131.89%	124.37%

*Schedule is provided prospectively until ten years of data is available.

**CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
HOWARD LAKE FIRE RELIEF ASSOCIATION
(Last Ten Years*)**

	Fiscal Year ending December 31						
	2025	2024	2023	2022	2021	2020	2019
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**SCHEDULE OF INVESTMENT RETURNS
HOWARD LAKE FIRE RELIEF ASSOCIATION
(Last Ten Years*)**

	Fiscal Year ending December 31						
	2025	2024	2023	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment income	TBD**	12.40%	N/A	N/A	7.17%	9.93%	-5.74%

*Schedules are provided prospectively until ten years of data is available.

**If an amount is not known at the time of this report than a "TBD" is shown and employer will include actual amount when it is available.

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
(Last Ten Years*)

	Measurement Date							
	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 1,290	\$ 2,217	\$ 2,941	\$ 2,464	\$ 2,094	\$ 2,604	\$ 2,685	\$ 2,245
Interest	438	984	490	618	709	1,053	896	849
Differences between expected and actual experience	-	(5,700)	-	(8,183)	-	(7,444)	-	-
Changes in assumptions	(311)	(9,251)	(5,024)	332	1,936	1,708	(2,185)	1,255
NET CHANGE IN TOTAL OPEB LIABILITY	1,417	(11,750)	(1,593)	(4,769)	4,739	(2,079)	1,396	4,349
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	10,323	22,073	23,666	28,435	23,696	25,775	24,379	20,030
TOTAL OPEB LIABILITY, END OF YEAR	<u>\$ 11,740</u>	<u>\$ 10,323</u>	<u>\$ 22,073</u>	<u>\$ 23,666</u>	<u>\$ 28,435</u>	<u>\$ 23,696</u>	<u>\$ 25,775</u>	<u>\$ 24,379</u>
COVERED EMPLOYEE PAYROLL	<u>\$ 917,127</u>	<u>\$ 973,277</u>	<u>\$ 811,531</u>	<u>\$ 902,353</u>	<u>\$ 915,985</u>	<u>\$ 904,993</u>	<u>\$ 633,849</u>	<u>\$ 538,920</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	1.3%	1.1%	2.7%	2.6%	3.1%	2.6%	4.1%	4.5%

*Schedule is provided prospectively until ten years of data is available.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1 – BUDGETARY INFORMATION

Budgetary Data

The City Council adopts annual budgets for its General Fund. The budget is adopted in accordance with state statutes. The budgetary data presented in the schedule of revenues, expenditures, and changes in fund balances – budget and actual includes the original approved budget and any subsequent revisions authorized by the City Council, the final approved budget. The City follows these procedures in establishing the budgetary data:

1. Budget requests are submitted by all department heads to the City Administrator. The City Administrator compiles the budget requests into an overall preliminary City budget. The City Administrator presents the proposed budget to the City Council.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments. The budget resolution adopted by the City Council sets forth the budgets at the function level for the General and Special Revenue Funds.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consisted with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the department budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General and Special Revenue Funds. Annual appropriated budgets are not adopted for the Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions. Budgetary control for Capital Project Funds is accomplished through the use of project controls and formal appropriated budgets are not adopted.
7. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original amounts budgeted. Budgeted expenditure appropriations lapse at year-end.

Encumbrances outstanding at year-end expire and outstanding purchase orders are canceled and are not reported in the financial statements.

Compliance

The General Fund disbursements exceeded budgeted appropriations by \$89,353 for the year ended December 31, 2025. The overage, considered by management to be a result of necessary disbursements critical to operations, was approved by the City Council.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

General Employees Fund

2025 Changes

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

Changes in Actuarial Assumptions:

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

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

Changes in Plan Provisions:

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

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

2021 Changes

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.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

2020 Changes

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.
-

2020 Changes (Continued)

Changes in Actuarial Assumptions: (Continued)

- 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.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions: (Continued)

- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1% 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

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

2016 Changes (Continued)

Changes in Actuarial Assumptions: (Continued)

- 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.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2025 Changes

Changes in Actuarial Assumptions:

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

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

General Employees Fund (Continued)

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes

Changes in Plan Provisions:

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

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

Police and Fire Fund (Continued)

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

2021 Changes

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 MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

Police and Fire Fund (Continued)

2021 Changes (Continued)

Changes in Actuarial Assumptions (Continued):

- 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.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

Police and Fire Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019 and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% 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.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

Police and Fire Fund (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued):

- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 2 – SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (Continued)

Howard Lake Fire Relief Association

2025 Changes

Changes in Plan Provisions:

- The expected investment return and discount rate increased from 5.50% to 5.75% to reflect updated capital market assumptions.
- The disability, mortality, and withdrawal assumptions were updated from the rates used in the July 1, 2023 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the 2024 PERA of Minnesota Public Employees Police & Fire Plan experience study.

2022 Changes

Changes in Plan Provisions:

- The lump sum benefit amount increased from \$1,800 to \$2,000.

2021 Changes

Changes in Assumptions:

- The expected investment return and discount rate decreased from 5.50% to 4.00% to reflect updated capital market assumptions.
- The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation to rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.50% to 2.25%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Assumptions:

- The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016 Minnesota PERA Police & Fire Plan actuarial valuation to rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 3 – SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

Howard Lake Fire Relief Association (Continued)

2025 Changes

Changes in Assumptions:

- The discount rate was changed from 3.77% to 4.08% based on updated 20-year municipal bond rates.

2024 Changes

Changes in Assumptions:

- The discount rate was changed from 4.05% to 3.77% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2021 PERA General Employees Plan valuation to the rates used in the 2023 experience study.

2024 Changes (Continued)

Changes in Assumptions (Continued):

- The percent of future retirees assumed to elect coverage at retirement changed from 20% to 10% to reflect recent plan experience.
- The inflation assumption was changed from 2.25% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.00% to 3.25% based on 7-1-2020 PERA valuations.

2023 Changes

Changes in Assumptions:

- The discount rate was changed from 1.84% to 4.05% based on updated 20-year municipal bond rates.

CITY OF HOWARD LAKE, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 3 – SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (Continued)

Howard Lake Fire Relief Association (Continued)

2022 Changes

Changes in Assumptions:

- The discount rate was changed from 2.00% to 1.84% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7-1-2020 PERA General Employees Plan and 7-1-2020 PERA Police and Fire Plan valuations to the rates used in the 7-1-2021 valuations.
- The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

2021 Changes

Changes in Assumptions:

- The discount rate was changed from 2.75% to 2.00% based on updated 20-year municipal bond rates.

2020 Changes

Changes in Assumptions:

- The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, mortality and salary increase rates were updated from the rates used in the 7-1-2017 PERA General Employees Plan and 7-1-2017 Police and Fire Plan valuations to the rates used in the 7-1-2020 valuations.
- The inflation assumption was changed from 2.75% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

SUPPLEMENTARY INFORMATION

CITY OF HOWARD LAKE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Cash and investments	\$ 798,255	\$ 117,412	\$ 1,052,721	\$ 1,968,388
Accounts receivable	18,932	-	9,236	28,168
Special assessments receivable	-	1,613	-	1,613
Due from other governmental units	28,065	-	15,521	43,586
Other receivables	331	-	309	640
Due from other funds	-	-	44,735	44,735
Prepaid items	1,392	-	-	1,392
TOTAL ASSETS	\$ 846,975	\$ 119,025	\$ 1,122,522	\$ 2,088,522
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 18,637	\$ -	\$ -	\$ 18,637
Due to other funds	3,841	-	1,128,926	1,132,767
Advance from other funds	26,115	80,093	150,000	256,208
Total Liabilities	48,593	80,093	1,278,926	1,407,612
Deferred Inflows of Resources				
Unavailable revenue - special assessments	-	1,613	-	1,613
Fund Balances				
Nonspendable for				
Prepaid items	1,392	-	-	1,392
Restricted for				
TIF district expenditures	180,479	-	-	180,479
Debt Service	-	98,584	-	98,584
Unrestricted				
Assigned for				
Ambulance operations	623,211	-	-	623,211
Police emergency assistance	4,690	-	-	4,690
Capital projects expenses	-	-	721,431	721,431
Unassigned	(11,390)	(61,265)	(877,835)	(950,490)
Total Fund Balances	798,382	37,319	(156,404)	679,297
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 846,975	\$ 119,025	\$ 1,122,522	\$ 2,088,522

CITY OF HOWARD LAKE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES				
Taxes				
Property taxes	\$ -	\$ 314,029	\$ -	\$ 314,029
Tax increments	174,193	22,237	11,820	208,250
Special assessments	-	2,090	-	2,090
Intergovernmental	5,821	-	17,885	23,706
Charges for services	173,821	-	103,054	276,875
Net investment earnings	15,691	5,311	37,758	58,760
Contributions and donations	18,750	-	35,004	53,754
Other	16,460	353	89,831	106,644
Total Revenues	<u>404,736</u>	<u>344,020</u>	<u>295,352</u>	<u>1,044,108</u>
EXPENDITURES				
Current				
Public safety	113,321	-	-	113,321
Public works	-	-	126,573	126,573
Culture and recreation	24,164	-	-	24,164
Housing and economic development	78,498	-	-	78,498
Debt service				
Principal	-	259,927	-	259,927
Interest	-	161,986	29,887	191,873
Capital outlay	12,544	-	1,687,768	1,700,312
Total Expenditures	<u>228,527</u>	<u>421,913</u>	<u>1,844,228</u>	<u>2,494,668</u>
REVENUES OVER (UNDER) EXPENDITURES	176,209	(77,893)	(1,548,876)	(1,450,560)
OTHER FINANCING SOURCES (USES)				
Bond issue proceeds	-	-	740,647	740,647
Insurance recovery	28,065	-	-	28,065
Interest paid on interfund debt	(2,129)	-	-	(2,129)
Transfers in	71,243	116,242	451,222	638,707
Transfers out	(239,728)	(263,350)	(794,997)	(1,298,075)
Total Other Financing Sources (Uses)	<u>(142,549)</u>	<u>(147,108)</u>	<u>396,872</u>	<u>107,215</u>
NET CHANGE IN FUND BALANCES	33,660	(225,001)	(1,152,004)	(1,343,345)
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	939,309	262,320	1,659,233	2,860,862
ERROR CORRECTION	-	-	(366,344)	(366,344)
CHANGE WITHIN FINANCIAL REPORTING ENTITY (MAJOR TO NONMAJOR FUND)	-	-	(297,289)	(297,289)
CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)	(174,587)	-	-	(174,587)
TOTAL FUND BALANCE - BEGINNING, AS RESTATED	<u>764,722</u>	<u>262,320</u>	<u>995,600</u>	<u>2,022,642</u>
FUND BALANCES – ENDING	<u><u>\$ 798,382</u></u>	<u><u>\$ 37,319</u></u>	<u><u>\$ (156,404)</u></u>	<u><u>\$ 679,297</u></u>

CITY OF HOWARD LAKE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2025

	Voyager Revolving Loan	Ambulance Service	TIF #10 Deutz Redevelopment	TIF #16 SR Assisted	TIF #17 Emarcor	TIF #21 Terning Trails 2	Police Emergency Assistance	Good Neighbor Days	TIF #23 Terning Trails Apartments	TIF Lake Golf Estates	Total
ASSETS											
Cash and investments	\$ -	\$ 592,670	\$ 42,888	\$ 3,177	\$ 20,816	\$ 126,218	\$ 5,036	\$ -	\$ -	\$ 7,450	\$ 798,255
Accounts receivable	-	18,932	-	-	-	-	-	-	-	-	18,932
Due from other governmental units	-	28,065	-	-	-	-	-	-	-	-	28,065
Other receivables	-	331	-	-	-	-	-	-	-	-	331
Prepaid items	-	1,392	-	-	-	-	-	-	-	-	1,392
TOTAL ASSETS	\$ -	\$ 641,390	\$ 42,888	\$ 3,177	\$ 20,816	\$ 126,218	\$ 5,036	\$ -	\$ -	\$ 7,450	\$ 846,975
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ 16,787	\$ -	\$ -	\$ -	\$ -	\$ 346	\$ 1,504	\$ -	\$ -	\$ 18,637
Due to other funds	-	-	-	-	-	-	-	-	3,841	-	3,841
Advances from other funds	-	-	-	-	26,115	-	-	-	-	-	26,115
Total Liabilities	-	16,787	-	-	26,115	-	346	1,504	3,841	-	48,593
Fund Balances											
Nonspendable											
Prepaid items	-	1,392	-	-	-	-	-	-	-	-	1,392
Restricted for											
TIF district expenditures	-	-	42,888	3,177	364	126,218	-	-	382	7,450	180,479
Unrestricted											
Assigned											
Ambulance operations	-	623,211	-	-	-	-	-	-	-	-	623,211
Police emergency assistance	-	-	-	-	-	-	4,690	-	-	-	4,690
Unassigned	-	-	-	-	(5,663)	-	-	(1,504)	(4,223)	-	(11,390)
Total Fund Balances	-	624,603	42,888	3,177	(5,299)	126,218	4,690	(1,504)	(3,841)	7,450	798,382
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 641,390	\$ 42,888	\$ 3,177	\$ 20,816	\$ 126,218	\$ 5,036	\$ -	\$ -	\$ 7,450	\$ 846,975

CITY OF HOWARD LAKE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended December 31, 2025

	Voyager Revolving Loan	Ambulance Service	TIF #10 Deutz Redevelopment	TIF #16 SR Assisted	TIF #17 Emarcor	Formerly Nonmajor Fund TIF #18 Forsman Farms	TIF #21 Terning Trails 2	Police Emergency Assistance	Good Neighbor Days	TIF #23 Terning Trails Apartments	TIF Lake Golf Estates	Total
REVENUES												
Taxes												
Tax increments	\$ -	\$ -	\$ 70,438	\$ 23,822	\$ -	\$ -	\$ 79,809	\$ -	\$ -	124	-	\$ 174,193
Intergovernmental	-	5,821	-	-	-	-	-	-	-	-	-	5,821
Charges for services	-	173,821	-	-	-	-	-	-	-	-	-	173,821
Net investment earnings	-	13,310	867	54	364	-	838	-	-	258	-	15,691
Contributions and donations	-	-	-	-	-	-	-	6,500	12,250	-	-	18,750
Other	-	-	-	-	-	-	-	-	9,010	-	7,450	16,460
Total Revenues	-	192,952	71,305	23,876	364	-	80,647	6,500	21,260	382	7,450	404,736
EXPENDITURES												
Current												
Public safety	-	111,511	-	-	-	-	-	1,810	-	-	-	113,321
Culture and recreation	-	-	-	-	-	-	-	-	24,164	-	-	24,164
Economic development	-	-	-	22,631	-	-	55,867	-	-	-	-	78,498
Capital outlay	-	12,544	-	-	-	-	-	-	-	-	-	12,544
Total Expenditures	-	124,055	-	22,631	-	-	55,867	1,810	24,164	-	-	228,527
REVENUES OVER (UNDER) EXPENDITURES	-	68,897	71,305	1,245	364	-	24,780	4,690	(2,904)	382	7,450	176,209
OTHER FINANCING SOURCES (USES)												
Insurance recovery	-	28,065	-	-	-	-	-	-	-	-	-	28,065
Interest paid on interfund debt	-	-	(2,129)	-	-	-	-	-	-	-	-	(2,129)
Transfers in	-	-	-	-	-	-	69,843	-	1,400	-	-	71,243
Transfers out	(229,728)	-	-	-	-	-	(10,000)	-	-	-	-	(239,728)
Total Other Financing Sources (Uses)	(229,728)	28,065	(2,129)	-	-	-	59,843	-	1,400	-	-	(142,549)
NET CHANGE IN FUND BALANCES	(229,728)	96,962	69,176	1,245	364	-	84,623	4,690	(1,504)	382	7,450	33,660
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	229,728	527,641	(26,288)	1,932	(5,663)	174,587	41,595	-	-	(4,223)	-	939,309
CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)	-	-	-	-	-	(174,587)	-	-	-	-	-	(174,587)
FUND BALANCES – BEGINNING, AS RESTATED	229,728	527,641	(26,288)	1,932	(5,663)	-	41,595	-	-	(4,223)	-	764,722
FUND BALANCES – ENDING	<u>\$ -</u>	<u>\$ 624,603</u>	<u>\$ 42,888</u>	<u>\$ 3,177</u>	<u>\$ (5,299)</u>	<u>\$ -</u>	<u>\$ 126,218</u>	<u>\$ 4,690</u>	<u>\$ (1,504)</u>	<u>\$ (3,841)</u>	<u>\$ 7,450</u>	<u>\$ 798,382</u>

CITY OF HOWARD LAKE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2025

	G.O. Improvement Bonds, Series 2010A	G.O. Storm Sewer Revenue Bonds, Series 2011A	G.O. Tax Abatement Bonds, Series 2018A	G.O. Tax Increment Bonds, Series 2019A	G.O. Certificate 2023A	EDA Library Bond 2024B	Street Reconstruction Bond 2025C	Total
ASSETS								
Cash and investments	\$ -	\$ 41,375	\$ 7,764	\$ 18,828	\$ 48,959	\$ 133	\$ 353	\$ 117,412
Special assessments receivable	1,613	-	-	-	-	-	-	1,613
TOTAL ASSETS	\$ 1,613	\$ 41,375	\$ 7,764	\$ 18,828	\$ 48,959	\$ 133	\$ 353	\$ 119,025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Advances from other funds	\$ -	\$ -	\$ -	\$ 80,093	\$ -	\$ -	\$ -	\$ 80,093
Deferred Inflows of Resources								
Unavailable revenue - special assessments	1,613	-	-	-	-	-	-	1,613
Fund Balances								
Restricted for								
Debt service	-	41,375	7,764	-	48,959	133	353	98,584
Unrestricted								
Unassigned	-	-	-	(61,265)	-	-	-	(61,265)
Total Fund Balances	-	41,375	7,764	(61,265)	48,959	133	353	37,319
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,613	\$ 41,375	\$ 7,764	\$ 18,828	\$ 48,959	\$ 133	\$ 353	\$ 119,025

CITY OF HOWARD LAKE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended December 31, 2025

	G.O. Improvement Bonds, Series 2010A	G.O. Storm Sewer Revenue Bonds, Series 2011A	G.O. Tax Abatement Bonds, Series 2018A	G.O. Tax Increment Bonds, Series 2019A	G.O. Certificate 2023A	EDA Library Bond 2024B	Street Reconstruction Bond 2025C	Total
REVENUES								
Taxes								
Property taxes	\$ -	\$ -	\$ 72,080	\$ 22,918	\$ 52,031	\$ 167,000	\$ -	\$ 314,029
Tax increments	-	-	-	22,237	-	-	-	22,237
Special assessments	2,090	-	-	-	-	-	-	2,090
Net investment earnings	5,270	-	12	29	-	-	-	5,311
Other	-	-	-	-	-	-	353	353
Total Revenues	7,360	-	72,092	45,184	52,031	167,000	353	344,020
EXPENDITURES								
Debt service								
Principal	55,000	45,000	40,000	15,000	38,000	66,927	-	259,927
Interest	2,035	2,210	29,867	16,801	11,133	99,940	-	161,986
Total Expenditures	57,035	47,210	69,867	31,801	49,133	166,867	-	421,913
REVENUES OVER (UNDER) EXPENDITURES	(49,675)	(47,210)	2,225	13,383	2,898	133	353	(77,893)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	32,000	-	33,094	51,148	-	-	116,242
Transfers out	(263,350)	-	-	-	-	-	-	(263,350)
Total Other Financing Sources (Uses)	(263,350)	32,000	-	33,094	51,148	-	-	(147,108)
NET CHANGE IN FUND BALANCES	(313,025)	(15,210)	2,225	46,477	54,046	133	353	(225,001)
FUND BALANCES – BEGINNING	313,025	56,585	5,539	(107,742)	(5,087)	-	-	262,320
FUND BALANCES – ENDING	\$ -	\$ 41,375	\$ 7,764	\$ (61,265)	\$ 48,959	\$ 133	\$ 353	\$ 37,319

CITY OF HOWARD LAKE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2025

	Fire Equipment	Downtown Redevelopment Project	City Hall Restoration	2021 Meter Project	Terning Trails 2	Crawford Properties	Veterans Memorial Fund	TIF #22 Reeds & Rushes Event	Terning Trails Apt Project	City Hall & Lions Park Project	Water Quality Planning	Hwy 12/Block 18 Parking Lot Improvement
ASSETS												
Cash and investments	\$ 605,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,115	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	15,521	-
Other receivables	309	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	44,735	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 650,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,115	\$ -	\$ 15,521	\$ -
LIABILITIES AND FUND BALANCES												
Liabilities												
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,210	\$ 56,363	\$ 14,960	\$ -	\$ -	\$ 15,520	\$ -
Internal advances	-	-	-	-	-	-	-	150,000	-	-	-	-
Total Liabilities	-	-	-	-	-	5,210	56,363	164,960	-	-	15,520	-
Fund Balances												
Unrestricted												
Assigned for												
Capital projects expenses	650,794	-	-	-	-	-	-	-	8,115	-	1	-
Unassigned	-	-	-	-	-	(5,210)	(56,363)	(164,960)	-	-	-	-
Total Fund Balances	650,794	-	-	-	-	(5,210)	(56,363)	(164,960)	8,115	-	1	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 650,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,115	\$ -	\$ 15,521	\$ -

CITY OF HOWARD LAKE, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
December 31, 2025

	Storm Water Utility Project	MN DOT TH12 City Improvements	Villas of Howard Lake Development	Industrial Park West Phase I (Non TIF)	Capital Equipment	CSAH BNSF Bridge Feasibility	Bayview Apts	Street & Utility Phase 2	Library Project	Water Treatment Facility Project	Total
ASSETS											
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 376,335	\$ -	\$ -	\$ -	\$ 62,521	\$ -	\$ 1,052,721
Accounts receivable	-	-	-	-	9,236	-	-	-	-	-	9,236
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	15,521
Other receivables	-	-	-	-	-	-	-	-	-	-	309
Due from other funds	-	-	-	-	-	-	-	-	-	-	44,735
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 385,571	\$ -	\$ -	\$ -	\$ 62,521	\$ -	\$ 1,122,522
LIABILITIES AND FUND BALANCES											
Liabilities											
Due to other funds	\$ 44,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,966	\$ -	\$ 618,988	\$ 1,128,926
Internal advances	-	-	-	-	-	-	-	-	-	-	150,000
Total Liabilities	44,919	-	-	-	-	-	-	372,966	-	618,988	1,278,926
Fund Balances											
Unrestricted											
Assigned for											
Capital projects expenses	-	-	-	-	-	-	-	-	62,521	-	721,431
Unassigned	(44,919)	-	-	-	385,571	-	-	(372,966)	-	(618,988)	(877,835)
Total Fund Balances	(44,919)	-	-	-	385,571	-	-	(372,966)	62,521	(618,988)	(156,404)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 385,571	\$ -	\$ -	\$ -	\$ 62,521	\$ -	\$ 1,122,522

CITY OF HOWARD LAKE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended December 31, 2025

	Fire Equipment	Downtown Redevelopment Project	City Hall Restoration	2021 Meter Project	Terning Trails 2	Crawford Properties	Veterans Memorial Fund	TIF #22 Reeds & Rushes Event	Terning Trails Apt Project	City Hall & Lions Park Project	Water Quality Planning	Hwy 12/Block 18 Parking Lot Improvement
REVENUES												
Taxes												
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,820	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Net investment earnings	16,353	-	-	-	-	-	170	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	35,004	-	-	-	-	-
Other	-	-	-	-	-	4,740	-	-	-	-	15,521	-
Total Revenues	16,353	-	-	-	-	4,740	35,174	11,820	-	-	15,521	-
EXPENDITURES												
Current												
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	10,638	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	14,001	32,150	-	5,862	-	9,950	176,834	-	-	11,526	-	-
Total Expenditures	14,001	32,150	-	5,862	-	9,950	176,834	10,638	-	11,526	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,352	(32,150)	-	(5,862)	-	(5,210)	(141,660)	1,182	-	(11,526)	15,521	-
OTHER FINANCING SOURCES (USES)												
Bond issue proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	96,250	32,150	-	5,862	-	-	-	-	-	8,215	11,659	32,175
Transfers out	-	-	(1,937)	-	(69,843)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	96,250	32,150	(1,937)	5,862	(69,843)	-	-	-	-	8,215	11,659	32,175
NET CHANGE IN FUND BALANCES	98,602	-	(1,937)	-	(69,843)	(5,210)	(141,660)	1,182	-	(3,311)	27,180	32,175
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	552,192	-	1,937	-	69,843	-	85,297	(166,142)	8,115	-	(27,179)	(32,175)
ERROR CORRECTION	-	-	-	-	-	-	-	-	-	3,311	-	-
CHANGE WITHIN FINANCIAL REPORTING ENTITY (MAJOR TO NONMAJOR FUND)	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES – BEGINNING, AS RESTATED	552,192	-	1,937	-	69,843	-	85,297	(166,142)	8,115	3,311	(27,179)	(32,175)
FUND BALANCES – ENDING	<u>\$ 650,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,210)</u>	<u>\$ (56,363)</u>	<u>\$ (164,960)</u>	<u>\$ 8,115</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

CITY OF HOWARD LAKE, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
Year Ended December 31, 2025

	Storm Water Utility Project	MN DOT TH12 City Improvements	Villas of Howard Lake Development	Industrial Park West Phase I (Non TIF)	Capital Equipment	CSAH BNSF Bridge Feasibility	Bayview Apts	Street & Utility Phase 2	Library Project	Water Treatment Facility Project	Total
REVENUES											
Taxes											
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ 11,820
Intergovernmental	-	-	-	-	-	17,885	-	-	-	-	17,885
Charges for services	-	-	-	-	103,054	-	-	-	-	-	103,054
Net investment earnings	-	-	2,289	11,136	7,810	-	-	-	-	-	37,758
Contributions and donations	-	-	-	-	-	-	-	-	-	-	35,004
Other	-	2,000	-	-	-	-	-	-	67,570	-	89,831
Total Revenues	-	2,000	2,289	11,136	110,864	17,885	-	-	67,570	-	295,352
EXPENDITURES											
Current											
Public works	-	-	-	-	107,896	18,677	-	-	-	-	126,573
Debt service											
Interest	-	19,249	-	-	-	-	-	-	-	-	29,887
Capital outlay	7,655	723,034	116,910	-	221,866	-	41,232	-	5,049	321,699	1,687,768
Total Expenditures	7,655	742,283	116,910	-	329,762	18,677	41,232	-	5,049	321,699	1,844,228
REVENUES OVER (UNDER) EXPENDITURES	(7,655)	(740,283)	(114,621)	11,136	(218,898)	(792)	(41,232)	-	62,521	(321,699)	(1,548,876)
OTHER FINANCING SOURCES (USES)											
Bond issue proceeds	-	740,647	-	-	-	-	-	-	-	-	740,647
Transfers in	-	7,469	-	-	215,418	792	41,232	-	-	-	451,222
Transfers out	-	-	(23,094)	(635,973)	(64,150)	-	-	-	-	-	(794,997)
Total Other Financing Sources (Uses)	-	748,116	(23,094)	(635,973)	151,268	792	41,232	-	-	-	396,872
NET CHANGE IN FUND BALANCES	(7,655)	7,833	(137,715)	(624,837)	(67,630)	-	-	-	62,521	(321,699)	(1,152,004)
FUND BALANCES – BEGINNING, AS PREVIOUSLY REPORTED	(40,575)	(7,833)	137,715	624,837	453,201	-	-	-	-	-	1,659,233
ERROR CORRECTION	3,311	-	-	-	-	-	-	(372,966)	-	-	(366,344)
CHANGE WITHIN FINANCIAL REPORTING ENTITY (MAJOR TO NONMAJOR FUND)	-	-	-	-	-	-	-	-	-	(297,289)	(297,289)
FUND BALANCES – BEGINNING, AS RESTATED	(37,264)	(7,833)	137,715	624,837	453,201	-	-	(372,966)	-	(297,289)	995,600
FUND BALANCES – ENDING	<u>\$ (44,919)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (372,966)</u>	<u>\$ 62,521</u>	<u>\$ (618,988)</u>	<u>\$ (156,404)</u>

OTHER REPORTS



**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 Howard Lake, 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 Howard Lake, 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 Howard Lake, Minnesota's basic financial statements and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Howard Lake, 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 Howard Lake, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Howard Lake, 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of current year findings and responses as items 2025-001, 2025-002, and 2025-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Howard Lake, Minnesota's financial statements are free of 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 determination of financial statement amounts. 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*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting – 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 Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

City of Howard Lake, Minnesota's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Howard Lake, Minnesota's response to the findings identified in our audit and described in the accompanying schedule of current year findings and responses. The City of Howard Lake, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Fergus Falls, Minnesota
June 29, 2026

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
Year Ended December 31, 2025

SIGNIFICANT DEFICIENCIES

2025-001. Preparation of Financial Statements and Related Footnotes

Criteria: Internal controls over financial reporting include those related to the actual preparation and review of the audited financial statements. In order to prepare a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America, the preparer must have the necessary expertise.

Condition: The City does not have an internal control system designed to provide for the preparation of the financial statements being audited. City personnel do prepare periodic financial statements and other financial information for internal use that meet the needs of management and council. However, the City does not have the internal resources to prepare full-disclosure financial statements required by accounting standards generally accepted in the United States of America for external reporting. As auditors, we were requested to draft the financial statements and accompanying disclosures.

Cause: The City does not have the resources to compile its own financial statements.

Effect: This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation: This control deficiency is not unusual in a small city. However, it is the responsibility of management and the Council to decide whether to accept the degree of risk associated with this condition based on the cost of correction and other considerations.

Management's Response and Actions Planned: The City's management is aware of this significant deficiency. Management reviews and approves the draft annual audited financial statements and distributes them to the users. For entities of this size, it generally is not practical to obtain the internal expertise needed to handle all aspects of the external financial reporting. Management recognizes this and feels it is effectively handling its reporting responsibilities with the procedures described above.

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
Year Ended December 31, 2025

2025-002. Segregation of Duties

Criteria: Internal controls should be in place that provide reasonable assurance that proper segregation of duties is achieved.

Condition: The City has a limited number of office personnel and, accordingly, does not have adequate separation of duties in cash receipts, cash disbursements, accounts payable and purchasing, payroll and related liabilities, and general ledger maintenance and reconciliation. An effective internal control structure provides an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Cause: The City has a limited number of office personnel and inadequate internal controls.

Effect: The failure to properly segregate duties increases the risk that misstatements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: While we recognize the City's office staff is not large enough to permit an adequate segregation of duties in all respects for an effective internal control structure, it is important that the City be aware of this condition and look for opportunities to improve segregation of duties or add mitigating controls to prevent material misstatement of the financial statements.

Management's Response and Actions Planned: The City's management is aware of this condition and believes that it is not economically feasible to attain the ideal segregation of duties. Management attempts to mitigate the associated risks by doing the following:

1. Identifying areas lacking segregation of duties and where there are higher risks of fraud occurring.
2. Implementing limited segregation to the extent possible to reduce risks without impairing efficiency.
3. Using the knowledge of management and the Council to review accounting records and reports.

CITY OF HOWARD LAKE, MINNESOTA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
Year Ended December 31, 2025

2025-003. Audit Adjustments

Condition: The City prepares a cash basis general ledger and adjustments are necessary to convert the cash basis general ledger to the modified accrual basis for fund level governmental fund financial statements and to the accrual basis for proprietary funds' fund level financial statements and the government-wide financial statements.

Cause: The City does not have the resources to prepare all required modified accrual and accrual adjusting entries.

Effect: Audit adjustments were necessary to convert the cash basis records to the modified accrual basis for governmental funds and to the accrual basis for proprietary funds and the government-wide financial statements. All proposed audit adjustments were reviewed and approved by the designated City official and are reflected in the financial statements.

Recommendation: The City should review internal controls currently in place and improve internal controls over financial reporting which will prevent, or detect and correct misstatements to the financial statements.

Management's Response and Actions Planned: The City's management is aware of this significant deficiency. The City recognizes that the limited number of City personnel makes it difficult to make all necessary adjustments.



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Good Neighbor Days

SECTION: Presentation

FROM: Meagan Theisen, Assistant City Administrator
GND Committee Members

BACKGROUND: When the previous Good Neighbor Days organization dissolved, responsibility for the community celebration was transferred to the City of Howard Lake. A new committee of dedicated volunteers stepped forward and has successfully planned and coordinated the event for the past three years. During that time, the committee has continually evaluated and adapted the event in an effort to keep it engaging and financially sustainable. Some of the changes and initiatives implemented over the past three years include:

- Introducing new entertainment and family activities.
- Relocating events to improve attendance and accessibility.
- Expanding fundraising opportunities to offset event costs.
- Seeking additional sponsorships and community partnerships.

2026 Financial Summary

The committee's fundraising efforts generated the following revenue:

Revenue Source	Amount
Community Donations	\$11,645
Purse Bingo Fundraiser	\$4,592
Total Fundraising Revenue	\$16,237
Financial Summary	Amount
Total Event Expenses	\$19,875
Total Fundraising Revenue (\$16,237)	
Net Operating Loss	\$3,638

When the volunteer committee assumed responsibility for Good Neighbor Days, it received approximately **\$11,000** in remaining funds from the previous organization. The 2026 operating loss would be covered using those existing reserve funds, leaving a remaining balance for future events.

Staff Comments

The committee continues to focus on balancing community expectations with the financial realities of hosting a multi-day community celebration. While the 2026 event operated at a modest loss, the committee remains committed to evaluating fundraising opportunities, sponsorships, and event offerings to improve the long-term sustainability of Good Neighbor Days while maintaining the quality of the celebration for the Howard Lake community.

PUBLIC HEARING

PUD

&

Preliminary Plat
for Lake Golf Estates



HOWARD LAKE CITY COUNCIL MEETING

JULY 20, 2026

AGENDA ITEM: Consider Resolution 26-10 Accepting Bid and Awarding Contract for the Water Treatment Plant Project.

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: The following staff report is revised from the authorization of bids. Sections that are highlighted in blue are new and revised following the bid let period.

The formation of this project dates back several years with numerous city council touch points. The timeline specific to the water treatment plant is as follows:

1989

- Water treatment plant is built with a design life of 30 years (2010)

2015

- Major renovation to extend usability by ten years

August 2021

- Water System Study ordered by City Council

March 2022

- Water System Study Submitted to funding partners

April 2022

- Submitted Preliminary Engineering Report #1 to the US Department of Agriculture – Rural Development (USDA)
Included street reconstruction, water tower/well and water treatment plant projects as one comprehensive project

March 2023

⚠ WTP issue #1: Major malfunction at plant

August 2023

- Submitted Preliminary Engineering Report #2 to the USDA

November 2023

- Kickoff meeting for water treatment plant project

May 2024

⚠ WTP issue #2: Major malfunction at plant and tower

July 2024

- City reviewed 60% plans

October 2024

- City reviewed 90% plans

February 2025

- Submitted plan to Minnesota Department of Health and Department of Labor and Industry
- 📄 City hired lobbyist to seek state bonding funding

March 2025

- 📄 City testified to State Capital Investment Committee
- City Staff and engineer team completed comprehensive assessment of existing water treatment plant, identifying \$6 million in needed repairs

May 2025

- Submitted plan to USDA

June 2025

- City Council hosted utilities workshop to discuss moving forward despite lack of state funding

July 2025

⚠ WTP issue #3: Malfunction left the City without water for several hours

August 2025

- Resubmitted plan to USDA

⚠ WTP issue #4: Chlorine pumps failed

October 2025

- Minnesota State House Capital Investment Committee visited Howard Lake's WTP

November 2025

- City Council approved short-term repairs for filter and electronic improvements to maintain the WTP until the new plant is built

December 2025

⚠ WTP issue #5: Electrical issues impacted exit signs and emergency lighting

February 2026

- 📄 Bill regarding new Howard Lake WTP introduced in the Minnesota State House of Representatives
- ⚠ WTP issue #6: Pumps experience an air lock

March 2026

- New electrical control system installed to improve reliability
- New filter material added to improve water quality

Public Works Facilities Considerations

The proposed water treatment plant will require the demolition of the existing office/storage for public works. The replacement facility will have roughly the same amount of general purpose storage as the existing building that will be demolished. However, both short term and long term space considerations will need to be determined. Short term, existing items will need to be shuffled to other facilities (that are already quite cramped) and fleet and equipment will need to be stored outside unless the council directs the lease of space. Long term, a new public works/police storage facility will need to be constructed. This has been proposed at the same site in an adjacent green space.

The City has identified 513 10th Avenue as a short term storage facility for the public works department. A subsequent agenda item will address the purchase and renovation to this facility.



FINANCIAL:

TOTAL PROJECT

The total (estimated) project costs are detailed below. The total construction estimate is \$21,395,000 and subject to sealed bis. The City has expensed approximately \$1Million. Once the City commences the project we would reimburse ourselves using financing. Bids were sought for the project. Eight bids were received ranging from \$16,802,000 to \$20,453,896. Upon concurrence of the bids, the low bid stated from Municipal Builders Inc. The low bid is 22% lower than the engineers estimate.

FINANCING

The City is financing the facility under USDA Rural Development. Doing so packages various state and federal loans and grants under one funding package. In February of 2024, the City received its Letter of Conditions stipulating the funding mechanism proposed for all projects from Phase 1 – 3. The water treatment plant called for:

Rural Development Loan	\$4,289,000
Public Facilities Authority	
Clean Water State Revolving Loan Fund (SRF)	\$17,874,000
Emerging Contaminants Grant	\$5,000,000
USDA Supplemental Grant (Pending)	\$2,000,000
Rural Development Grant	\$578,000
TOTAL	\$25,741,000***

RATE IMPACTS

The City will need to construct a new water treatment plant, new water tower and recondition our existing tower within the next 5 years. Rates will need to be raised significantly under our current funding scenario to manage debt service appropriately. Currently, one Equivalent Dwelling Unit (EDU) pays \$55 per month. Based on engineers estimate and previous funding allocations, rough rate impacts suggested an increase to \$115/month at the completion of the construction of a new water treatment plant, new water tower, new well and rehabbing existing tower. At the time this staff report was written revised figures had not been received. However, a more conservative estimate would suggest total rate impact to \$95 per month for water service per EDU.

DISCLAIMERS

The intention with providing the estimated utility bill is to show what is a likely but hopefully, worst case, scenario. There are numerous variables that come into play including:

- Additional grant funds or appropriations
 - o The estimates above do not include any state or federal appropriations.
- Actual bid prices received for the water treatment plant
- Future project costs
 - o The estimates shown above for the future phases and how they're impacted by inflation
- Future reapplication for various funding
 - o Completing the water treatment plant first will put more debt onto the city which may make us eligible for more grant funding on future phases.
- Financing eligibility
 - o The rate impacts shown above for future phases assume funding under state programs which allow for longer terms and reduced interest. If we are forced to fund conventionally interest rates would be much higher.

LEGAL: The water treatment plant cost requires the city council to approve specifications as well as requires prescribed bidding requirements which will be handled through the city engineer. The advertisement shall be published for a minimum of 21 day, shall specify the work to be done, shall state that bids will be received thru Quest CDN until 2:00 p.m. on June 25, 2026, at which time they will be publicly opened in the council chambers of the city hall by the City Administrator and Engineer, will then be tabulated, and will be considered by the council at 7:00 p.m. on July 20, 2026, in the council chambers of the city hall.

STRATEGIC PLAN:

Deliver High Quality Reliable Infrastructure and Public Services

- ➔ Support, maintain and enhance public facilities and infrastructure.
- ➔ Maintain fiscally responsible city management and operations

COUNCIL ACTION REQUESTED: Approve Resolution accepting bids as part of the Howard Lake USDA Phase 2 – Water Treatment Plant Improvement Project.

ATTACHMENTS:

1. Resolution 26-09 Accepting and Awarding Bid to Municipal Builders Inc.

CITY OF HOWARD LAKE
RESOLUTION NO. 26-10
RESOLUTION ACCEPTING BID AND AWARDING CONTRACT FOR THE WATER TREATMENT
PLANT IMPROVEMENTS PROJECT

WHEREAS, pursuant to an advertisement for bids for the Water Treatment Plant Improvements Project, bids were received, opened, and tabulated according to law; and

WHEREAS, the following bids were received and found to comply with the advertisement for bids:

Bidder	Total Bid Amount
Municipal Builders, Inc.	\$16,802,000.00
Gridor Construction, Inc.	\$16,844,370.00
Magney Construction, Inc.	\$17,394,000.00
Donlar Construction Company	\$18,299,000.00
Journey Construction	\$18,398,000.00
Rice Lake Construction Group	\$19,074,800.00
Sentry	\$19,439,218.88
Lakehead Constructors, Inc.	\$20,453,896.00
<i>Engineers Estimate</i>	<i>\$21,395,000.00</i>

WHEREAS, it appears that Municipal Builders, Inc. of Anoka, MN is the lowest responsible bidder for the project; and

WHEREAS, the City Council finds that acceptance of the bid and award of the contract is in the best interest of the City of Howard Lake.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOWARD LAKE, MINNESOTA:

1. The bid of Municipal Builders, Inc., in the amount of \$16,802,000.00, is hereby accepted.
2. The Mayor and City Administrator are hereby authorized and directed to execute a construction contract with Municipal Builders, Inc. for the Water Treatment Plant Improvements Project in accordance with the plans, specifications, and bid documents on file with the City.
3. The Mayor and City Administrator are further authorized to execute any non-substantive contract documents necessary to complete the contract award and project implementation.
4. The City Administrator and City Engineer is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.
5. Such resolution is contingent upon receiving concurrence to award the contract from the United States Department of Agriculture (USDA) Rural Development.

PASSED AND ADOPTED this 20th day of July, 2026.

Signed:

Witnessed:

Pete Zimmerman, Mayor

Nicholas Haggemiller, City Administrator



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Lake Golf Third Addition Preliminary Plat & Planned Unit Development

SECTION: Public Hearing

FROM: Nate Sparks

PLANNING COMMISSION ACTION REQUESTED:

ATTACHMENTS:

1. Applicant's Narrative
2. Preliminary Plat Plan Set

BACKGROUND

Cavaliera Homes has made an application for a preliminary plat and planned unit development for Lake Golf Estates Third Addition. Lake Golf III was preliminary platted in the past as a single family neighborhood. The preliminary plat approval is expired and the applicant is seeking to obtain approval of a slightly revised preliminary plat to place 25 single family lots on the property. The site is 8.1 acres in size. The project will also have a planned unit development zoning overlay to allow for a mix of single family housing types. A similar application was reviewed in 2025 from JPB Land. However, that application was withdrawn.

COMPREHENSIVE PLAN

The Comprehensive Plan is the ultimate guide of what property can be utilized for in the City. The City's Comprehensive Plan (Land Use Plan) guides the subject site for a Low Density Residential Land Use. This designation governs the intensity of use allowed for the property, based on the context of the site. This allows for single family residential land uses up to four units per acre. At 8 acres, the site could have up to 32 units. The development proposed is 25 units at 3.1 units per acre. The Comprehensive Plan ensures that the site can handle this intensity of use, based on traffic volumes and utility service provision.

ZONING ORDINANCE

The property is zoned R-1A, Contemporary Existing Lot Single Family Residential District, which is a single family zoning designation. This District requires lots to be 85 feet wide, 125 feet deep, and 10,500 square feet in area. Setbacks are required at 30 front, 10 side, 30 corner, and 25 rear. The maximum impervious surface is 35%.

The property is also partially in the Shoreland District. The Shoreland District requires lots to be 10,000 square feet in area and has a maximum impervious surface of 25%.

Planned Unit Development. When meeting the density requirements of the Comprehensive Plan, the City may consider alternative zoning standards, known as a planned unit development (PUD). The standards can allow for flexibility in width and area for lots but cannot allow for more lots to be placed on the property than what would otherwise be allowed in the Comprehensive Plan. The City can approve a PUD when the proposal is found to be providing a more efficient subdivision design, allowing for the City to meet policy goals, and other such objectives.

With this proposal, the Applicant is seeking flexibility in the required lot width to allow for a mix of 55 (8 lots) and 65 (17 lots) foot wide lots. The depth of the lots would be increased from the minimum standards to 130 feet, however the lot depth is already set by the previous development plan approved for the site. The side yard setbacks are proposed to be reduced from 10 feet to 7.5 feet.

The Shoreland District requires lots to be 10,000 square feet in area and has a maximum impervious surface of 25%. The Applicant is seeking a Planned Unit Development to allow for the lots. As part of a PUD, the development is permitted the proposed density due to it being in the outer tier of the Shoreland area and not directly on the lake. The impervious surface coverage within the shoreland district is 22%, which is less than the maximum allowed. The DNR approved the previous plan at 33% impervious and now the plan meets the minimum standards.

The overall flexibilities being sought are in exchange for exceeding the minimum required lot depth, exceeding minimum

landscaping requirements, exceeding housing façade standards, and then also modifying the original approved plan to include stormwater management.

The current is partially exceeding the housing façade standards, all examples must include stone veneer across the front façade, different roofing siding along the front façade

The current plan does have a stormwater management plan which includes a stormwater pond on Outlot A, which was not part of the original development plan.

ANALYSIS

Road Configuration. The proposed plan extends Fairway Boulevard to Ingram Avenue, which was from the original development plan.

Right-of-Way Dedication. The road rights-of-way in this area are 50 feet wide, which was approved as part of the original development for the Lake Golf subdivision. This was due to the open space being provided which was the golf course. The proposed development continues this pattern due to the roads connecting to existing rights-of-way.

Street Design. The streets will need to meet the requirements of the City Engineer.

Sidewalks. There are no sidewalks in this area of the City and there would be no existing place for sidewalks to connect. Therefore, the applicant has not proposed any sidewalks in the plan.

Park Dedication. With any subdivision, the City requires park dedication. The City may require parks or trails to be built. In this case, the City's Park Plan does not identify any park needs within the area. Therefore, cash-in-lieu of parkland dedication would be adequate, which is 10% of the value of the land. The original preliminary plat was covered by the park dedication of the original subdivision. Based on the increase in the number of lots from the original approved preliminary plat, 28% of the total cash-in-lieu amount would be required for park dedication.

Landscaping. The applicant has provided a landscaping plan that meets the minimum requirements of the City. This includes two trees planted on each lot.

Architecture. The applicant has provided housing examples. The houses range in size from 1,649 square feet to 2,205 square feet and 3 bedrooms. There are models with 2 and 3 stall garages. The two stall garage options may also have a third stall.

When in a planned unit development and when minimum lot sizes are given flexibility, the City requires developers to provide an enhanced front façade with stone or brick accents, exceeding the minimum standards of the Zoning Ordinance. The developer has provided this on the plans to be incorporated within the PUD approval.

In addition to this, the developer has also provided accent materials on all front facing dormers on the houses. These are either shakes or board and batten type materials. This provides for two architectural enhancements to the front façade. The applicant states that they intend to mix and match the variations on the fronts to create different street facing appearances within the development.

Grading, Drainage, and Utilities. Issues related to grading, drainage, and utilities, including the establishment of easements, is subject to comment and recommendation by the City Engineer. The City Engineer reviews grading and utility plans against the City's engineering and design standards and requires general plan revisions to meet these standards.

As mentioned previously, the Applicant is providing a stormwater management pond. The original plan had ponding within the open space (former golf course). Therefore, the addition of this pond is in addition to the original development plan's requirements.

The City Engineer has provided comments to the applicant.

Development Agreement. As a condition of final plat approval, the applicant will be required to enter into a development agreement with the City and post all the necessary securities required by it. This will ensure that all development construction is done in the manner required by the City. If not, the securities collected will allow for the City to make the necessary adjustments to the site.

PLANNING COMMISSION RECOMMENDATION

The Planning Commission took comments from members of the public. Concerns were raised about traffic increases, the

smaller lot sizes, and the value of the houses.

The Planning Commission voted to recommend approval of both the Planned Unit Development and Preliminary Plat to the City Council.

CITY COUNCIL REVIEW

The City Council must hold a public hearing and make final consideration of the request. The application is technically two considerations, the Planned Unit Development and the Preliminary Plat.

The Planned Unit Development requires consideration based on being consistent with the purpose of a PUD:

- A. Provide for the establishment of PUD (planned unit development) zoning districts in appropriate settings and situations to create or maintain a development pattern that complies with the City's Comprehensive Plan.
- B. Allow for the mixing of land uses within a development when such mixing of land uses could not otherwise be accomplished under this Article.
- C. Provide for variations to the strict application of the land use regulations in this Article in order to improve site design and operation, while at the same time incorporating design elements (e.g., construction materials, landscaping, lighting, etc.) that exceed the City's standards to offset the effect of any variations.
- D. Promote a more creative and efficient approach to land use within the City, while at the same time protecting and promoting the health, safety, comfort, aesthetics, economic viability, and general welfare of the City.
- E. Preserve and enhance natural features and open spaces.
- F. Maintain or improve the efficiency of public streets and utilities.
- G. Ensure the establishment of appropriate transitions between differing land uses.

The objective is to determine if the PUD generally meets one or more of the purpose statements above. The plan includes an additional stormwater management feature than the original development plan and the proposed housing have stone veneer and architectural features that exceed the minimum requirements of the City's ordinance. It is also consistent with the Comprehensive Plan, as it has only single family dwellings and is under the required 4 units per acre.

The Preliminary Plat has its own set of review criteria found in 17.05-05-01. The Planning Commission may recommend denial and the Council may deny the subdivision if it makes any one or more of the following findings:

- A. That the proposed subdivision is in direct conflict with adopted applicable general and specific comprehensive plans of the City, County, or Region;
- B. That the physical characteristics of this site, including but not limited to topography, percolation rate, soil conditions, susceptibility to erosion and siltation, susceptibility to flooding, water storage, drainage and retention, are such that the site is not suitable for the type of development, development density, design, or use contemplated;
- C. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage;
- D. That the design of the subdivision or the type of improvements are likely to cause serious public health problems;
- E. That the design of the subdivision or the type of improvements will conflict with easements of record or with easements established by judgment of a court;
- F. That the proposed subdivision is inconsistent with the policies and standards of the State defined Shoreland Districts and Wetland Districts.
- G. That the proposed subdivision adversely affects the flood-carrying capacity of the floodway, increases flood stages and velocities, or increases flood hazards within the City.
- H. That any lot or block in the proposed subdivision is exceptionally narrow or shallow, or is otherwise of any irregular or unusual shape.
- I. That the subdivision is deemed premature by the conditions outlined in Section 05-04-2 of this Ordinance (lack of adequate utilities or roads to serve the site).
- J. That the subdivision is inconsistent with the provisions of this Ordinance.

None of the above conditions are present provided the applicant meets all the requirements of the City Engineer.

STAFF RECOMMENDATION

Based on the Planning Commission's review, City Staff would recommend that the City Council approve of the plan with the following conditions:

1. The applicant shall meet all requirements of the City Engineer.
2. The applicant shall enter into a development agreement, as drafted by the City Attorney.
3. Park dedication shall be provided.
4. Houses shall be generally consistent with the plans provided and include the stone or brick accent material and the

proposed materials on the dormers

The City Council may wish to make a motion similar to the following:

“Move to approve the PUD based on being consistent with the purpose statement of the PUD Ordinance and the Preliminary Plat based on the criteria found 17.05-05-01.”

Nate Sparks, City Planner
City of Howard Lake
625 8th Ave
Howard Lake, MN 55349

RE: Project Narrative for Preliminary Plat and PUD Application
Single-Family Detached Residential Development

Dear Mr. Sparks,

We are requesting a city review of a Preliminary Plat and Planned Unit Development (PUD) for a 25-lot single-family detached residential development located at Fairway Blvd and Ingram Ave SW in the City of Howard Lake. The PUD designation is requested to allow flexibility on lot size, lot width, and side yard setbacks. The following narrative describes the existing conditions of the subject property and outlines of the proposed project configuration.

Existing Conditions:

Parcel Identification:	109034000030
Parcel Size:	8.1 acres
Existing Zoning Designation:	R-1A Contemporary, Existing Lot Single-Family Residential
Current Owners:	Paul Hockert
Property Address:	N/A

The subject property is located along Ingram Ave SW between Imhoff Ave SW and Fairway Blvd. Fairway Blvd currently terminates at the south/southeast property boundary and is intended to be extended to Ingram Ave SW. The property is currently vacant. It was previously mass graded and seeded with groundcover. There are a limited number of volunteer shrubs and small trees.

Surrounding land uses consist primarily of single-family detached residential lots and a golf course that is currently closed. Howard Lake – the waterbody – is within about 400 feet southwest of the property boundary. Approximately the southern third of the project site falls within the 1,000-foot shoreland overlay district of Howard Lake, which is classified as a General Development Lake.

Existing watermain, sanitary sewer, and storm sewer are located within Ingram Ave and Fairway Boulevard.

Proposed Project

The proposed development includes 25 single-family lots and one outlot containing a stormwater pond. Five lots will be accessed from the existing roadway Ingram Ave. Fairway Blvd will be extended from the existing stub to Ingram Ave and will provide access to six lots. A new 479-foot cul-de-sac roadway will extend from the proposed Fairway Blvd extension

into the site and will serve 14 of the new lots. Both proposed roadways will be dedicated as public right-of-way and constructed to city standards.

The property is currently zoned R1A Contemporary, Existing Lot Single-Family Residential and guided for low density residential land use, which allows up to 4 units / acre. The lot and setback requirements for the R1A zoning district are as follows:

Lot Area: 10,500 sf

Lot Width: 85'

Lot Depth: 125'

Front Setback: 30'

Side Setback: 10'

Rear Setback: 25', or 30' on double frontage lots abutting a public ROW.

A PUD is requested to allow flexibility for minimum lot area, lot width, and side yard setbacks. The proposed development conforms to all other applicable lot and setback requirements of the R1A district. The smallest proposed lot size is 7,930 square feet, and the narrowest lot width is 55 feet. The provided side setbacks are 7.5 feet per side, with a combined total setback of 15 feet. The proposed density is 3.1 units / acre, which is consistent with the City's guided land use designation.

Watermain and sanitary sewer utilities are proposed to be extended along the Fairview Blvd extension and the proposed cul-de-sac roadway. All utilities will be designed and constructed in accordance with City of Howard Lake Standards.

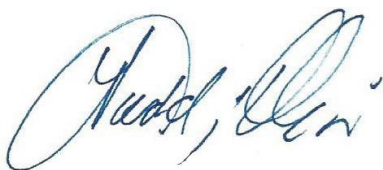
The storm water management system includes collection, conveyance, and treatment, and infiltration components designed to manage runoff generated by the proposed development. Surface drainage will be conveyed to a stormwater infiltration pond located on the eastern side of the site.

Please find the following materials included with this application.

- Signed Development Application
- Civil & Landscape Plan Set
- Stormwater Narrative
- Three proposed Unit types

Please review the application package materials and contact our office with any questions or concerns. We look forward to working with you through the course of review.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd, Olin".

Land & Resource Consulting, Inc.
Todd J. Olin, President

June 2, 2026

The Latest Edition of the Minnesota Department of Transportation "Standard Specification for Construction" shall apply.

The Latest Edition of the City Engineers Association of Minnesota (CEAM) standard specifications shall apply.

The Latest Edition of the City of Howard Lake engineering standards and specifications shall apply.

All federal, state, and local laws, regulations, and ordinances shall be complied with in the construction of this project.

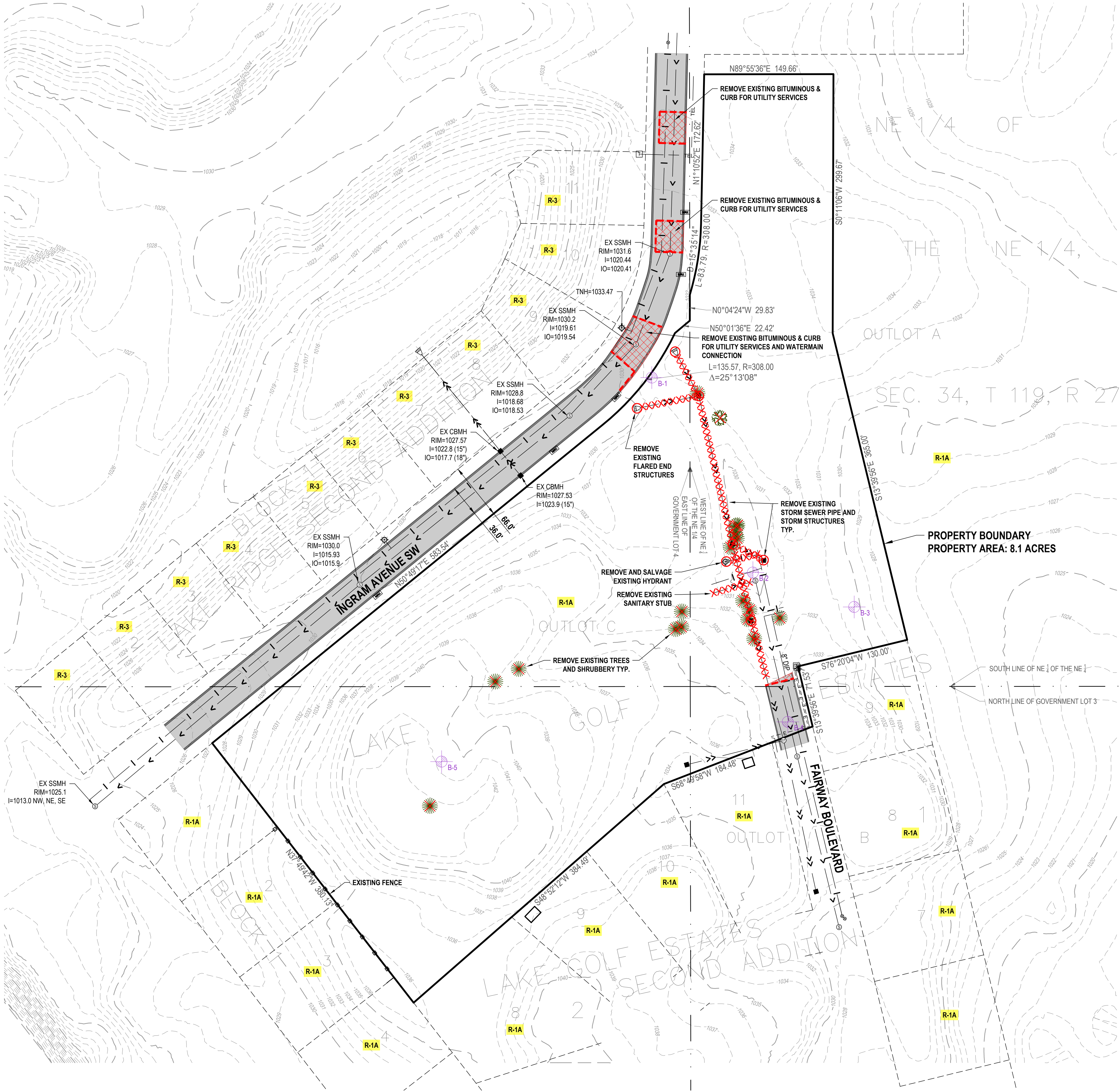
All traffic control devices and signaling shall conform to the latest edition of the Minnesota Manual on Uniform Traffic Control Devices. Including the latest field manual for temporary traffic control zone layouts.

Xcel Energy - Gas and Electric
612-330-5500

Spectrum - Internet and Cable
855-860-9068

OWNERS	Cavaliera Homes, LLC 3378 156th Ave NW Andover, MN 55304	Nathan Gunn 763-567-8682 nathan@cavalierahomes.com
CIVIL ENGINEER	Land & Resource Consulting 14260 23rd Ave N Plymouth, MN 55447	Randy Hedlund 651-398-3586 RandyH@landandresource.com
SURVEY	Gorman Surveying 8640 Harriet Ave So. Suite 102 Bloomington, MN 55420	Chris Weiland 952-346-8300 GormanSurveying@outlook.com

ISSUE / REVISION	DATE
Preliminary Plat	06-02-



Existing Conditions Notes

- Existing conditions shown are based on actual field survey. City of Howard Lake utility records and utility service provider records and is approximate. Existing conditions shall be verified prior to the start of construction and any inconsistencies shall be reported to the engineer or owner/developer immediately.
- Soil boring locations shown are approximate. Refer to the geotechnical investigation completed by Independent Testing Technologies, Inc dated May 13, 2026.

Removals and Clearing Notes

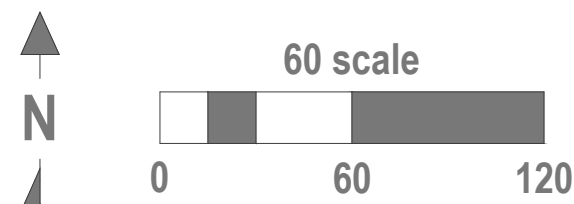
- All temporary erosions control measures shall be installed and inspected prior to the start of construction. Refer to sheet 3.1 for erosion prevention and sedimentation control measures utilized.
- Contractor shall obtain permits for demolition, removals, clearing, grubbing and disposal prior to the start of construction.
- Dimensions illustrating the limits of demolition and removals are approximate. Coordinate the actual limits of demolition with the proposed improvements.
- Schedule and complete public roadway demolition and replacement to minimize impacts to traffic.
- All lane closures and work within the public right-of-way shall be reported to the City of City of Howard Lake and Wright County 7 days prior to the start of construction.
- Emergency access through the construction areas shall be maintained throughout the course of construction.
- Contractor shall provide barricades, lights, signs traffic control and other measures necessary to ensure safe traffic flow during the course of construction.
- Features not designated to be removed shall be protected during the course of construction. Damage to features not designated for removal or altered as part of this project shall be repaired or replaced at no additional cost to the developer, city or county
- Trees designated for removal includes the root structure. Trees on or near the limits of grading or removals shall be saved unless noted otherwise on the plans. Trees and stumps may be ground onsite. Chipped materials shall not be mixed into subgrade materials under any structures.
- Contractor shall remove all features including, but not limited to underground utilities, fence, walls, footings, walls, lighting, signs, stairs, and landscaping within the grading and demolition limits unless otherwise noted on the plans.
- Coordinate removal, termination, and reuse of existing utilities and appurtenances with service providers. Restore all disturbed utilities or coordinate repair/replacement with the utility service providers.
- Exiting conduits and underground pipes may be abandon in-place if filled properly with sand or flowable fill if the existing utilities are ore not in conflict with existing or proposed utilities or structures. Termination of a utility shall be completed in accordance with the utility service provider's standards.
- Demolition debris shall become property of the contractor unless noted otherwise on the plans. All construction debris shall be removed from the site to an approved location.
- Report the presence of wells and drain fields and septic tanks to the engineer and owner.

Existing Conditions Legend

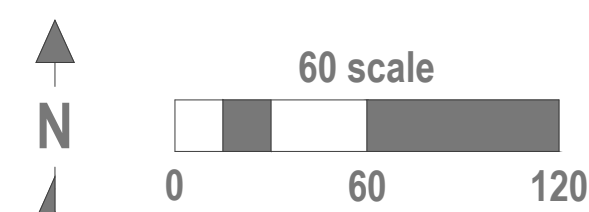
— · — · —	Quarter Section Line	☐ Mailbox
— — — — —	Property Line	⊙ Hydrant
- - - - -	Adjacent Property Line	⊙ Gate Valve
- XXX -	Existing Contour - Major	⊙ Power Pole
- xxx -	Existing Contour - Minor	☐ Telephone Box
- E - E - E -	Underground Electric	⊙ Sanitary Manhole
— TEL —	Telephone	⊙ Storm Manhole
— >> —	Storm	■ Catch Basin
— > —	Sanitary	☀ Existing Tree
— — —	Water	⊕ Soil Boring
— — — — —	Fence	
■	Asphalt	
		R-1A Zoning Classification: Contemporary, Existing Lot Single-Family Residential
		R-3 Zoning Classification: Single and Two-Family Residential

Removals Legend

▨	Curb & Gutter & Asphalt Removal
- - - - -	Sawcut
XXXXXXXXXX	Utility Pipe Removal
○	Structure Removal
☀	Tree Removal



DRAWINGS BY
 14260 23rd Ave N Plymouth, MN 55447 Phone: 763-340-0699
DRAWINGS FOR
Cavaliera Homes, LLC 3378 156th Ave NW Andover, MN 55304
PROJECT
Lake Golf Estates Third Addition Howard Lake, MN Wright County
CERTIFICATION
I hereby certify that this plan, specification, or report was prepared by me, under my direct supervision and seal, as a duly Licensed Professional Engineer under the laws of the State of Minnesota. Randall C. Hedlund MN. Lic. No. 195765 Date: _____
ISSUED FOR
ISSUE / REVISION DATE
Preliminary Plat 06-02-2026
SUBMITTAL INFO
Review By: RH Project # : 26009 Submittal Date: 06-02-2026 Submittal Phase: Preliminary Plat
SHEET TITLE
Existing Conditions & Removals
SHEET NUMBER
C1.0
Copyright Land & Resource Consulting



Legal Description

Outlot C, Lake Golf Estates, Wright County, MN Abstract Property

Lot Area Table

Lot Number	Square Feet	Acres
Block 1		
1	9,593	0.22
2	9,532	0.22
3	9,604	0.22
4	9,942	0.23
5	12,232	0.28
6	10,155	0.23
7	8,534	0.20
8	7,963	0.18
9	7,930	0.18
Block 2		
1	12,916	0.30
2	12,995	0.30
3	10,348	0.24
4	10,134	0.23
5	8,460	0.19
6	8,384	0.19
7	9,744	0.22
8	17,317	0.40
9	15,598	0.36
10	20,493	0.47
11	14,303	0.33
12	12,004	0.28
13	11,205	0.26
14	11,229	0.26
15	11,535	0.26
16	14,645	0.34
Outlot		
Outlot A	15,745	0.36

DRAWINGS BY



14260 23rd Ave N
Plymouth, MN 55447
Phone: 763-340-0699

DRAWINGS FOR

Cavaliera Homes, LLC

3378 156th Ave NW
Andover, MN 55304

PROJECT

Lake Golf Estates Third Addition

**Howard Lake, MN
Wright County**

CERTIFICATION

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 Tennessee.

Randall C. Hedlund
MN. Lic. No. 19576

Date: _____

ISSUED FOR

ISSUE / REVISION	DATE
Preliminary Plat	06-02-2026

SUBMITTAL INFO

Review By: RH
Project #: 26009
Submittal Date: 06-02-2026
Submittal Phase: Preliminary
Plat

SHEET TITLE

Preliminary Plat

SHEET NUMBER

C2.1

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- General Grading & Erosion Control Notes**
- For surveying and construction staking, contact Land & Resource Consulting 763.340.0699.
 - Erosion control measures shall be installed prior to the start of construction.
 - Install inlet protection: Wimco RD or CG models or approved equal. Inspect, clean and maintain inlet protection through the course of construction.
 - Soil disturbance and grading practices shall be minimized and staged as much as possible. Restoration and stabilization shall be installed in accordance with the SWPPP time requirements or sooner.
 - All erosion control practices shown are to be considered the minimum. Additional erosion control practices, measures and materials may be necessary to stabilize sediment within the construction site during during construction.
 - All grading, erosion/sedimentation control shall be in accordance with the minimum SWPPP notes on Sheet 3.2.
 - Infiltration areas shall be protected during the course of construction to prevent migration of sediment into the infiltration areas. Sediment must removed from the basin bottom and the surface shall the roughed and scarified to achieve the original infiltration rates.
 - Surface stabilization and turf shall meet the following standards:

Item	MnDOT Ref. Spec.
Sod	MnDOT 3878
Seed	MnDOT 3876
For Temporary Erosion Control: (May 1 - July 31) Apply MN Mix "Oats" @ 100 lb./acre (Aug. 1 - Oct. 31) Apply MN Mix "Winter Wheat" @ 100 lb./acre	
For Permanent Groundcover: See Sheet L2.0 Landscape Plan	
Mulch	MnDOT 3882
Install MN Type 1 @ 2 ton/acre - Disc anchored	
Erosion Control Blanket	MnDOT 3885
Install MN Type 3N (12 mo.) or Type 4N (24 mo.)	
Fertilizer	MnDOT 3881
Apply in accordance with product standards. MN	
 - Refer to Geotechnical Investigation completed by Independent Testing Technologies, Inc. dated 05/13/2026 for grading, backfill, soil corrections, compaction and groundwater conditions. Contact ITT during the course of construction to perform material and compaction testing.
 - Clear and grub construction area. Stockpile topsoil for reuse.
 - Once the curb and gutter has been installed, place silt fence or and approved equivalent at the back of the curb

- Infiltration Basin & Testing**
- Install erosion control fencing as shown prior to the start of construction.
 - Avoid soil compaction of infiltration basin area. Equipment within infiltration basin shall be light weight and tracked.
 - The bottom of the infiltration basin shall be scarified to a depth of 12" prior to topsoil and seeding.
 - The contractor shall engage a third party material testing consultant to confirm the following:
 - The infiltration rates meet or exceed the rates for each basin as outlined in the project storm water narrative using a double-ring infiltrometer.
 - Contact the engineer and owner if any rates do not meet or exceed design parameters.
 - The frequency of the infiltration tests shall be established by the governing agency.

Legend		
900	Proposed Contour	Construction Entrance
x 11.94	Spot Elevation - Proposed	Erosion Control Blanket
x 11.94	Spot Elevation - Existing	SF Silt Fence
>>	Storm Sewer	SF2 Silt Fence - Storm Pond
GF=1036.2 SOG (1035.9)	GF = Garage Floor Elevation SOG = Slab on Grade (XXX.X) = Rear Elevation	Inlet Protection

811

Know what's below.
Call before you dig.

60 scale

0 60 120

DRAWINGS BY

LRC

Land & Resource Consulting

14260 23rd Ave N
Plymouth, MN 55447
Phone: 763-340-0699

DRAWINGS FOR

Cavaliera Homes, LLC

PROJECT

Lake Golf Estates
Third Addition

Howard Lake, MN
Wright County

CERTIFICATION

I hereby certify that this plan, specification, or report was prepared by me, under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
Randall C. Hedlund
MN. Lic. No. 195765
Date: _____

PRELIMINARY NOT FOR CONSTRUCTION

ISSUED FOR

ISSUE / REVISION	DATE
Preliminary Plat	06-02-2026

SUBMITTAL INFO

Review By: RH
Project # : 26009
Submittal Date: 06-02-2026
Submittal Phase: Preliminary Plat

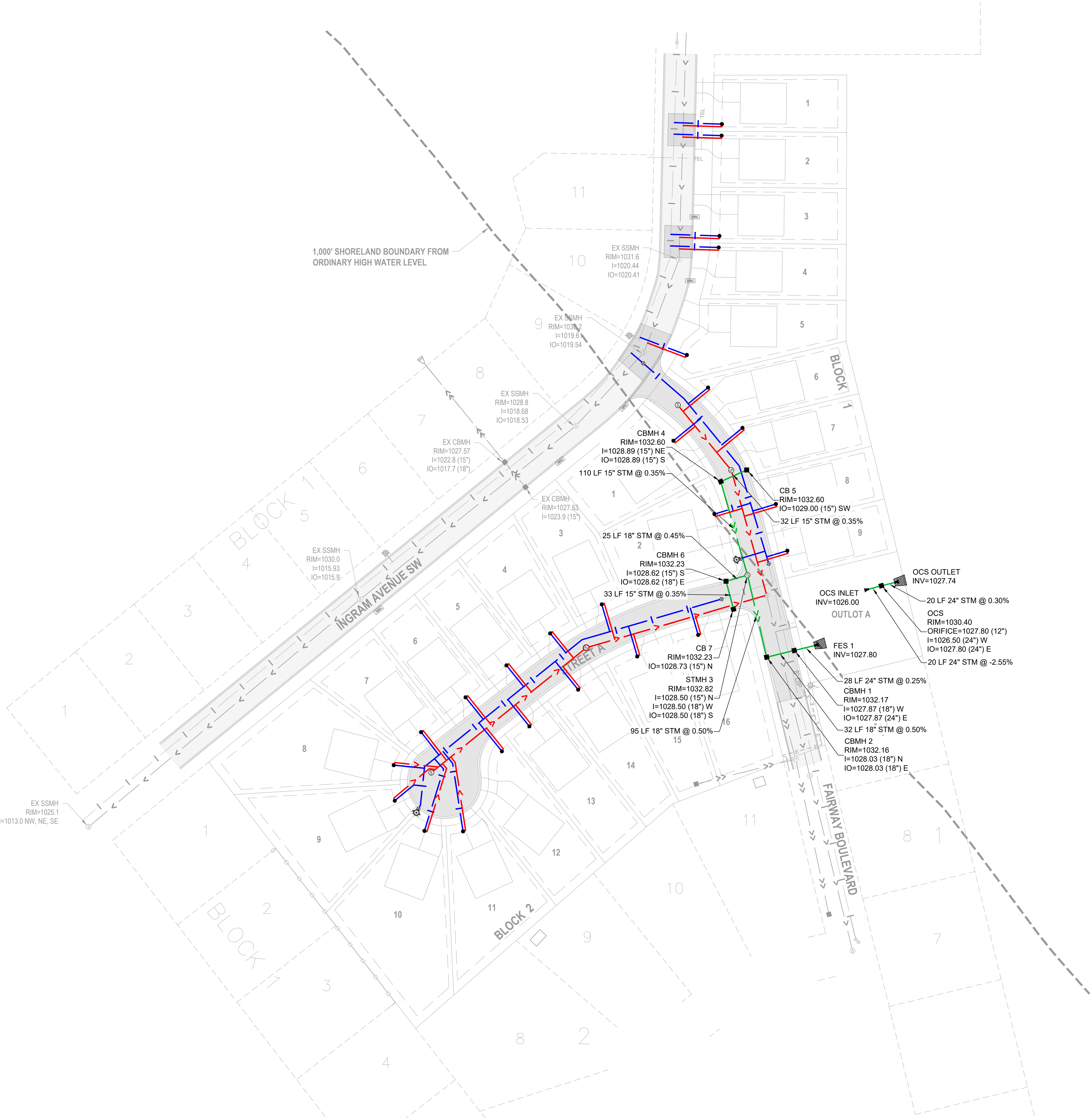
SHEET TITLE

Grading Plan

SHEET NUMBER

C3.0

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- Utility Notes**
- For surveying and construction staking, contact Land & Resource Consulting 763.340.0699.
 - Erosion control measures shall be installed prior to the start of construction.
 - Obtain all necessary permits prior to the start of construction.
 - Contact all utility service providers a minimum of 72 hours prior to the start of construction.
 - Pipe Materials
 - Storm Sewer: 12"-18" RCP Class 5 (ASTM C76)
21" and greater Class 4 (ASTM C76)
 - Sanitary Sewer: PVC SDR 35, SDR 26
Service: PVC Schedule 40
 - Watermain: DIP Class 52
Service: Copper Type K
 - Contractor shall field verify horizontal and vertical location of all utilities prior to the start of construction.
 - Contractor shall investigate, excavate and expose existing utilities at crossings and potential conflicts prior to the start of utility installation. Report inconsistencies to the engineer and owner immediately.
 - Pipe lengths on the plans are measures from center of structure to center of structure.
 - Tracer wire shall be installed for all non-conductive underground utilities in accordance with City of Howard Lake Standards.
 - Refer to lighting plan to coordinate electric conduit installation and potential conflicts.
 - Compaction and backfill shall be in accordance with the geotechnical investigation and the City of Howard Lake construction and design practices.
 - Testing frequency shall be in accordance with the geotechnical engineer and City of Howard Lake Standards.
 - Proposed driveway culverts shall be individually approved by the City of Howard Lake on a case-by-case basis.
 - Watermain is to have minimum cover of 7.5 feet

Legend

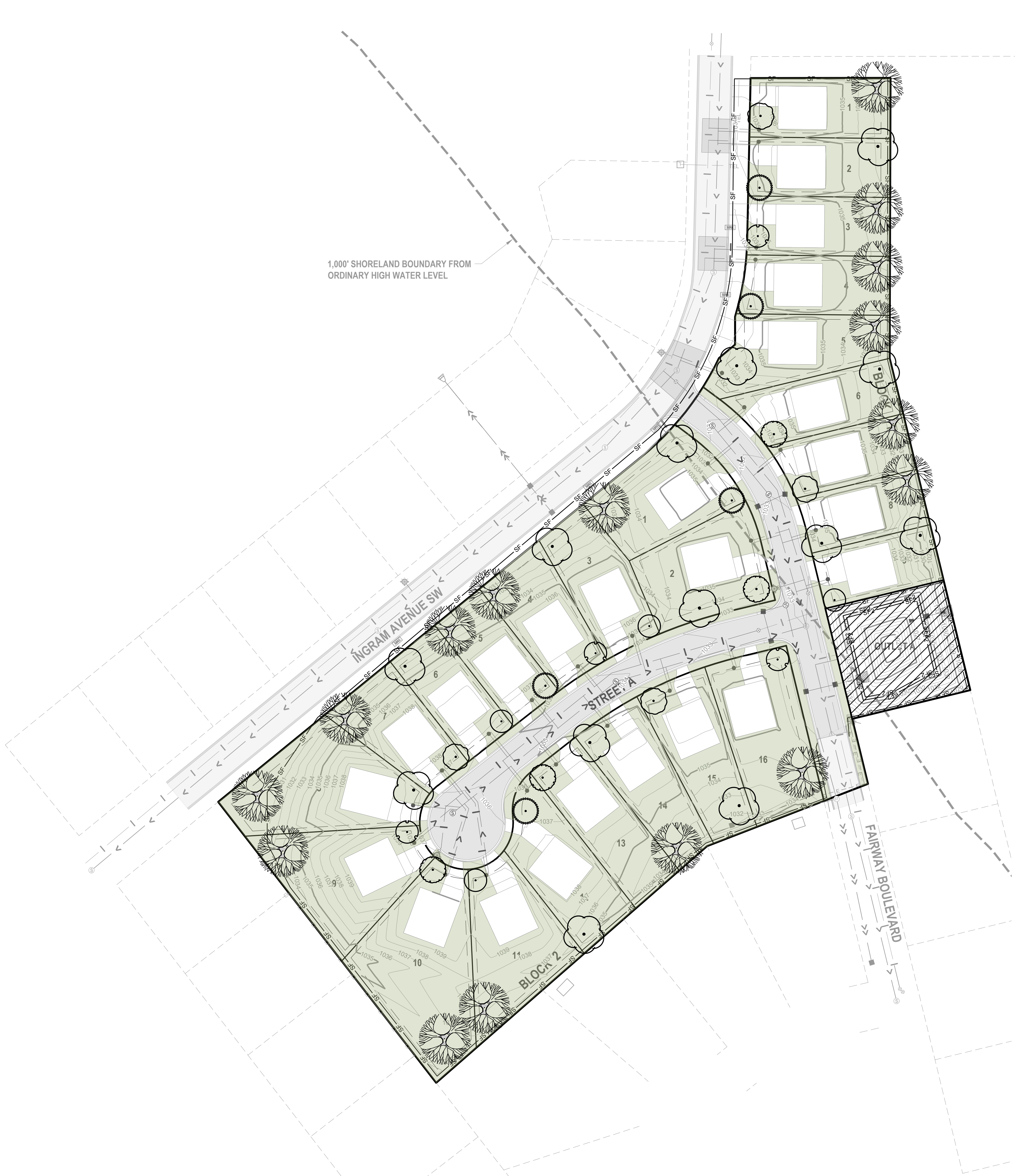
	Sanitary
	Storm
	Water
	Catch Basin
	Storm Manhole
	Sanitary Manhole
	Hydrant
	Gate Valve

N

0 60 120
60 scale

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DRAWINGS BY
 Land & Resource Consulting 14260 23rd Ave N Plymouth, MN 55447 Phone: 763-340-0699
DRAWINGS FOR
Cavaliera Homes, LLC 3378 156th Ave NW Andover, MN 55304
PROJECT
Lake Golf Estates Third Addition Howard Lake, MN Wright County
CERTIFICATION
I hereby certify that this plan, specification, or report was prepared by me, under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota. Randall C. Hedlund MN. Lic. No. 19576 Date: _____
ISSUED FOR
ISSUE / REVISION DATE
Preliminary Plat 06-02-2026
SUBMITTAL INFO
Review By: RH Project # : 26009 Submittal Date: 06-02-2026 Submittal Phase: Preliminary Plat
SHEET TITLE
Utility Plan
SHEET NUMBER
C4.0
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Landscape Site Notes

- Landscape contractor shall visit the site prior to submitting bid to become completely familiar with site conditions.
- It is the responsibility of the owner & contractor to identify all underground cables and utilities on the property.
- Coordinate installation with Contractors performing related work.
- No planting will be installed until all grading and construction has been completed in immediate area.
- Place plants according to layout with the proper spacing. If the contractor feels an error has been made regarding spacing or hardness of a species of plant material indicated on the plan, notify the landscape architect prior to the installation of the plant material.
- All newly installed plant material shall be planted in well-drained areas, contractor shall avoid installing any plant material in drainage swales or wet or poorly drained areas.
- All planting areas with groundcover, perennials, or annuals shall receive a minimum of 8" settled depth of planting soil Planting soil shall consist of 45% topsoil, 45% peat or manure, and 10% clean sand, thoroughly mixed.
- Areas being sodded - sod shall be laid parallel to the contours and have staggered joints. On slopes steeper than 3:1 or drainage swales, the sod shall be staked into the ground, scarify the existing grades with field cultivator to a minimum depth of 6" prior to placing of topsoil and finish grading for sod immediately prior to placing sod. Contractor shall apply 10-6-4 fertilizer at the rate of 10 pounds per 1000 sq ft prior to installing sod.
- Areas being seeded - follow MnDOT Seeding Manual for seeding instructions for establishment of native seed and provide coordination for required erosion prevention and sediment control.
- Install 2" - 3" deep of shredded hardwood mulch in planting beds.
- Install 4' diameter shredded hardwood mulch, at a depth of 3", under all trees that aren't within planting beds. Mulch should not be piled against the trunk.
- Edge planting beds with 6-inch Black Vinyl Edging (Black Diamond or approved equal) except where adjacent to curbing, walks or buildings. Refer to Detail 4 on Sheet L701.
- All plant material shall conform to the American Association of Nurserymen Standards. Plants will be rejected if not in sound and healthy condition.
- Any native seeds shall be of Minnesota origin and certified by the Minnesota Crop Improvement Association.
- Inspect all trees for encircling roots, reject any trees that are severely affected.
- Crabapple trees shall have no branches below 36" above the rootball and no "V" crotches.
- Maintain trees in plumb position throughout the guarantee period.
- New plant material shall be guaranteed through one calendar year for deciduous trees up to 3.5 caliper inches and conifers up to 11' Ht. Larger sizes shall be guaranteed for two calendar years from the time of provisional acceptance.
- Irrigation system to be designed and installed by owner / contractor. After installation, the landscape contractor shall direct or control the irrigation system during the plant guarantee period to insure new plantings are being properly watered.

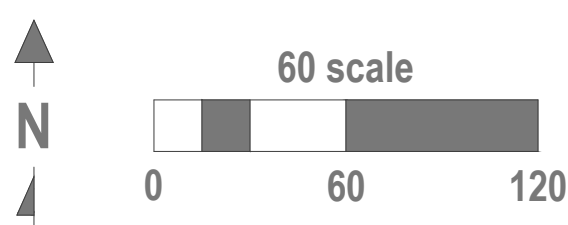
Required Landscaping	Provided Landscaping
2 Trees per lot = 50 trees	50 trees

Legend

- Seed Mix: MnDOT Southern Boulevard
160 lbs / ac
- Seed Mix: MnDOT Wet Ditch
20 lbs / ac
- SF Silt Fence, Limits of Grading

Planting Schedule

SYMBOL	CODE	QTY	BOTANICAL / COMMON NAME	MATURE SIZE	PLANTING SIZE	PLANTING TYPE
DECIDUOUS TREES						
	AS-B	13	Acer saccharum 'Baista' / Fall Fiesta® Sugar Maple	60'H x 45'W	2.5" cal.	B&B
	AS-J	4	Acer saccharum 'JFS-KW8' / Autumn Fest® Sugar Maple	50'H x 35'W	2.5" cal.	B&B
	AF-S	4	Acer x freemanii 'Sienna' TM / Sienna Glen Maple	50'H x 35'W	2.5" cal.	B&B
	GT-SKY	4	Gleditsia triacanthos inermis 'Skyline' / Skyline Honey Locust	40'H x 30'W	2.5" cal.	B&B
	GT-SUN	4	Gleditsia triacanthos inermis 'Sunburst' / Sunburst Honey Locust	30'H x 30'W	2.5" cal.	B&B
	QM	16	Quercus macrocarpa / Burr Oak	70'H x 70'W	2.5" cal.	B&B
	TA	5	Tilia americana 'Boulevard' / Boulevard American Linden	60'H x 35'W	2.5" cal.	B&B



DRAWINGS BY

Land & Resource Consulting

14260 23rd Ave N
Plymouth, MN 55447
Phone: 763-340-0699

DRAWINGS FOR

Cavaliera Homes, LLC

3378 156th Ave NW
Andover, MN 55304

PROJECT

Lake Golf Estates
Third Addition

Howard Lake, MN
Wright County

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MN. Lic. No. 195763
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SUBMITTAL INFO

Review By: RH
Project # : 26009
Submittal Date: 06-02-2026
Submittal Phase: Preliminary Plat

SHEET TITLE

Landscape Plan

SHEET NUMBER

L2.0

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- 8'-1 1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • 6/12 SECOND FLOOR
ROOF TRUSSES & ADJUST HEEL HEIGHT • 8/12 ROOF TRUSSES
TO MATCH FASCIA with 6/12 ROOF
- PROVIDE STANDARD ENERGY HEEL • 3/12 FIRST FLOOR
ROOF TRUSSES & ADJUST HEEL HEIGHT • 6/12 & 8/12 ROOF
TRUSSES TO MATCH FASCIA with 3/12 ROOF

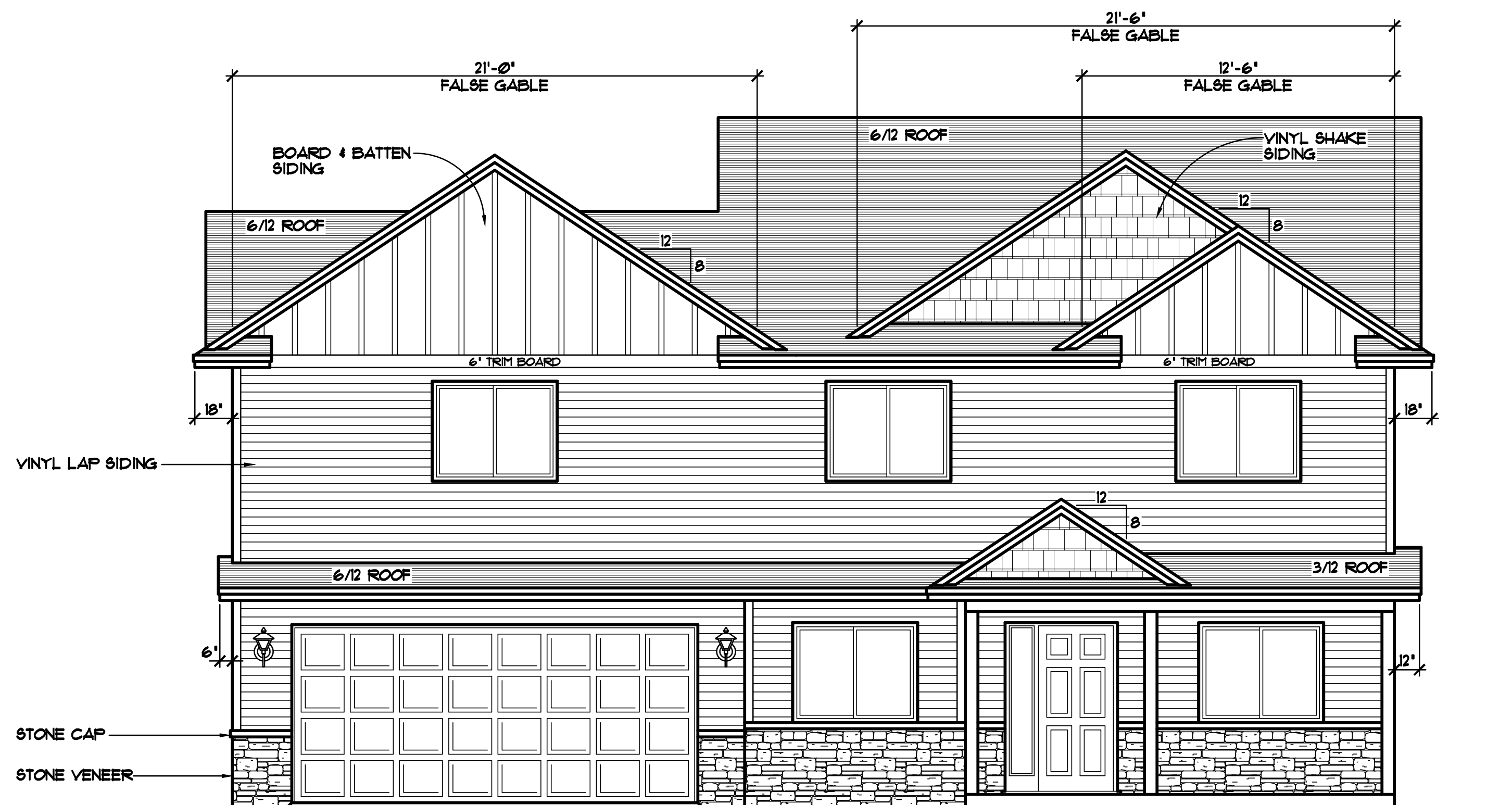
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22059	RB.

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- GENERIC WINDOW SIZES SPECIFIED
- VINYL LAP SIDING & CORNER TRIM
- ALUMINUM SOFFITS & FASCIA
- STONE VENEER WHERE SHOWN



885 SQ. FT. FIRST FLOOR
1320 SQ. FT. SECOND FLOOR
2205 SQ. FT. TOTAL

MADLINE-2 CAR GARAGE

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- HOME PLAN SERVICE • CUSTOM HOMES • REMODELING •
- PHONE: 763.757.5997 • ANDOVER, MINNESOTA •
- WWW.CROIXDESIGN.COM •

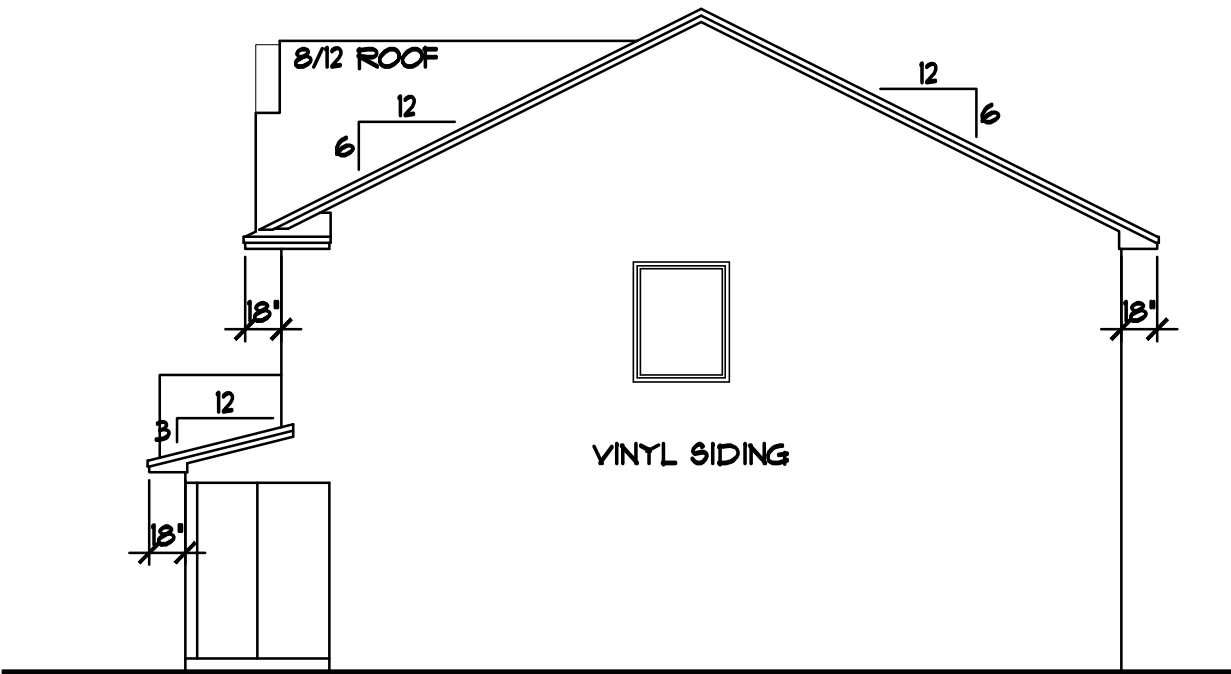
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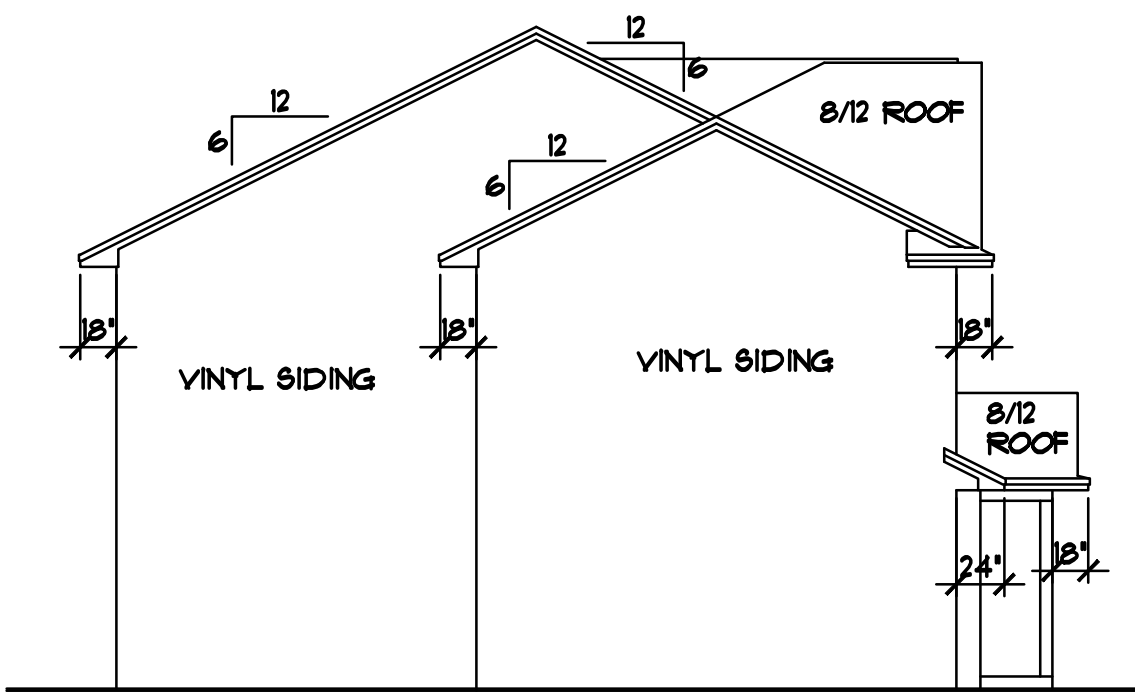
DRAWN K.V.
CHECKED N.F.
DATE: 6/26/2026
SCALE: AS NOTED
CADD FILE * 26077
SHEET 1 OF 9

GENERAL FRAMING & CONSTRUCTION NOTES

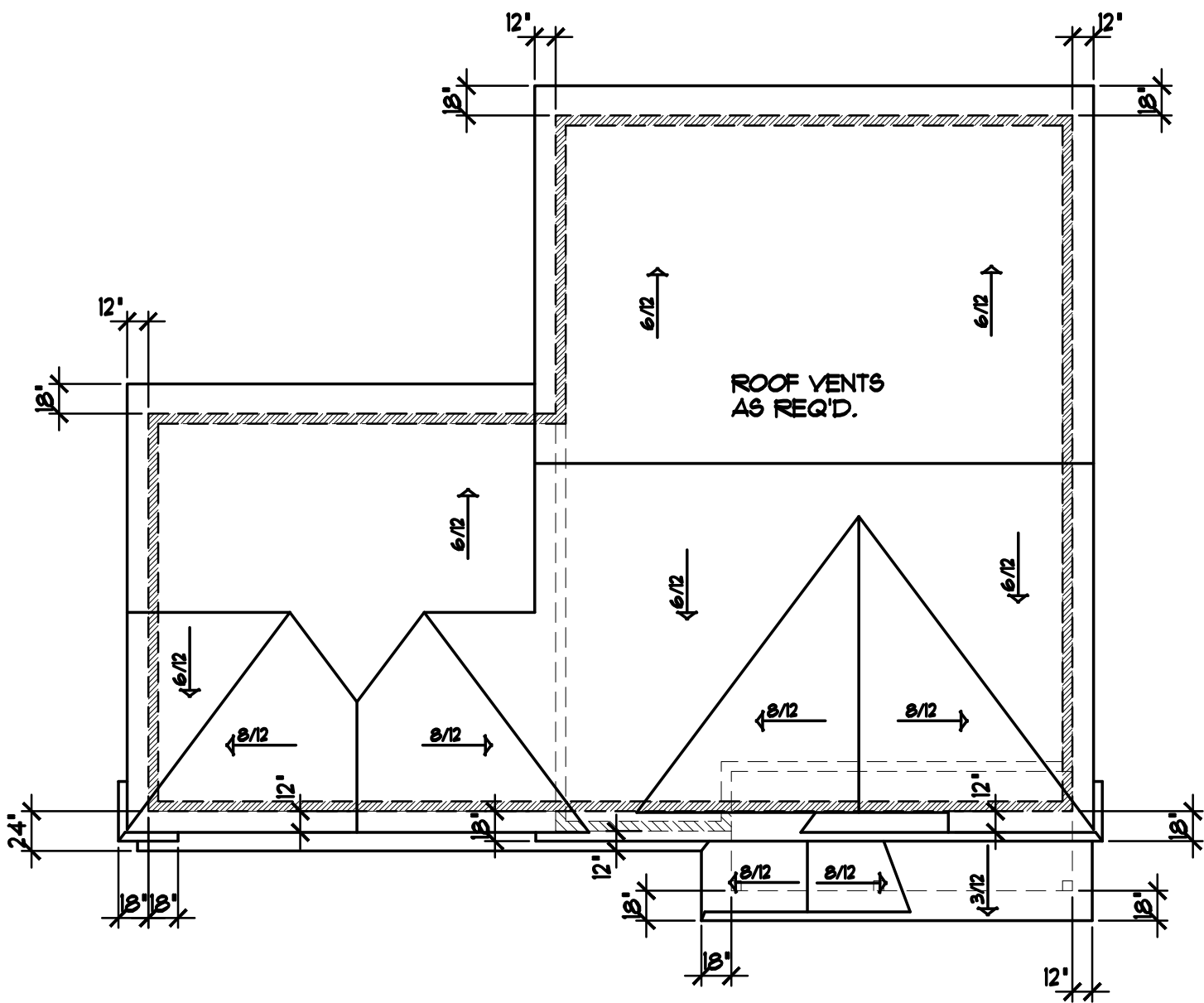
- 8'-1 1/8' PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8' PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • 6/12 SECOND FLOOR
ROOF TRUSSES & ADJUST HEEL HEIGHT • 8/12 ROOF TRUSSES
TO MATCH FASCIA WITH 6/12 ROOF
- PROVIDE STANDARD ENERGY HEEL • 3/12 FIRST FLOOR
ROOF TRUSSES & ADJUST HEEL HEIGHT • 6/12 & 8/12 ROOF
TRUSSES TO MATCH FASCIA WITH 3/12 ROOF



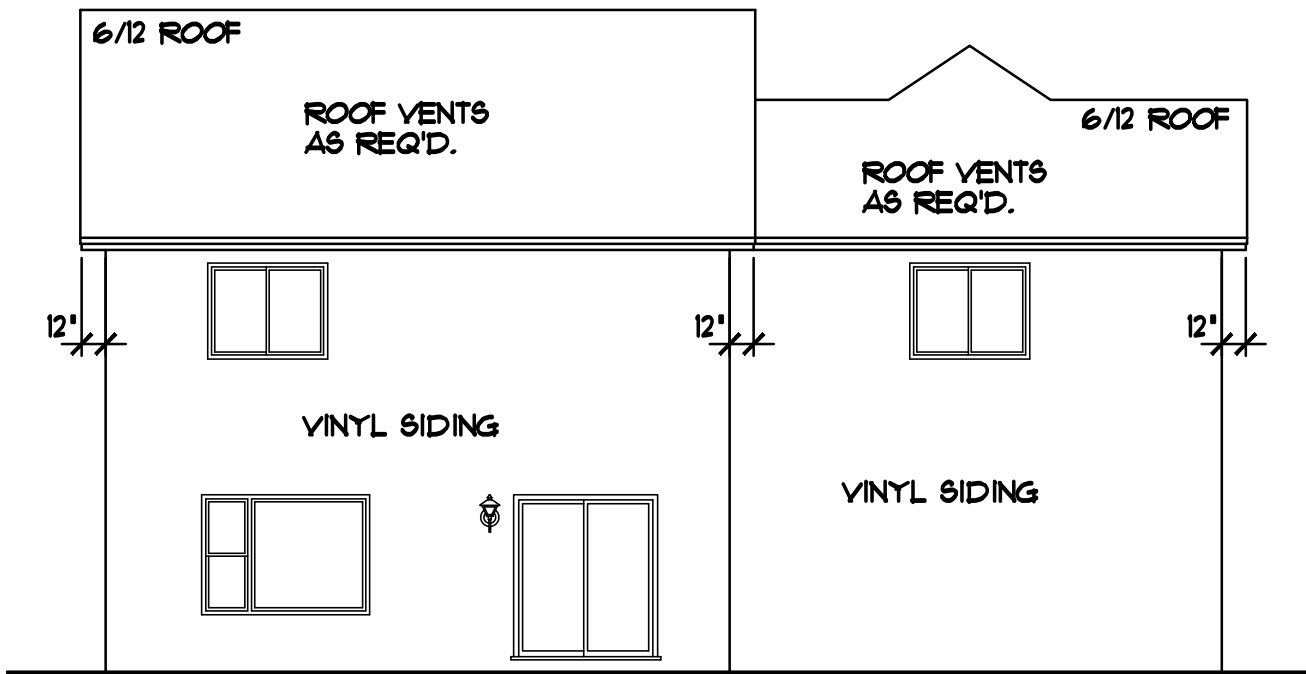
RIGHT ELEVATION 1/8"=1'-0"



LEFT ELEVATION 1/8"=1'-0"



BIRD'S-EYE ROOF PLAN 1/8"=1'-0"



REAR ELEVATION 1/8"=1'-0"

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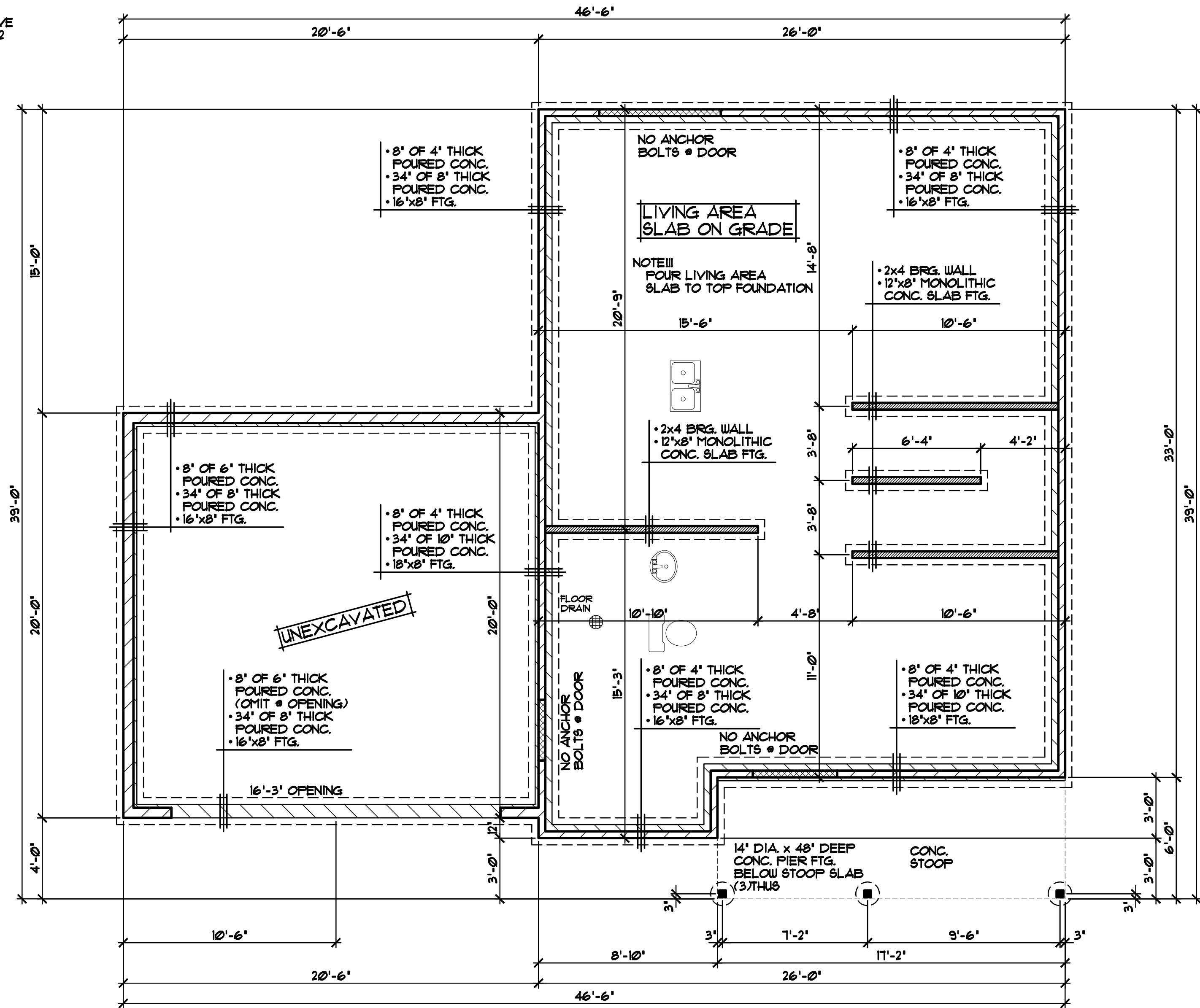


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CAVALIERA HOMES

SHEET
2
OF 9
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26071

GENERAL FRAMING & CONSTRUCTION NOTES

- POURED CONCRETE FOUNDATION, VERIFY ALL WALL DIMENSIONS w/ FOUNDATION CONTRACTOR
- PROVIDE 2" R10 FOAM BOARD INSULATION
 - EXTERIOR HOUSE FOUNDATION WALLS
- ALL FOOTINGS SHALL HAVE A COMPRESSIVE STRENGTH OF 5000 PSI PER TABLE R402.2

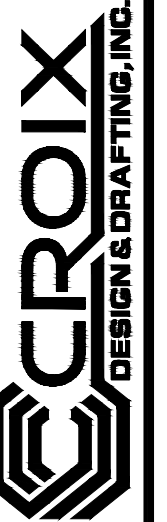


FOUNDATION PLAN 1/4"=1'-0"

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- 8'-1 1/8" PLATE HEIGHT @ ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT @ GARAGE FROM TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)
- FRAME ALL GARAGE WALLS w/2x6 STUDS @ 16" O.C.
(UNLESS NOTED OTHERWISE)
- FLOOR TRUSS DEFLECTION TO BE L/480 (MINIMUM)
- ALTERNATE HEADER/BEAM SIZES & TYPES MAY BE
SPECIFIED BY SUPPLIER
- FINISH ALL GARAGE WALLS with 1/2" TYPE 'X' GYP. BD.
& FINISH GARAGE CEILING with 5/8" TYPE 'X' GYP. BD.

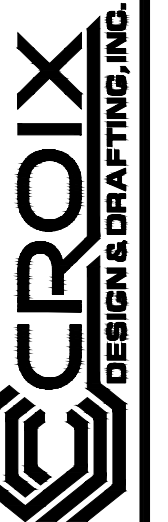
- **GENERIC WINDOW SIZES**
SPECIFIED VERIFY ROUGH OPENING SIZES
FOR DOORS & WINDOWS w/ MANUFACTURER
- **ALL WINDOW & DOOR OPENINGS TO HAVE**
(2X10 #2 GRADE HEADER or BETTER
(UNLESS NOTED OTHERWISE)
- **TOP OF R.O. FOR ALL WINDOWS ON**
1st FLOOR TO BE 6'-10" 1/2' FROM
TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)



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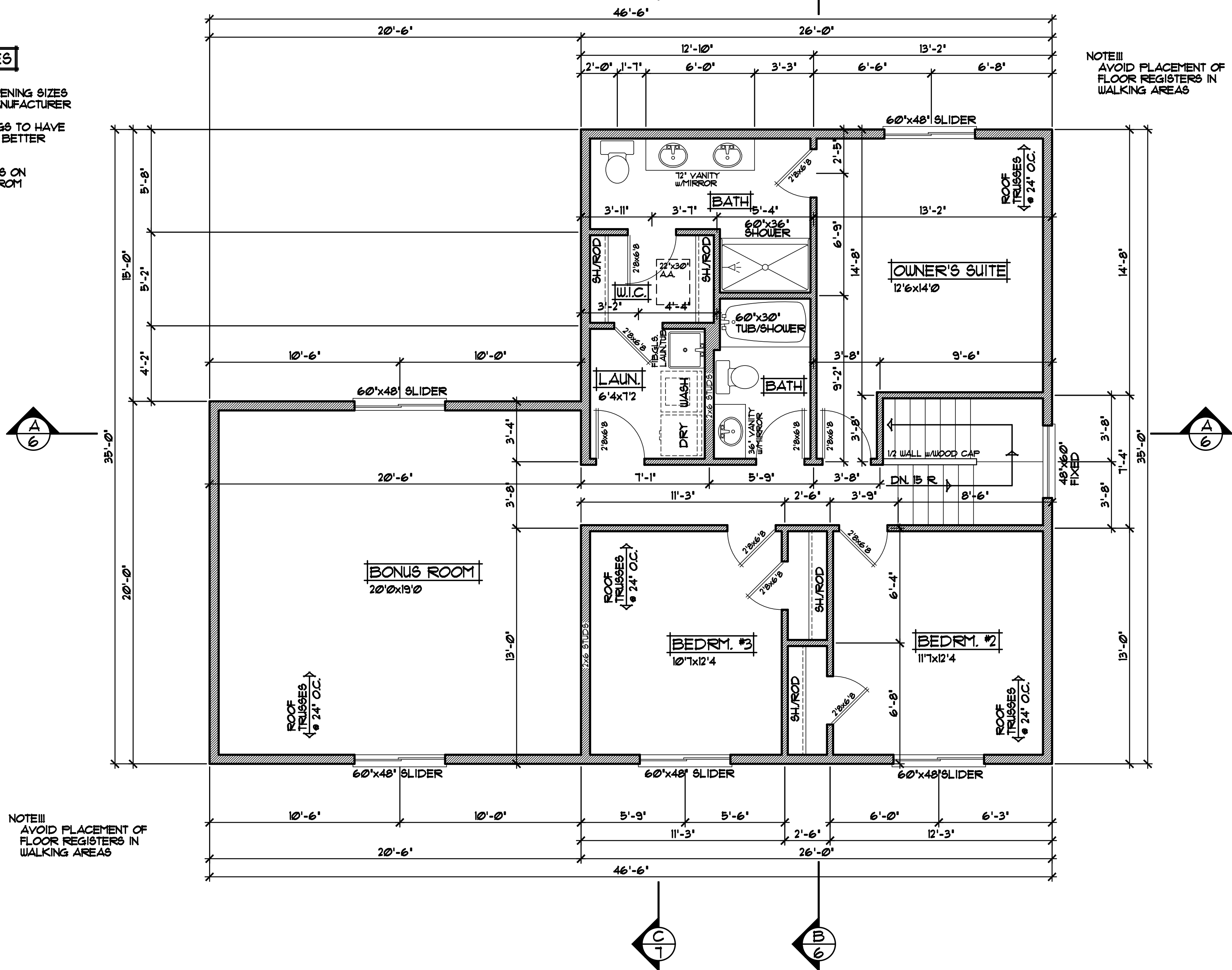
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OF 9
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26077

GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8' PLATE HEIGHT • ENTIRE SECOND FLOOR (UNLESS NOTED OTHERWISE)
- ALTERNATE HEADER/BEAM SIZES & TYPES MAY BE SPECIFIED BY SUPPLIER

DOOR & WINDOW NOTES

- GENERIC WINDOW SIZES SPECIFIED VERIFY ROUGH OPENING SIZES FOR DOORS & WINDOWS w/ MANUFACTURER
- ALL WINDOW & DOOR OPENINGS TO HAVE (2)2x10 #2 GRADE HEADER or BETTER (UNLESS NOTED OTHERWISE)
- TOP OF R.O. FOR ALL WINDOWS ON 2nd FLOOR TO BE 6'-10 1/2" FROM TOP OF SUB FLOOR (UNLESS NOTED OTHERWISE)



SECOND FLOOR PLAN 1/4"=1'-0"
1320 SQ. FT. SECOND FLOOR

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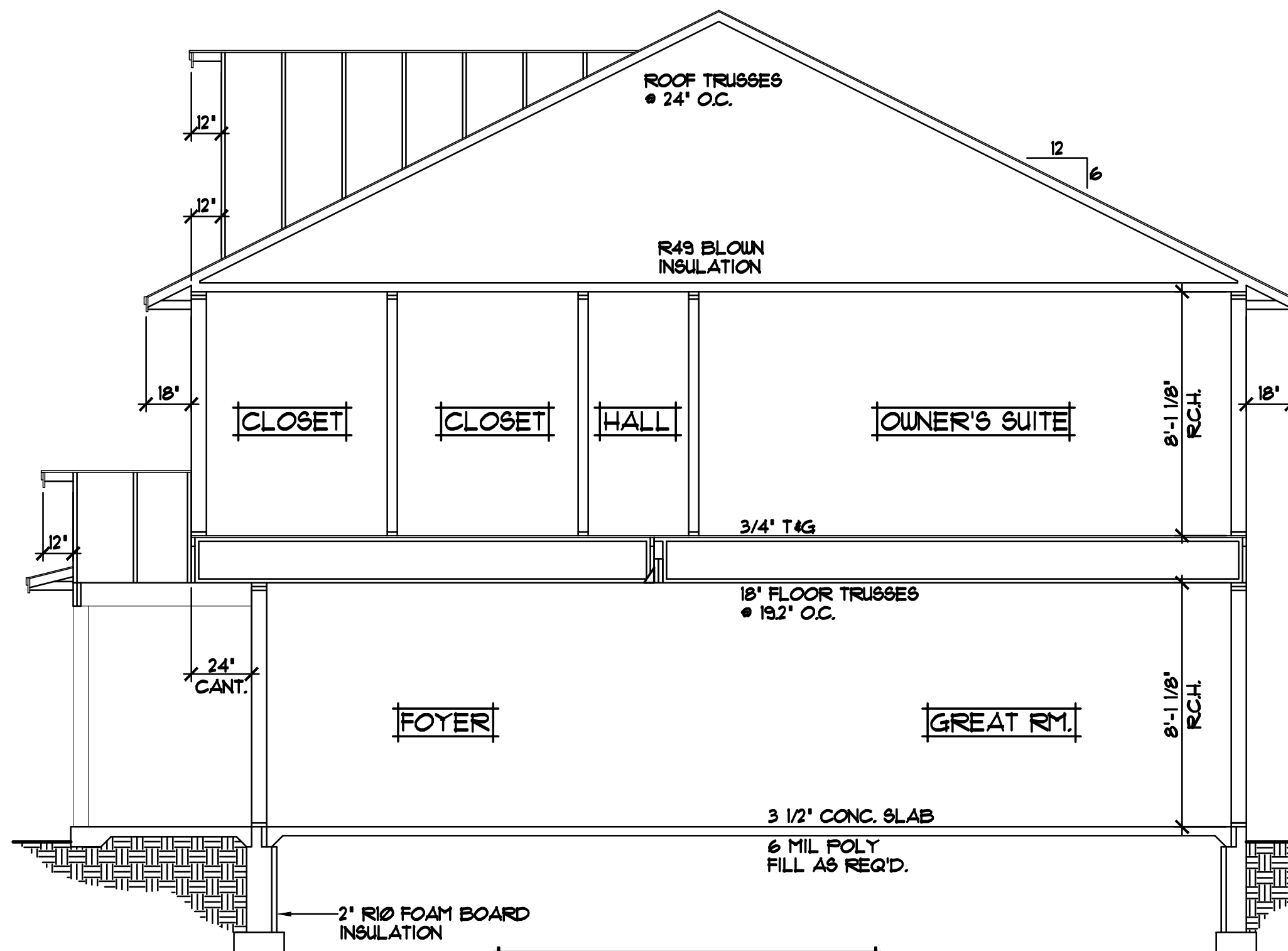
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DESIGN & DRAFTING, INC.

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CAVALIERA HOMES

SHEET
5

OF 9

CADD FILE #
26071



- ROOF CONSTRUCTION:**
- PRE-MANUFACTURED ROOF TRUSSES ENGINEERED BY SUPPLIER
 - 1/16" ROOF VENT AT SOFFITS
 - AIR CHUTE AT EACH TRUSS SPACE
 - 15/32" OSB ROOF SHEATHING
 - 15" ROOFING FELT
 - ICE & WATER MEMBRANE APPLIED 24'
 - FAST EXTERIOR WALL
 - ASPHALT SHINGLES

- SOFFIT/FASCIA:**
- 2x6 SUB-FASCIA
 - ALUMINUM FASCIA
 - ALUMINUM VENTED SOFFITS

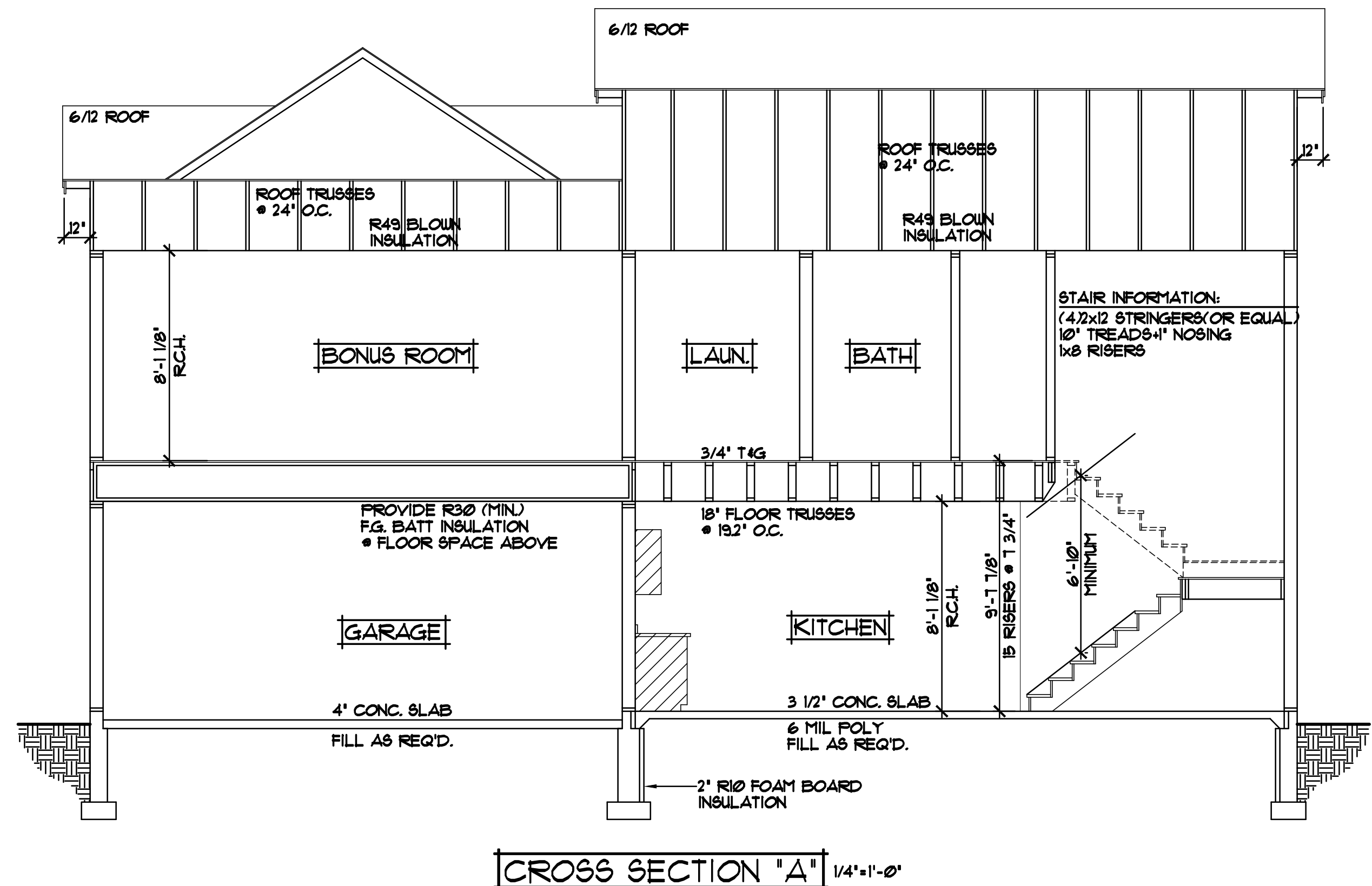
- WALL CONSTRUCTION:**
- HOUSE WRAP
 - 1/16" OSB SHEATHING
 - 2x6 STUDS • 16" O.C.
 - WINDOWS PER SPECIFICATIONS
 - R20 F.G. BATT INSULATION
 - 4 MIL POLY VAPOR RETARDER
 - 1/2" GYPSUM BOARD

- RIM AREA CONSTRUCTION:**
- R20 CLOSED CELL SPRAYED FOAM INSULATION • RIM AREA

- WALL CONSTRUCTION:**
- HOUSE WRAP
 - 1/16" OSB SHEATHING
 - 2x6 STUDS • 16" O.C.
 - WINDOWS PER SPECIFICATIONS
 - R20 F.G. BATT INSULATION
 - 4 MIL POLY VAPOR RETARDER
 - 1/2" GYPSUM BOARD

- SILL CONSTRUCTION:**
- 2x6 TR'D. SILL PLATE & SEALER
 - 1/2" ANCHOR BOLTS • 12" O.C.

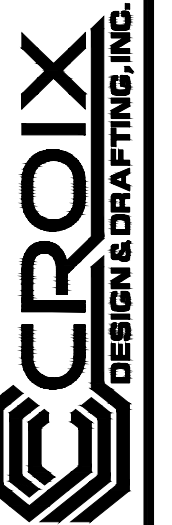
- FOUNDATION CONSTRUCTION:**
- POURED CONCRETE WALLS
 - R10 FOAM BOARD INSUL. • INTERIOR



SPECIAL NOTICE:

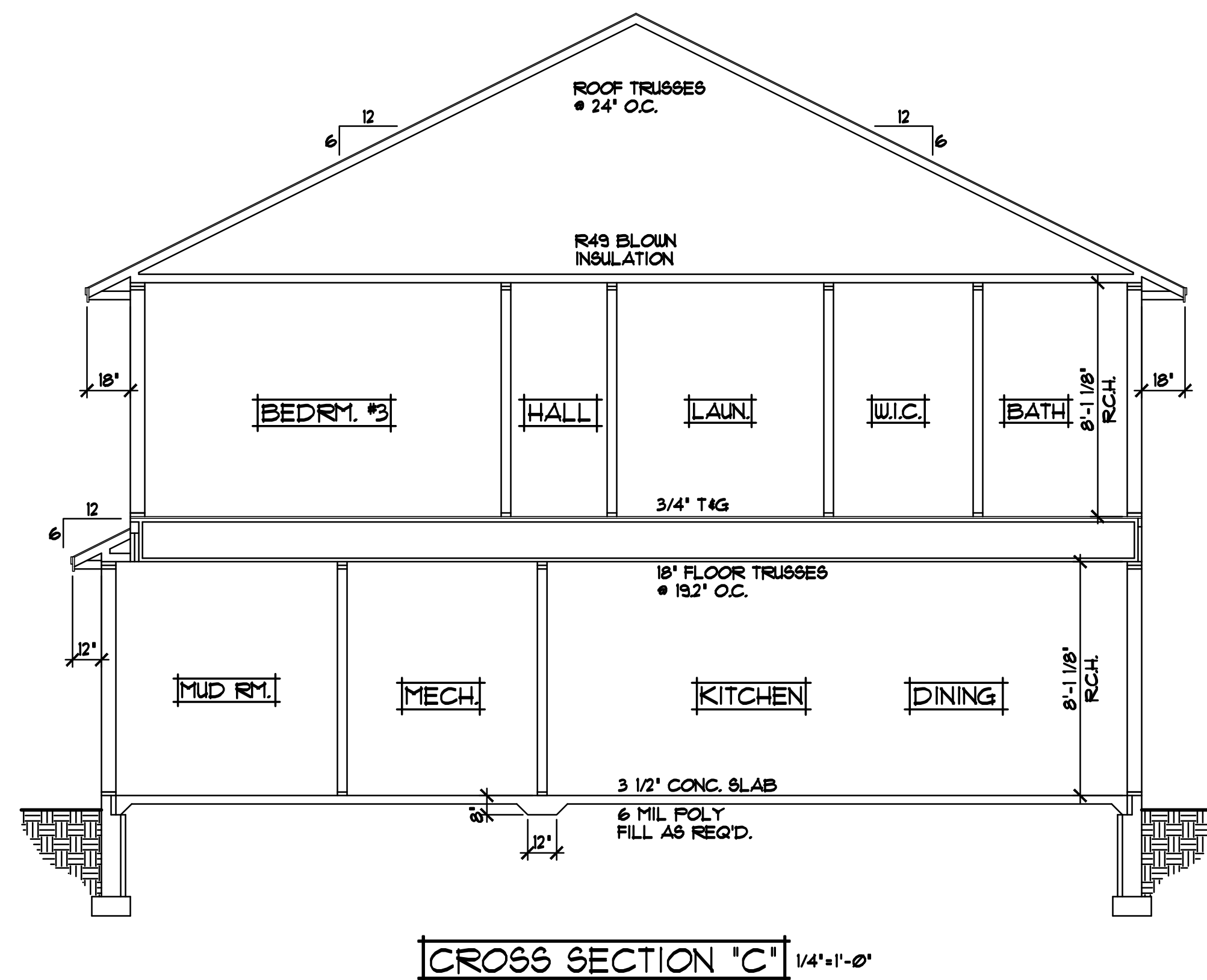
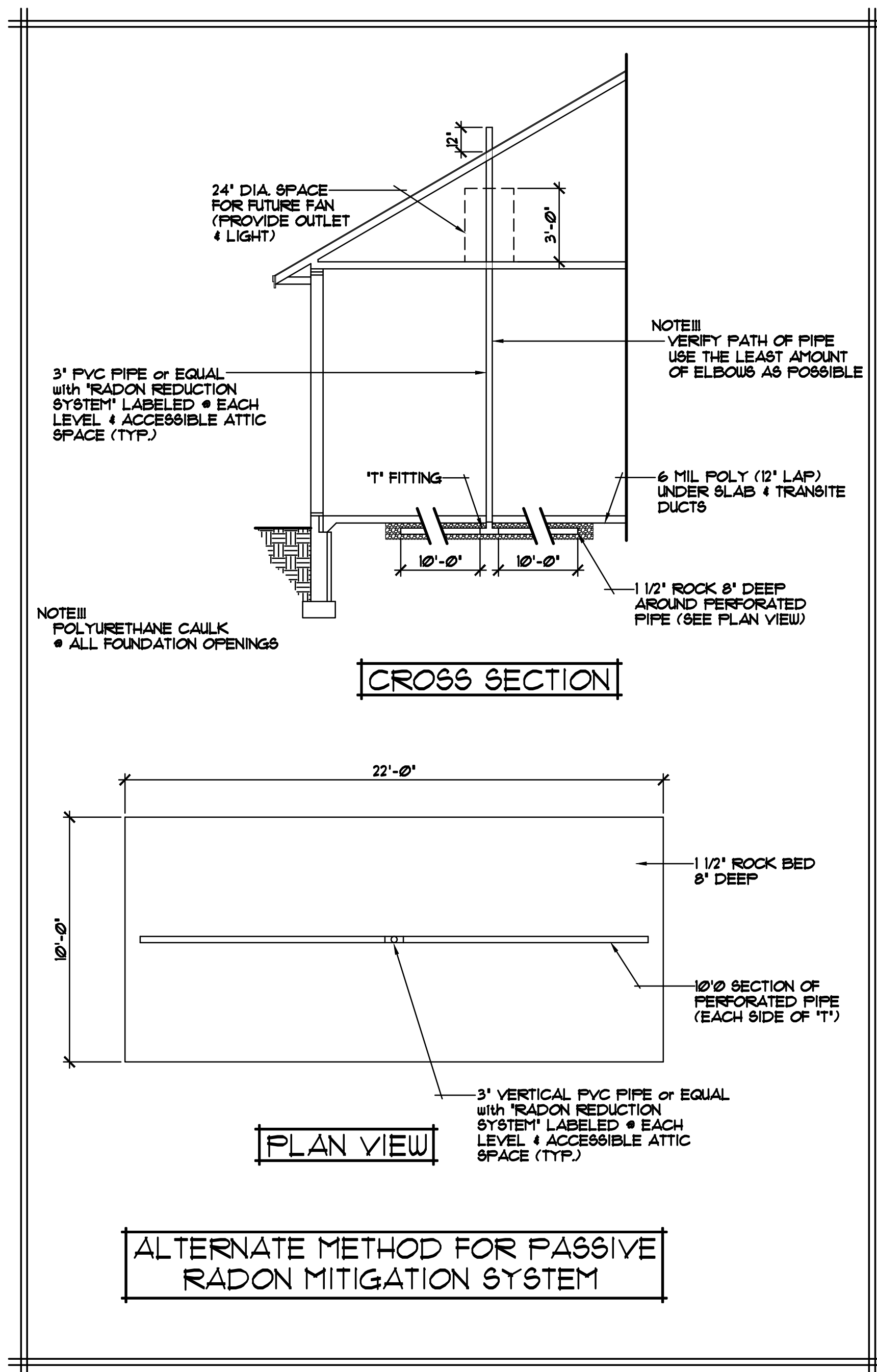
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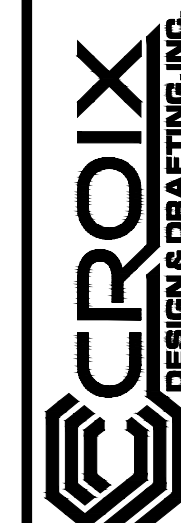
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CAVALIERA HOMES

SHEET
6
of 9
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26071



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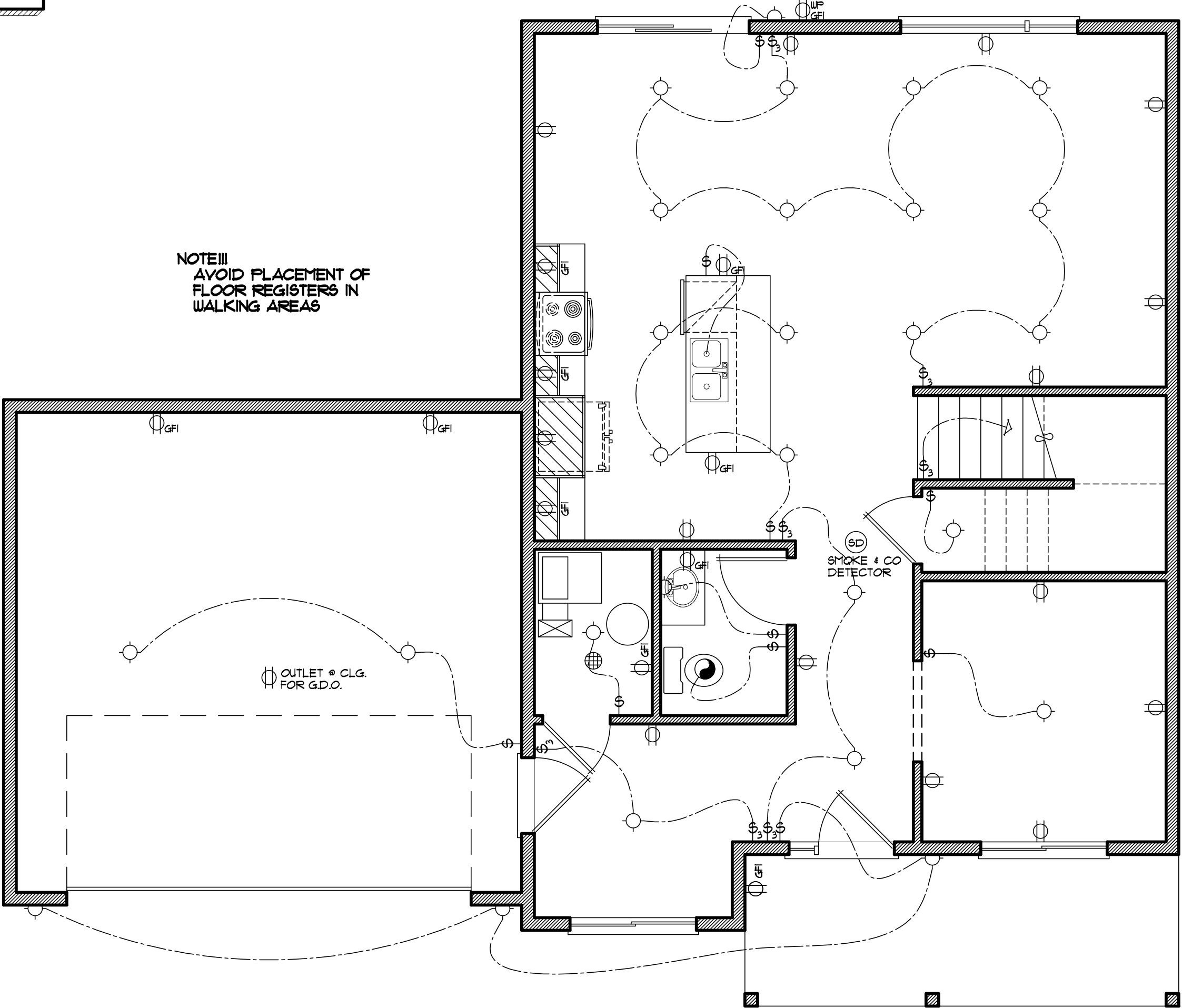
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SHEET
7
OF 9
CADD FILE #
26071

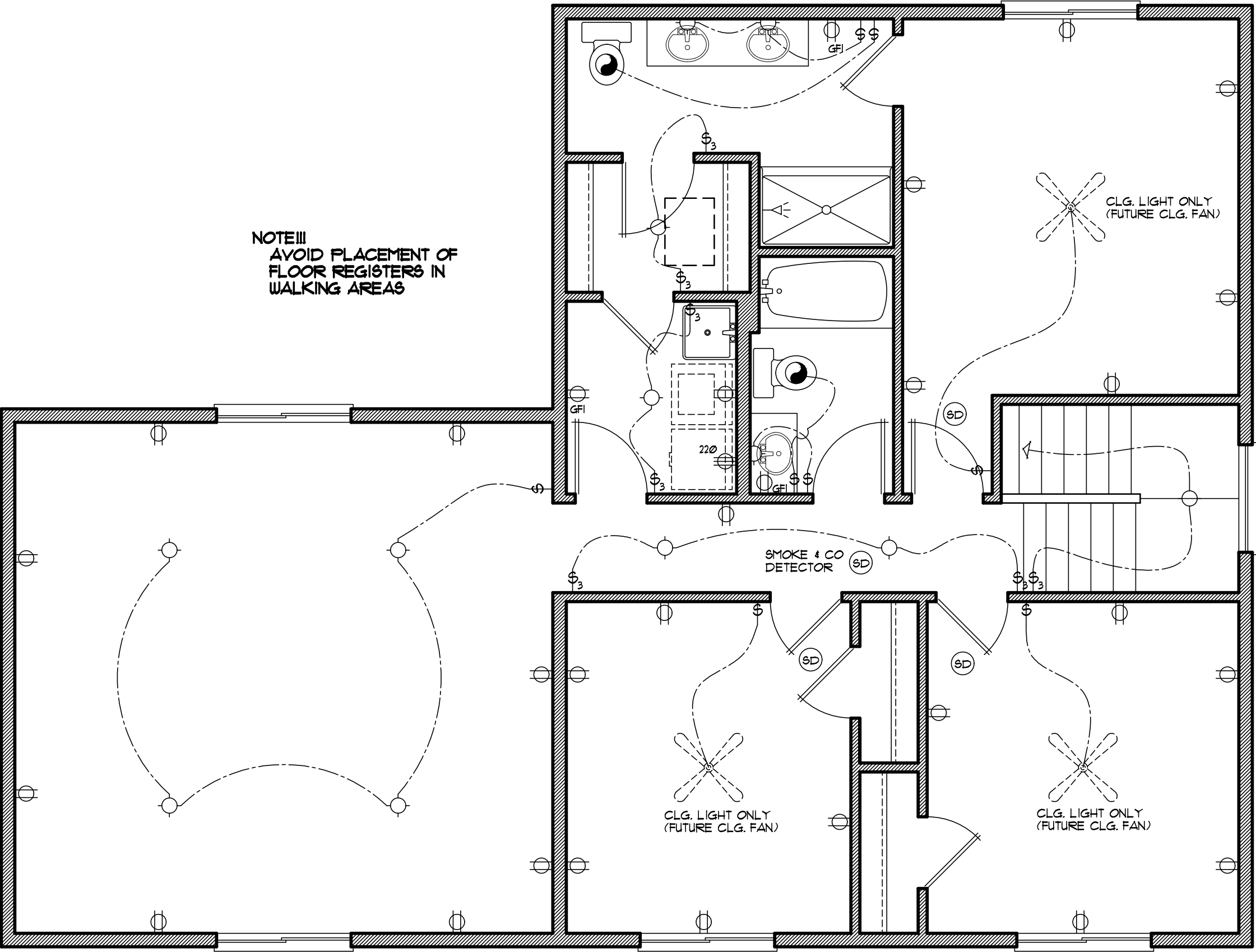
ELECTRICAL and MECHANICAL SYMBOLS	
▽ TELEPHONE JACK	● EXHAUST FAN
▼ TV/CABLE JACK	○ LIGHT - CEILING FIXTURE
\$ SWITCH - SINGLE	○ LIGHT - RECESSED FIXTURE
\$ ₃ SWITCH - THREE WAY	○ LIGHT - RECESSED DIRECTIONAL
\$ ₄ SWITCH - FOUR WAY	○ LIGHT - PENDANT
\$D SWITCH - DIMMER	△ LIGHT - TRACK
\$FC SWITCH - FAN CONTROLS	— LIGHT - FLUORESCENT
○ OUTLET - DUPLEX	○ LIGHT - WALL MOUNTED
○ OUTLET - DUPLEX SWITCHED	○ EXHAUST FAN/LIGHT COMBINATION
○ GFI OUTLET - GROUND FAULT	† HB HOSE BIBB
○ WP OUTLET - WEATHERPROOF	T GAS GAS OUTLET
○ OUTLET - FLOOR/SOFFIT MOUNT	○ HVAC- SUPPLY VENT
○ 220 OUTLET - RANGE OR DRYER	○ HVAC- RETURN VENT
○ SD SMOKE DETECTOR	



1st FLOOR ELECTRICAL PLAN 1/4"=1'-0"

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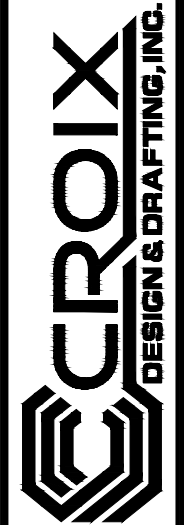
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SMOKE DETECTOR	



2nd FLOOR ELECTRICAL PLAN 1/4"=1'-0"

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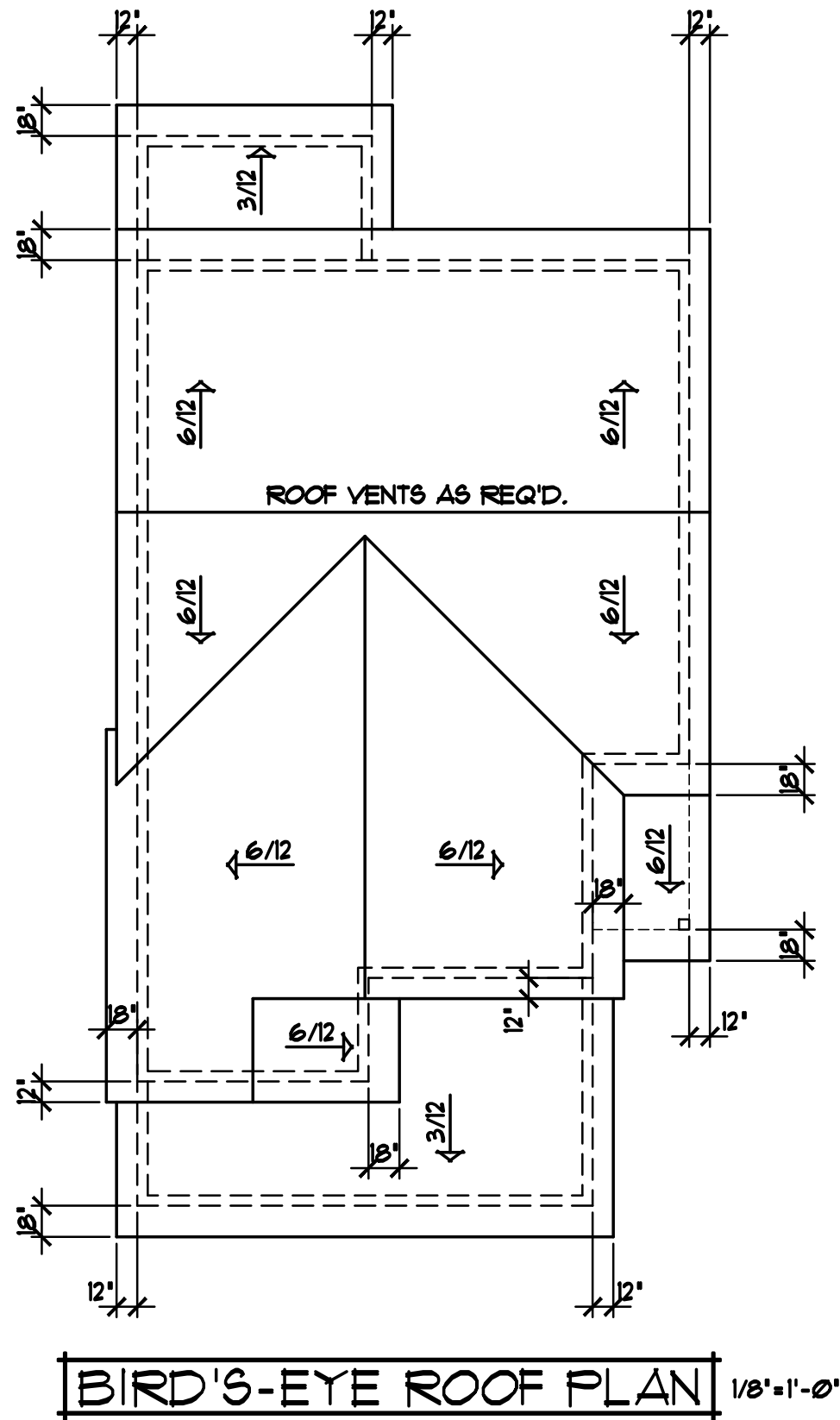


BUILT BY:
CAVALIERA HOMES

SHEET
9
OF 9
CADD FILE #
26071

GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)



- GENERIC WINDOW SIZES SPECIFIED
- VINYL LAP SIDING & CORNER TRIM
- ALUMINUM SOFFITS & FASCIA
- STONE VENEER WHERE SHOWN



FRONT ELEVATION 1/4"=1'-0"

111 SQ. FT. FIRST FLOOR
932 SQ. FT. SECOND FLOOR
1649 SQ. FT. TOTAL

THE:
HANNAH-2 CAR GARAGE

REVISIONS	BY
XXXXX	XX

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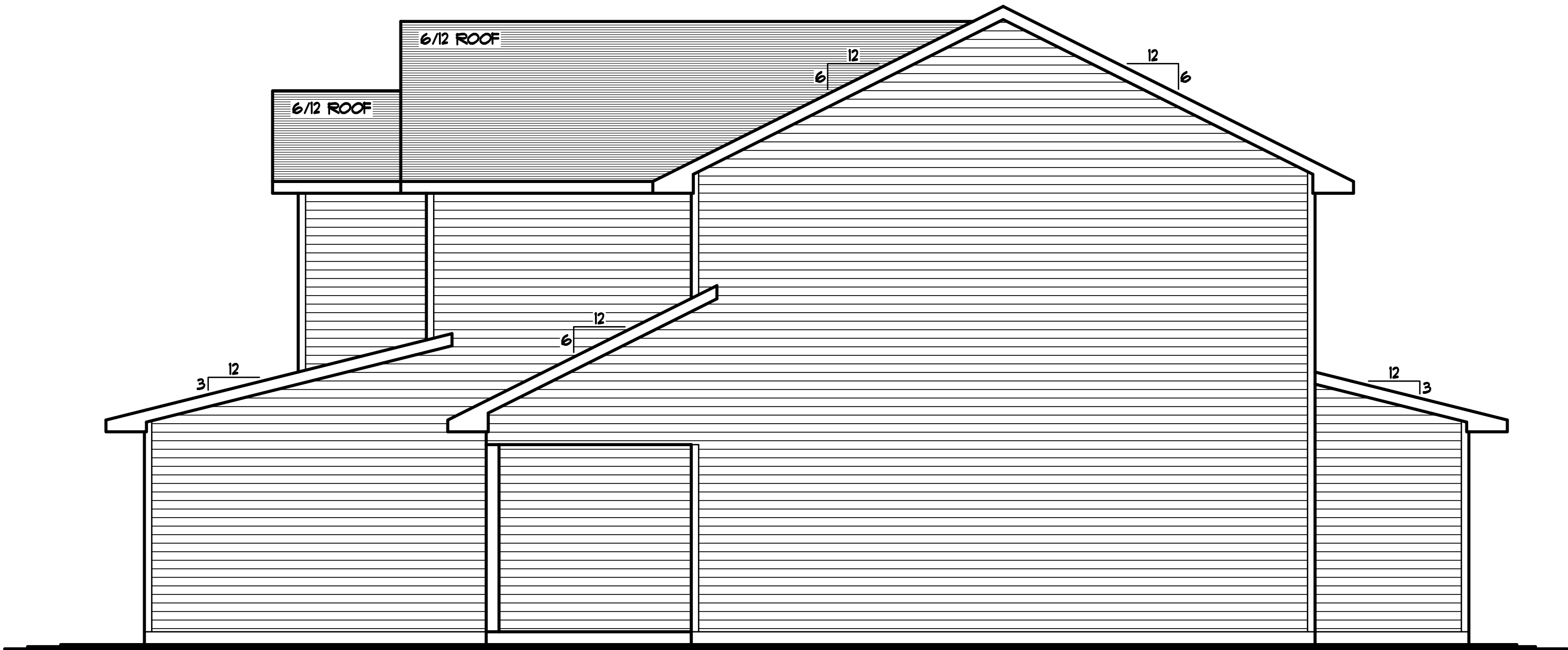
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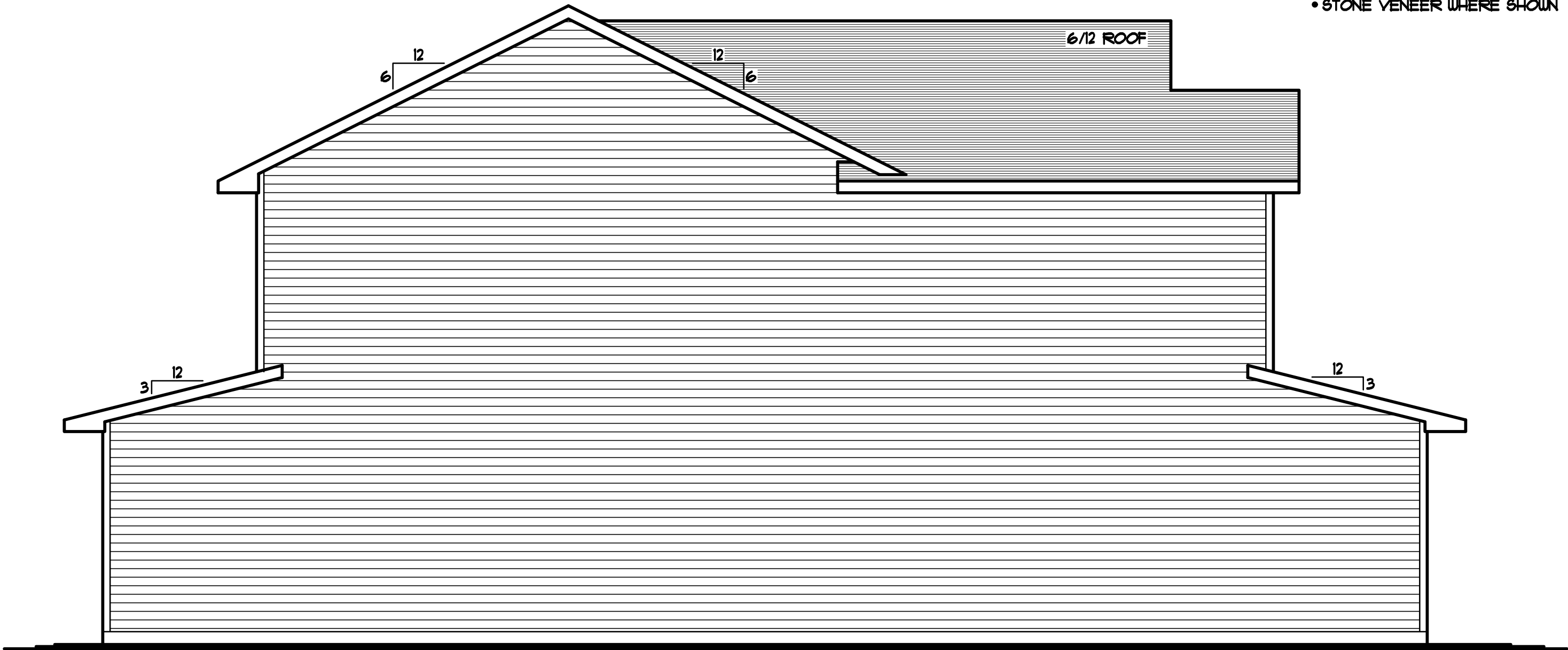
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CHECKED XX
DATE: 6/20/2026
SCALE: AS NOTED
CADD FILE # 26088
SHEET 1 OF 7

GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)



RIGHT ELEVATION 1/4"=1'-0"



LEFT ELEVATION 1/4"=1'-0"

- GENERIC WINDOW SIZES SPECIFIED
- VINYL LAP SIDING & CORNER TRIM
- ALUMINUM SOFFITS & FASCIA
- STONE VENEER WHERE SHOWN

REVISIONS

XXXXXX	0000	BY:XX
XXXXXX	0000	BY:XX

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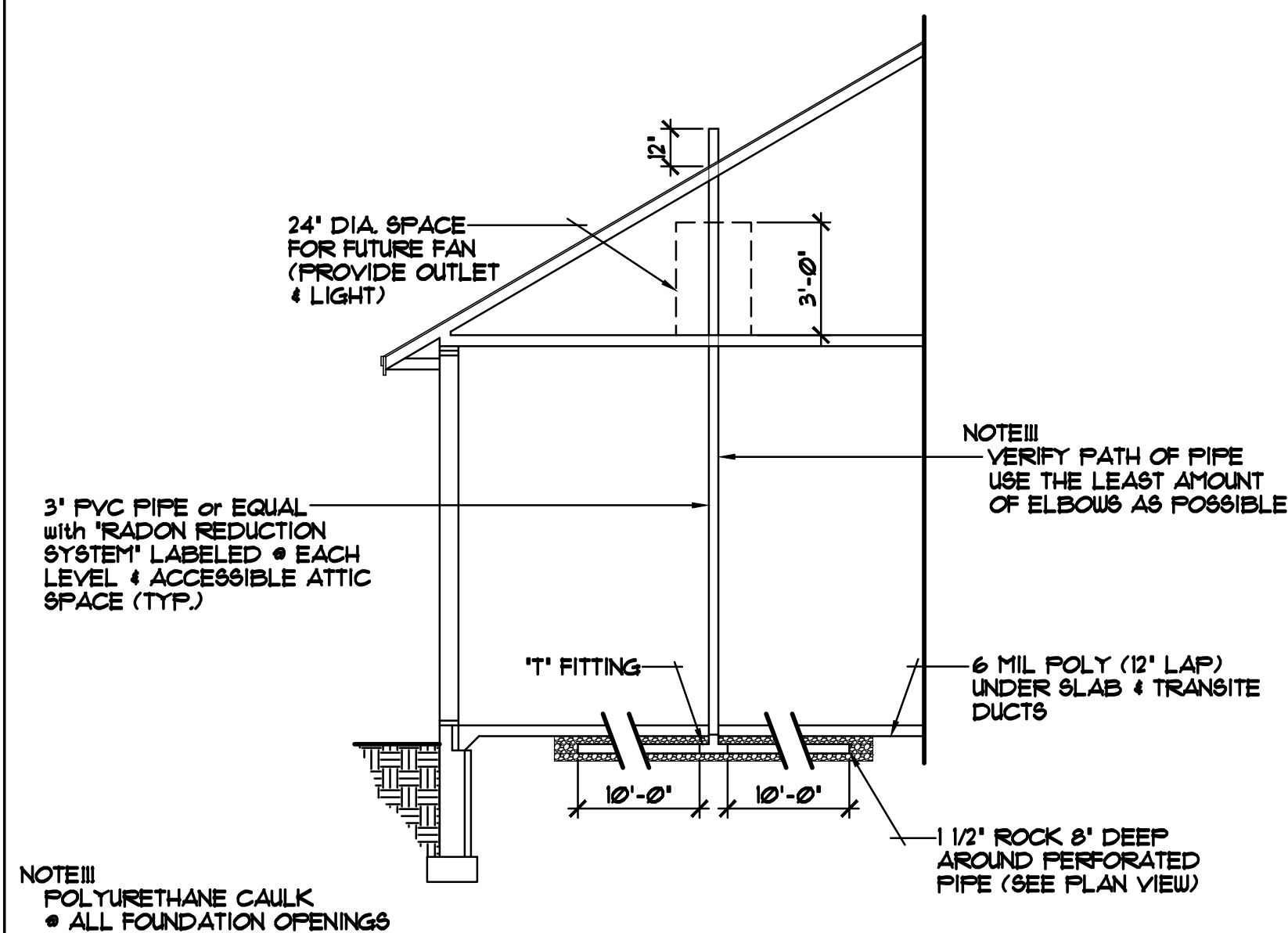
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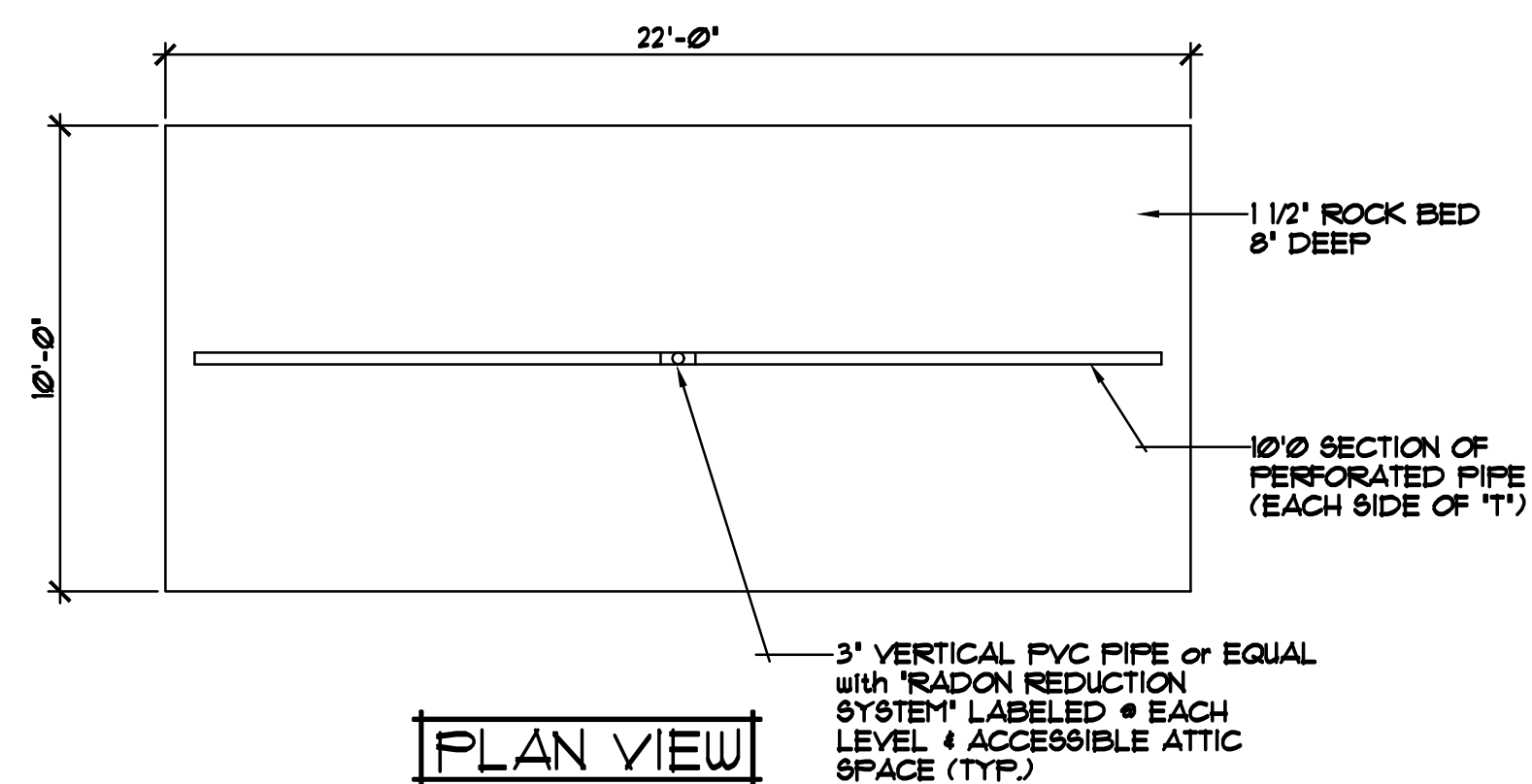
SHEET
2
OF 7
CADD FILE #
26088

GENERAL FRAMING & CONSTRUCTION NOTES

- POURED CONCRETE FOUNDATION, VERIFY ALL WALL DIMENSIONS w/ FOUNDATION CONTRACTOR
- PROVIDE 2" R10 FOAM BOARD INSULATION
 - EXTERIOR HOUSE FOUNDATION WALLS
- ALL FOOTINGS SHALL HAVE A COMPRESSIVE STRENGTH OF 5000 PSI PER TABLE R402.2

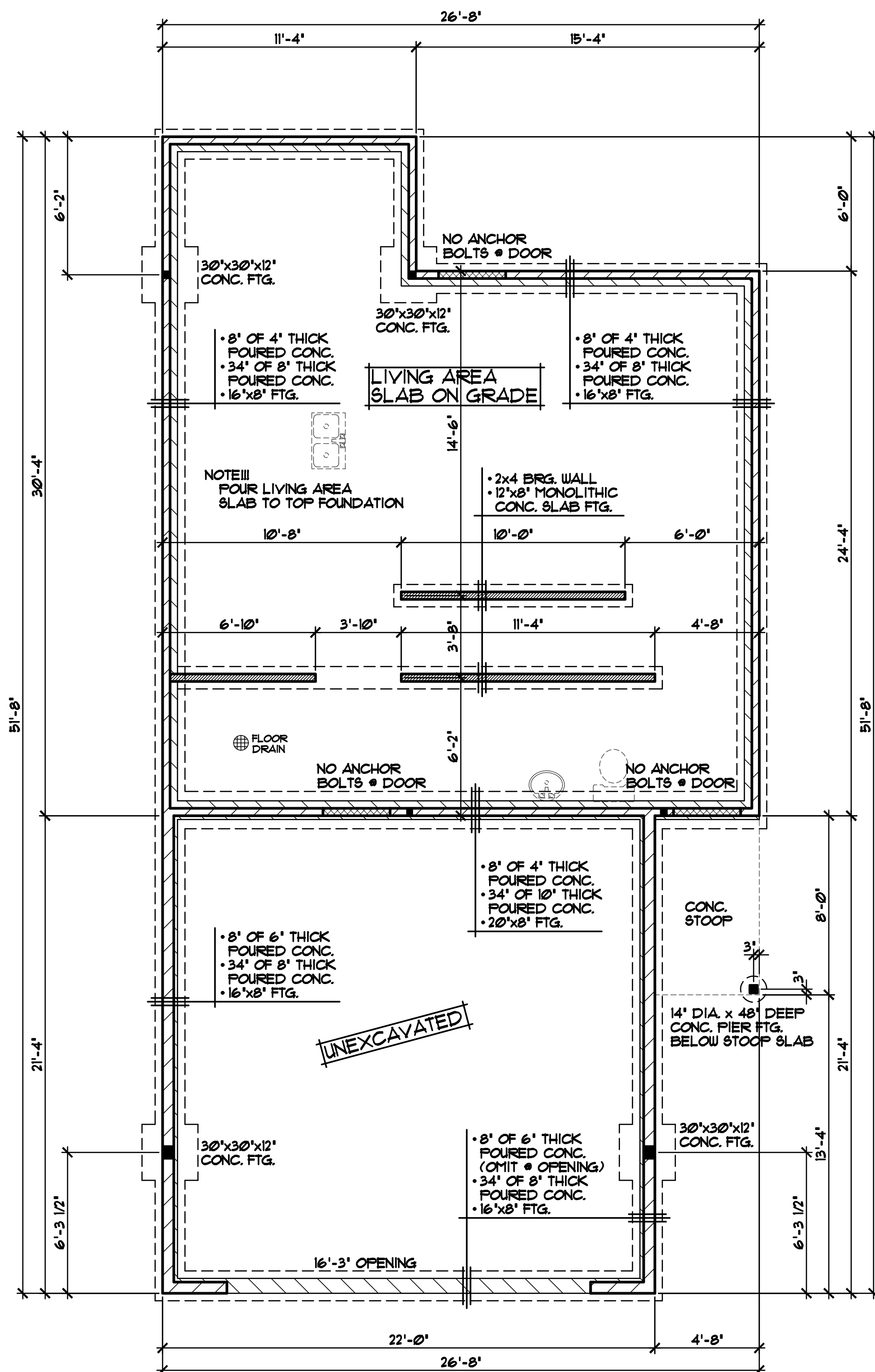


CROSS SECTION



PLAN VIEW

ALTERNATE METHOD FOR PASSIVE RADON MITIGATION SYSTEM



REVISIONS

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BY:XX

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- 8'-1 1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)
- FRAME ALL GARAGE WALLS w/2x6 STUDS • 16" O.C.
(UNLESS NOTED OTHERWISE)
- FLOOR TRUSS DEFLECTION TO BE L/480 (MINIMUM)
- ALTERNATE HEADER/BEAM SIZES & TYPES MAY BE
SPECIFIED BY SUPPLIER
- FINISH ALL GARAGE WALLS with 1/2" TYPE 'X' GYP. BD.
& FINISH GARAGE CEILING with 5/8" TYPE 'X' GYP. BD.

- **GENERIC WINDOW SIZES**
SPECIFIED VERIFY ROUGH OPENING SIZES
FOR DOORS & WINDOWS w/ MANUFACTURER
- **ALL WINDOW & DOOR OPENINGS TO HAVE**
(2Xx10" #2 GRADE HEADER or BETTER
(UNLESS NOTED OTHERWISE)
- **TOP OF R.O. FOR ALL WINDOWS ON**
1st FLOOR TO BE 6'-10" 1/2' FROM
TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)

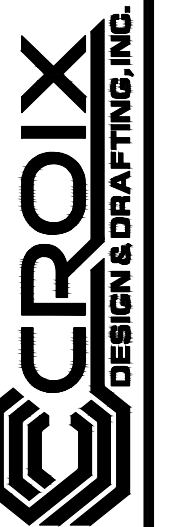


717 SQ. FT. FIRST FLOOR
469 SQ. FT. GARAGE

REVISIONS
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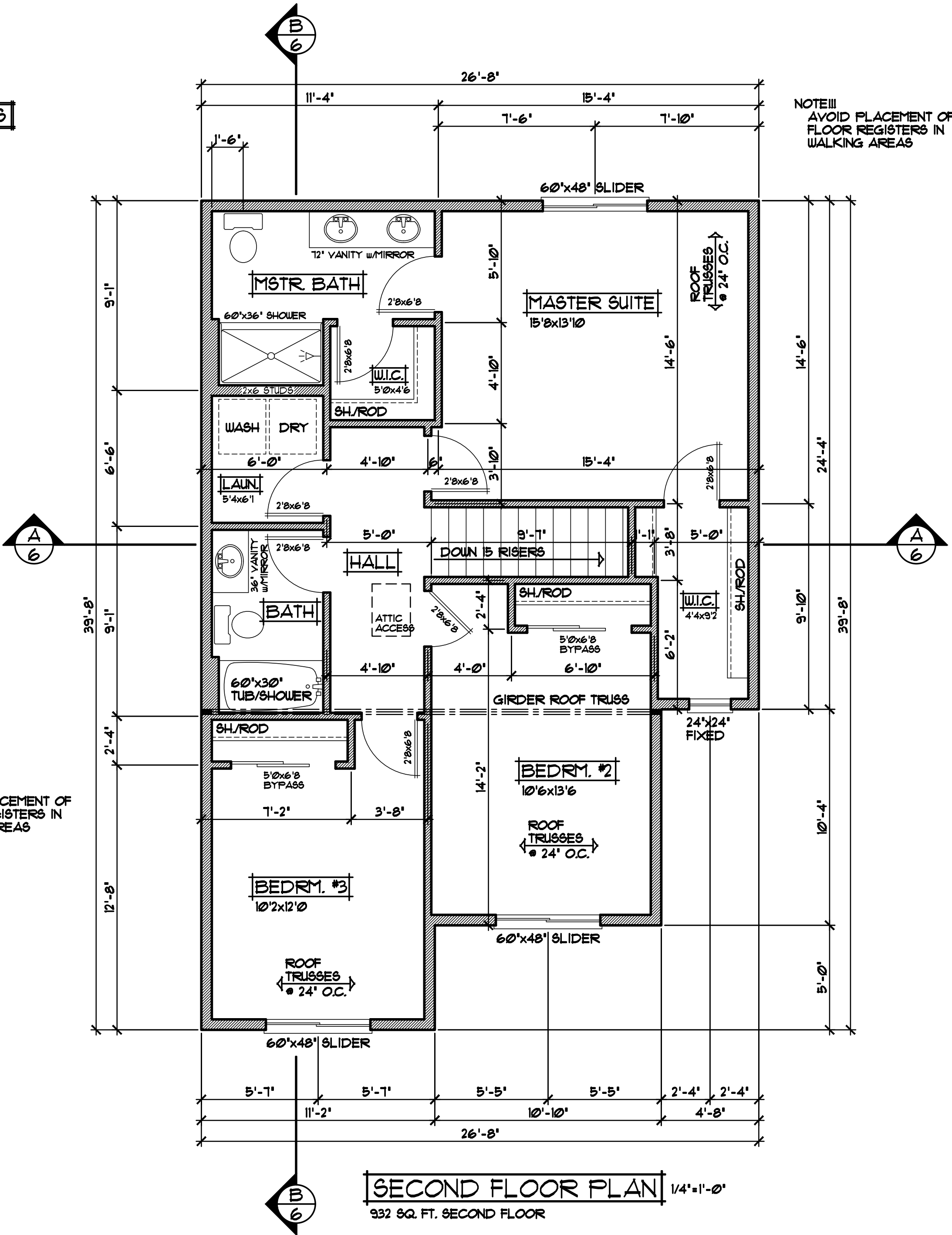
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 OF 7
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GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR (UNLESS NOTED OTHERWISE)
- ALTERNATE HEADER/BEAM SIZES & TYPES MAY BE SPECIFIED BY SUPPLIER

DOOR & WINDOW NOTES

- GENERIC WINDOW SIZES SPECIFIED VERIFY ROUGH OPENING SIZES FOR DOORS & WINDOWS w/ MANUFACTURER
- ALL WINDOW & DOOR OPENINGS TO HAVE (2)2x10 #2 GRADE HEADER or BETTER (UNLESS NOTED OTHERWISE)
- TOP OF R.O. FOR ALL WINDOWS ON 2nd FLOOR TO BE 6'-10 1/2" FROM TOP OF SUB FLOOR (UNLESS NOTED OTHERWISE)



NOTE III
AVOID PLACEMENT OF
FLOOR REGISTERS IN
WALKING AREAS

NOTE III
AVOID PLACEMENT OF
FLOOR REGISTERS IN
WALKING AREAS

SECOND FLOOR PLAN

932 SQ. FT. SECOND FLOOR

REVISIONS
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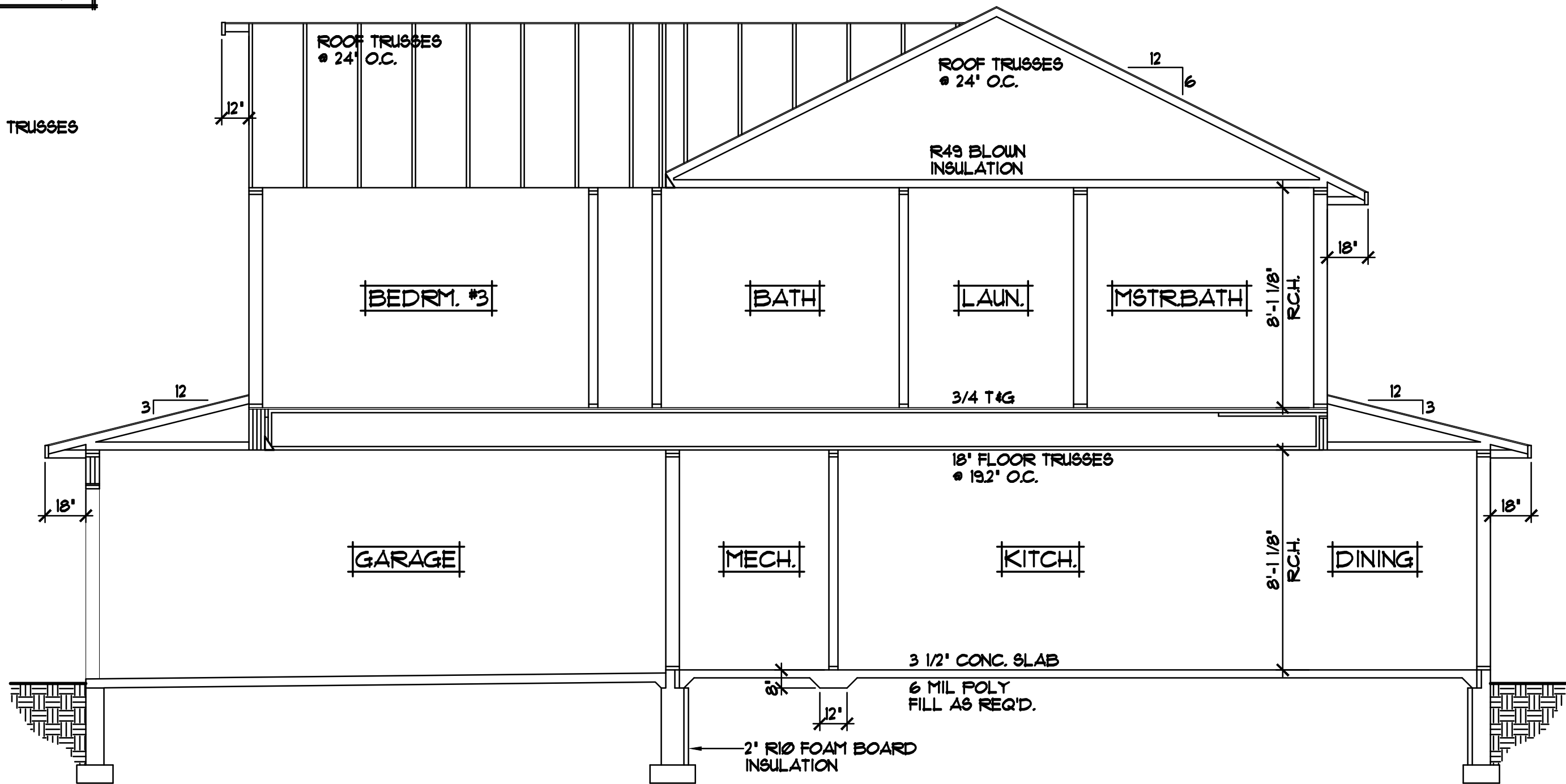


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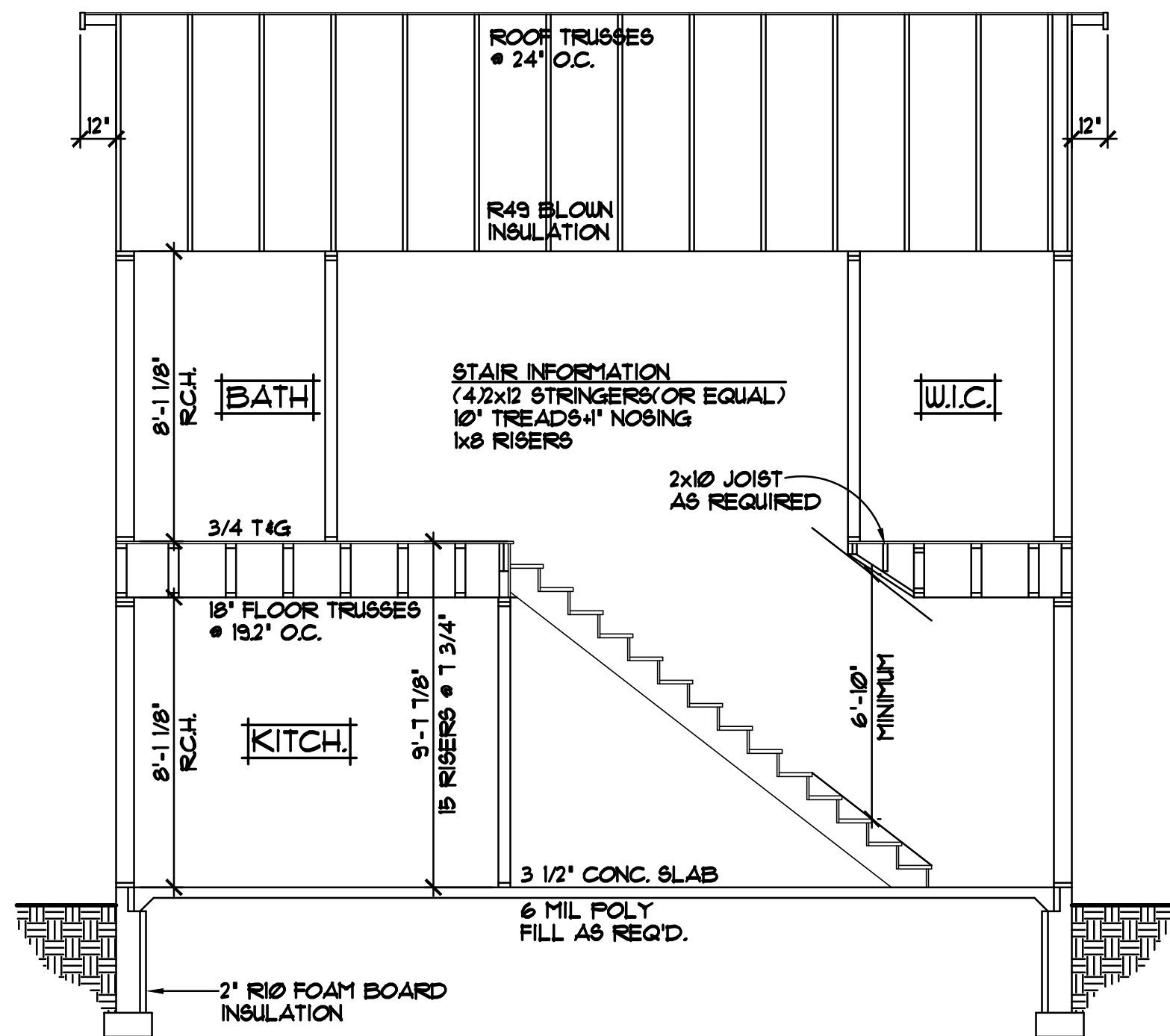
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5
of 7
CADD FILE # 26088

GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)



CROSS SECTION "B" 1/4"=1'-0"



CROSS SECTION "A" 1/4"=1'-0"

ROOF CONSTRUCTION:

- PRE-MANUFACTURED ROOF TRUSSES
ENGINEERED BY SUPPLIER
- 1/150 ROOF VENT AT SOFFITS
- AIR CHUTE AT EACH TRUSS SPACE
- 15/32" OSB ROOF SHEATHING
- 15# ROOFING FELT
- ICE & WATER MEMBRANE APPLIED 24"
FAST EXTERIOR WALL
- ASPHALT SHINGLES

SOFFIT/FASCIA:

- 2x6 SUB-FASCIA
- ALUMINUM FASCIA
- ALUMINUM VENTED SOFFITS

WALL CONSTRUCTION:

- HOUSE WRAP
- 1/16" OSB SHEATHING
- 2x6 STUDS • 16" O.C.
- WINDOWS PER SPECIFICATIONS
- R20 F.G. BATT INSULATION
- 4 MIL POLY VAPOR RETARDER
- 1/2" GYPSUM BOARD

RIM AREA CONSTRUCTION:

- R20 CLOSED CELL SPRAYED FOAM
INSULATION • RIM AREA

WALL CONSTRUCTION:

- HOUSE WRAP
- 1/16" OSB SHEATHING
- 2x6 STUDS • 16" O.C.
- WINDOWS PER SPECIFICATIONS
- R20 F.G. BATT INSULATION
- 4 MIL POLY VAPOR RETARDER
- 1/2" GYPSUM BOARD

SILL CONSTRUCTION:

- 2x6 TRT'D. SILL PLATE & SEALER
- 1/2" ANCHOR BOLTS • 12" O.C.

FOUNDATION CONSTRUCTION:

- POURED CONCRETE WALLS
- R10 FOAM BOARD INSUL. • INTERIOR

REVISIONS

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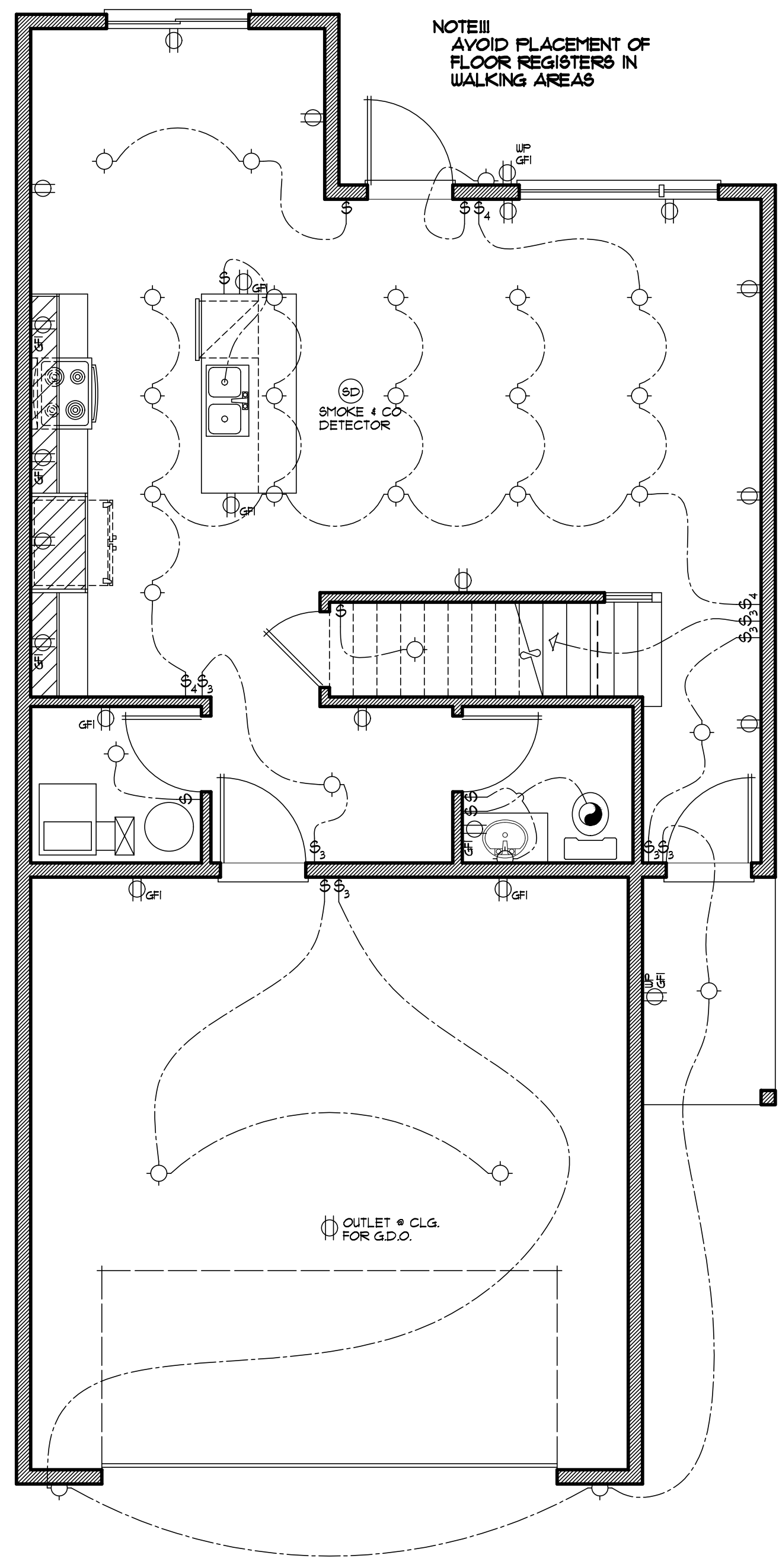
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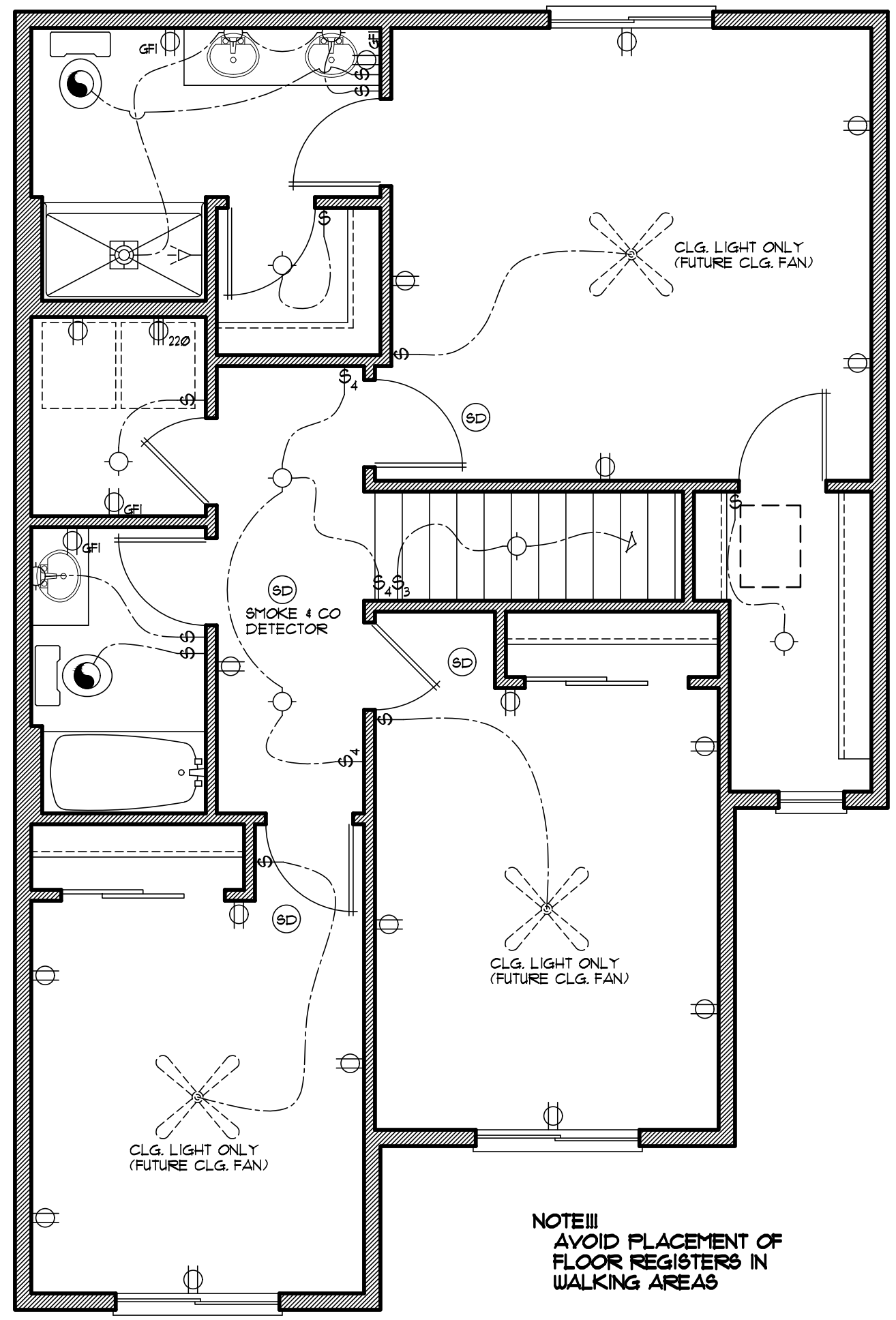
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1st FLOOR ELECTRICAL PLAN 1/4"=1'-0"

ELECTRICAL and MECHANICAL SYMBOLS			
▽	TELEPHONE JACK	☉	EXHAUST FAN
▼	TV/CABLE JACK	○	LIGHT - CEILING FIXTURE
\$	SWITCH - SINGLE	⊖	LIGHT - RECESSED FIXTURE
\$ ₃	SWITCH - THREE WAY	⊖	LIGHT - RECESSED DIRECTIONAL
\$ ₄	SWITCH - FOUR WAY	⊖	LIGHT - PENDANT
\$ ₀	SWITCH - DIMMER	⊖	LIGHT - TRACK
\$ _{FC}	SWITCH - FAN CONTROLS	⊖	LIGHT - FLUORESCENT
○	OUTLET - DUPLEX	⊖	LIGHT - WALL MOUNTED
○	OUTLET - DUPLEX SWITCHED	⊖	EXHAUST FAN/LIGHT COMBINATION
○	OUTLET - GROUND FAULT	⊖	HOSE BIBB
○	OUTLET - WEATHERPROOF	⊖	GAS OUTLET
○	OUTLET - FLOOR/SOFFIT MOUNT	⊖	HVAC- SUPPLY VENT
○	OUTLET - RANGE OR DRYER	⊖	HVAC- RETURN VENT
○	OUTLET - QUAD		
○	SMOKE DETECTOR		



2nd FLOOR ELECTRICAL PLAN 1/4"=1'-0"

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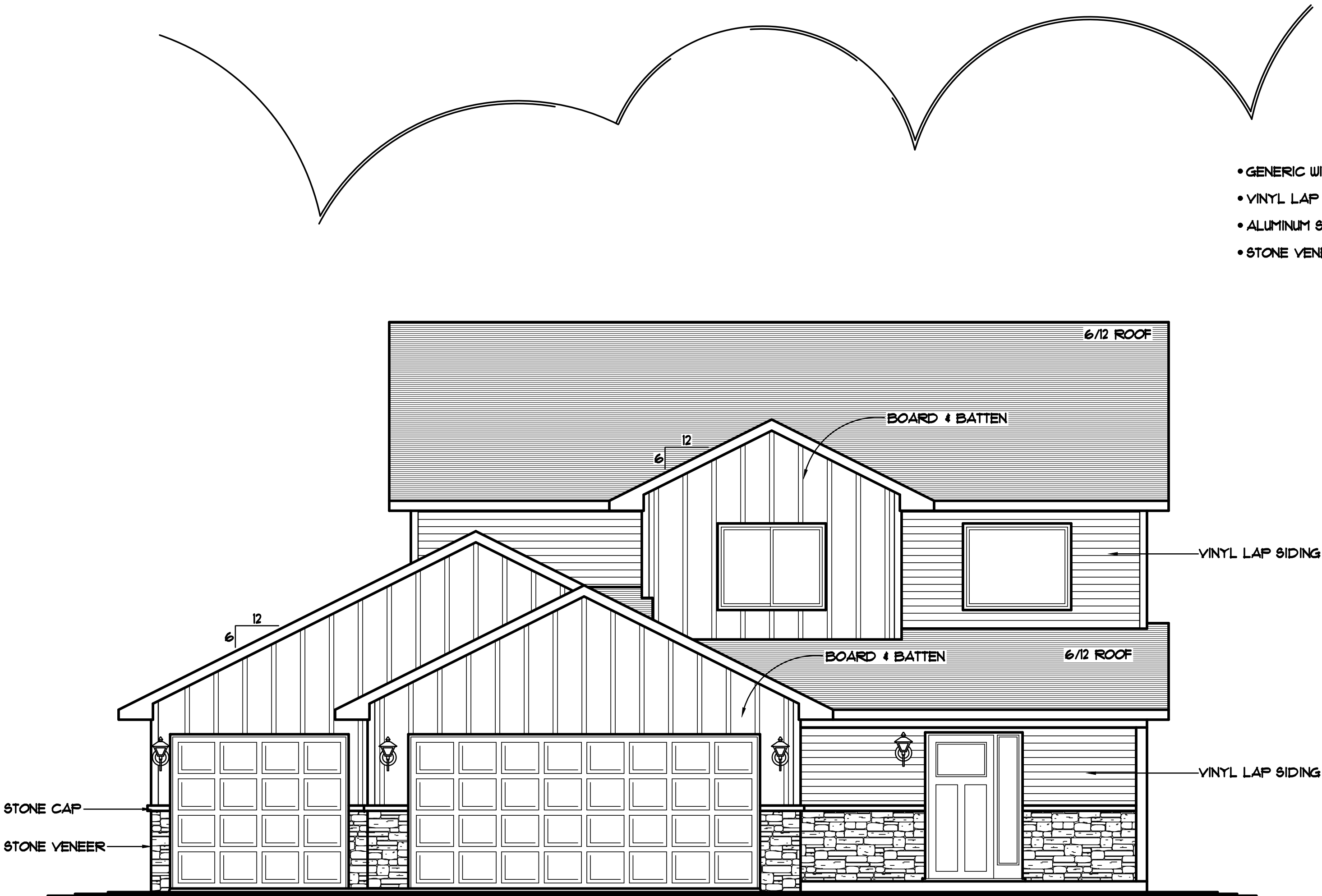


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of 7
CADD FILE #
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GENERAL FRAMING & CONSTRUCTION NOTES

- 8' 1-1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR
(UNLESS NOTED OTHERWISE)
- 8' 1-1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- 8' 1-1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)



- GENERIC WINDOW SIZES SPECIFIED
- VINYL LAP SIDING & CORNER TRIM
- ALUMINUM SOFFITS & FASCIA
- STONE VENEER WHERE SHOWN

FRONT ELEVATION 1/4" = 1'-0"

1020 SQ. FT. FIRST FLOOR
1032 SQ. FT. SECOND FLOOR
2052 SQ. FT. TOTAL
138 SQ. FT. STAIRS and OPEN AREA INCLUDED

THE:
EMILY-3 CAR GARAGE

REVISIONS	BY
15207	N.F.
18324	N.F.
19282	N.F.
20099	N.F.
20238	N.F.

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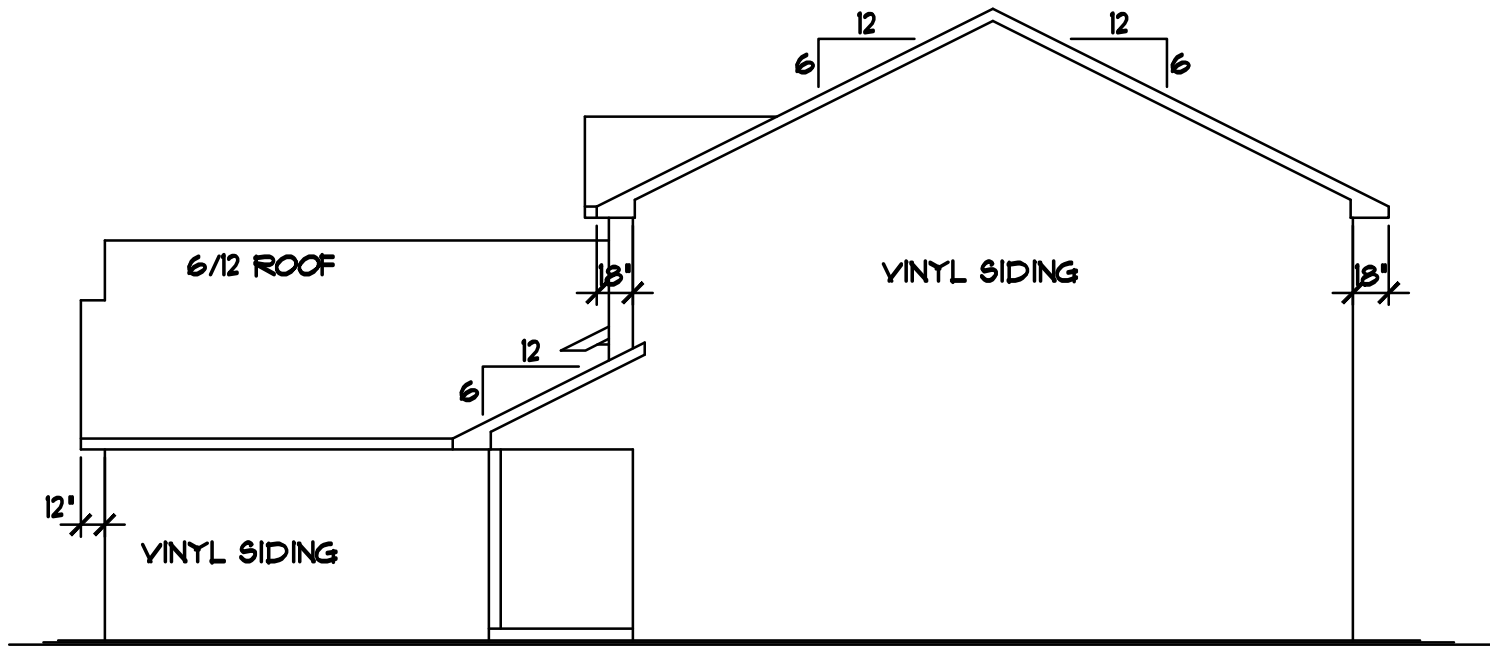
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cavaliera
HOMES

DRAWN N.F.
CHECKED ..
DATE: 7/07/2026
SCALE: AS NOTED (24"x18")
CADD FILE • 26103
SHEET 1 OF 8

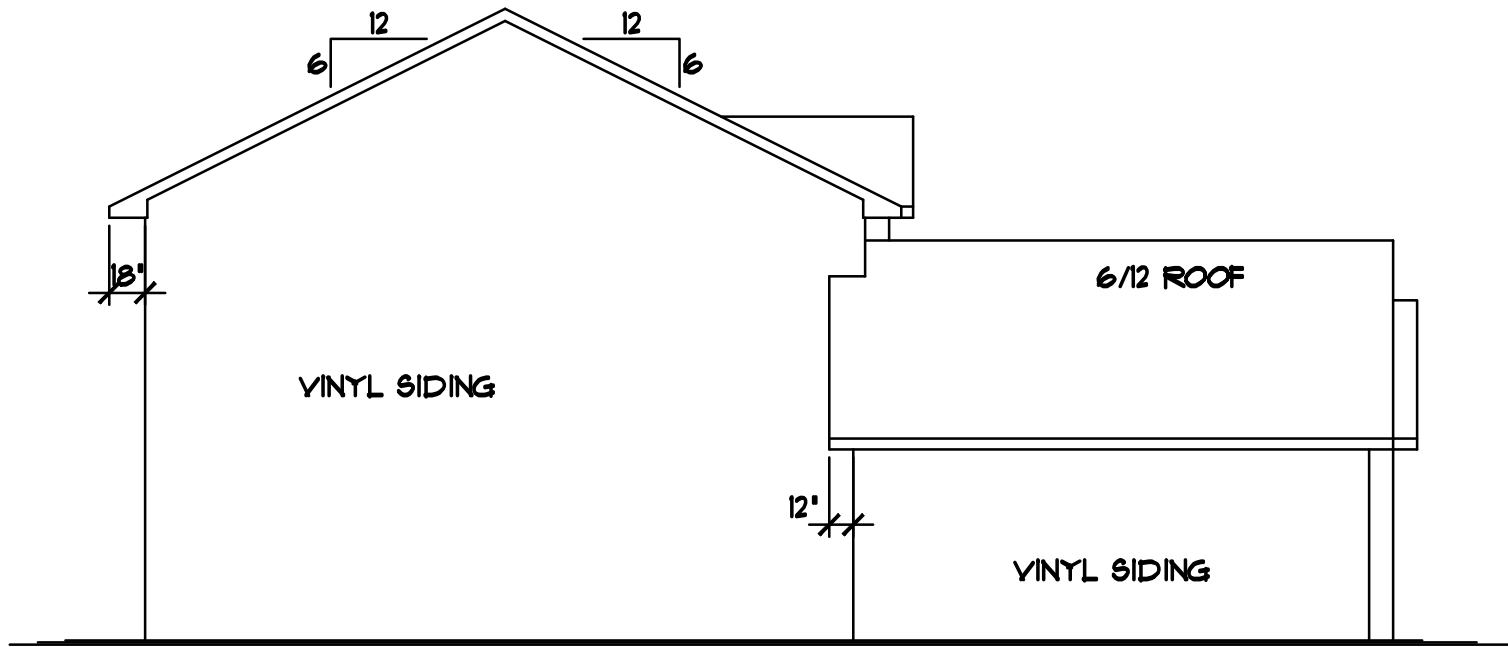
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(UNLESS NOTED OTHERWISE)
- 8' 1-1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR
(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)



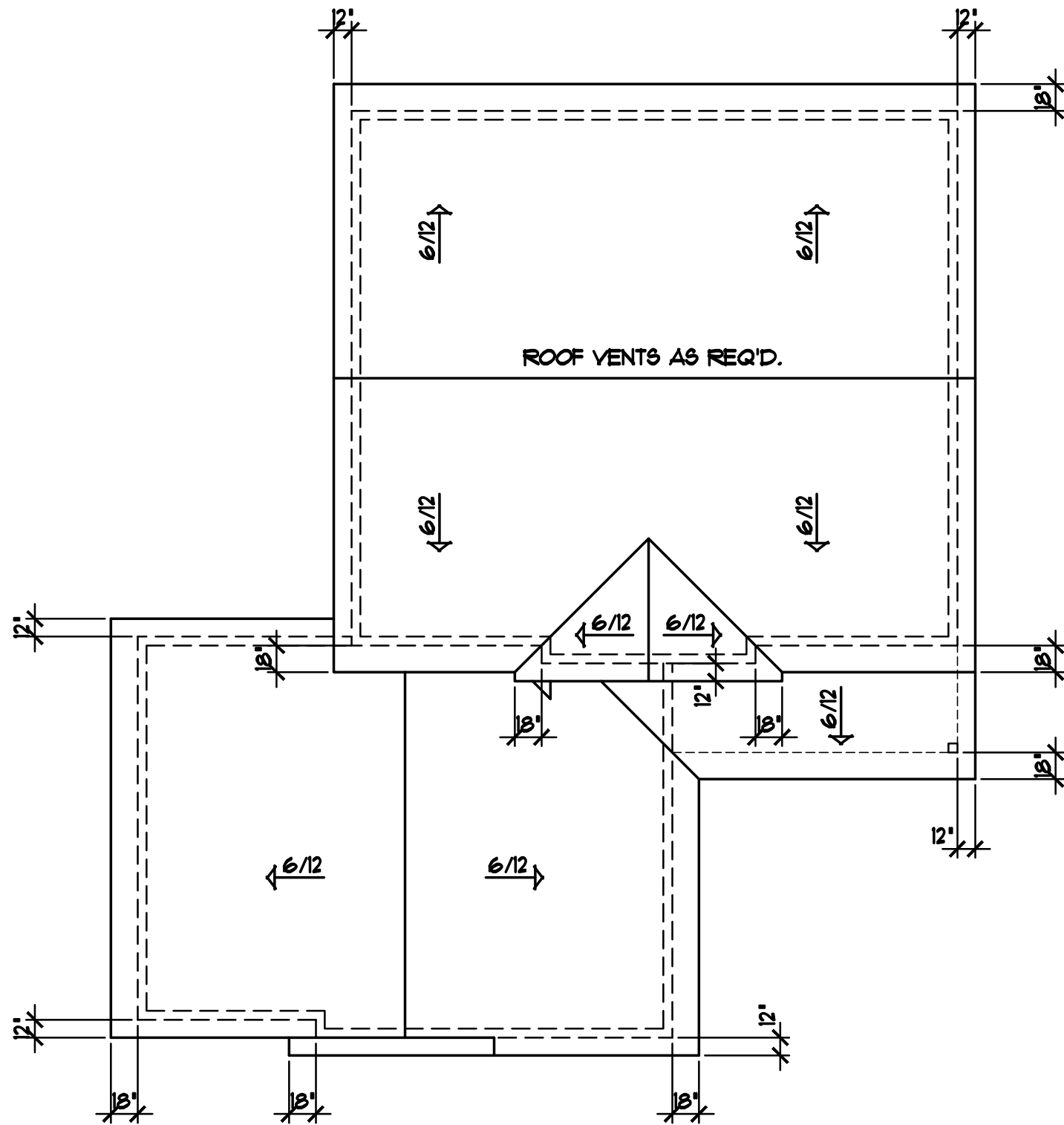
RIGHT ELEVATION

1/8"=1'-0"



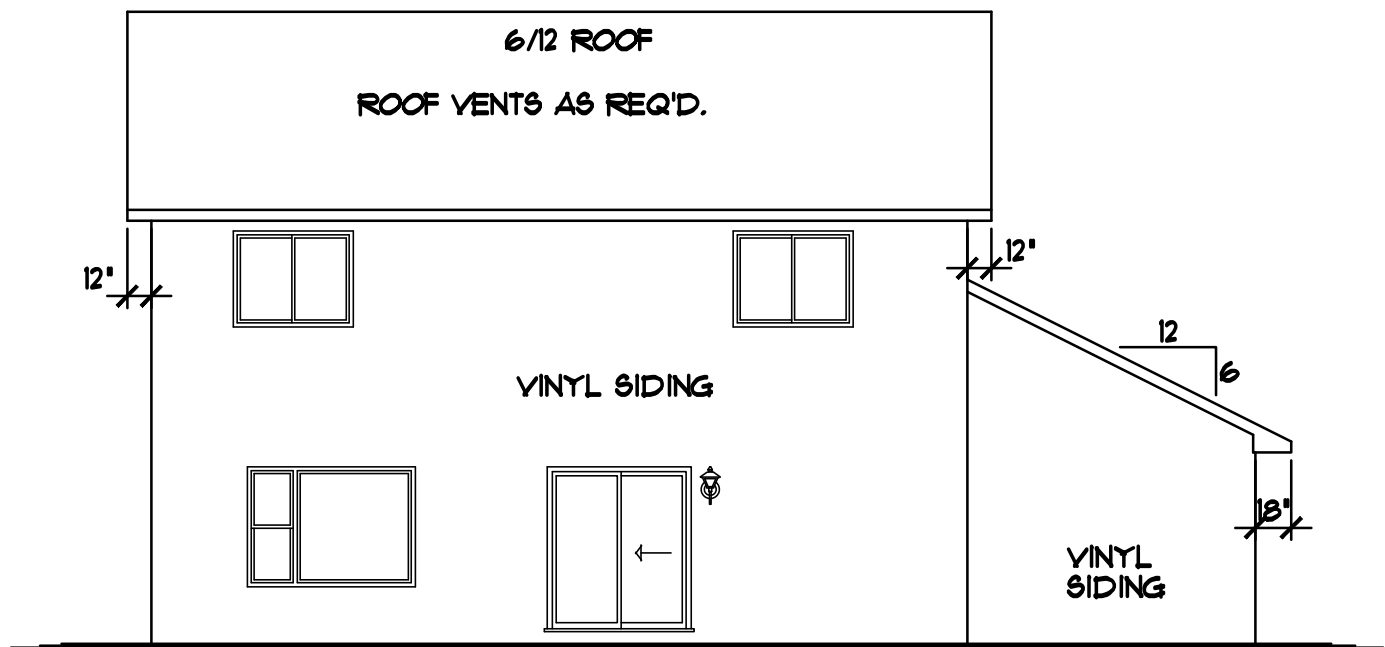
LEFT ELEVATION

1/8"=1'-0"



BIRD'S-EYE ROOF PLAN

1/8"=1'-0"



REAR ELEVATION

1/8"=1'-0"

REVISIONS
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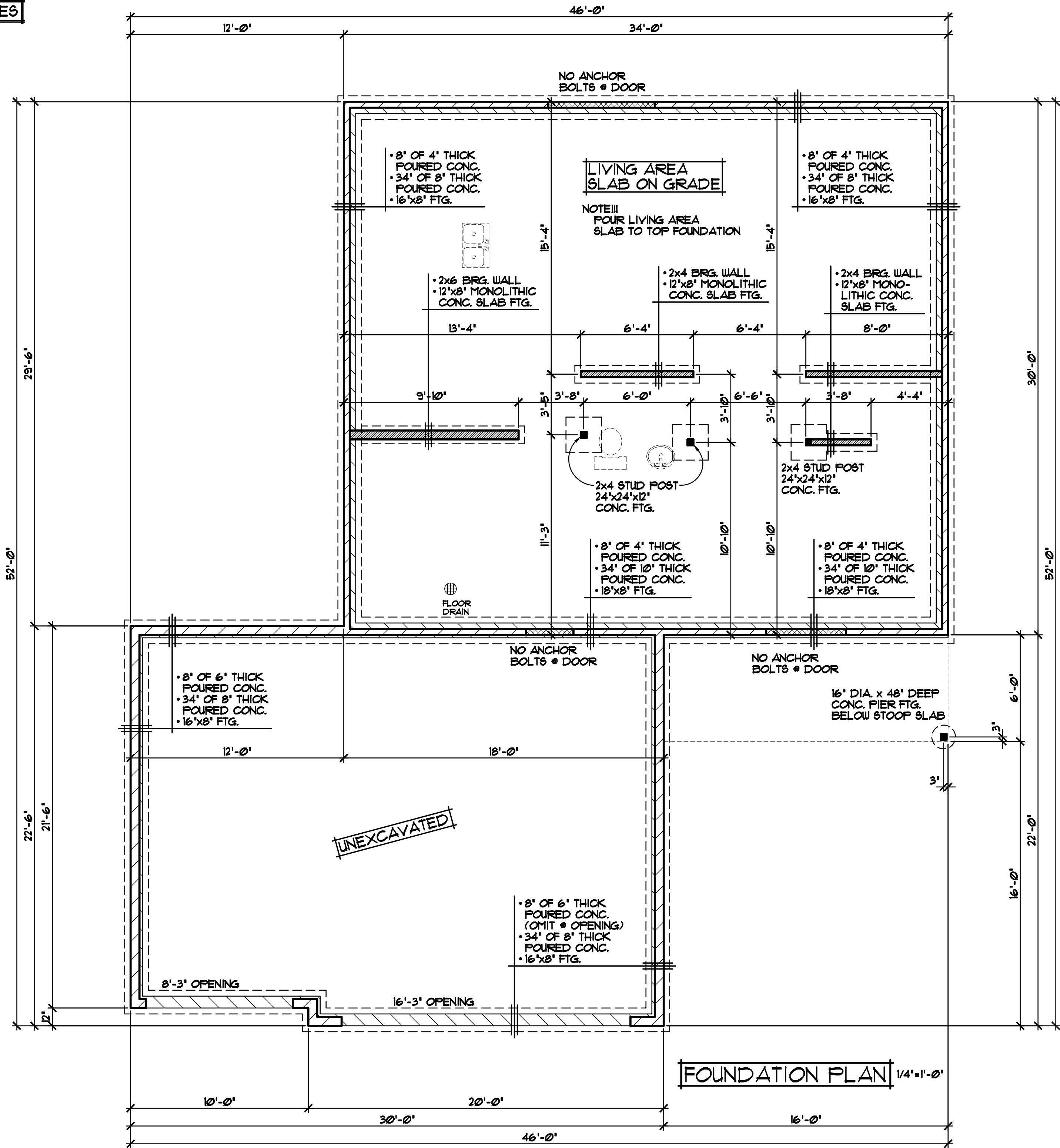


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CAVALIERA HOMES

SHEET
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CADD FILE #
26103

GENERAL FRAMING & CONSTRUCTION NOTES

- POURED CONCRETE FOUNDATION, VERIFY ALL WALL DIMENSIONS w/ FOUNDATION CONTRACTOR
- PROVIDE 2" R10 FOAM BOARD INSULATION
• EXTERIOR HOUSE FOUNDATION WALLS
- ALL FOOTINGS SHALL HAVE A COMPRESSIVE STRENGTH OF 5000 PSI PER TABLE R402.2



REVISIONS

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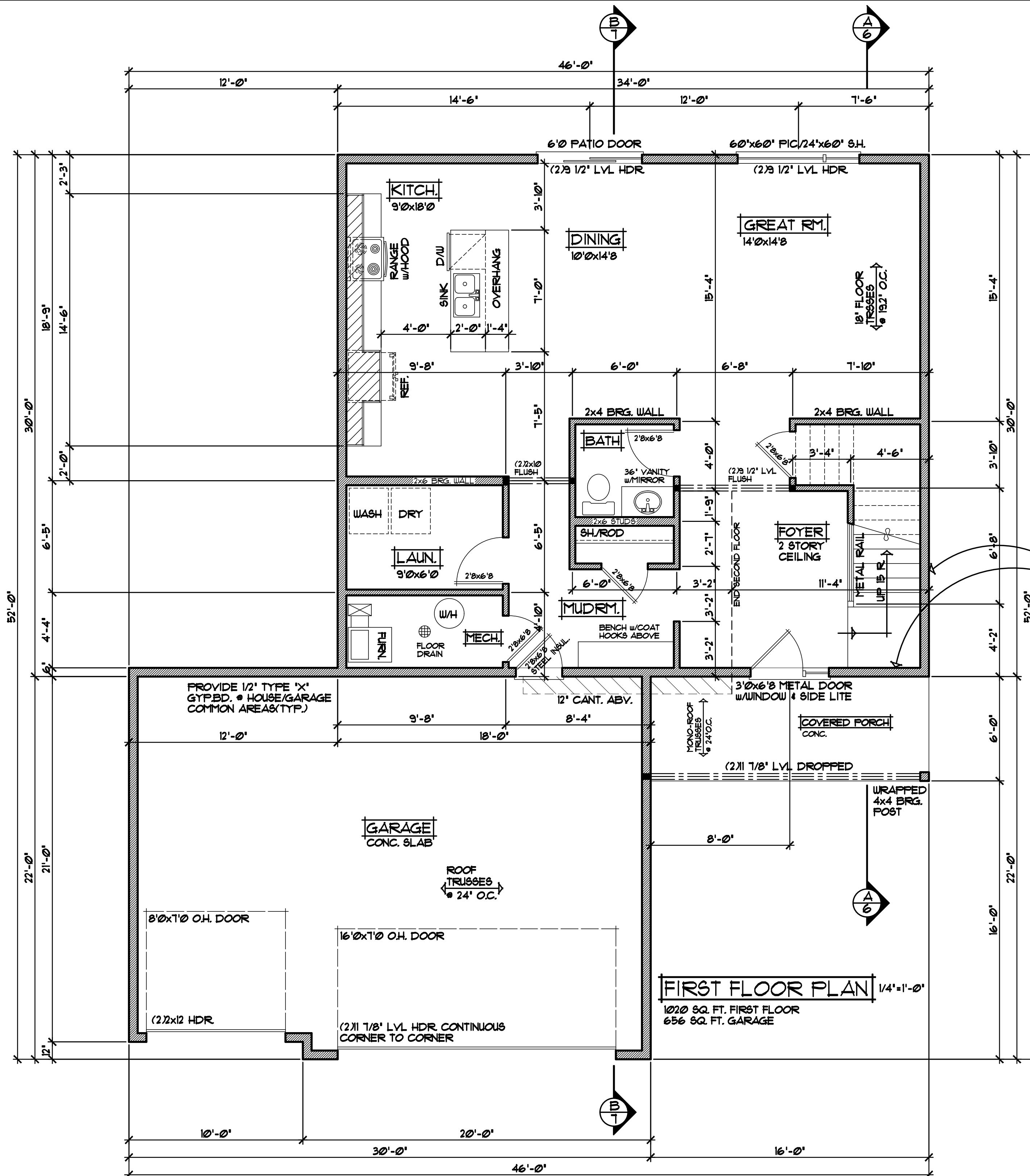
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CAVALIERA HOMES

SHEET
3

OF 8

CADD FILE #
26103



GENERAL FRAMING & CONSTRUCTION NOTES

- 8' 1-1/8" PLATE HEIGHT • ENTIRE FIRST FLOOR (UNLESS NOTED OTHERWISE)
- 8' 1-1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION (UNLESS NOTED OTHERWISE)
- FRAME ALL GARAGE WALLS w/2x6 STUDS • 16" O.C. (UNLESS NOTED OTHERWISE)
- FLOOR TRUSS DEFLECTION TO BE L/480 (MINIMUM)
- ALTERNATE HEADER/BREAM SIZES & TYPES MAY BE SPECIFIED BY SUPPLIER

DOOR & WINDOW NOTES

- GENERIC WINDOW SIZES SPECIFIED VERIFY ROUGH OPENING SIZES FOR DOORS & WINDOWS w/ MANUFACTURER
- ALL WINDOW & DOOR OPENINGS TO HAVE (2)2x10 #2 GRADE HEADER or BETTER (UNLESS NOTED OTHERWISE)
- TOP OF RO. FOR ALL WINDOWS ON 1st FLOOR TO BE 6'-10 1/2" FROM TOP OF FOUNDATION (UNLESS NOTED OTHERWISE)

NOTE III
FRAME EXTERIOR STAIR WELL WALLS w/ENGINEERED 2x6 STUDS, VERIFY TALL WALL DESIGN w/SUPPLIER

REVISIONS
XXXXXX 0000 BY:NF.
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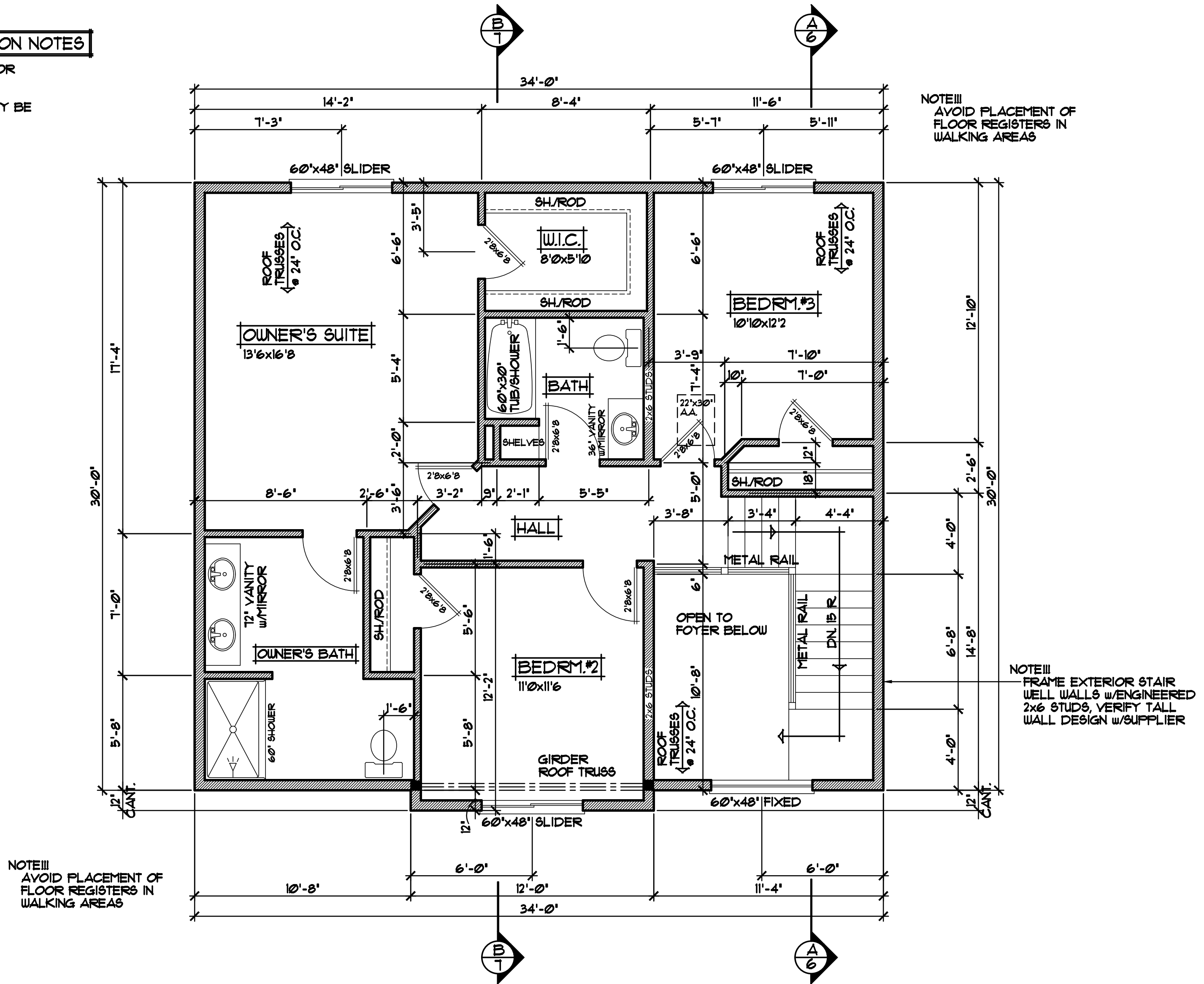
SHEET
4
OF 8
CADD FILE #
26103

GENERAL FRAMING & CONSTRUCTION NOTES

- 8'-1 1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR (UNLESS NOTED OTHERWISE)
- ALTERNATE HEADER/BEAM SIZES & TYPES MAY BE SPECIFIED BY SUPPLIER

DOOR & WINDOW NOTES

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- ALL WINDOW & DOOR OPENINGS TO HAVE (2)2x10 #2 GRADE HEADER or BETTER (UNLESS NOTED OTHERWISE)
- TOP OF R.O. FOR ALL WINDOWS ON 2nd FLOOR TO BE 6'-10 1/2" FROM TOP OF SUB FLOOR (UNLESS NOTED OTHERWISE)



SECOND FLOOR PLAN

1/4"=1'-0"

1032 SQ. FT. (138 SQ. FT. OF STAIRS/OPEN AREA INCLUDED)

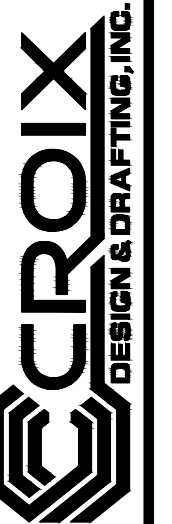
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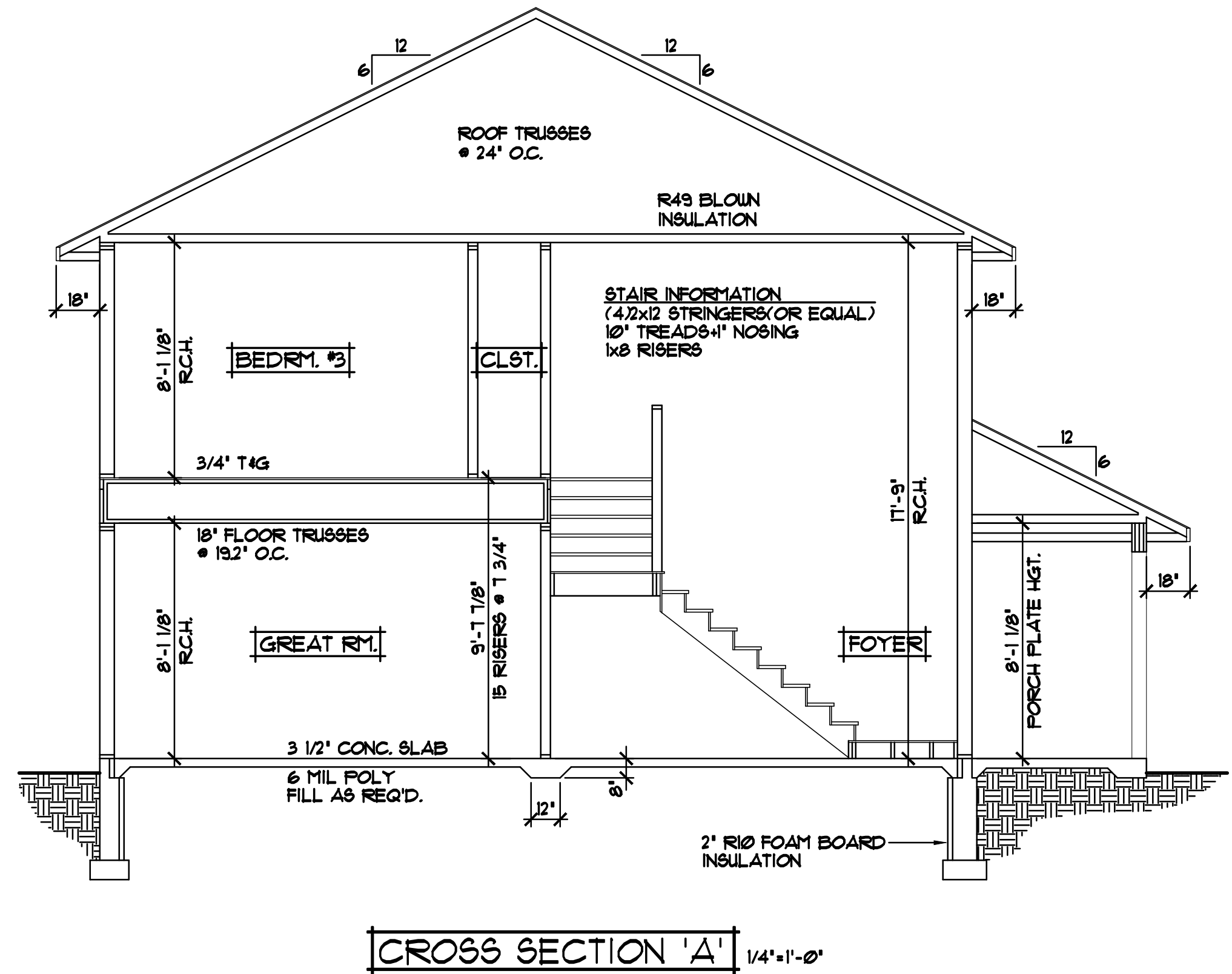
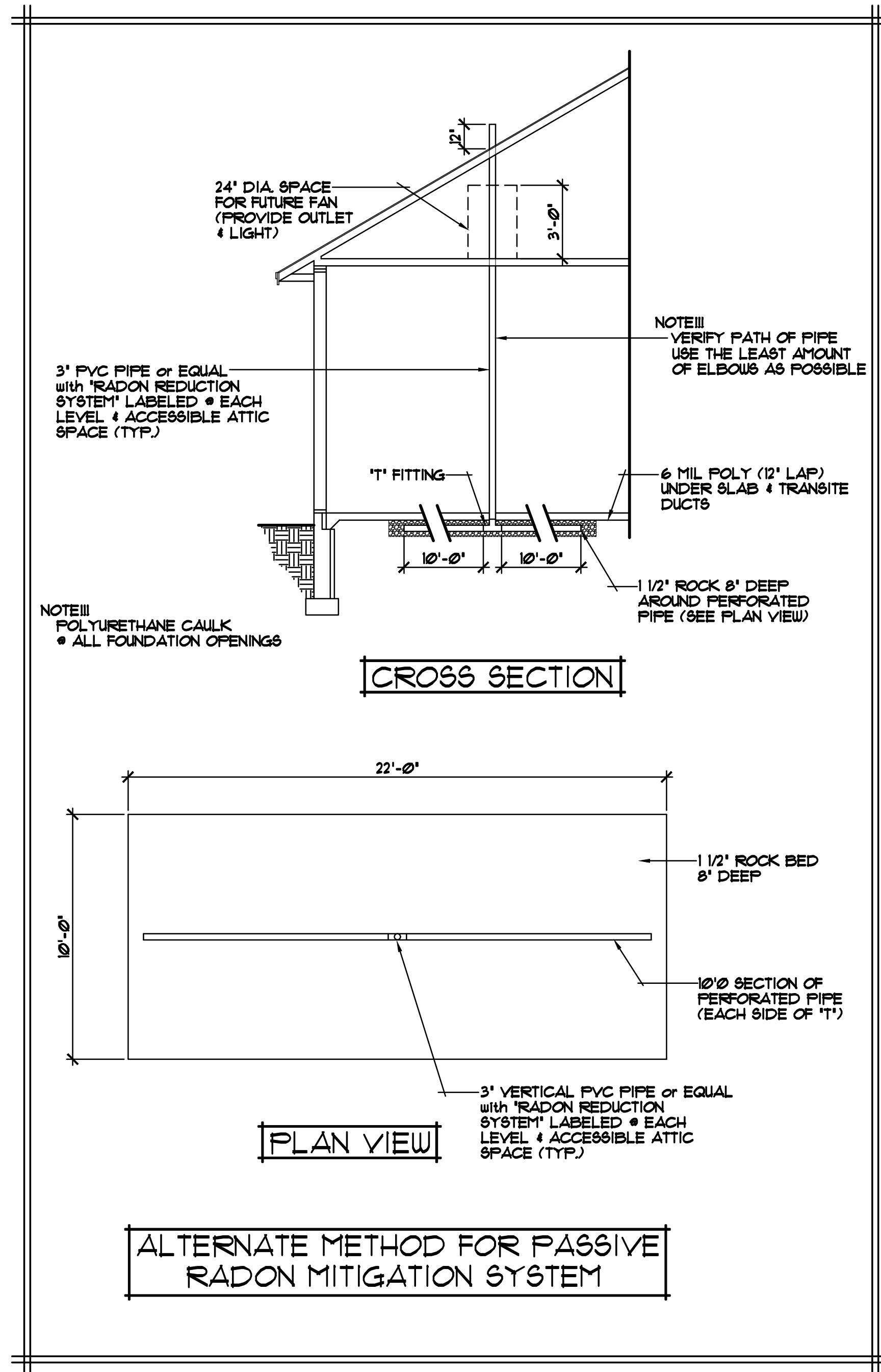


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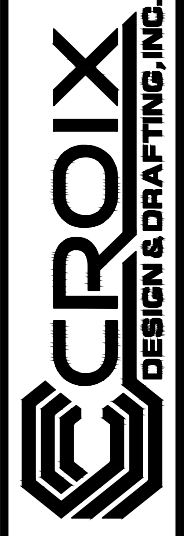
GENERAL FRAMING & CONSTRUCTION NOTES

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- 8' 1-1/8" PLATE HEIGHT • ENTIRE SECOND FLOOR (UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION (UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES (UNLESS NOTED OTHERWISE)

REVISIONS
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(UNLESS NOTED OTHERWISE)
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(UNLESS NOTED OTHERWISE)
- 8'-1 1/8" PLATE HEIGHT • GARAGE FROM TOP OF FOUNDATION
(UNLESS NOTED OTHERWISE)
- PROVIDE STANDARD ENERGY HEEL • ALL ROOF TRUSSES
(UNLESS NOTED OTHERWISE)

ROOF CONSTRUCTION:

- PRE-MANUFACTURED ROOF TRUSSES
ENGINEERED BY SUPPLIER
- 1/16" ROOF VENT AT SOFFITS
- AIR CHUTE AT EACH TRUSS SPACE
- 15/32" OSB ROOF SHEATHING
- 15" ROOFING FELT
- ICE & WATER MEMBRANE APPLIED 24"
- PAST EXTERIOR WALL
- ASPHALT SHINGLES

SOFFIT/FASCIA:

- 2x6 SUB-FASCIA
- ALUMINUM FASCIA
- ALUMINUM VENTED SOFFITS

WALL CONSTRUCTION:

- HOUSE WRAP
- 7/16" OSB SHEATHING
- 2x6 STUDS • 16" O.C.
- WINDOWS PER SPECIFICATIONS
- R20 F.G. BATT INSULATION
- 4 MIL POLY VAPOR RETARDER
- 1/2" GYPSUM BOARD

RIM AREA CONSTRUCTION:

- R20 CLOSED CELL SPRAYED FOAM
INSULATION • RIM AREA

WALL CONSTRUCTION:

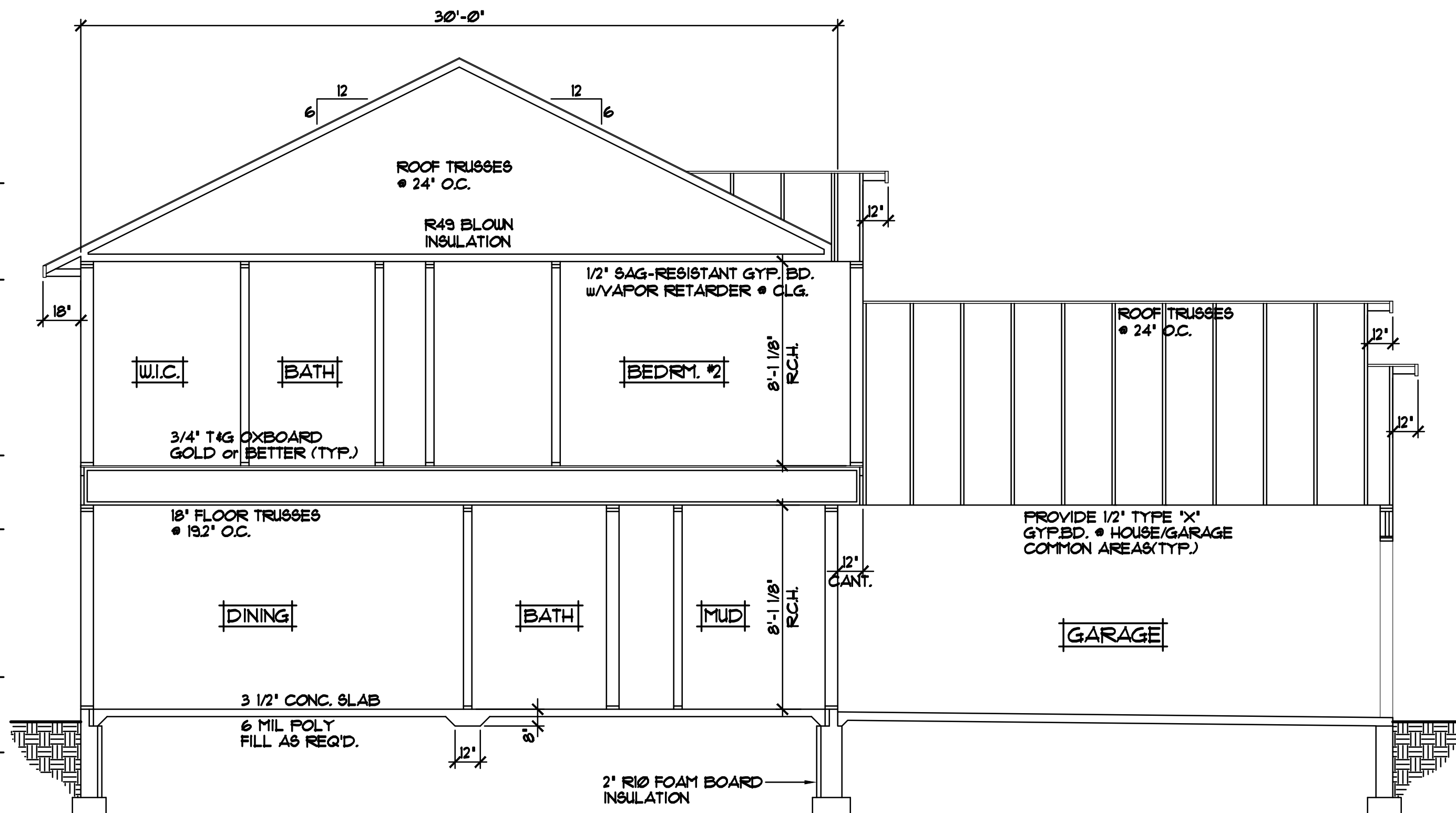
- HOUSE WRAP
- 7/16" OSB SHEATHING
- 2x6 STUDS • 16" O.C.
- WINDOWS PER SPECIFICATIONS
- R20 F.G. BATT INSULATION
- 4 MIL POLY VAPOR RETARDER
- 1/2" GYPSUM BOARD

SILL CONSTRUCTION:

- 2x6 TRT'D. SILL PLATE & SEALER
- 1/2" • ANCHOR BOLTS • 12" O.C.

FOUNDATION CONSTRUCTION:

- POURED CONCRETE WALLS
- R10 FOAM BOARD INSUL. • INTERIOR



CROSS SECTION "B" 1/4"=1'-0"

REVISIONS

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BY:XX.

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BY:XX.

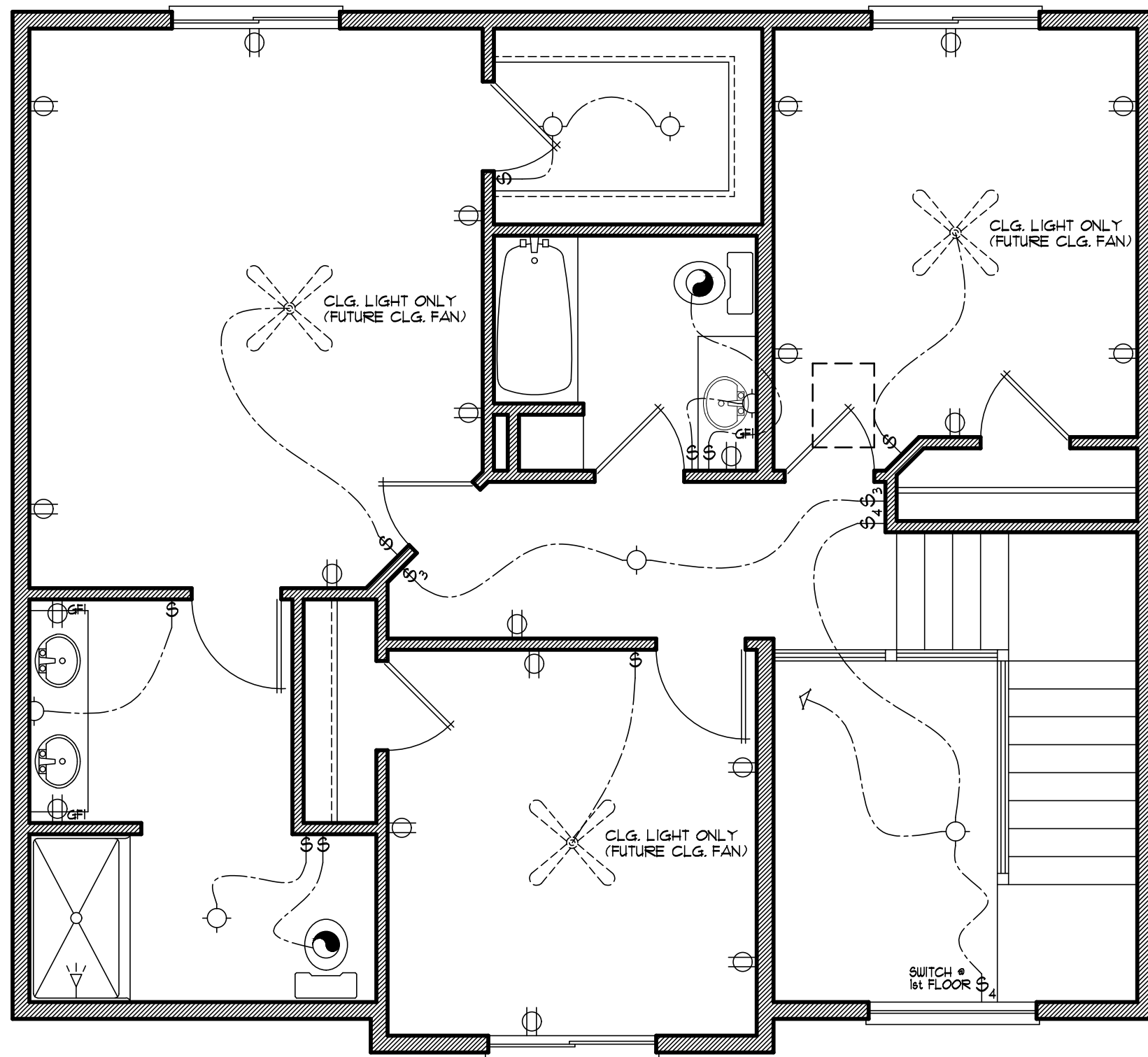
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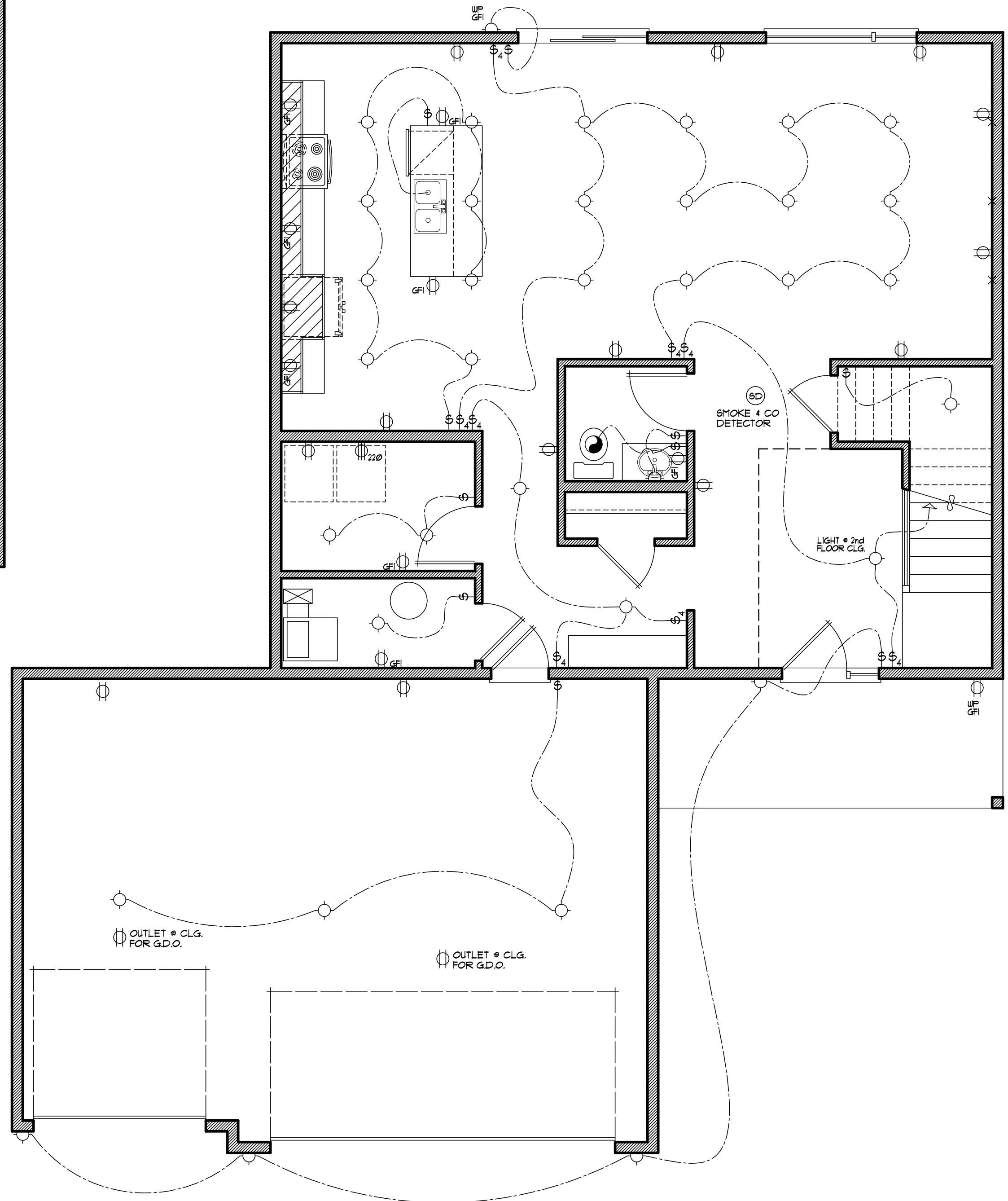
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SECOND FLOOR ELECTRICAL PLAN 1/4"=1'-0"

ELECTRICAL and MECHANICAL SYMBOLS			
▽	TELEPHONE JACK	☯	EXHAUST FAN
▼	TV/CABLE JACK	○	LIGHT - CEILING FIXTURE
\$	SWITCH - SINGLE	○	LIGHT - RECESSED FIXTURE
\$₃	SWITCH - THREE WAY	○	LIGHT - RECESSED DIRECTIONAL
\$₄	SWITCH - FOUR WAY	○	LIGHT - PENDANT
\$D	SWITCH - DIMMER	—TFEN	LIGHT - TRACK
\$FC	SWITCH - FAN CONTROLS	—	LIGHT - FLUORESCENT
○	OUTLET - DUPLEX	○	LIGHT - WALL MOUNTED
○	OUTLET - DUPLEX SWITCHED	○	EXHAUST FAN/LIGHT COMBINATION
○	OUTLET - GROUND FAULT	↑HB	HOSE BIBB
○	OUTLET - WEATHERPROOF	↑GAS	GAS OUTLET
○	OUTLET - FLOOR/SOFFIT MOUNT	↑	HVAC- SUPPLY VENT
○	OUTLET - RANGE OR DRYER	↓	HVAC- RETURN VENT
○	OUTLET - QUAD		
⊙	SMOKE DETECTOR		

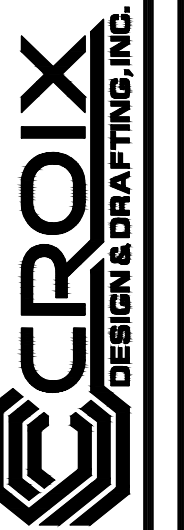


FIRST FLOOR ELECTRICAL PLAN 1/4"=1'-0"

REVISIONS
XXXXXX 00000 BY:XX
XXXXXX 00000 BY:XX

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**CITY OF HOWARD LAKE
RESOLUTION 26-11**

**APPROVING A PRELIMINARY PLAT FOR
LAKE GOLF ESTATES THIRD ADDITION**

WHEREAS, there has been submitted to the City Council of the City of Howard Lake an application for a preliminary plat at the following legally described property (“the Property”):
Outlot C, Lake Golf Estates; and

WHEREAS, the proposal from Cavaliera Homes (“the Applicant”) is to place 25 single family homes on the 8.1 acre parcel; and

WHEREAS, the Planning Commission reviewed the application and held a public hearing on June 15, 2026 and recommended approval of the request; and

WHEREAS, the City Council reviewed the application and held a public hearing on June 20, 2026; and

WHEREAS, the City Council by this resolution desires to set forth its findings and ruling with respect to the application; and

WHEREAS, finds that the proposed preliminary plat is generally consistent with the City’s Zoning Ordinance and the planned unit development approved in Ordinance No. ____; and

NOW THEREFORE, BE IT RESOLVED that the City Council approves the preliminary plat with the following conditions:

1. The Applicant shall meet all requirements of the City Engineer.
2. The Applicant shall enter into a development agreement, as drafted by the City Attorney.
3. Park dedication shall be provided.
4. All construction on the Property shall adhere to the standards in Ordinance No. ____ establishing the Planned Unit Development District.

PASSED AND ADOPTED this 20th day of July, 2026.

Peter Zimmerman, Mayor

ATTEST:

Nicholas Haggenmiller, City Administrator-Clerk

Attached:
Preliminary Plat

ORDINANCE NO. : 2026-01

**CITY OF HOWARD LAKE
WRIGHT COUNTY, MINNESOTA**

**ESTABLISHING A PUD, PLANNED UNIT DEVELOPMENT DISTRICT FOR
LAKE GOLF ESTATES THIRD ADDITION**

THE CITY COUNCIL OF THE CITY OF HOWARD LAKE ORDAINS:

Section 1. Legal Description. The City of Howard Lake approves a planned unit development for the following legally described property (the “Property”):

Outlot C, Lake Golf Estates

Section 2. Development Plan. The Planned Unit Development (“PUD”) District incorporates the approved preliminary plat and house plans reviewed by the City Council at the July 20, 2026 meeting and are incorporated herein.

Section 3. Underlying District. The underlying zoning district for the PUD is R-1A, Contemporary Existing Lot Single Family Residential District. Any use or standard not included in this ordinance shall defer to the requirements of the R-1A District.

Section 4. Permitted and Conditional Uses. The permitted, conditional, and accessory uses for the Property shall defer to the uses found within the R-1A District.

Section 5. Lot Area and Dimensional Requirements. Lot requirements for the various sub-districts shall conform to the general width and area as found in the R-1A District, with the following exceptions:

1. Minimum Lot Width: 55 feet
2. Minimum Lot Depth: 130 feet
3. Minimum Lot Area: 7,930 square feet

Section 6. Lot Setback and Performance Standards. All standards not specified by this ordinance are to be the same as found in the R-1A District, with the following exception:

1. Side Yard Setback: 7.5 feet or 30 feet for a side yard abutting a public right-of-way

Section 7. Development Standards. The width of public rights-of-way within the Development are required to be a minimum of 50 feet as approved in the original Lake Golf Estates preliminary plat.

Section 8. Architectural Standards. Principal structures within the PUD Overlay District shall have stone or brick veneer and dormers with shakes or board and

batten siding or similar in the manner depicted in the house plans approved as part of the development plans.

Section 9. Effective Date. This Ordinance shall be effective upon passage and publication and recording of the final plat for Lake Golf Estates Third Addition.

Section 10. Summary Publication. The City Council authorizes the City Clerk to publish the following summary of this Ordinance:

ORDINANCE NO. 2026-__
CITY OF HOWARD LAKE
WRIGHT COUNTY, MINNESOTA

ESTABLISHING A PLANNED UNIT DEVELOPMENT DISTRICT FOR
LAKE GOLF ESTATES THIRD ADDITION

Section 1. The City of Howard Lake approved a rezoning of Outlot C, Lake Golf Estates to a Planned Unit Development with an underlying zoning district of R-1A Contemporary Single Family Residential.

Section 2. The PUD District allows for a minimum lot width of 55 feet, minimum lot size of 7,930 square feet, side yard setbacks of 7.5 feet, and a minimum right-of-way width of 50 feet. Houses must meet the minimum architectural standards presented in the approved plans.

Section 3. This Ordinance will be placed into effect upon recording of the final plat.

ADOPTED by the Howard Lake City Council this 20th day of July, 2026.

Peter Zimmerman, Mayor
Nicholas Haggemiller, City Administrator/Clerk

ADOPTED by the Howard Lake City Council this 20th day of July 2026.

CITY OF HOWARD LAKE

BY: _____
Peter Zimmerman, Mayor

ATTEST

BY: _____
Nicholas Haggemiller, City Administrator-Clerk



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

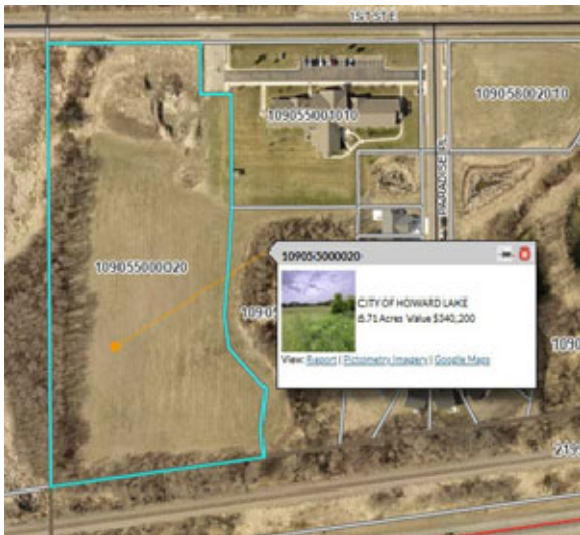
AGENDA ITEM: Consider Amending Purchase Agreement for Terning Trails Parcel.

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: The City owns property on 1st Street East, immediately adjacent to the Lodge of Howard Lake that is zoned R6 Medium Residential. The property has been marketed for the purposes of residential development.

A proposed home builder has submitted a purchase agreement and a concept plan for townhomes. In June the city council approved a purchase agreement for \$250,000 for the parcel with a projected closing date of August 2026. However, forming their plans and specifications for the related Lake Golf Estates has taken longer than originally anticipated. They are now requesting a closing of April 30, 2027. The City has some remaining legal work associated with this parcel which would have necessitated an extension as well.



Parks and Planning Commission – Concept Plan

The City's Subdivision Ordinance requires all properties to be platted consistent with our Comprehensive Plan and Zoning Ordinances. The Subdivision Ordinance requires an initial concept plan review, preliminary plat and final plat approval of new developments. On July 15, 2026, the Parks and Planning Commission reviewed a concept plan for 32 twin homes to be constructed on this parcel.

Concept Plan Reviews are true to their name and intentionally informal and high level in their review. They are intended for the planning commission/City to understand the general intention of the developer and for the developer to receive feedback necessary to determine if a full application will be submitted.

The general feedback of the PPC was favorable indicating support for the project, type of housing proposed and pending meeting various code requirements, support for necessary planning and zoning approvals necessary to support the project. These approvals include a comprehensive plan amendment to rezone the property from high density to low density as well as a planned unit development modification.

FINANCIAL: The purchase price of \$250,000 remains the same as previously approved.

LEGAL: The purchase agreement has been reviewed by the city attorney.

STRATEGIC PLAN:

1. Develop a Livable Community for All
 - a. Promote Diverse Housing Stock for All Ages.
 2. Deliver High Quality Reliable Infrastructure & Public Services
 - a. Maintain Fiscally Responsible City Operations
-

COUNCIL ACTION REQUESTED: Approve Revised Purchase Agreement.

ATTACHMENTS:

1. Revised Purchase Agreement.
2. Concept Plan
3. House Plans

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

This form is approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.
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1. Date July 15th 2026

2. Page 1

3. BUYER(S): Nathan Gunn

4. _____

5. Buyer's earnest money in the amount of

6. Two Thousand Five Hundred Dollars (\$ 2,500.00)

7. shall be delivered to listing broker, or, if checked, to ☐ no later than two (2) Business
Days after Final Acceptance Date. Buyer and Seller agree that earnest money shall be deposited in the trust account of Earnest Money Holder as specified above within three (3) Business Days of receipt of the earnest money or Final Acceptance Date, whichever is later.

8. Said earnest money is part payment for the purchase of the property located at

11. Street Address: TBD 1st Street E

12. City of Howard Lake, County of Wright State of Minnesota,

13. Zip Code 55349, legally described as SECT-02 TWP-118 RANGE-027 TERNING TRAILS PLAT 3 OUTLOT B

14. _____

15. _____

16. _____

17. including all fixtures, if any, **AND** including the following personal property, if any, which shall be transferred with no additional monetary value, and free and clear of all liens and encumbrances:

18. _____

19. _____

20. _____ (collectively the "Property").

21. Notwithstanding the foregoing, the following item(s) are excluded from the purchase:

22. _____

PURCHASE PRICE:

23. Seller has agreed to sell the Property to Buyer for the sum of (\$ 250,000.00)

24. _____

25. Two Hundred Fifty Thousand Dollars,

26. which Buyer agrees to pay in the following manner:

27. 1. 25 percent (%) of the sale price in **CASH**, or more in Buyer's sole discretion, including earnest money;

28. 2. 75 percent (%) of the sale price in **MORTGAGE FINANCING**. (See following Mortgage Financing section.)

29. 3. _____ percent (%) of the sale price by **ASSUMING** Seller's current mortgage. (See attached *Addendum to Purchase Agreement: Assumption Financing*.)

30. 4. _____ percent (%) of the sale price by **CONTRACT FOR DEED**. (See attached *Addendum to Purchase Agreement: Contract for Deed Financing*.)

CLOSING DATE:

31. The date of closing shall be April 30th 2027.

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

38. Page 2 Date July 15th 2026

39. Property located at TBD 1st Street E Howard Lake MN 55349

MORTGAGE FINANCING:

40. This Purchase Agreement ☒ **IS** ☐ **IS NOT** subject to the mortgage financing provisions below. If **IS**, complete the
-----*(Check one.)*-----

41. **MORTGAGE FINANCING** section below. If **IS NOT**, proceed to the **SELLER'S CONTRIBUTIONS TO BUYER'S COSTS** section.

42. Such mortgage financing shall be: *(Check one.)*

43. ☒ **FIRST MORTGAGE only** ☐ **FIRST MORTGAGE AND SUBORDINATE FINANCING.**

44. Buyer shall apply for and secure, at Buyer's expense, a: *(Check all that apply.)*

45. ☒ **CONVENTIONAL OR PRIVATELY INSURED CONVENTIONAL**

46. ☐ **DEPARTMENT OF VETERANS' AFFAIRS ("DVA") GUARANTEED**

47. ☐ **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

48. ☐ **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

49. ☐ **OTHER** _____

50. mortgage in the amount stated in this Purchase Agreement, amortized over a period of not more than
51. develop years, with an initial interest rate at no more than 7.5 percent (%) per annum. The mortgage
52. application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date. Buyer agrees to
53. use best efforts to secure a commitment for such financing and to execute all documents required to consummate
54. said financing.

55. **LOCKING OF MORTGAGE INTEREST RATE ("RATE")**: The Rate shall be locked with the lender(s) by Buyer:
56. *(Check one.)*

57. ☐ **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE; OR**

58. ☒ **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**

59. **MORTGAGE FINANCING CONTINGENCY**: This Purchase Agreement is contingent upon the following and applies
60. to the first mortgage and any subordinate financing. *(Check one.)*

61. ☒ If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not
62. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately
63. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here
64. to be ☒ **REFUNDED TO BUYER** ☐ **FORFEITED TO SELLER.**
65. -----*(Check one.)*-----

66. **NOTE**: If this Purchase Agreement is subject to DVA or FHA financing, **FORFEITED TO SELLER** may be
67. prohibited. See the following DVA and FHA Escape Clauses.

68. OR

69. ☐ Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on
70. or before _____.

71. For purposes of this Contingency, **"Written Statement"** means a Written Statement prepared by Buyer's mortgage
72. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this
73. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an
74. appraisal, satisfactory to the lender(s), has been completed or the lender(s) has waived the appraisal and stating
75. conditions required by lender(s) to close the loan.

76. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for
77. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,
78. are deemed accepted by Buyer:

79. (a) work orders agreed to be completed by Seller;

80. (b) any other financing terms agreed to be completed by Seller here; and

81. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

82. MN:PA:VL-2 (8/25)

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

83. Page 3 Date July 15th 2026

84. Property located at TBD 1st Street E Howard Lake MN 55349.
85. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for
86. **ANY REASON** relating to financing, including, but not limited to interest rate and discount points, if any, then Seller
87. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is
88. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
89. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to
90. be **FORFEITED TO SELLER** as liquidated damages. In the alternative, Seller may seek all other remedies
91. allowed by law.
92. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement
93. canceled if the reason this Purchase Agreement does not close was due to:
94. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;
95. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or
96. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except
97. as specified in the contingency for sale and closing of Buyer's property.
98. If the Written Statement is not provided by the date specified on line 71, Seller may, at Seller's option, declare this
99. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,
100. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement
101. canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation
102. and directing all earnest money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER**.
------(Check one.)-----
103. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this
104. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller
105. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
106. earnest money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER**.
------(Check one.)-----
107. **LENDER COMMITMENT WORK ORDERS:** Seller agrees to pay up to \$ 0.00 to
108. make repairs as required by the lender commitment. If the lender commitment is subject to any work orders for which
109. the cost of making said repairs shall exceed this amount, Seller shall have the following options:
110. (a) making the necessary repairs; or
111. (b) negotiating the cost of making said repairs with Buyer; or
112. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller
113. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
114. earnest money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs
115. or escrow amounts related thereto above the amount specified on line 107 of this Purchase Agreement.
116. ☐ **SELLER** ☒ **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).
------(Check one.)-----
117. **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that, notwithstanding any other provisions
118. of this contract, the purchaser shall not be obligated to complete the purchase of the Property described here or to
119. incur any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given in
120. accordance with the Department of Housing and Urban Development ("HUD")/FHA or DVA requirements a written
121. statement by the Federal Housing Commissioner, Department of Veterans' Affairs, or a Direct Endorsement lender
122. setting forth the appraised value of the Property as not less than \$ _____.
(sale price)
123. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard
124. to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage
125. HUD will insure; HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy
126. himself/herself that the price and condition of the Property are acceptable."
127. **LENDER PROCESSING FEES (FHA, DVA Financing Only):** Seller agrees to pay Buyer's closing fees and
128. miscellaneous processing fees which cannot be charged to Buyer, not to exceed \$ _____.
129. This amount is in addition to Seller's Contributions to Buyer's Costs, if applicable.

MN:PA:VL-3 (8/25)

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

130. Page 4 Date July 15th 2026

131. Property located at TBD 1st Street E Howard Lake MN 55349

132. **DVA FUNDING FEE (DVA Financing only):** Pursuant to federal regulations, a one-time Funding Fee based on loan
133. amount, not otherwise waived, must be paid at the closing of this transaction as follows:

134. _____ paid by Buyer ☐ **AT CLOSING** ☐ **ADDED TO MORTGAGE AMOUNT**
------(Check one.)-----

135. _____ paid by Seller

136. **NOTE: DVA regulations limit the fees and charges Buyer can pay to obtain a DVA loan.**

137. **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only):** "It is expressly agreed that,
138. notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest
139. money or otherwise be obligated to complete the purchase of the Property described here, if the contract purchase
140. price or cost exceeds the reasonable value of this Property established by the Department of Veterans' Affairs. The
141. purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without
142. regard to the amount of reasonable value established by the Department of Veterans' Affairs."

143. **NOTE: Verify DVA requirements relating to payment of all special assessments levied and pending, and**
144. **annual installments of special assessments certified to yearly taxes.**

145. **OTHER MORTGAGE FINANCING ITEMS:** _____

146. _____

147. **SELLER'S CONTRIBUTIONS TO BUYER'S COSTS:**

148. Seller ☐ **IS** ☒ **IS NOT** contributing to Buyer's costs. If answer is **IS**, Seller agrees to pay at closing, up to: (Check one.)
------(Check one.)-----

149. ☐ \$ _____

150. ☐ _____ percent (%) of the sale price

151. towards Buyer's closing fees, title service fees, title searches, title examinations, abstracting, lender's title insurance,
152. owner's title insurance, prepaid items, other Buyer's costs allowable by lender, if any, and/or mortgage discount points. Any
153. amount of Seller's contribution that exceeds Buyer's allowable costs, or which cannot be used because Seller's
154. contribution exceeds the maximum Seller contribution allowed by law or by mortgage requirements, shall be retained
155. by Seller.

156. **NOTE: The amount paid by Seller cannot exceed the maximum Seller contribution allowed by FHA, DVA, or**
157. **lender. All funds paid by Seller on behalf of Buyer must be stated on the Closing Disclosure at closing.**

158. **SALE OF BUYER'S PROPERTY:**

159. (Check one.)

160. ☐ 1. This Purchase Agreement is subject to an *Addendum to Purchase Agreement: Sale of Buyer's Property*
161. *Contingency* for the sale of Buyer's property. (If checked, see attached *Addendum*.)

162. OR

163. ☐ 2. This Purchase Agreement is contingent upon the successful closing on the Buyer's property located at
164. _____, which is scheduled to close on

165. _____ pursuant to a fully executed purchase agreement. If Buyer's
166. property does not close by the closing date specified in this Purchase Agreement, this Purchase Agreement
167. is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said
168. cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph
169. supersedes any other provision to the contrary in any financing contingency made a part of this Purchase
170. Agreement, if applicable.

171. OR

172. ☒ 3. Buyer represents that Buyer has the financial ability to perform on this Purchase Agreement without the sale
173. and closing on any other property.

MN:PA:VL-4 (8/25)

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

174. Page 5 Date July 15th 2026

175. Property located at TBD 1st Street E Howard Lake MN 55349

176. **REAL ESTATE TAXES/SPECIAL ASSESSMENTS:**

177. **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years
178. including all penalties and interest.

179. Buyer shall pay ☒ **PRORATED FROM DAY OF CLOSING** ☐ **ALL** ☐ **NONE** _____ /12ths OF real estate
180. taxes due and payable in the year of closing. (Check one.)

181. Seller shall pay ☒ **PRORATED TO DAY OF CLOSING** ☐ **ALL** ☐ **NONE** _____ /12ths OF real estate taxes
182. due and payable in the year of closing. (Check one.)

183. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which is
184. not otherwise here provided. No representations are made concerning the amount of subsequent real estate taxes.

185. **DEFERRED TAXES/SPECIAL ASSESSMENTS:**

186. ☐ **BUYER SHALL PAY** ☒ **SELLER SHALL PAY** on date of closing any deferred real estate taxes
187. (e.g. Green Acres) or special assessments, payment of which is required as a result of the closing of this sale. (Check one.)

188. ☐ **BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING** ☒ **SELLER SHALL PAY ON**
189. **DATE OF CLOSING** all installments of special assessments certified for payment, with the real estate taxes due and
190. payable in the year or closing. (Check one.)

191. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PAY** on date of closing all other special assessments levied as
192. of the Date of this Purchase Agreement. Notwithstanding the foregoing, Buyer shall assume any levied assessments
193. that cannot be paid in the year of closing. (Check one.)

194. ☐ **BUYER SHALL ASSUME** ☒ **SELLER SHALL PROVIDE FOR PAYMENT OF** special assessments pending as
195. of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities.
196. (Seller's provision for payment shall be by payment into escrow of two (2) times the estimated amount of the
197. assessments or less, as required by Buyer's lender.)

198. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of
199. which is not otherwise here provided.

200. As of the Date of this Purchase Agreement, Seller represents that Seller ☐ **HAS** ☒ **HAS NOT** received a notice
201. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed
202. against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before
203. closing shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement and
204. on or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide
205. for the payment of, or assume the special assessments. In the absence of such agreement, either party may declare
206. this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other
207. party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled,
208. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and
209. directing all earnest money paid here to be refunded to Buyer.

210. **ADDITIONAL PROVISIONS:**

211. **PREVIOUSLY EXECUTED PURCHASE AGREEMENT:** This Purchase Agreement ☒ **IS** ☐ **IS NOT** subject to
212. cancellation of a previously executed purchase agreement dated _____ (Check one.)

213. (If answer is **IS**, said cancellation shall be obtained no later than March 31st 2027
214. If said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Seller shall
215. immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money
216. paid here to be refunded to Buyer.)

MN:PA:VL-5 (8/25)

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

217. Page 6 Date July 15th 2026

218. Property located at TBD 1st Street E Howard Lake MN 55349

219. **SPECIAL CONTINGENCIES:** This Purchase Agreement is subject to the following contingencies, and if the
220. contingencies checked below are not satisfied or waived, in writing, by Buyer by August 7th 2026,
221. this Purchase Agreement is canceled as of said date. Buyer and Seller shall immediately sign a *Cancellation of*
222. *Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.
223. (Select appropriate options a–l.)

224. ☐ (a) Buyer obtaining a physical inspection of the Property, satisfactory to Buyer.
225. ☒ (b) Buyer obtaining evidence of utility connections available, and costs for connection to the Property, satisfactory
226. to Buyer.
227. ☒ (c) ☒ **BUYER** ☐ **SELLER** shall provide a certificate of survey of the Property, at ☒ **BUYER** ☐ **SELLER**
228. expense. ------(Check one.)-----
229. ☒ (d) Buyer obtaining approval of city/township of proposed building plans and specifications at
230. ☒ **BUYER** ☐ **SELLER** expense. ------(Check one.)-----
231. ☒ (e) Buyer obtaining approval of city/township of proposed subdivision development plans at
232. ☒ **BUYER** ☐ **SELLER** expense. ------(Check one.)-----
233. ☒ (f) Buyer obtaining approval of city/township for rezoning or use permits at ☒ **BUYER** ☐ **SELLER** expense.
------(Check one.)-----
234. ☒ (g) Buyer obtaining, at ☒ **BUYER** ☐ **SELLER** expense, percolation tests which are satisfactory to Buyer.
------(Check one.)-----
235. ☒ (h) Buyer obtaining, at ☒ **BUYER** ☐ **SELLER** expense, soil tests which indicate that the Property may be
236. improved without extraordinary building methods or cost. ------(Check one.)-----
237. ☒ (i) Buyer obtaining approval of building plans and/or specifications in accordance with any recorded subdivision
238. covenants and approval of the architectural control committee.
239. ☒ (j) Buyer obtaining, at ☒ **BUYER** ☐ **SELLER** expense, copies of all covenants, reservations, and restrictions
240. affecting the Property, satisfactory to Buyer. ------(Check one.)-----
241. ☒ (k) Buyer obtaining, at ☒ **BUYER** ☐ **SELLER** expense, a wetland delineation satisfactory to Buyer.
------(Check one.)-----
242. ☒ (l) Other:
243. **Buyer's obligation to purchase the Property is contingent upon**
244. **Buyer's satisfaction that Property is financially viable, including**
245. **acceptable TIF funds support, with no unforeseen expenses,**
liabilities, or encumbrances that could impact intended use.

246. Seller's expenses for these contingencies (if any) shall not exceed \$ 0.00

247. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Seller shall deliver a: (Check one.)

248. ☒ **WARRANTY DEED** ☐ **PERSONAL REPRESENTATIVE'S DEED** ☐ **CONTRACT FOR DEED**

249. ☐ **TRUSTEE'S DEED** ☐ **Other:** _____ **Deed** joined in by spouse, if any, conveying
250. marketable title, subject to

251. (a) building and zoning laws, ordinances, state and federal regulations;
252. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;
253. (c) reservation of any mineral rights by the State of Minnesota;
254. (d) utility and drainage easements which do not interfere with existing improvements;
255. (e) rights of tenants as follows (unless specified, not subject to tenancies): _____
256. _____; and
257. (f) others (must be specified in writing): _____
258. _____

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

259. Page 7 Date July 15th 2026

260. Property located at TBD 1st Street E Howard Lake MN 55349
261. **POSSESSION:** Seller shall deliver possession of the Property: *(Check one.)*
262. ☒ **IMMEDIATELY AFTER CLOSING;** or
263. ☐ **OTHER:** _____
264. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property
265. by possession date.
266. **PRORATIONS:** All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity,
267. and natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining
268. gallons of fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.
269. **TITLE AND EXAMINATION:** Within a reasonable time period after Final Acceptance Date, Seller shall provide one of
270. the following title evidence options, at Seller's selection, which shall include proper searches covering bankruptcies,
271. state and federal judgments and liens, and levied and pending special assessments to Buyer or Buyer's designated
272. title service provider:
273. (a) A commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write
274. title insurance in Minnesota as selected by Buyer. Seller shall be responsible for the title search and exam costs
275. related to the commitment. Buyer shall be responsible for all additional costs related to the issuance of the title
276. insurance policy(ies), including but not limited to the premium(s), Buyer's name search and plat drawing, if
277. any. Seller shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property,
278. if in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or
279. owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or
280. assisting Seller, upon cancellation of this Purchase Agreement.
281. (b) An Abstract of Title certified to date if Abstract Property or a Registered Property Abstract ("RPA") certified to date
282. if Registered (Torrens) Property. Seller shall pay for the abstracting or RPA costs and deliver any abstract for
283. this Property in Seller's possession or control to Buyer or Buyer's designated title service provider. Any abstract
284. provided shall be immediately returned to Seller, or licensee representing or assisting Seller, upon cancellation of
285. this Purchase Agreement. If Property is Abstract and Seller does not have an abstract of title, Option (a) will
286. automatically apply.
287. Seller shall use Seller's best efforts to provide marketable title by the date of closing. In the event that Seller has not
288. provided marketable title by the date of closing, Seller shall have an additional thirty (30) days to make title marketable
289. or, in the alternative, Buyer may waive title defects by written notice to Seller. In addition to the thirty (30)-day
290. extension, Buyer and Seller may by mutual agreement further extend the closing date. Lacking such extension,
291. either party may declare this Purchase Agreement canceled by written notice to the other party, or licensee
292. representing or assisting the other party, in which case this Purchase Agreement is canceled. If either party declares
293. this Purchase Agreement canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement*
294. confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.
295. **SUBDIVISION OF LAND, BOUNDARIES, AND ACCESS:** If this sale constitutes or requires a subdivision of land
296. owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. This
297. provision deals with the necessity of subdividing land to complete the sale of the Property described here in contrast
298. to the subdivision provision of lines 231-232 which deals with the future development plans of Buyer. Seller warrants
299. the legal description of the real Property to be conveyed has been or shall be approved for recording as of the date
300. of closing. Seller warrants that there is a right of access to the Property from a public right-of-way.
301. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor,
302. materials, machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing.
303. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation
304. proceedings or violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller
305. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any
306. such notices received by Seller shall be provided to Buyer immediately. Discriminatory restrictive covenants (e.g.
307. provisions against conveyance of property to any person of a specified religious faith, creed, national origin, race, or
308. color) are illegal and unenforceable. An owner of real property may permanently remove such restrictive covenants
309. from the title by recording a statutory form in the office of the county recorder of any county where the property is located.

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

310. Page 8 Date July 15th 2026

311. Property located at TBD 1st Street E Howard Lake MN 55349
312. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided
313. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of
314. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
315. **ACCESS AGREEMENT:** Seller agrees to allow Buyer reasonable access to the Property for performance of any
316. surveys, inspections or tests, or for water, sewer, gas, or electrical service hookup as agreed to here. Buyer shall
317. restore the premises to the same condition it was in prior to the surveys, inspections, or tests and pay for any
318. restoration costs relative thereto.
319. **RISK OF LOSS:** If there is any loss or damage to the Property between the Date of this Purchase Agreement and
320. the date of closing for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall
321. be on Seller. If the Property is destroyed or substantially damaged before the closing date, this Purchase Agreement
322. is canceled, at Buyer's option, by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels
323. this Purchase Agreement, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming
324. said cancellation and directing all earnest money paid here to be refunded to Buyer.
325. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
326. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (Calendar or Business Days as specified)
327. following the occurrence of the event specified and includes subsequent days (Calendar or Business Days as
328. specified) ending at 11:59 P.M. on the last day.
329. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state and federal holidays
330. unless stated elsewhere by the parties in writing.
331. **CALENDAR DAYS:** "Calendar Days" include Saturdays, Sundays, or state or federal holidays. For purposes of this
332. Agreement, any reference to "days" means "Calendar Days" unless otherwise required by law.
333. **RELEASE OF EARNEST MONEY:** Buyer and Seller agree that the Earnest Money Holder shall release earnest
334. money from the Earnest Money Holder's trust account:
335. (a) at or upon the successful closing of the Property;
336. (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*
337. *Agreement* executed by both Buyer and Seller;
338. (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or
339. (d) upon receipt of a court order.
340. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
341. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and
342. Seller shall affirm the same by a written cancellation agreement.
343. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the
344. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller
345. defaults in any of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment,
346. either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here
347. that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory
348. Cancellation under MN Statute 559.217, Subd. 4.
349. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
350. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
351. performance, such action must be commenced within six (6) months after such right of action arises.
352. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone
353. with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are
354. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such
355. zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.
356. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
357. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be
358. obtained by contacting the local law enforcement offices in the community where the Property is located
359. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web
360. site at <https://coms.doc.state.mn.us/publicregistrantsearch>.

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

361. Page 9 Date July 15th 2026

362. Property located at TBD 1st Street E Howard Lake MN 55349

363. **SPECIAL DISCLOSURES:** Seller discloses, to the best of Seller's knowledge, that the Property described in this

364. Purchase Agreement consists of approximately 6.71 ☒ **ACRES** ☐ **SQUARE FEET** and is currently zoned
------(Check one.)-----

365. _____

366. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **IS** ☒ **IS NOT** in a designated flood zone.
------(Check one.)-----

367. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **DOES** ☒ **DOES NOT** currently receive
------(Check one.)-----

368. preferential tax treatment (e.g. Green Acres, Managed Forest Land, Non-Profit Status, Rural Preserve, SFIA, etc.).

369. Seller discloses, to the best of Seller's knowledge, that the Property ☐ **IS** ☒ **IS NOT** enrolled in any federal, state, or
------(Check one.)-----

370. local governmental programs (e.g., conservation programs, CREP, CRP, EQIP, Green Acres, Managed Forest Land,

371. RIM, riparian buffers, Rural Preserve, SFIA, WRP/RIM-WRP, etc.).

372. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
373. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF THIS**
374. **PURCHASE AGREEMENT.**

375. BUYER HAS RECEIVED A: (Check any that apply.) ☐ **DISCLOSURE STATEMENT: VACANT LAND** OR A
376. ☐ **DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES** FORM.

377. **DESCRIPTION OF PROPERTY CONDITION:** See *Disclosure Statement: Vacant Land* or *Disclosure Statement:*
378. *Seller's Disclosure Alternatives* for description of disclosure responsibilities and limitations, if any.

379. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**

380. **BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY.**

381. **PLEASE NOTE:** Buyer may incur additional charges improving the Property, including, but not limited to, hookup and/
382. or access charges; municipal charges; costs for sewer access, stubbing access, water access, park dedication, road
383. access, curb cuts, utility connection and connecting fees; and tree planting charges.

384. **(Check appropriate boxes.)**

385. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

386. **CITY SEWER** ☒ **YES** ☐ **NO** / **CITY WATER** ☒ **YES** ☐ **NO**

387. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

388. SELLER ☐ **DOES** ☒ **DOES NOT** KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR
------(Check one.)-----

389. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*
390. *Statement: Subsurface Sewage Treatment System*.)

391. **PRIVATE WELL**

392. SELLER ☐ **DOES** ☒ **DOES NOT** KNOW OF A WELL ON OR SERVING THE PROPERTY.
------(Check one.)-----

393. (If answer is **DOES** and well is located on the Property, see *Disclosure Statement: Well*.)

394. TO THE BEST OF SELLER'S KNOWLEDGE, THE PROPERTY ☐ **IS** ☒ **IS NOT** IN A SPECIAL WELL
------(Check one.)-----

395. CONSTRUCTION AREA.

396. THIS PURCHASE AGREEMENT ☐ **IS** ☒ **IS NOT** SUBJECT TO AN *ADDENDUM TO PURCHASE AGREEMENT*:
------(Check one.)-----

397. *SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.*

398. (If answer is **IS**, see attached *Addendum*.)

399. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**
400. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE**
401. **SEWAGE TREATMENT SYSTEM.**

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

402. Page 10 Date July 15th 2026403. Property located at TBD 1st Street E Howard Lake MN 55349

404.

AGENCY NOTICE405. Michael King is ☐ Seller's Agent ☒ Buyer's Agent ☐ Dual Agent ☐ Facilitator.
(Licensee) -----(Check one.)-----406. Freedom Realty
(Real Estate Company Name)407. N/A is ☒ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent ☐ Facilitator.
(Licensee) -----(Check one.)-----408. N/A
(Real Estate Company Name)409. **THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.**410. **SELLER'S CONTRIBUTION TO BUYER'S BROKER'S COMPENSATION:** Seller agrees to pay buyer's broker's411. compensation at closing 3 percent (%) of the selling price or \$ 1.00, whichever is
412. greater. This is in addition to any Seller's contribution to buyer's closing costs paid at closing. This amount is in
413. addition to the listing broker's offer of cooperating compensation, if any.

414.

DUAL AGENCY REPRESENTATION415. **PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:**416. ☒ Dual Agency representation DOES NOT apply in this transaction. *Do not complete lines 417-433.*417. ☐ Dual Agency representation DOES apply in this transaction. *Complete the disclosure in lines 418-433.*418. Broker represents both the Seller(s) and the Buyer(s) of the Property involved in this transaction, which creates a
419. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because
420. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for
421. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).
422. Seller(s) and Buyer(s) acknowledge that

423. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
424. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
425. information will be shared;
426. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and
427. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of
428. the sale.

429. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker
430. and its salesperson to act as dual agents in this transaction.

431. Seller _____ Buyer _____

432. Seller _____ Buyer _____

433. Date _____ Date _____

434. **CLOSING COSTS:** Buyer or Seller may be required to pay certain closing costs, which may effectively increase the
435. cash outlay at closing or reduce the proceeds from the sale.

MN:PA:VL-10 (8/25)

PURCHASE AGREEMENT: VACANT LAND (RESIDENTIAL)

436. Page 11 Date July 15th 2026

437. Property located at TBD 1st Street E Howard Lake MN 55349

438. **SETTLEMENT STATEMENT:** Buyer and Seller authorize the title company, escrow agent, and/or their representatives
439. to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved
440. in the transaction at the time these documents are provided to Buyer and Seller.

441. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
442. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold
443. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller
444. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

445. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
446. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
447. the closing and delivery of the deed.

448. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
449. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
450. identification numbers or Social Security numbers.

451. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
452. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**
453. **compliance, as the respective licensee's representing or assisting either party will be unable to assure either**
454. **party whether the transaction is exempt from FIRPTA withholding requirements.**

455. **FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE:** To be binding, this Purchase Agreement
456. and all addenda must be fully executed by both parties and a copy must be delivered.

457. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to
458. this transaction constitute valid, binding signatures.

459. **ENTIRE AGREEMENT:** This Purchase Agreement and all addenda and amendments signed by the parties shall
460. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer
461. and Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this
462. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and
463. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this
464. Purchase Agreement.

465. **SURVIVAL:** All warranties specified in this Purchase Agreement shall survive the delivery of the deed or contract
466. for deed.

467. **DATE OF THIS PURCHASE AGREEMENT:** Date of this Purchase Agreement to be defined as the date on line one
468. (1) of this Purchase Agreement.

469. **OTHER:** _____

470. _____

471. **ADDENDA:** The following addenda are attached and made a part of this Purchase Agreement.

472. **NOTE:** Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement.

- 473. ☐ Addendum to Purchase Agreement
- 474. ☐ Addendum to Purchase Agreement: Additional Signatures
- 475. ☐ Addendum to Purchase Agreement: Assumption Financing
- 476. ☐ Addendum to Purchase Agreement: Buyer Purchasing "As Is" and Limitation of Seller Liability
- 477. ☐ Addendum to Purchase Agreement: Condominium/Townhouse/Cooperative Common Interest Community ("CIC")
- 478. ☐ Addendum to Purchase Agreement: Contract for Deed Financing
- 479. ☐ Addendum to Purchase Agreement: Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
- 480. ☐ Addendum to Purchase Agreement: Sale of Buyer's Property Contingency
- 481. ☐ Addendum to Purchase Agreement: Seller's Purchase/Lease Contingency
- 482. ☐ Addendum to Purchase Agreement: Seller's Rent Back Agreement
- 483. ☐ Addendum to Purchase Agreement: Short Sale Contingency
- 484. ☐ Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Water Inspection Contingency
- 485. ☐ Other: _____

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

486. Page 12 Date July 15th 2026

487. Property located at TBD 1st Street E Howard Lake MN 55349

488. I agree to sell the Property for the price and on the terms
489. and conditions set forth above.

490. **I have reviewed all pages of this Purchase**
491. **Agreement.**

I agree to purchase the Property for the price and on
the terms and conditions set forth above.

I have reviewed all pages of this Purchase
Agreement.

492. ☐ **If checked, this Purchase Agreement is subject to**
493. **attached Addendum to Purchase Agreement:**
494. **Counteroffer and the Final Acceptance Date shall**
495. **be noted on the Addendum.**

496. **FIRPTA:** Seller represents and warrants, under penalty
497. of perjury that Seller ☐ **IS** ☒ **IS NOT** a foreign person (i.e., a
-----*(Check one.)*-----
498. non-resident alien individual, foreign corporation, foreign
499. partnership, foreign trust, or foreign estate for purposes of
500. income taxation. (See lines 441-454.) This representation
501. and warranty shall survive the closing of the transaction
502. and the delivery of the deed.

503. **X** _____
(Seller's Signature) (Date)

Authentisign
X Nathan Gunn 07/16/2026
(Buyer's Signature) (Date)

504. **X** _____
(Seller's Printed Name)

X Cavaliera Homes
(Buyer's Printed Name)

505. **X** _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

506. **X** _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

507. **FINAL ACCEPTANCE DATE:** _____ The Final Acceptance Date
508. is the date on which the fully executed Purchase Agreement is delivered.

509. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
510. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

511. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE**
512. **DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION**
513. **AGREEMENT, WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT SEPARATE FROM THIS PURCHASE**
514. **AGREEMENT.**

515. **SELLER(S)** _____

Authentisign
BUYER(S) Nathan Gunn

516. **SELLER(S)** _____

BUYER(S) _____

MN:PA:VL-12 (8/25)

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

Authentisign
Nathan Gunn
(Signature)

07/16/26

(Date)

(Signature)

(Date)

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Proposed Marick Commons
Residential Development
Concept Plan

Date: 06/25/2026
City: Howard Lake, MN
PID: 10905500020

Concept Information

Unit Type(s): Twinhomes
Lot Count: 32
Unit Count: 32
Roadway LF: 590
Gross Density: 4.8 un/ac

Site Information

Existing Zoning: PUD
Proposed Zoning: PUD
Gross Area: 6.7 acres

Zoning Requirements

	Required - R-6 District	Provided - PUD
Min. Lot Size:	15,000 sf	3,800 sf min. per unit
Min. Lot Width:	50'	29' min. per unit
Setbacks		
Front:	30'	25'
Side Interior:	10'	10'
Side Corner:	30'	n/a
Rear:	25'	25'
From Wetland:	33'	33'
Road Max. Length:	500'	560'
ROW Width:	60' / 50'	50'



GENERAL NOTES & DESIGN CRITERIA

DESIGN LOADS:

- * Floor: 40 psf. live Roof: 30 psf. live Ceiling: 10 psf. live
15 psf. dead 10 psf. dead 10 psf. dead
- * Soil bearing Capacity - 1500 PSF
- * Live loads, dead loads, wind loads, snow loads, lateral loads, seismic zoning and any specialty loading conditions will need to be confirmed before construction and adjustments to plans made accordingly. See your local building officials for verification of your specific load data, zoning restrictions and site conditions.

CONCRETE AND FOUNDATIONS:

- * All foundation walls and slabs on grade shall be 3000 PSI (28-day compressive strength concrete), unless noted otherwise.
- * All interior slabs on grade shall bear on 4" compacted granular fill with 6 mil. polyethylene vapor barrier underneath.
- * Provide proper expansion and control joints as per local requirements.
- * All 36" x 36" x 18" concrete pads to have (3) #5 rods each way.
- * All 48" x 48" x 18" concrete pads to have (4) #5 rods each way.
- * Foundation walls are not to be backfilled until properly braced.
- * Verify depth of frost footings with your local codes.
- * Provide termite protection as required by HUD minimum property standards.
- * Foundation bolts must be anchored to sill plate with 1/2" bolts embedded 15" in concrete walls.

REBAR & BOLT SCHEDULE:

BAR SIZE AND SPACING	VERTICAL	HORIZONTAL
8" Wall thickness	#5 @ 16" o.c.	#5 @ 16" o.c.
10" Wall thickness (w-brick)	#5 @ 12" o.c.	#5 @ 16" o.c.

EXTERIOR FILL	BOLT SPACING
0" to 3'-6"	72" o.c.
3'-7" to 6'-0"	48" o.c.
6'-1" to 7'-0"	32" o.c.
Over 7'-0"	Additional engineering may be required

STEEL:

- * All structural steel for beams and plates shall comply with ASTM specification A-36.
- * All structural steel for steel columns shall comply with ASTM specification A-53 Grade B or A-501.
- * All reinforcing steel for concrete shall comply with ASTM specification A-615 Grade 60.
- * Provide steel shimns in all beam pockets.
- * Steel columns are to be 3" I.D. (inside diameter) unless noted otherwise.

FRAMING MEMBERS:

- * Unless noted otherwise, all framing lumber shall have the following characteristics:
Fb = 1,000 psi Fv = 75 psi E = 1,400,000 psi
- * Contractor to confirm the size, spacing and stress characteristics of all framing and structural members to meet your local code requirements.
- * Hole sizes and locations in GluLam or Laminated Veneered Lumber members are to be confirmed by a professional engineer.
- * Any structural or framing members not indicated on the plan are to be sized by contractor.
- * Double floor joists under all partition walls, unless noted otherwise.
- * All subflooring is assumed to be 3/4" thick.-Glued&Nailed
- * All exterior walls are dimensioned to outside of 7/16" sheathing.
- * All exterior walls are 6" (5 1/2" stud plus 7/16" sheathing), All interior walls are 3 1/2" unless otherwise shown.
- * Calculated dimensions take precedence over scaled dimensions.
- * All Main level walls are 8'-1 1/8" high unless otherwise noted or implied.
- * All angled walls on floor plans are at 45 degree angle, unless otherwise noted.

FRAMING MEMBERS (continued):

- * Any wall 12'-0" high or higher shall be 2x6 and balloon framed.
- * Unless noted otherwise, above all openings that are:
(1) Load bearing and less than or equal to 3 ft. use 4x6.
(2) Load bearing and more than 3 ft. use (2) 2x12 w/1/2" Plywood between.
(3) Non-load bearing and less than or equal to 6 ft.use 4x6.
(4) Non-load bearing and more than 6 ft. use (2) 2x12 w/1/2" Plywood between.
- * (5) All exterior openings use (2) 2x12 w/1/2" Plywood between.
- * All trusses to be engineered by truss manufacturer according to the loading indicated on this plan.
- * All exterior corners shall be braced in each direction with let-in diagonal bracing or plywood.
- * Place (1) row of 1" x 3" cross-bridging on all spans over 8'-0" and (2) rows of 1" x 3" cross-bridging on all spans over 16'-0".
- * Collar ties are to be spaced 4'-0" o.c.
- * All purlins and kickers are to be 2x6's, unless noted otherwise.
- * Any hip or valley rafters over a 28'-0" span are to be Laminated Veneer Lumber (L.V.L.).

MISC. NOTES:

- * Prefabricated fireplaces and flues are to be U.L. approved and installed as per manufacturer's specifications.
- * All materials, supplies and equipment to be installed as per manufacturer's specifications and as per local codes and requirements.
- * Note: Provide proper insulation for all plumbing.
- * 1/2" water-resistant drywall around showers, tubs and whirlpools.
- * 1/2" drywall on interior walls and ceilings.
- * 5/8" type "X" fire code drywall on garage walls and ceilings.
- * Windows are called out by glass size only.
- * Windows, if not noted, are assumed to be casements.
- * Header heights are labeled to bottom of arched transoms
- * Confirm window openings for your local egress requirements and minimum light and ventilation requirements.
- * Headroom at stairs shall have a minimum clearance of 6'-8" high.
- * Provide proper handrails at stairs as per local code.
- * The mechanical and electrical layouts are suggested only. Consult your mechanical and electrical contractors for exact specifications, locations and sizes.
- * Jog flue to rear of ridge as necessary.
- * Note: Provide proper wiring for all electrical appliances, mechanical equipment and whirlpools as per manufacturer's specifications.
- * All air conditioner locations may vary depending on restrictive covenants and codes.
- * Typical overhang sizes unless noted otherwise on drawing are as follows:

On pitches of 4/12 - 5/12 - 6/12 = 24" overhang
7/12 = 20" overhang
8/12 = 16" overhang
9/12 = 16" overhang
10/12 - 11/12 - 12/12 = 12" overhang

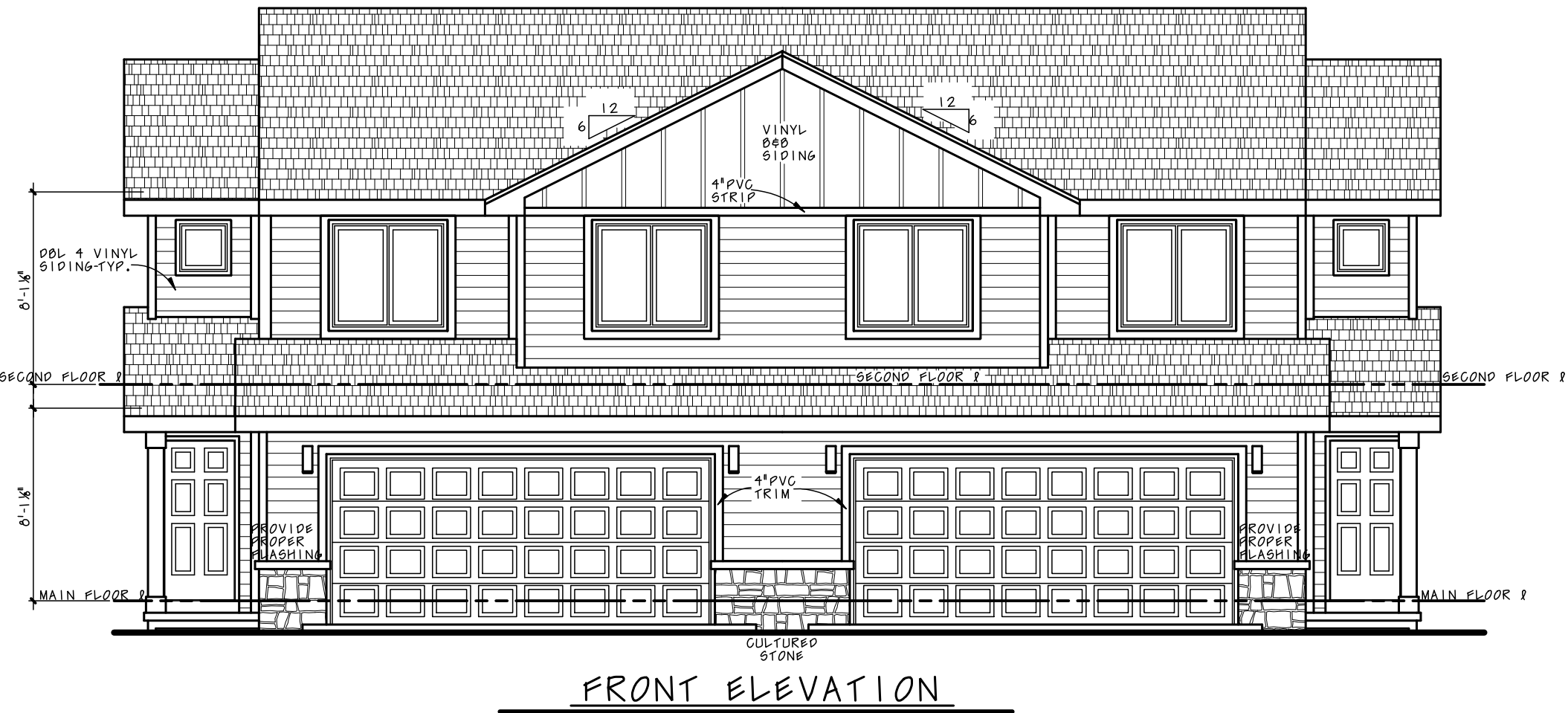
- * Note: Adjust overhangs to provide clearance for windows to open. Adjust overhangs to maintain a consistent level when the plans call for (2) different pitches at a hip.
- * Minor alterations to this plan can be made by builder. Please contact our drafting department for information and price quotes if major changes are required.
- * Plan Pros, Inc. determines finished square footage by measuring to the outside of all walls. We include: interior fireplaces and every location in which the floor joists project from the foundation. We do not include: window boxes where the floor joists do not project from the foundation; 2-story entries; exterior fireplaces; garage; decks; patios; porches; unfinished storage areas; basements or any other unfinished areas.

ABBREVIATIONS

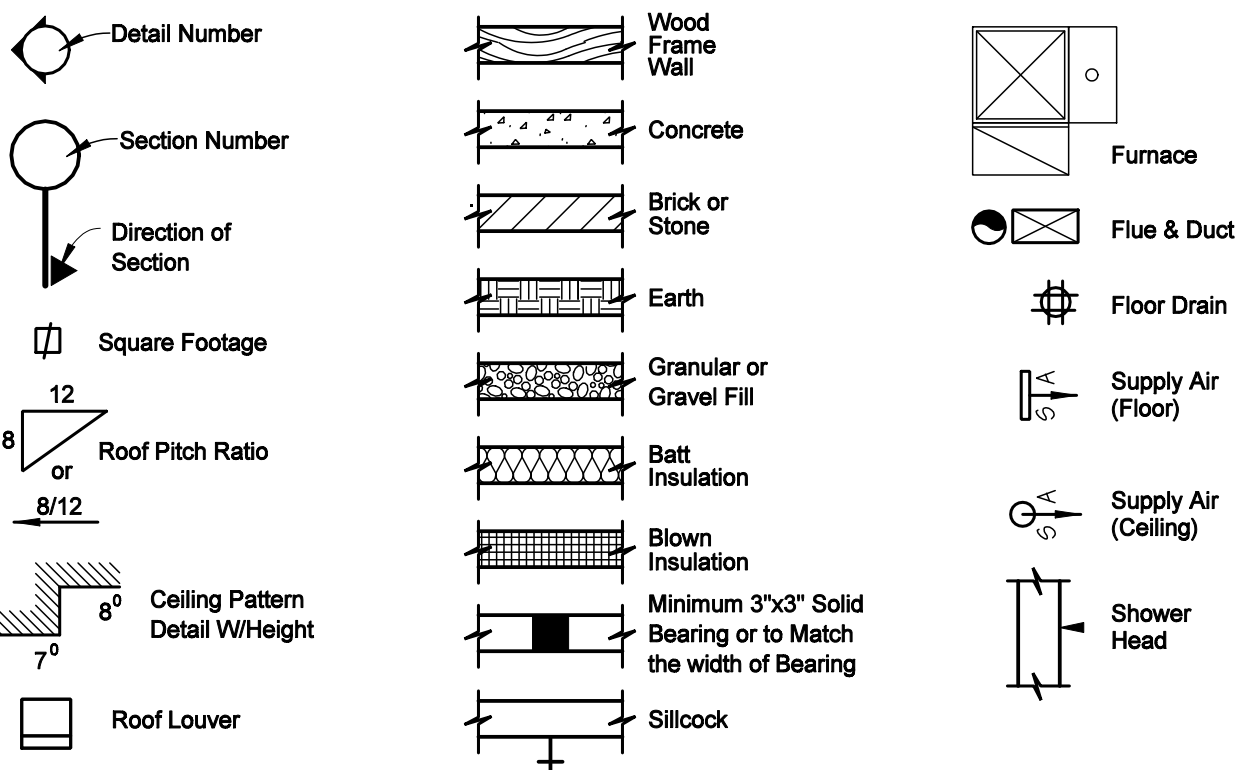
A/C	Air Conditioner	DISH	Dishwasher	INSUL	Insulation	PROJ	Projection	TRAP	Trap	Trapezoid
ADJ	Adjustable	DN	Down	INT	Interior	RAD	Radius	U.L.	Underlayment	Underexcavated
AWN	Awning	DRY	Dryer	JST	Joist	RAFT'S	Rafters	UNEX	Unexcavated	Washer
BLDG	Building	EA	Each	LVL	Laminated Veneer Lumber	REFRIG	Refrigerator	WASH	Washer	Wood
BSMT	Basement	ENT	Entertainment	LIN	Linen	RM	Room	WD	Wood	Water Heater
BTM	Bottom	EXP	Exposure	MAX	Maximum	SEC	Second	WH	W.W.M.	Welded Wire Mesh
BTW	Between	EXT	Exterior	MBR	Master Bedroom	SHWR	Shower	@	At	
CANT	Cantilever	FIN	Finished	MICRO	Microwave	SL	Side Life			
C.J.	Ceiling Joist	F.J.	Floor Joist	MIN	Minimum	SPP	Sump Pump Pit			
CEIL	Ceiling	FLUOR	Fluorescent	MISC	Miscellaneous	STA	Stationary	2W	Two Wide	
CMU	Concrete Masonry Unit	FTG	Footing	O.C.	On Center	STD	Standard	3W	Three Wide	
C.O.	Cased Opening	GALV	Galvanized	O.H.D.	Overhead Door	STL	Steel	4W	Four Wide	
CONC	Concrete	GARB	Garbage Disposal	OPNG	Opening	T.C.	Trash Compactor			
DBL	Double	G & N	Glued & Nailed	PC	Pull Chord	T & G	Tongue & Groove	W/	With	
DH	Double Hung	HDR	Header	PICT	Picture	TRANS	Transom			
				POLY	Polyethylene					

ARTIST CONCEPTION ONLY

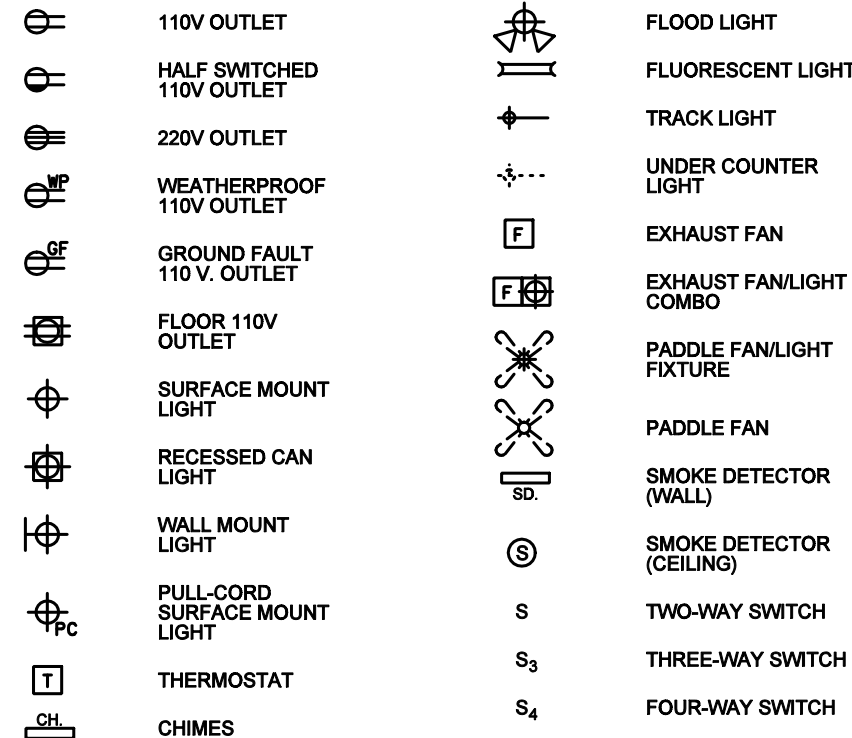
ARTWORK NOT TO SCALE



SYMBOLS



ELECTRICAL LEGEND



NOTE: WIRE SMOKE DETECTORS IN SERIES

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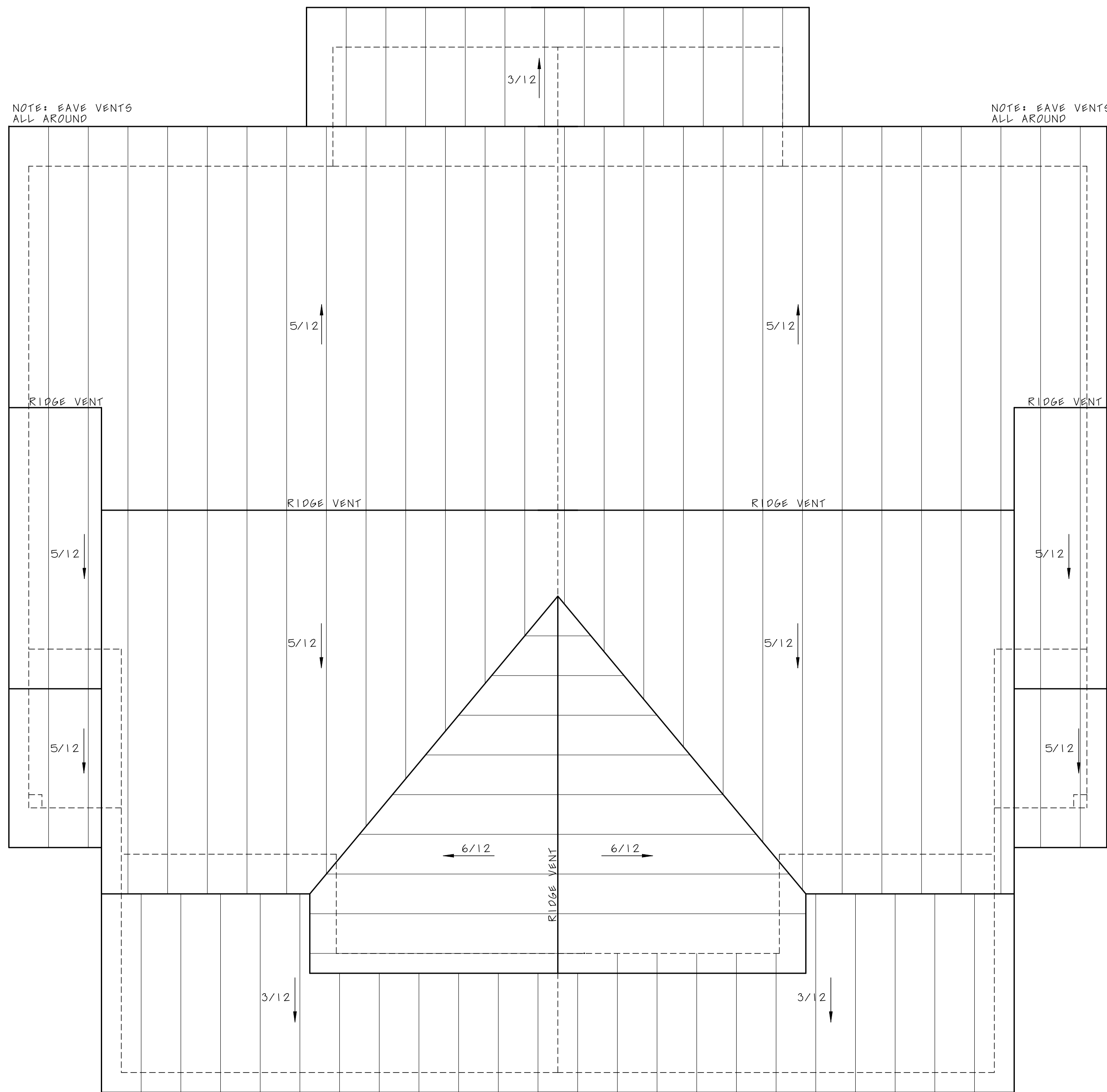
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REV: 3-21-24

Plan No.

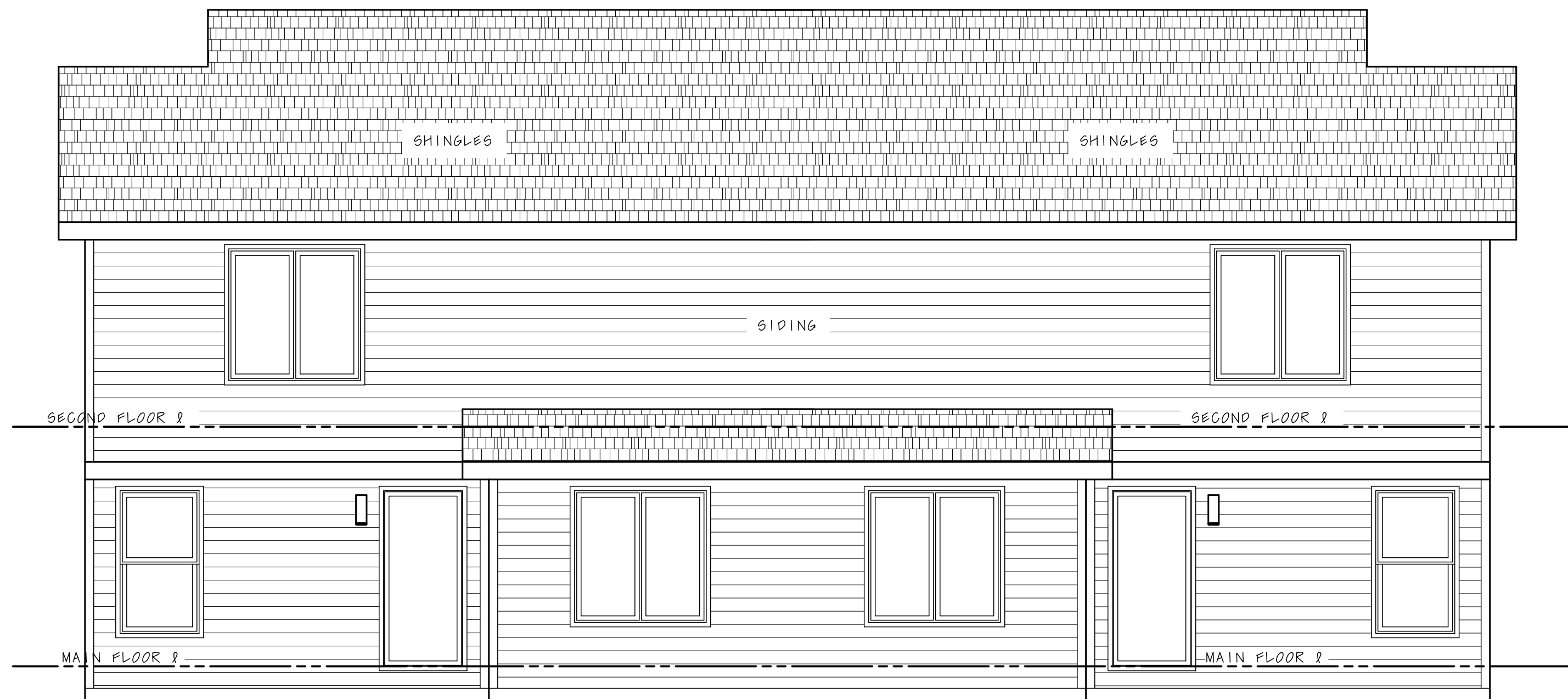
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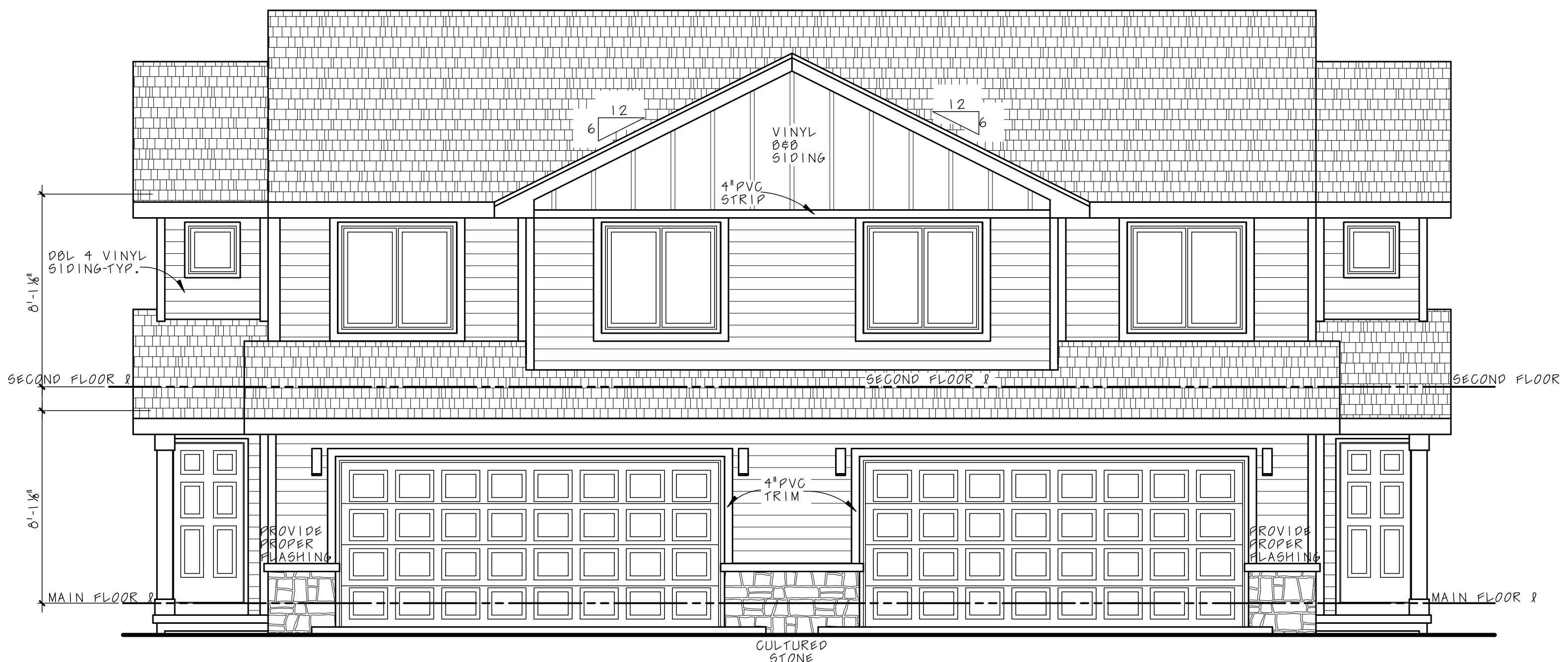
ROOF PLAN

SCALE: 1/4" = 1'-0"



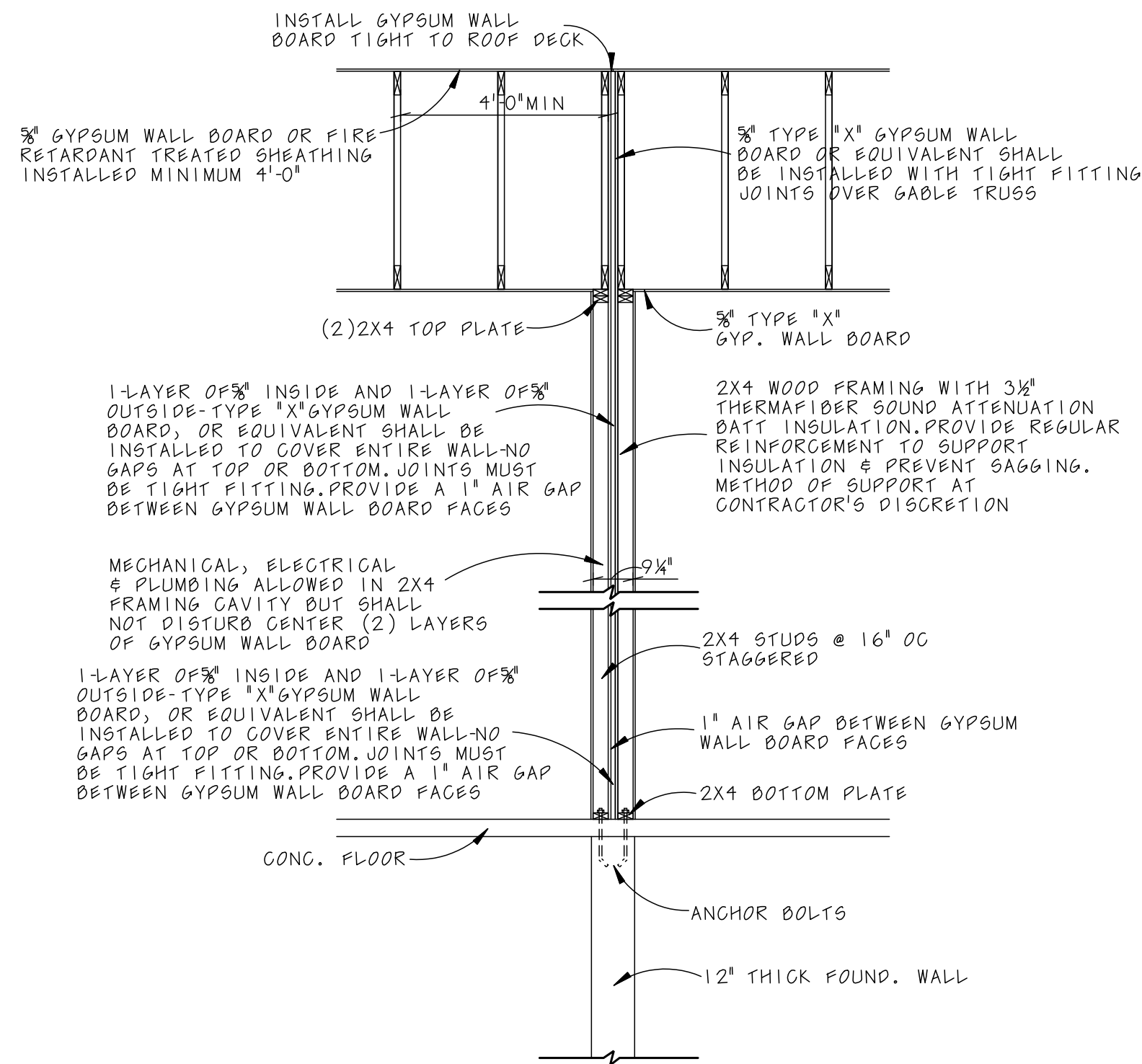
REAR ELEVATION

SCALE: 1/4" = 1'-0"



FRONT ELEVATION

SCALE: 1/4" = 1'-0"

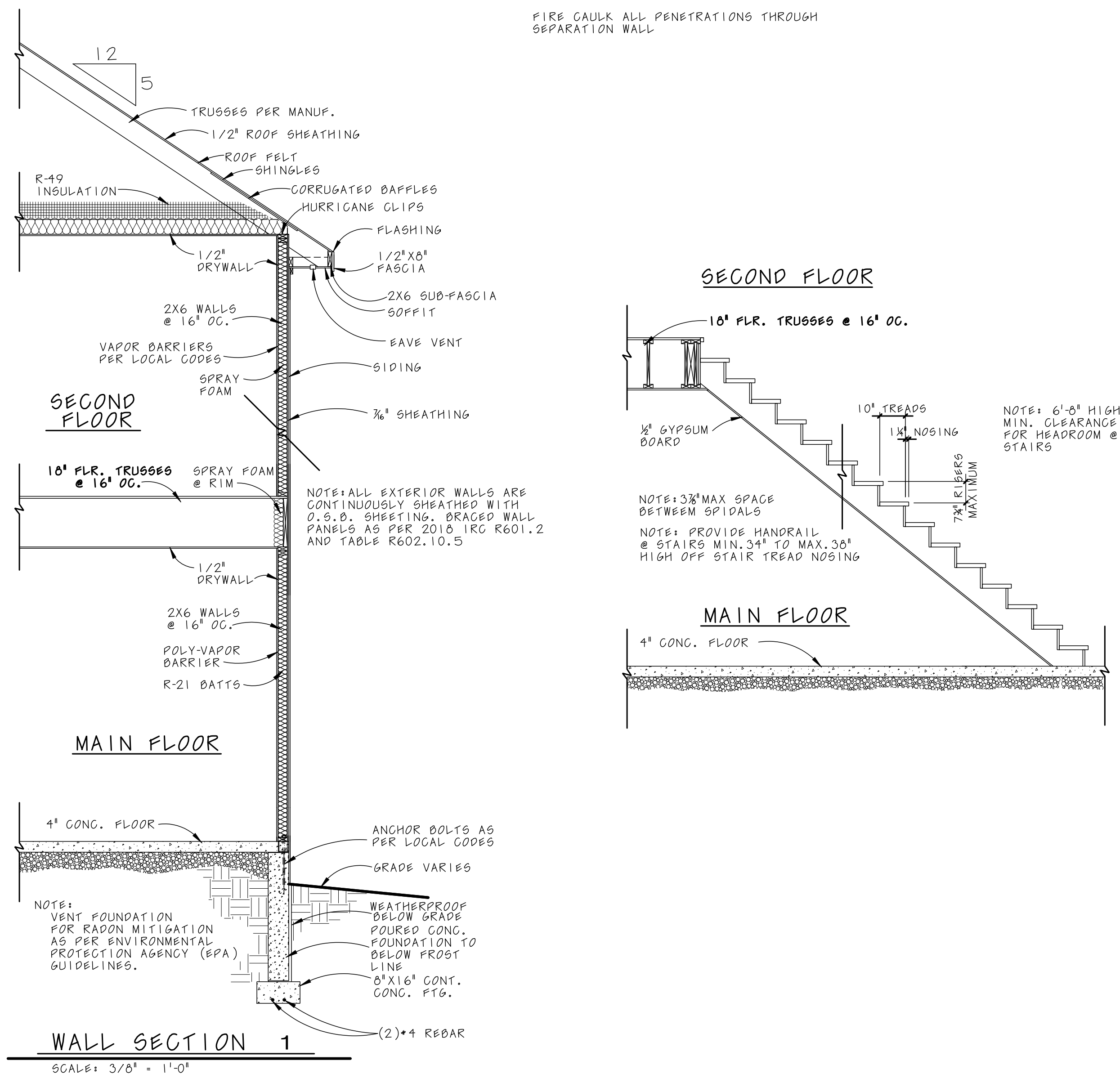


WALL SECTION 3

SCALE: 3/8" = 1'-0"

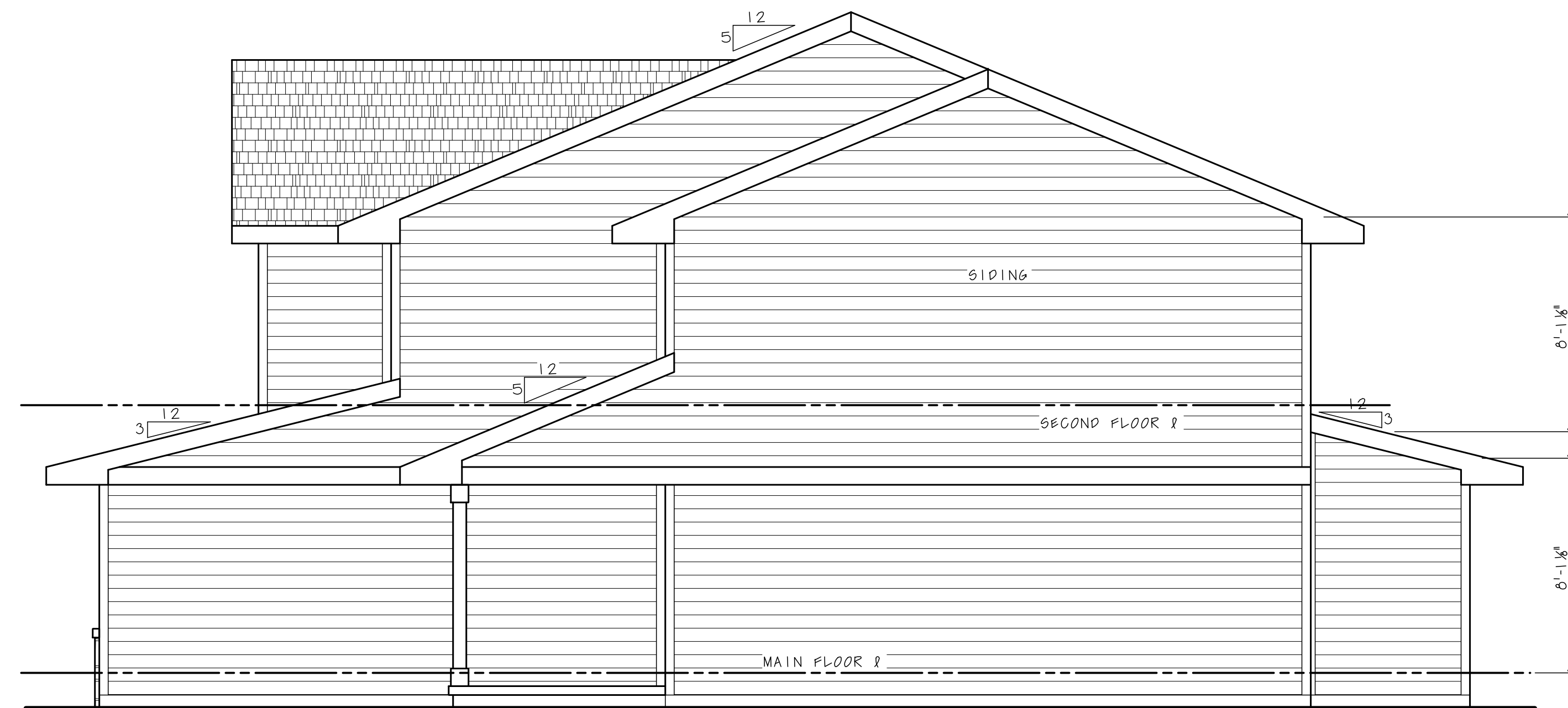
DETAIL SHALL BE PERMITTED TO CONSTRUCT SEPARATION BETWEEN EACH TOWNHOUSE INCLUDING ATTACHED GARAGES

FIRE CAULK ALL PENETRATIONS THROUGH SEPARATION WALL



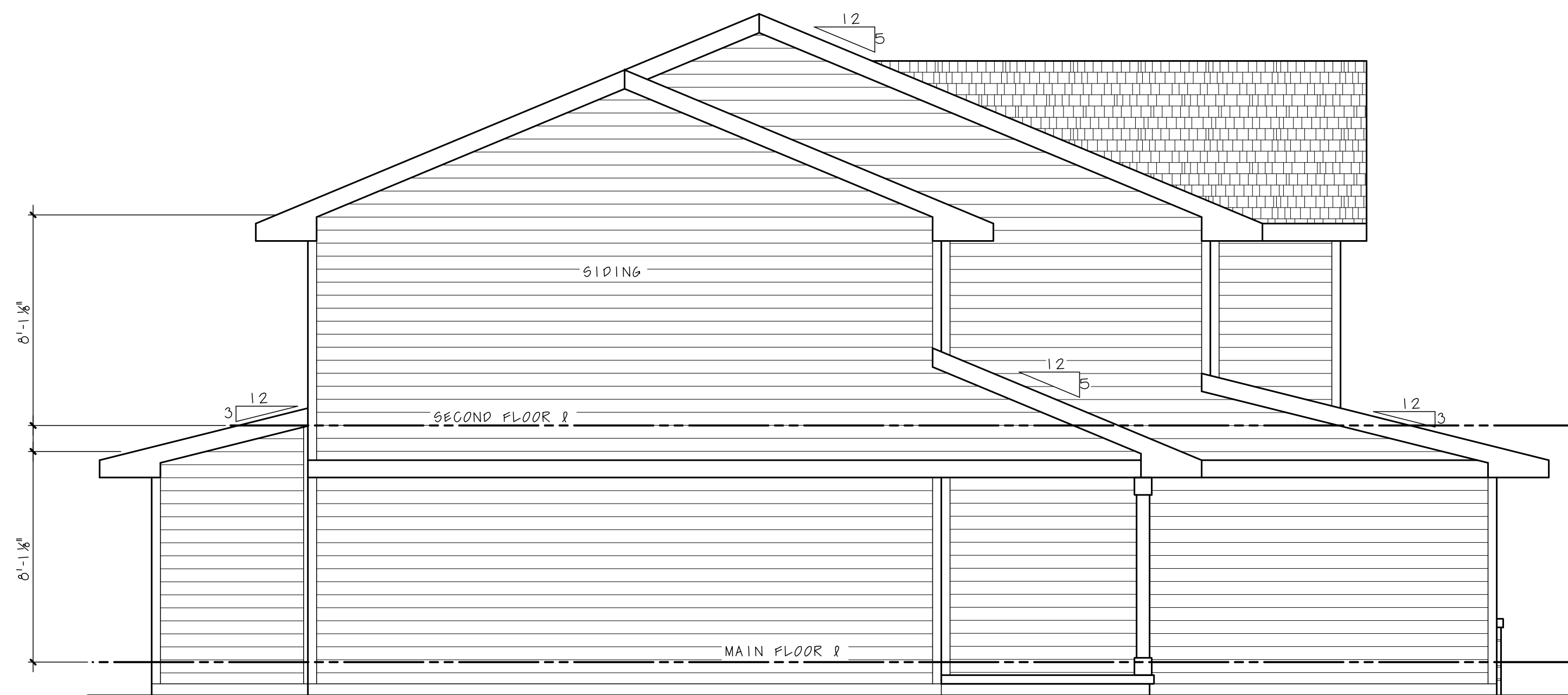
WALL SECTION 1

SCALE: 3/8" = 1'-0"



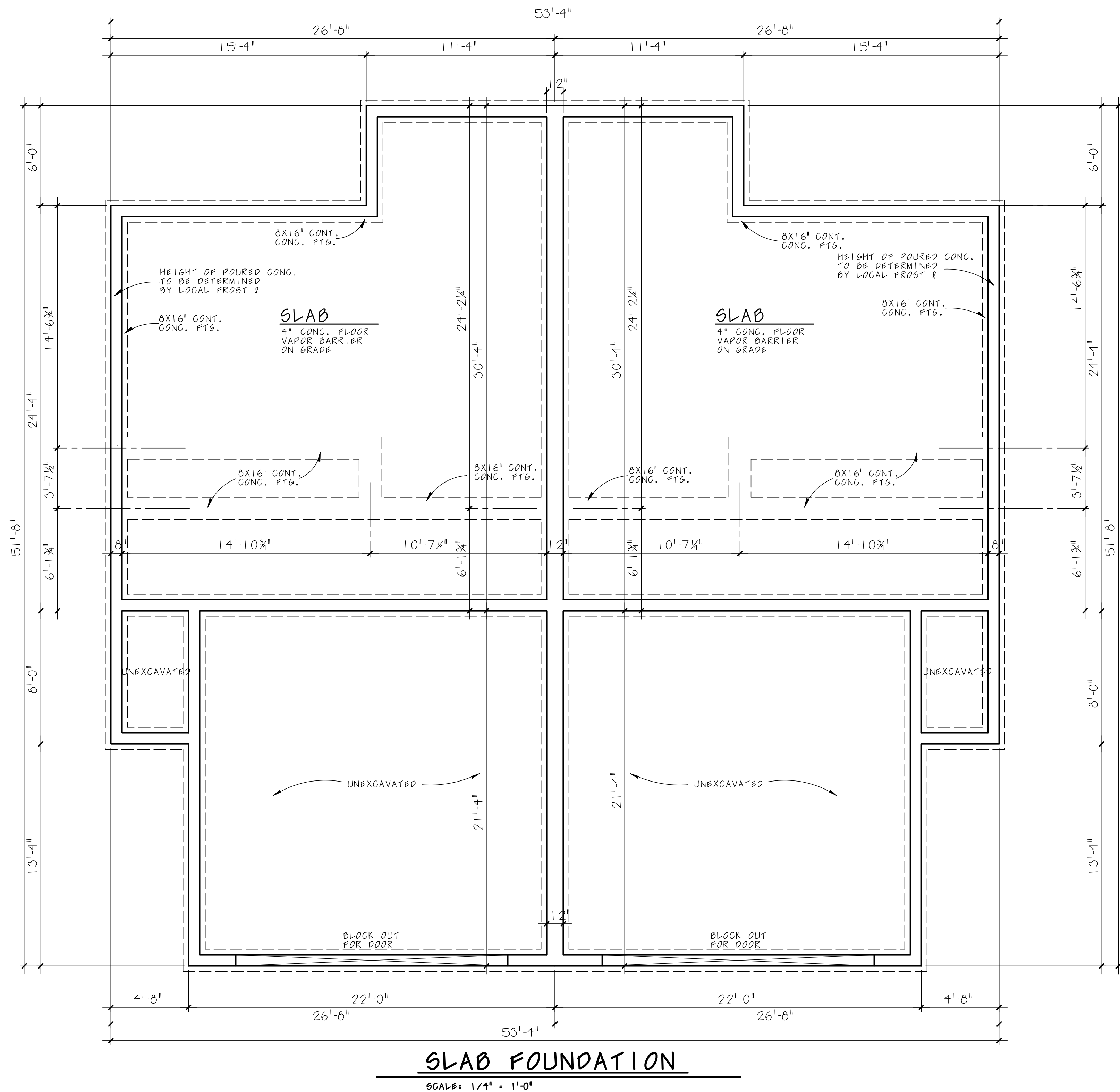
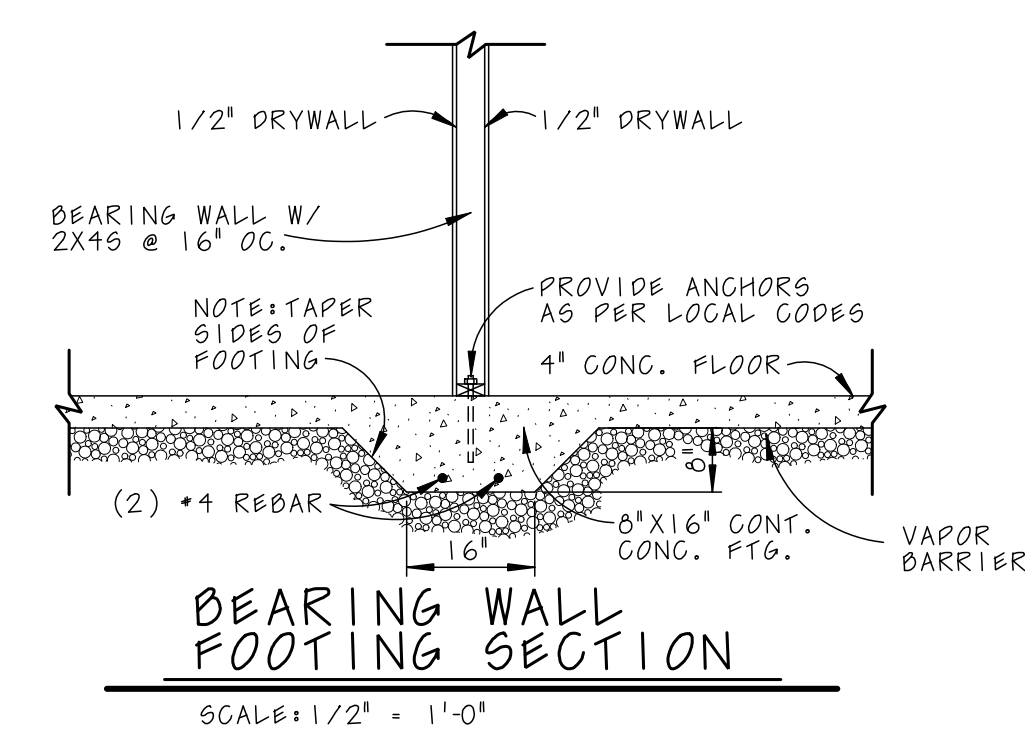
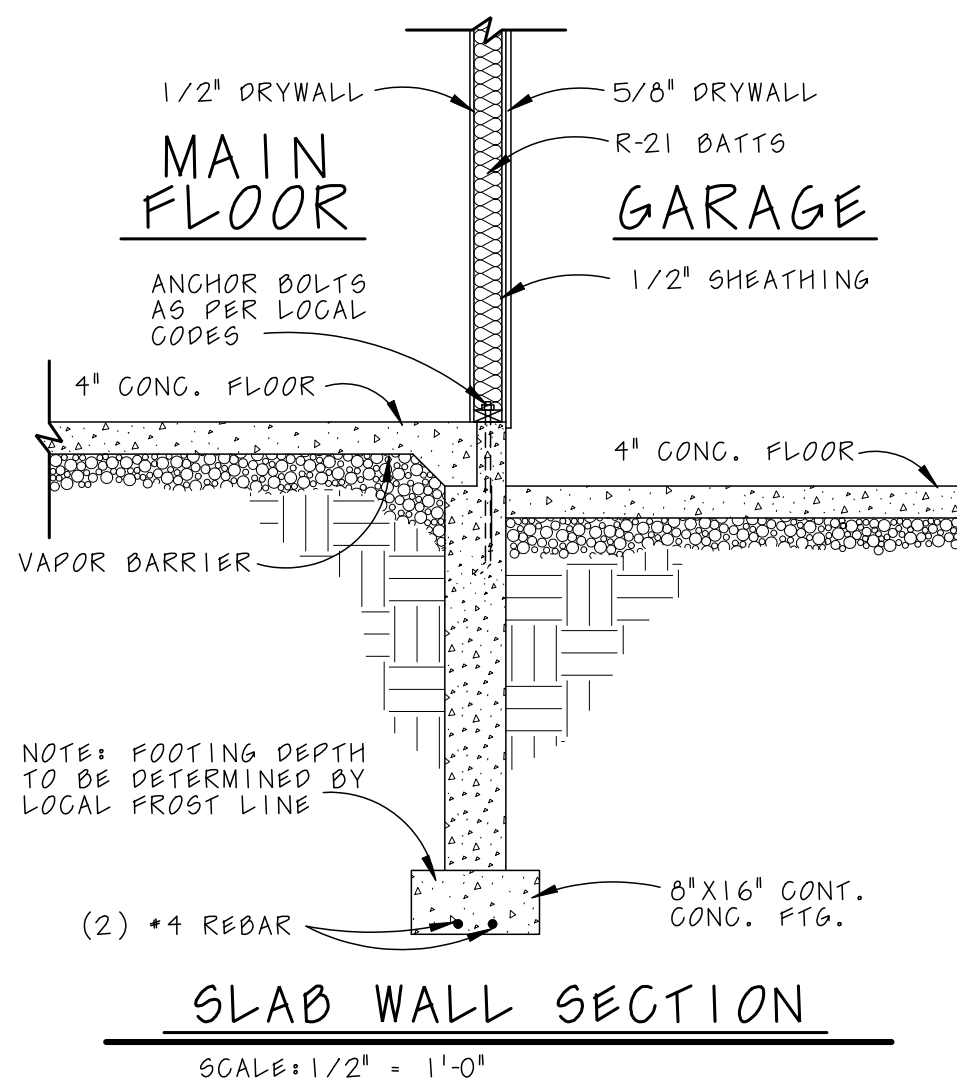
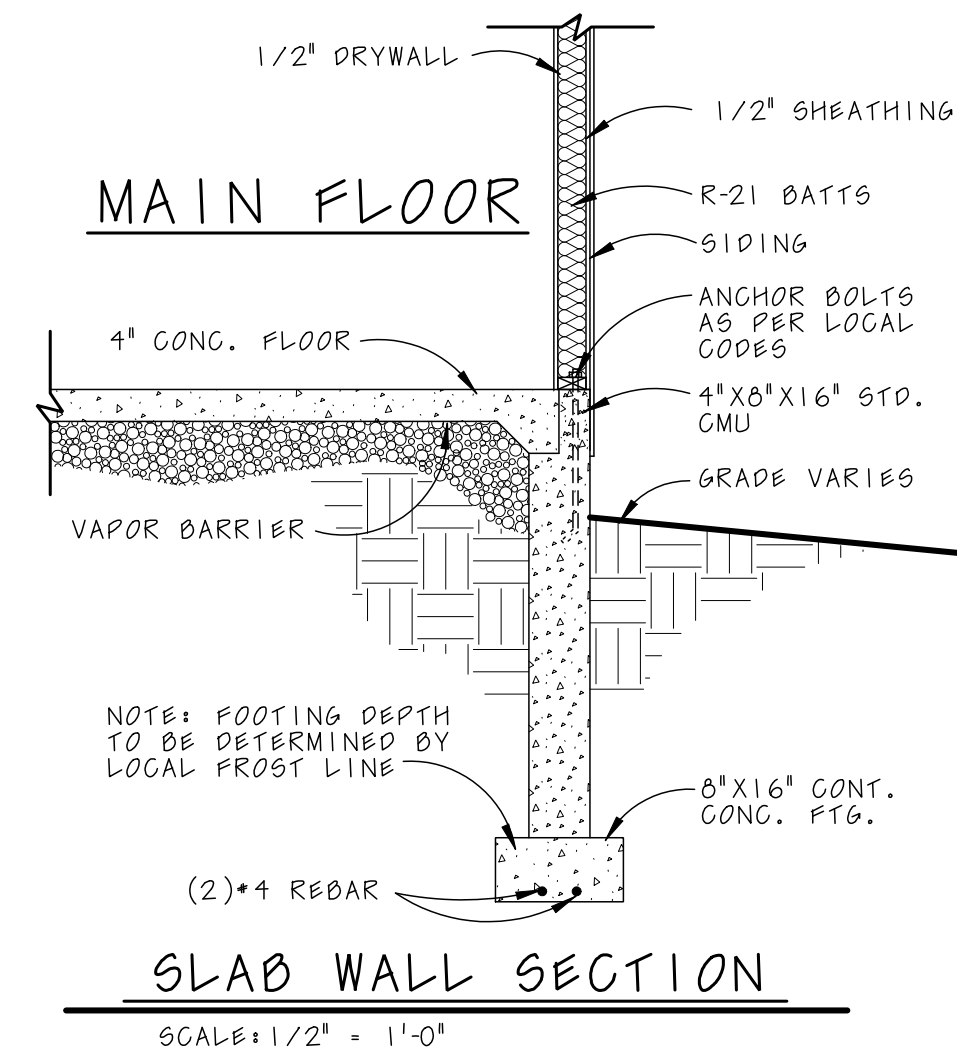
RIGHT SIDE ELEVATION

SCALE: 1/4" = 1'-0"



LEFT SIDE ELEVATION

SCALE: 1/4" = 1'-0"



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Plan No.

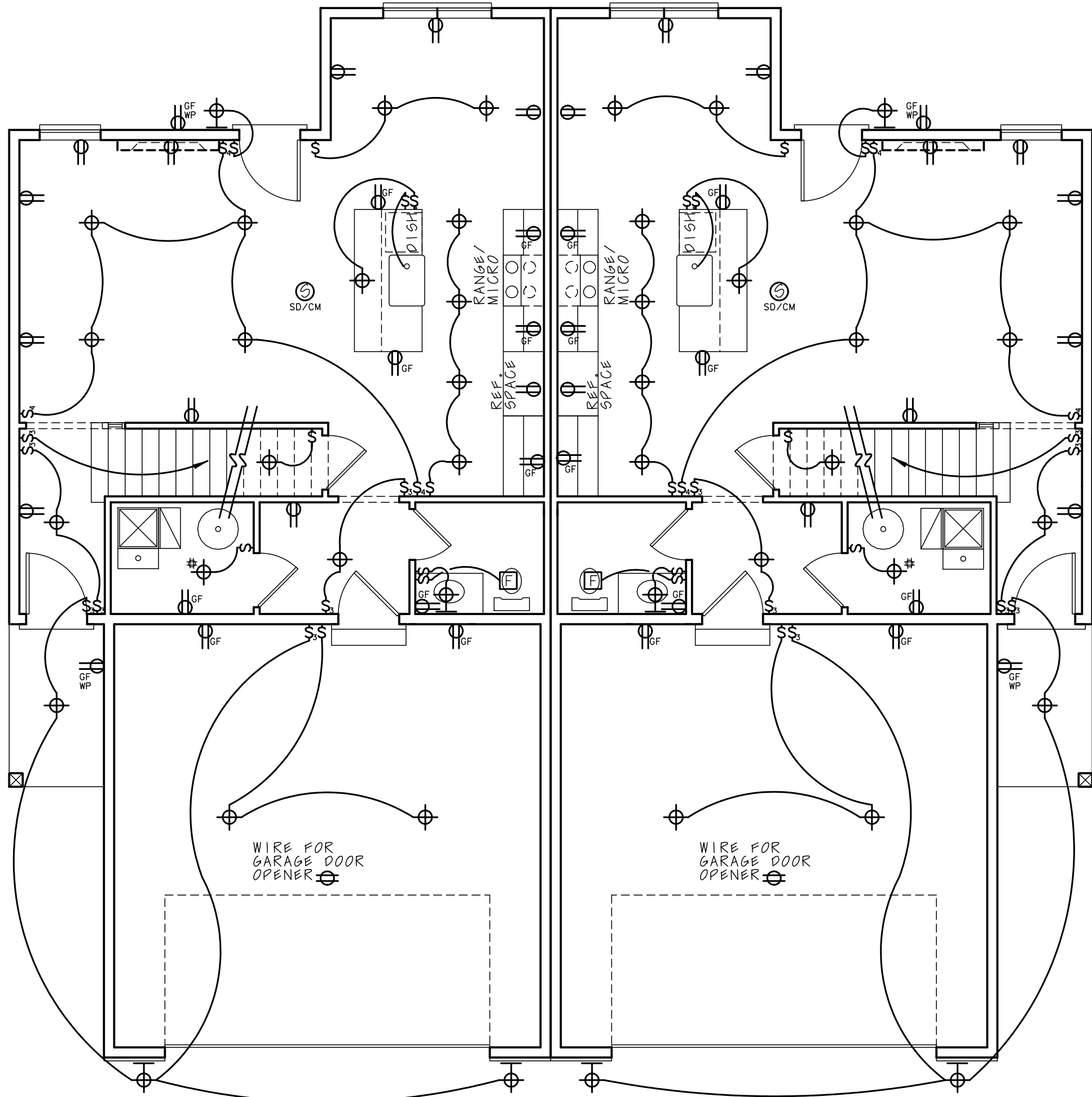
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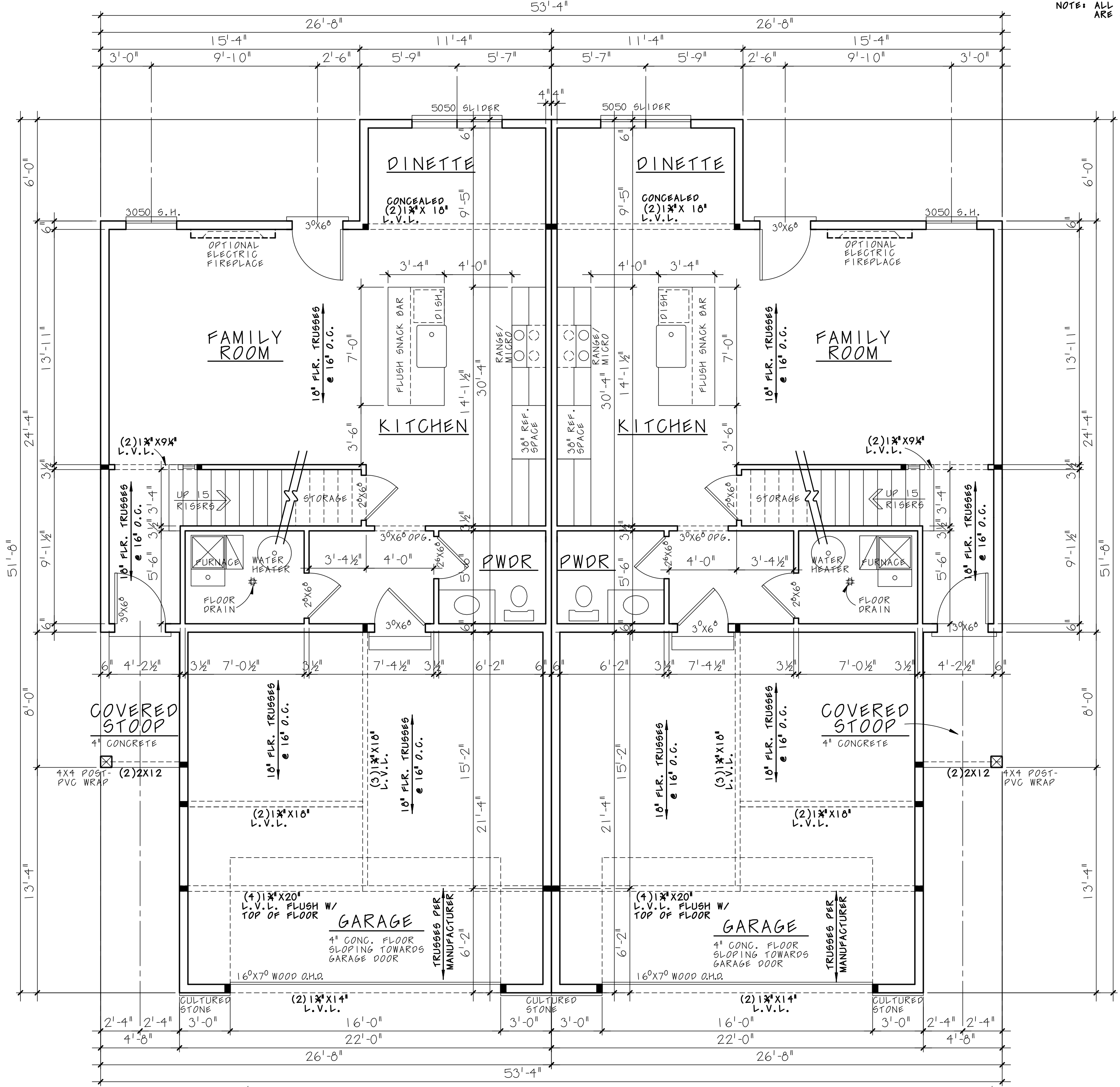
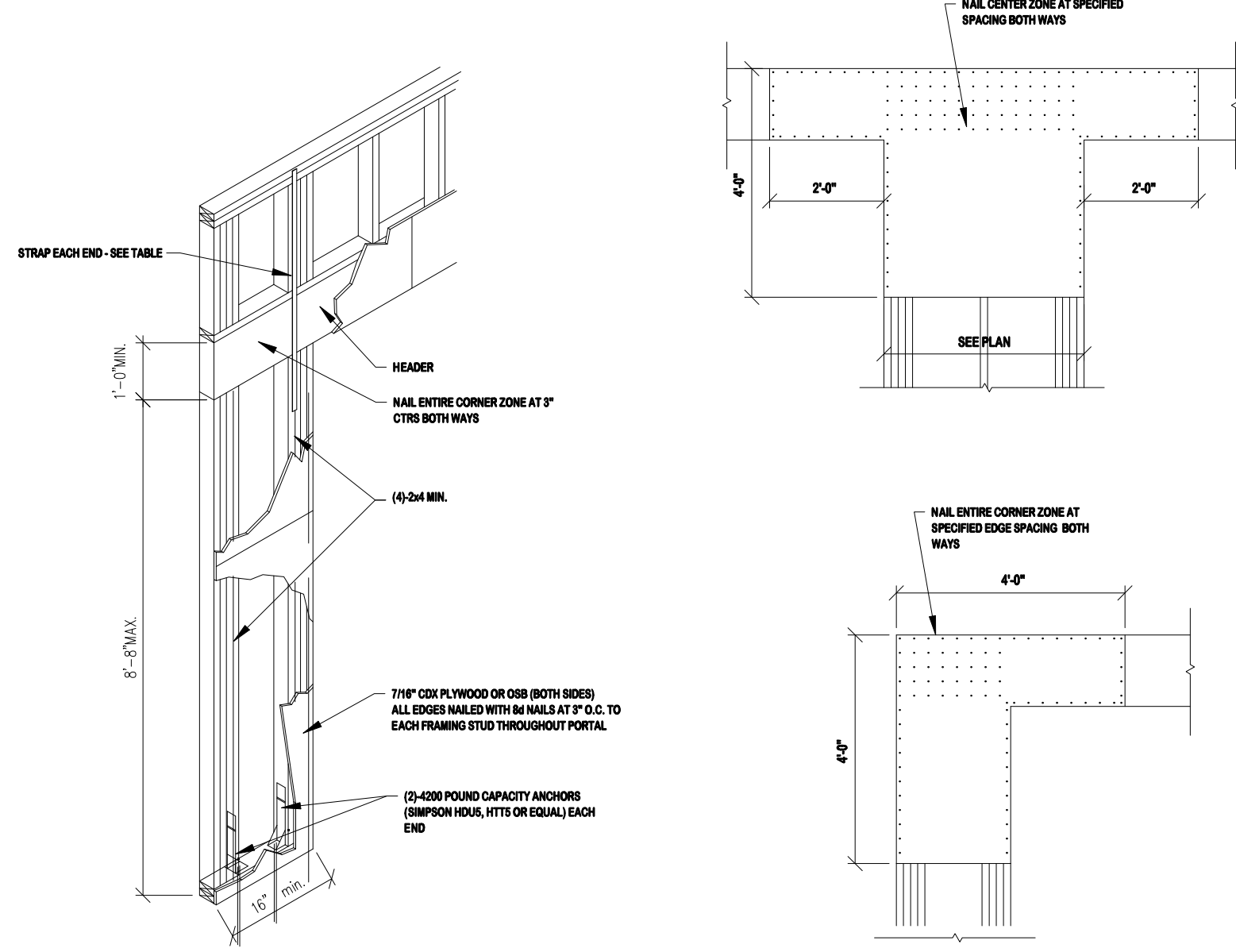
GENERAL ELECTRICAL LEGEND			
SYM.	DESCRIPTION	SYM.	DESCRIPTION
	110 V. OUTLET		FLOOD LIGHT
	HALF SWITCHED 110 V. OUTLET		FLUORESCENT LIGHT
	220 V. OUTLET		TRACK LIGHT
	WEATHERPROOF 110 V. OUTLET		UNDER COUNTER LIGHT
	GROUND FAULT 110 V. OUTLET		EXHAUST FAN
	FLOOR 110 V. OUTLET		EXHAUST FAN/LIGHT COMB.
	SURFACE MOUNT LIGHT		PADDLE FAN/LIGHT FIXTURE
	WALL MOUNT LIGHT		PADDLE FAN
	PULL-CORD SURFACE MOUNT LIGHT		SMOKE DETECTOR (WALL)
	THERMOSTAT		SMOKE DETECTOR (CEILING)
	CHIMES		SMOKE DETECTOR (CEILING) CARBON MONOXIDE DETECTOR
	TELEPHONE		TWO-WAY SWITCH
	HEAT LAMP		THREE-WAY SWITCH
			FOUR-WAY SWITCH

NOTE: WIRE SMOKE DETECTORS IN SERIES



MAIN LEVEL ELECTRICAL

SCALE: 3/16" = 1'-0"



MAIN LEVEL	717 d
SECOND LEVEL	903 d
TOTAL	1620 d
LOWER LEV FINISH	0 d
TOTAL	1620 d
GARAGE	469 d
FRONT PORCH	37 d

MAIN FLOOR PLAN

SCALE: 1/4" = 1'-0"

HVAC LOCATION PER CONTRACTOR

MAIN LEVEL	717 d
SECOND LEVEL	903 d
TOTAL	1620 d
LOWER LEV FINISH	0 d
TOTAL	1620 d
GARAGE	469 d
FRONT PORCH	37 d

- NOTE: ALL EXTERIOR WALLS ARE CONTINUOUSLY SHEATHED WITH 0.50. SHEETING, BRACED WALL PANELS AS PER 2018 IRC R601.2 AND TABLE R602.10.5
- NOTE: ALL MAIN FLOOR WALLS ARE 8'-1/2" HIGH UNLESS NOTED OTHERWISE
- NOTE: ALL EXTERIOR WALLS ARE 6" (5/8" STUD + 3/4" SHEATHING) ALL INTERIOR WALLS ARE 3/4" UNLESS OTHERWISE SHOWN
- NOTE: ALL ANGLED WALLS ARE @ 45°

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5

GENERAL ELECTRICAL LEGEND			
SYM.	DESCRIPTION	SYM.	DESCRIPTION
	110 V. OUTLET		FLOOD LIGHT
	HALF SWITCHED 110 V. OUTLET		FLUORESCENT LIGHT
	220 V. OUTLET		TRACK LIGHT
	WEATHERPROOF 110 V. OUTLET		UNDER COUNTER LIGHT
	GROUND FAULT 110 V. OUTLET		EXHAUST FAN
	FLOOR 110 V. OUTLET		EXHAUST FAN/LIGHT COMB.
	SURFACE MOUNT LIGHT		PADDLE FAN/LIGHT FIXTURE
	WALL MOUNT LIGHT		PADDLE FAN
	PULL-CORD SURFACE MOUNT LIGHT		SMOKE DETECTOR (WALL)
	THERMOSTAT		SMOKE DETECTOR (CEILING)
	CHIMES		SMOKE DETECTOR/CEILING CARBON MONOXIDE DETECTOR
	TELEPHONE		TWO-WAY SWITCH
	HEAT LAMP		THREE-WAY SWITCH
			FOUR-WAY SWITCH
NOTE: WIRE SMOKE DETECTORS IN SERIES			

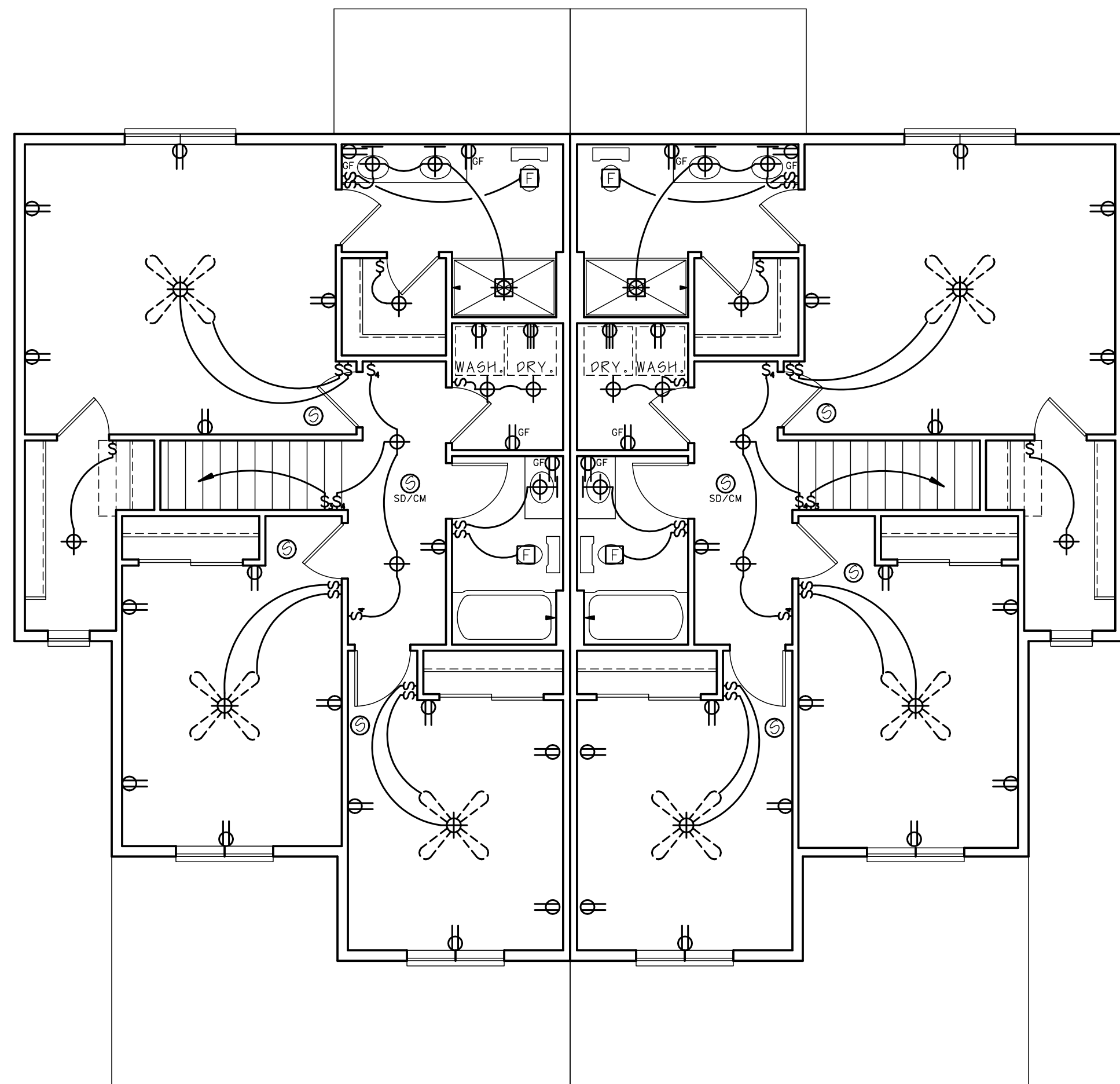
NOTE: WIRE SMOKE DETECTORS IN SERIES

NOTE: ALL EXTERIOR WALLS ARE CONTINUOUSLY SHEATHED WITH 0.50. SHEETING. BRACED WALL PANELS AS PER 2010 IRC R601.2 AND TABLE R602.10.5

NOTE: ALL SECOND FLOOR WALLS ARE 0'-1 1/8" HIGH UNLESS NOTED OTHERWISE

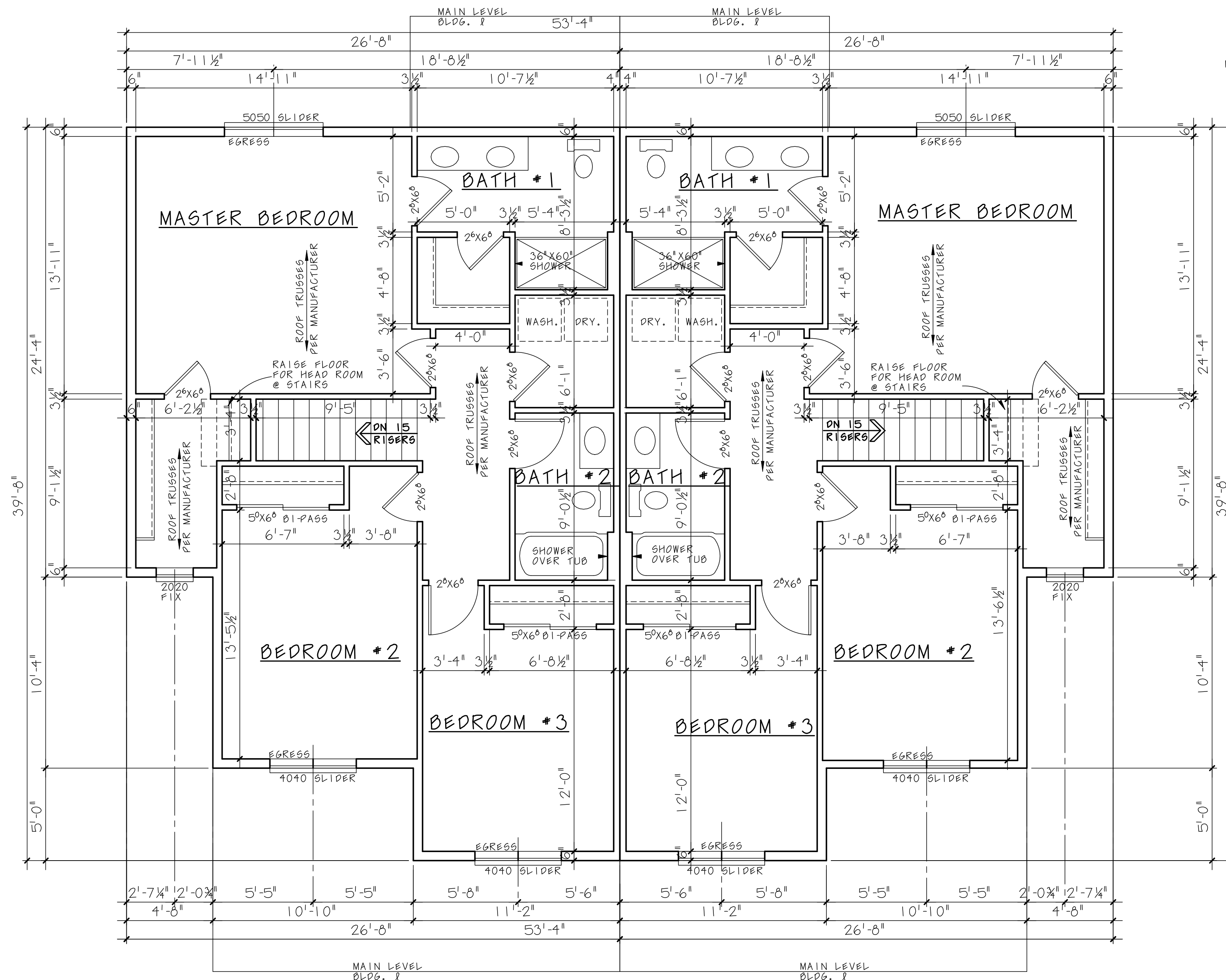
NOTE: ALL EXTERIOR WALLS ARE 6" (5 1/4" STUD + 1/2" SHEATHING.) ALL INTERIOR WALLS ARE 3/4" UNLESS OTHERWISE SHOWN

NOTE: ALL ANGLED WALLS ARE @ 45°



SECOND FLOOR ELECTRICAL

SCALE: 3/16" = 1'-0"



SECOND FLOOR PLAN

SCALE: 1/4" = 1'-0"

Architecture. The applicant has provided a housing example for review and consideration.

Grading, Drainage, and Utilities. Issues related to grading, drainage, and utilities, including the establishment of easements, is subject to comment and recommendation by the City Engineer. The City Engineer reviews grading and utility plans against the City's engineering and design standards and requires general plan revisions to meet these standards.

PLANNING COMMISSION REVIEW

The Planning Commission is tasked with reviewing the plans and providing comment to the developer and the City Council on the proposal.

STAFF RECOMMENDATION

Staff has reviewed the plans and finds that a higher density type of twinhome could be acceptable in this area due to it originally being designated as High Density. Staff would want to ensure that the City Officials find that the plan meets the minimum standards of a PUD.

Proposed Marick Commons
Residential Development
Concept Plan

Date: 06/25/2026
City: Howard Lake, MN
PID: 10905500020

Concept Information

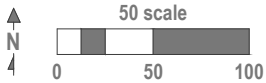
Unit Type(s): Twinhomes
Lot Count: 32
Unit Count: 32
Roadway LF: 590
Gross Density: 4.8 un/ac

Site Information

Existing Zoning: PUD
Proposed Zoning: PUD
Gross Area: 6.7 acres

Zoning Requirements

	Required - R-6 District	Provided - PUD
Min. Lot Size:	15,000 sf	3,800 sf min. per unit
Min. Lot Width:	50'	29' min. per unit
Setbacks		
Front:	30'	25'
Side Interior:	10'	10'
Side Corner:	30'	n/a
Rear:	25'	25'
From Wetland:	33'	33'
Road Max. Length:	500'	560'
ROW Width:	60' / 50'	50'



GENERAL NOTES & DESIGN CRITERIA

DESIGN LOADS:

- * Floor: 40 psf. live Roof: 30 psf. live Ceiling: 10 psf. live
15 psf. dead 10 psf. dead 10 psf. dead
- * Soil bearing Capacity - 1500 PSF
- * Live loads, dead loads, wind loads, snow loads, lateral loads, seismic zoning and any specialty loading conditions will need to be confirmed before construction and adjustments to plans made accordingly. See your local building officials for verification of your specific load data, zoning restrictions and site conditions.

CONCRETE AND FOUNDATIONS:

- * All foundation walls and slabs on grade shall be 3000 PSI (28-day compressive strength concrete), unless noted otherwise.
- * All interior slabs on grade shall bear on 4" compacted granular fill with 6 mil. polyethylene vapor barrier underneath.
- * Provide proper expansion and control joints as per local requirements.
- * All 36" x 36" x 18" concrete pads to have (3) #5 rods each way.
- * All 48" x 48" x 18" concrete pads to have (4) #5 rods each way.
- * Foundation walls are not to be backfilled until properly braced.
- * Verify depth of frost footings with your local codes.
- * Provide termite protection as required by HUD minimum property standards.
- * Foundation bolts must be anchored to sill plate with 1/2" bolts embedded 15" in concrete walls.

REBAR & BOLT SCHEDULE:

BAR SIZE AND SPACING	VERTICAL	HORIZONTAL
8" Wall thickness	#5 @ 16" o.c.	#5 @ 16" o.c.
10" Wall thickness (w-brick)	#5 @ 12" o.c.	#5 @ 16" o.c.

EXTERIOR FILL	BOLT SPACING
0" to 3'-6"	72" o.c.
3'-7" to 6'-0"	48" o.c.
6'-1" to 7'-0"	32" o.c.
Over 7'-0"	Additional engineering may be required

STEEL:

- * All structural steel for beams and plates shall comply with ASTM specification A-36.
- * All structural steel for steel columns shall comply with ASTM specification A-53 Grade B or A-501.
- * All reinforcing steel for concrete shall comply with ASTM specification A-615 Grade 60.
- * Provide steel shimns in all beam pockets.
- * Steel columns are to be 3" I.D. (inside diameter) unless noted otherwise.

FRAMING MEMBERS:

- * Unless noted otherwise, all framing lumber shall have the following characteristics:
Fb = 1,000 psi Fv = 75 psi E = 1,400,000 psi
- * Contractor to confirm the size, spacing and stress characteristics of all framing and structural members to meet your local code requirements.
- * Hole sizes and locations in GluLam or Laminated Veneered Lumber members are to be confirmed by a professional engineer.
- * Any structural or framing members not indicated on the plan are to be sized by contractor.
- * Double floor joists under all partition walls, unless noted otherwise.
- * All subflooring is assumed to be 3/4" thick.-Glued&Nailed
- * All exterior walls are dimensioned to outside of 7/16" sheathing.
- * All exterior walls are 6" (5 1/2" stud plus 7/16" sheathing), All interior walls are 3 1/2" unless otherwise shown.
- * Calculated dimensions take precedence over scaled dimensions.
- * All Main level walls are 8'-1 1/8" high unless otherwise noted or implied.
- * All angled walls on floor plans are at 45 degree angle, unless otherwise noted.

FRAMING MEMBERS (continued):

- * Any wall 12'-0" high or higher shall be 2x6 and balloon framed.
- * Unless noted otherwise, above all openings that are:
(1) Load bearing and less than or equal to 3 ft. use 4x6.
(2) Load bearing and more than 3 ft. use (2) 2x12 w/1/2" Plywood between.
(3) Non-load bearing and less than or equal to 6 ft.use 4x6.
(4) Non-load bearing and more than 6 ft. use (2) 2x12 w/1/2" Plywood between.
- * (5) All exterior openings use (2) 2x12 w/1/2" Plywood between.
- * All trusses to be engineered by truss manufacturer according to the loading indicated on this plan.
- * All exterior corners shall be braced in each direction with let-in diagonal bracing or plywood.
- * Place (1) row of 1" x 3" cross-bridging on all spans over 8'-0" and (2) rows of 1" x 3" cross-bridging on all spans over 16'-0".
- * Collar ties are to be spaced 4'-0" o.c.
- * All purlins and kickers are to be 2x6's, unless noted otherwise.
- * Any hip or valley rafters over a 28'-0" span are to be Laminated Veneer Lumber (L.V.L.).

MISC. NOTES:

- * Prefabricated fireplaces and flues are to be U.L. approved and installed as per manufacturer's specifications.
- * All materials, supplies and equipment to be installed as per manufacturer's specifications and as per local codes and requirements.
- * Note: Provide proper insulation for all plumbing.
- * 1/2" water-resistant drywall around showers, tubs and whirlpools.
- * 1/2" drywall on interior walls and ceilings.
- * 5/8" type "X" fire code drywall on garage walls and ceilings.
- * Windows are called out by glass size only.
- * Windows, if not noted, are assumed to be casements.
- * Header heights are labeled to bottom of arched transoms
- * Confirm window openings for your local egress requirements and minimum light and ventilation requirements.
- * Headroom at stairs shall have a minimum clearance of 6'-8" high.
- * Provide proper handrails at stairs as per local code.
- * The mechanical and electrical layouts are suggested only. Consult your mechanical and electrical contractors for exact specifications, locations and sizes.
- * Jog flue to rear of ridge as necessary.
- * Note: Provide proper wiring for all electrical appliances, mechanical equipment and whirlpools as per manufacturer's specifications.
- * All air conditioner locations may vary depending on restrictive covenants and codes.
- * Typical overhang sizes unless noted otherwise on drawing are as follows:

On pitches of 4/12 - 5/12 - 6/12 = 24" overhang
7/12 = 20" overhang
8/12 = 16" overhang
9/12 = 16" overhang
10/12 - 11/12 - 12/12 = 12" overhang

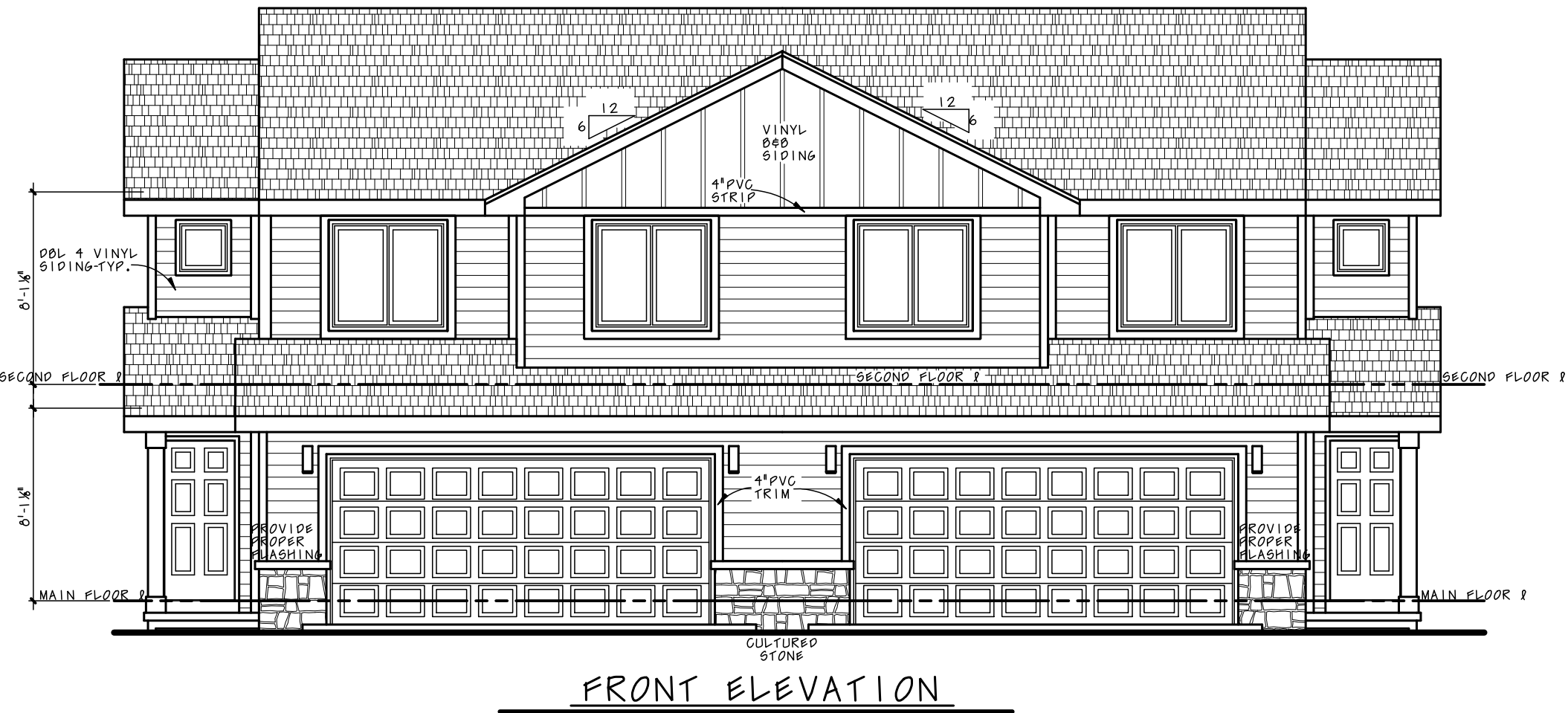
- * Note: Adjust overhangs to provide clearance for windows to open. Adjust overhangs to maintain a consistent level when the plans call for (2) different pitches at a hip.
- * Minor alterations to this plan can be made by builder. Please contact our drafting department for information and price quotes if major changes are required.
- * Plan Pros, Inc. determines finished square footage by measuring to the outside of all walls. We include: interior fireplaces and every location in which the floor joists project from the foundation. We do not include: window boxes where the floor joists do not project from the foundation; 2-story entries; exterior fireplaces; garage; decks; patios; porches; unfinished storage areas; basements or any other unfinished areas.

ABBREVIATIONS

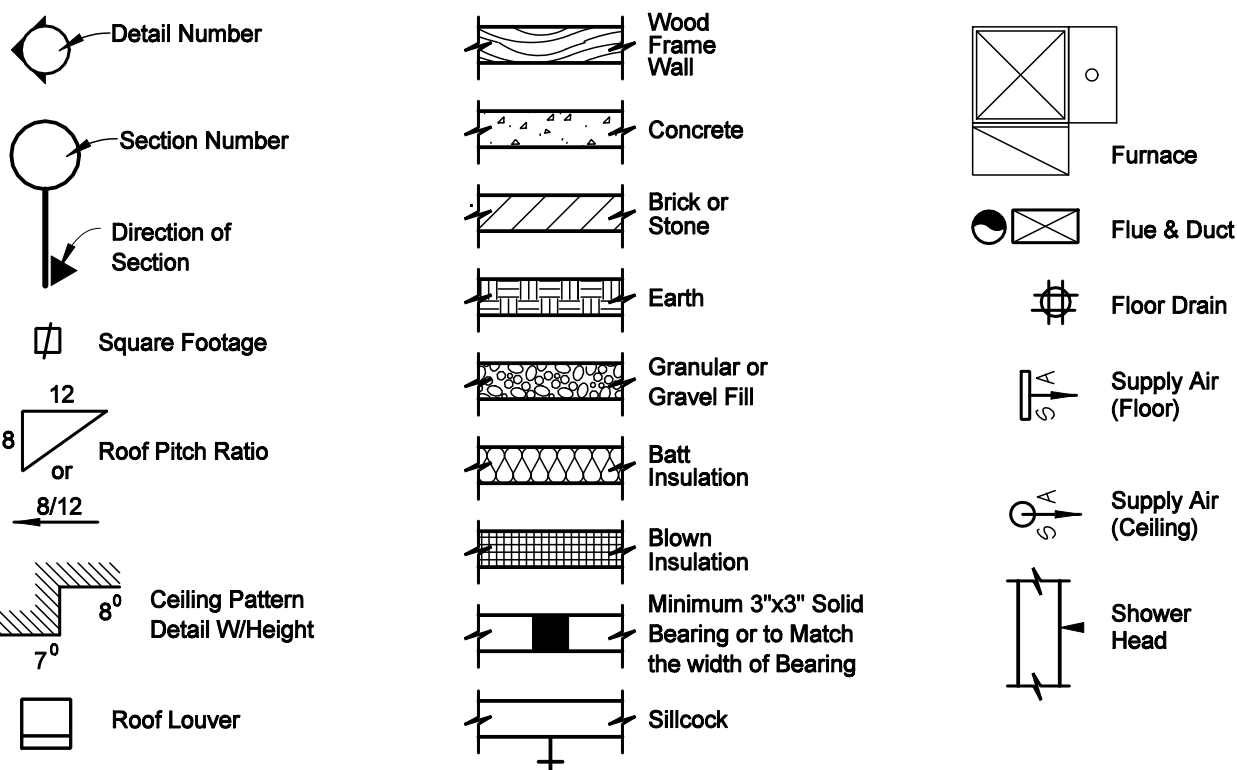
A/C	Air Conditioner	DISH	Dishwasher	INSUL	Insulation	PROJ	Projection	TRAP	Trap	Trapezoid
ADJ	Adjustable	DN	Down	INT	Interior	RAD	Radius	U.L.	Underlayment	Underexcavated
AWN	Awning	DRY	Dryer	JST	Joist	RAFT'S	Rafters	UNEX	Unexcavated	Washer
BLDG	Building	EA	Each	LVL	Laminated Veneer Lumber	REFRIG	Refrigerator	WASH	Washer	Wood
BSMT	Basement	ENT	Entertainment	LIN	Linen	RM	Room	WD	Water Heater	Welded Wire Mesh
BTM	Bottom	EXP	Exposure	MAX	Maximum	SEC	Second	WH	Water Heater	
BTW	Between	EXT	Exterior	MBR	Master Bedroom	SHWR	Shower	W.W.M.	Washer	
CANT	Cantilever	FIN	Finished	MICRO	Microwave	SL	Side Life	@	At	
C.J.	Ceiling Joist	F.J.	Floor Joist	MIN	Minimum	SPP	Sump Pump Pit		Line	
CEIL	Ceiling	FLUOR	Fluorescent	MISC	Miscellaneous	STA	Stationary	2W	Two Wide	
CMU	Concrete Masonry Unit	FTG	Footing	O.C.	On Center	STD	Standard	3W	Three Wide	
C.O.	Cased Opening	GALV	Galvanized	O.H.D.	Overhead Door	STL	Steel	4W	Four Wide	
CONC	Concrete	GARB	Garbage Disposal	OPNG	Opening	T.C.	Trash Compactor		Center Line	
DBL	Double	G & N	Glued & Nailed	PC	Pull Chord	T & G	Tongue & Groove	W/	With	
DH	Double Hung	HDR	Header	PICT	Picture	TRANS	Transom		Diameter	
				POLY	Polyethylene					

ARTIST CONCEPTION ONLY

ARTWORK NOT TO SCALE



SYMBOLS



ELECTRICAL LEGEND

110V OUTLET	FLOOD LIGHT
HALF SWITCHED 110V OUTLET	FLUORESCENT LIGHT
220V OUTLET	TRACK LIGHT
WEATHERPROOF 110V OUTLET	UNDER COUNTER LIGHT
GROUND FAULT 110 V. OUTLET	EXHAUST FAN
FLOOR 110V OUTLET	EXHAUST FAN/LIGHT COMBO
SURFACE MOUNT LIGHT	PADDLE FAN/LIGHT FIXTURE
RECESSED CAN LIGHT	PADDLE FAN
WALL MOUNT LIGHT	SMOKE DETECTOR (WALL)
PULL-CORD SURFACE MOUNT LIGHT	SMOKE DETECTOR (CEILING)
THERMOSTAT	TWO-WAY SWITCH
CHIMES	THREE-WAY SWITCH
	FOUR-WAY SWITCH

NOTE: WIRE SMOKE DETECTORS IN SERIES

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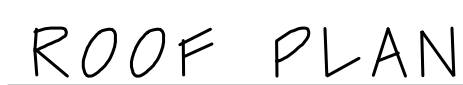
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REV: 3-21-24

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Sheet No.

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SCALE: $1/4'' = 1'-0''$



SCALE: $1/4" = 1'-0"$



SCALE: 1/4" = 1'-0"

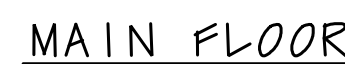
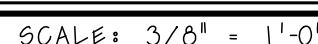
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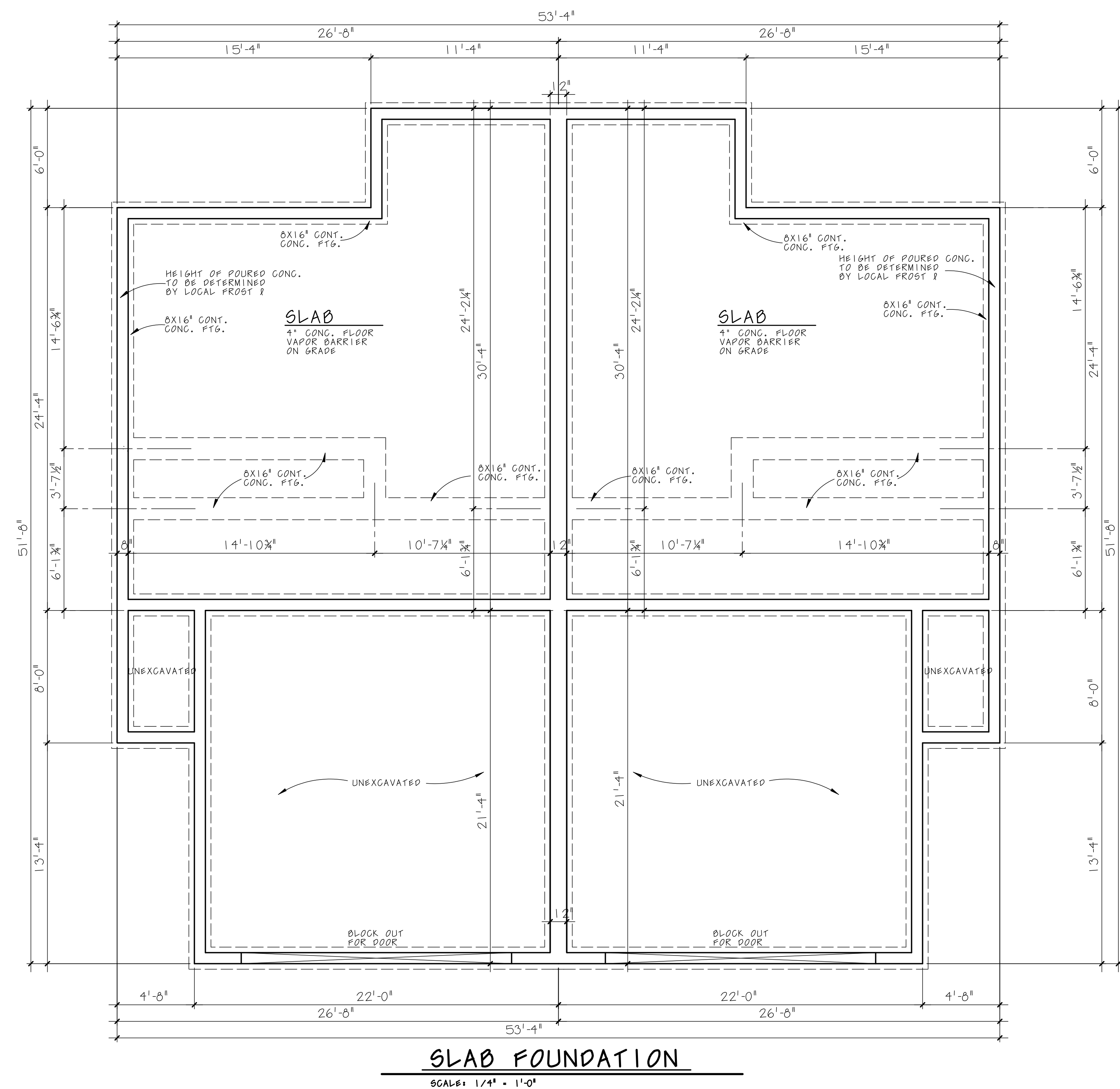
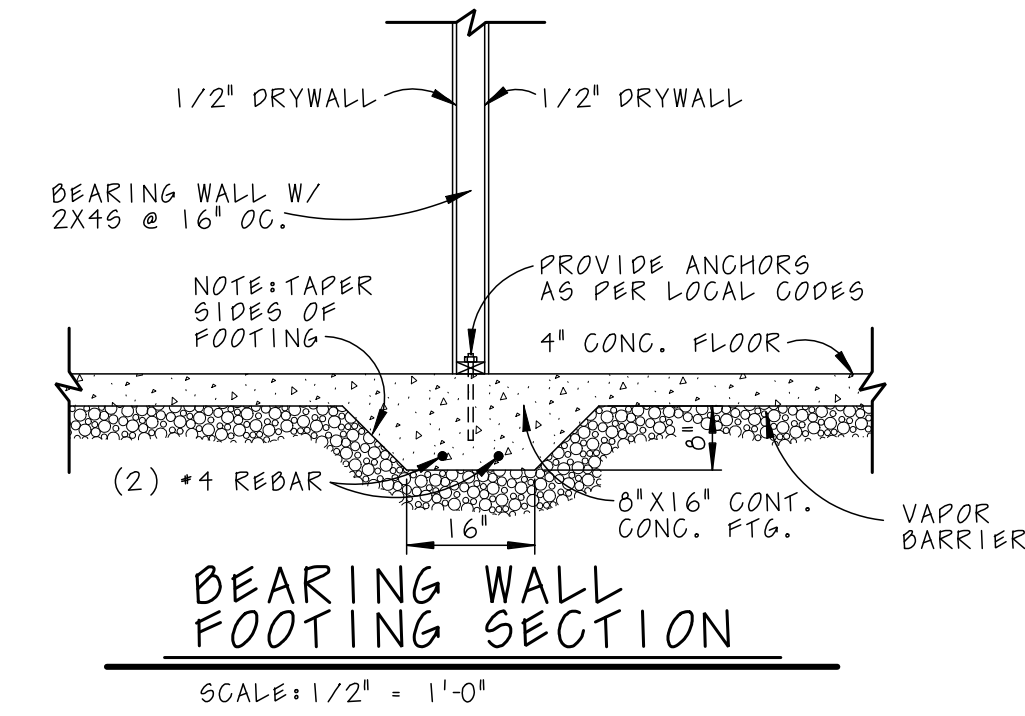
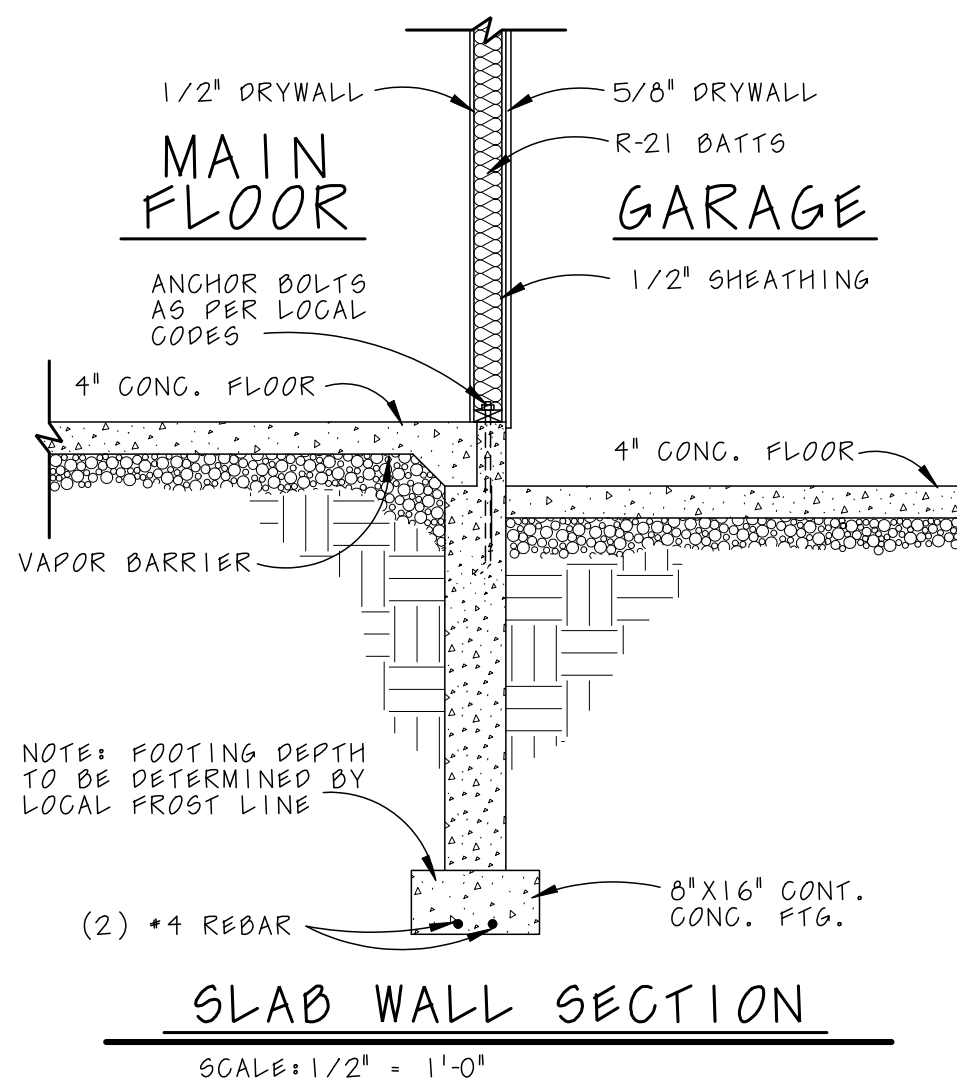
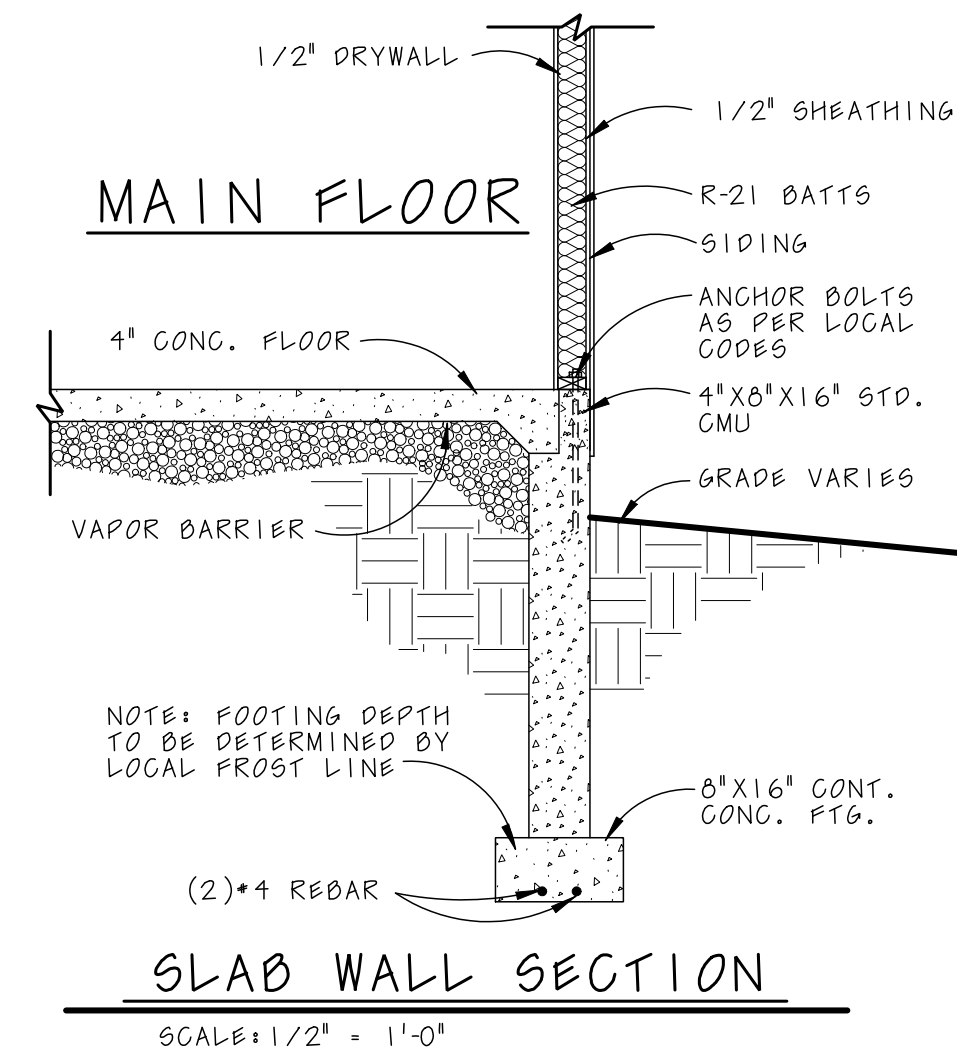
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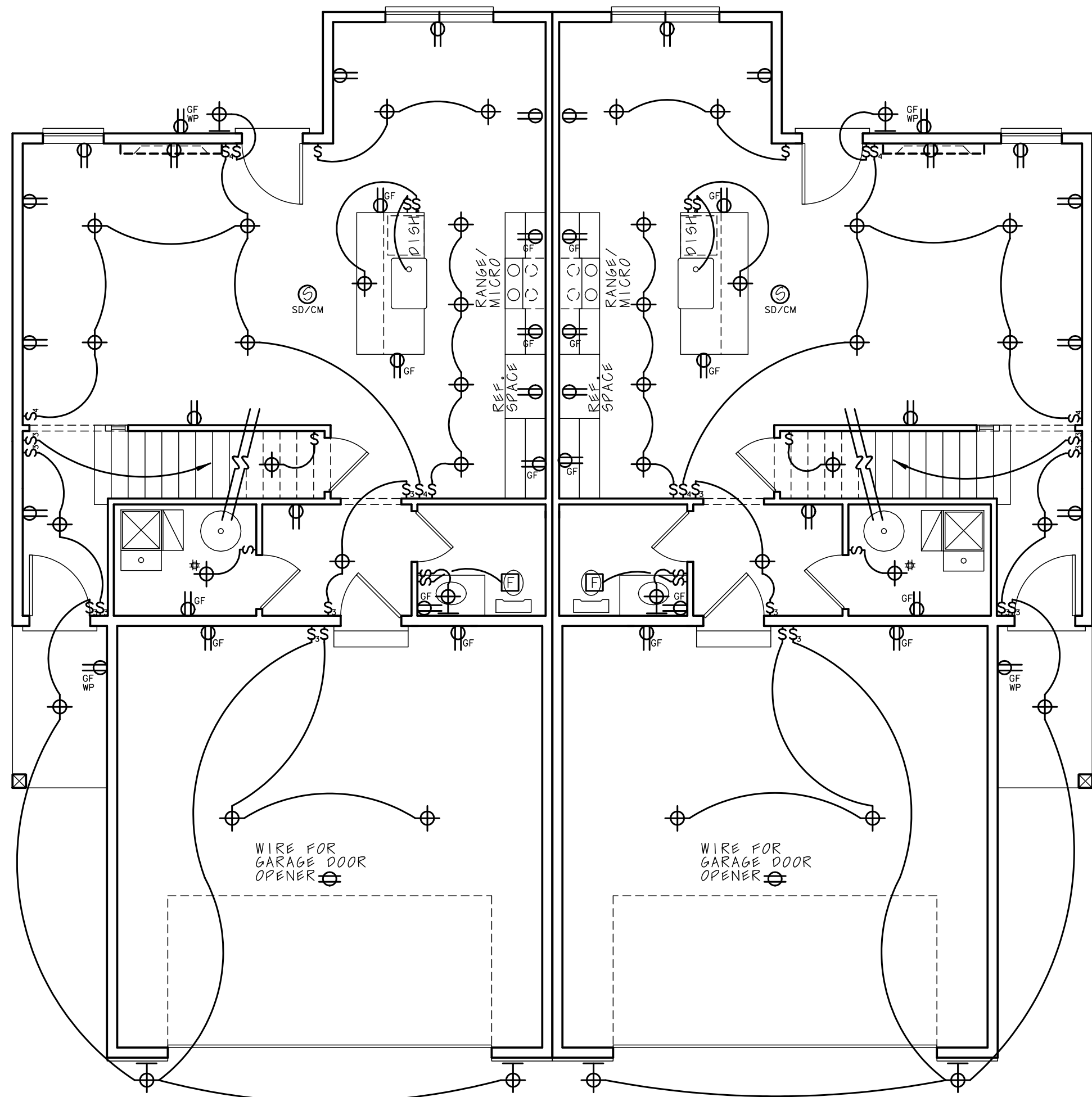
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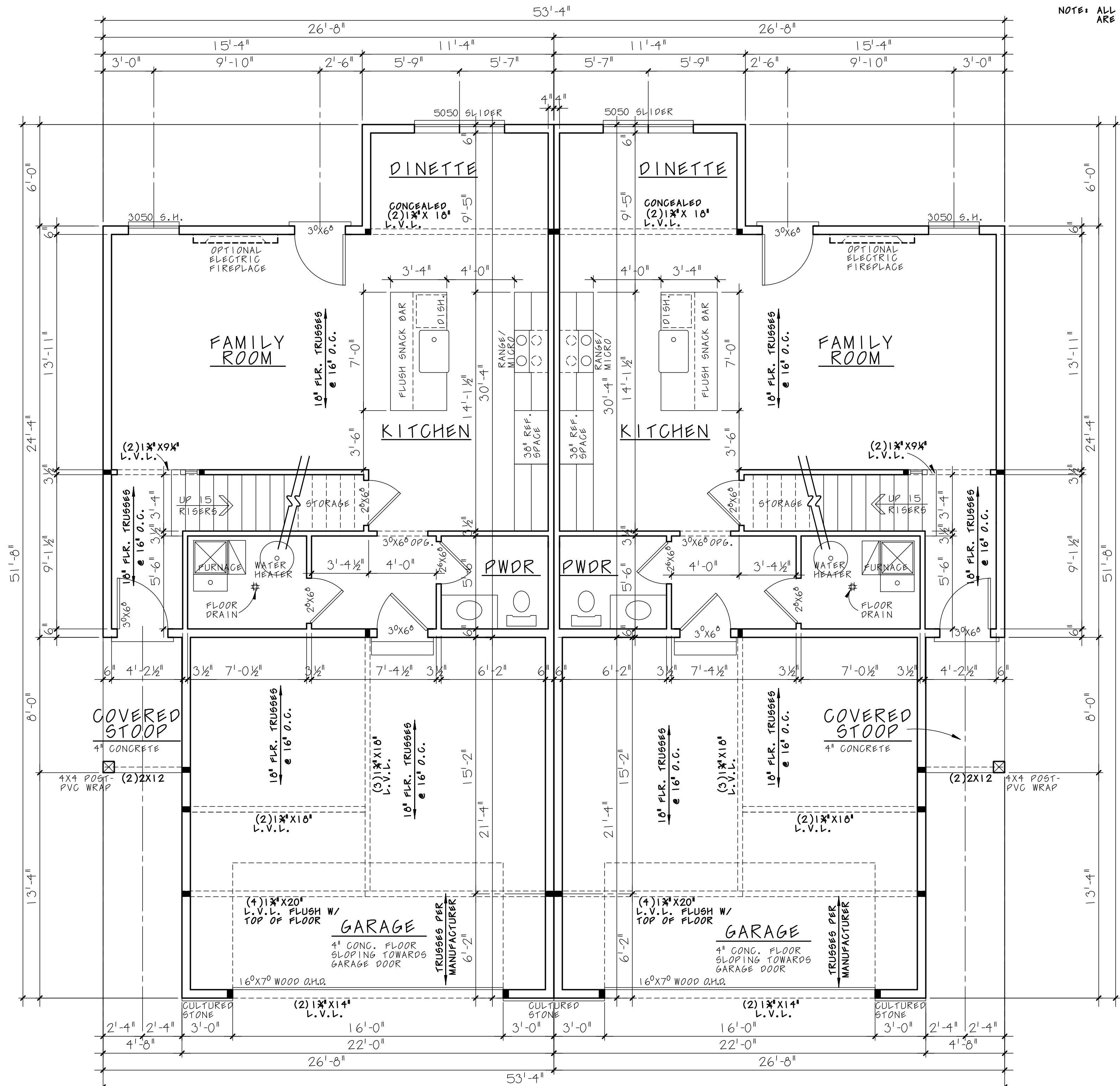
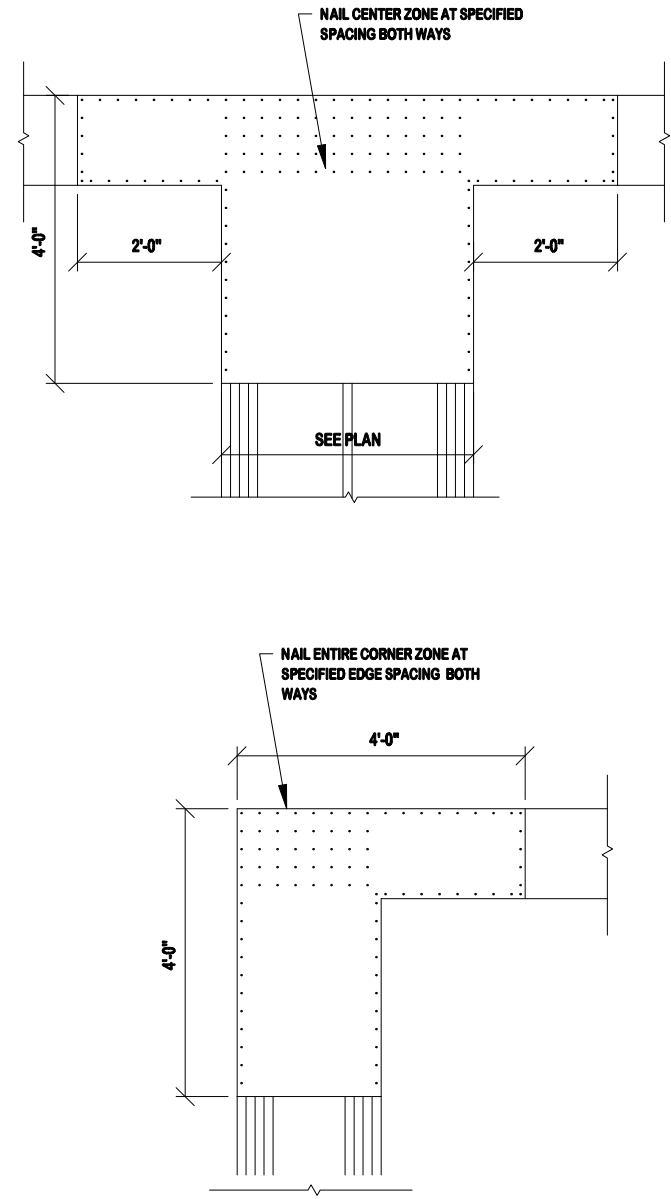
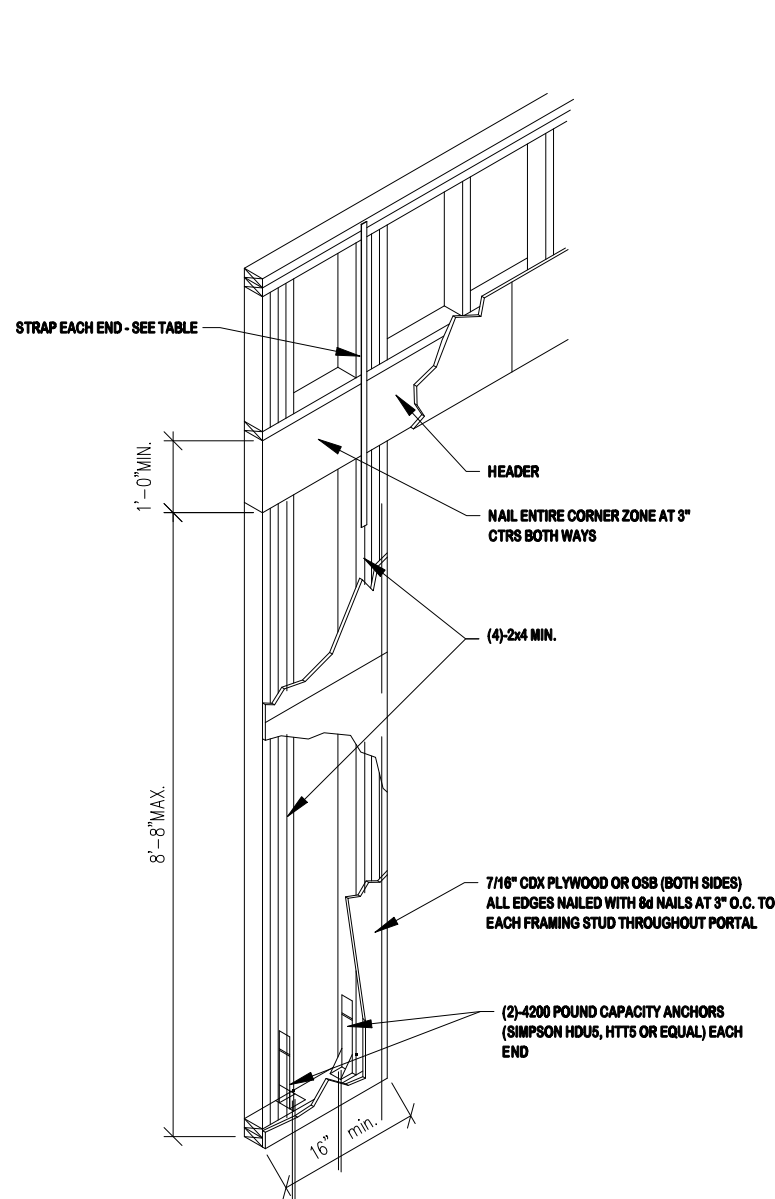
GENERAL ELECTRICAL LEGEND			
SYM.	DESCRIPTION	SYM.	DESCRIPTION
	110 V. OUTLET		FLOOD LIGHT
	HALF SWITCHED 110 V. OUTLET		FLUORESCENT LIGHT
	220 V. OUTLET		TRACK LIGHT
	WEATHERPROOF 110 V. OUTLET		UNDER COUNTER LIGHT
	GROUND FAULT 110 V. OUTLET		EXHAUST FAN
	FLOOR 110 V. OUTLET		EXHAUST FAN/LIGHT COMB.
	SURFACE MOUNT LIGHT		PADDLE FAN/LIGHT FIXTURE
	WALL MOUNT LIGHT		PADDLE FAN
	PULL-CORD SURFACE MOUNT LIGHT		SMOKE DETECTOR (WALL)
	THERMOSTAT		SMOKE DETECTOR (CEILING)
	CHIMES		SMOKE DETECTOR (CEILING) CARBON MONOXIDE DETECTOR
	TELEPHONE		TWO-WAY SWITCH
	HEAT LAMP		THREE-WAY SWITCH
			FOUR-WAY SWITCH

NOTE: WIRE SMOKE DETECTORS IN SERIES



MAIN LEVEL ELECTRICAL

SCALE: 3/16" = 1'-0"



MAIN LEVEL	717 d
SECOND LEVEL	903 d
TOTAL	1620 d
LOWER LEV FINISH	0 d
TOTAL	1620 d
GARAGE	469 d
FRONT PORCH	37 d

MAIN FLOOR PLAN

SCALE: 1/4" = 1'-0"

HVAC LOCATION
PER CONTRACTOR

MAIN LEVEL	717 d
SECOND LEVEL	903 d
TOTAL	1620 d
LOWER LEV FINISH	0 d
TOTAL	1620 d
GARAGE	469 d
FRONT PORCH	37 d

NOTE: ALL EXTERIOR WALLS ARE CONTINUOUSLY SHEATHED WITH 0.50" SHEETING, BRACED WALL PANELS AS PER 2018 IRC R601.2 AND TABLE R602.10.5

NOTE: ALL MAIN FLOOR WALLS ARE 8'-1 1/2" HIGH UNLESS NOTED OTHERWISE

NOTE: ALL EXTERIOR WALLS ARE 6" (5 1/2" STUD + 1/2" SHEATHING) ALL INTERIOR WALLS ARE 3/4" UNLESS OTHERWISE SHOWN

NOTE: ALL ANGLED WALLS ARE @ 45°

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Sheet No.

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GENERAL ELECTRICAL LEGEND			
SYM.	DESCRIPTION	SYM.	DESCRIPTION
	110 V. OUTLET		FLOOD LIGHT
	HALF SWITCHED 110 V. OUTLET		FLUORESCENT LIGHT
	220 V. OUTLET		TRACK LIGHT
	WEATHERPROOF 110 V. OUTLET		UNDER COUNTER LIGHT
	GROUND FAULT 111 V. OUTLET		EXHAUST FAN
	FLOOR 110 V. OUTLET		EXHAUST FAN/LIGHT COMB.
	SURFACE MOUNT LIGHT		PADDLE FAN/LIGHT FIXTURE
	WALL MOUNT LIGHT		PADDLE FAN
	PULL-CORD SURFACE MOUNT LIGHT		SMOKE DETECTOR (WALL)
	THERMOSTAT		SMOKE DETECTOR (CEILING)
	CHIMES		SMOKE DETECTOR/CEILING CARBON MONOXIDE DETECTOR
	TELEPHONE		TWO-WAY SWITCH
	HEAT LAMP		THREE-WAY SWITCH
			FOUR-WAY SWITCH
NOTE: WIRE SMOKE DETECTORS IN SERIES			

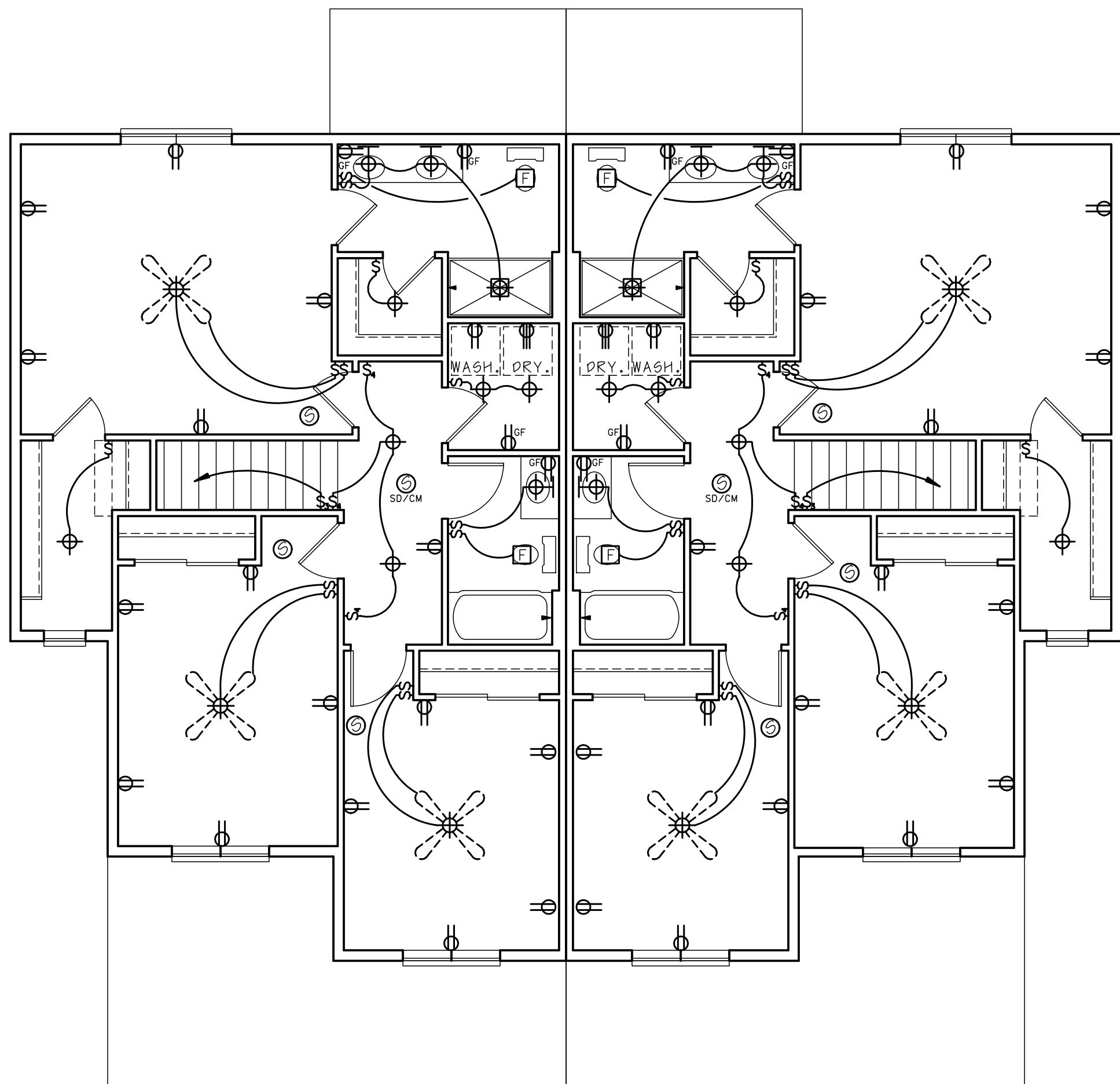
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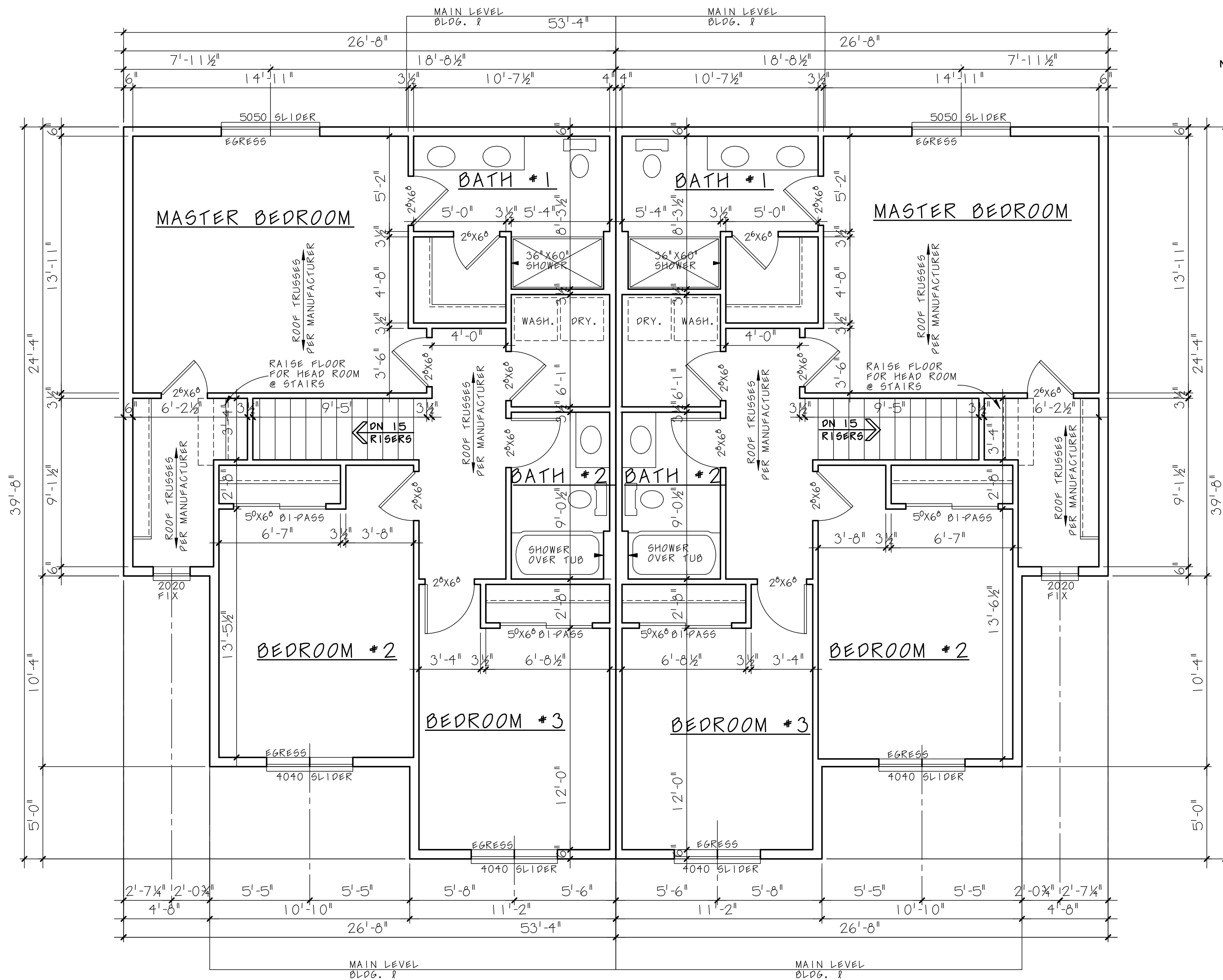
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NOTE: ALL ANGLED WALLS ARE @ 45°



SECOND FLOOR ELECTRICAL

SCALE: 3/16" = 1'-0"



SECOND FLOOR PLAN

SCALE: 1/4" = 1'-0"



HOWARD LAKE CITY COUNCIL MEETING

July 15, 2026

AGENDA ITEM: Consider Purchase Agreement for 513 10th Avenue

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: The Public Works Department operates out of two sites under six rooftops of varying sizes. The facilities themselves are all re-use/re-purposed facilities including the 1943 and 1988 decommissioned waste water treatment plants.

The City Council is anticipating to advance a construction contract to build a new water treatment plant. The site for this project is the current primary office and storage facility for public works located in Dutch Lake Woods. In effect, the public works department will be without primary 'home' for the duration of the construction project.

The City Council considered various alternative paths forward to address the space deficiencies short and long term.

Option 1 – Construct a New Facility

The City conducted a city wide space assessment of all departments in 2020. Public Works operating under several facilities presented the greatest space constraints and operational deficiencies. The study identified the need for 18,000 square feet which included storage, workrooms and support staff areas at an estimated cost of \$5Million or an estimated \$250 square foot.

Option 2 – Lease Space

The City contacted various industrial outfits and warehouses for availability and terms. There was not sufficient space for the public works to use in the interim. The one available property would have had to make leasehold improvements to the space at the City's expense and conclude with an estimated cost of \$350,000 in sunk lease + renovation expenses.

Option 3 - Purchase Existing Building

The City was approached by the estate of 513 10th Avenue about the sale of property. The property was originally constructed in 1908 as a lumber yard and has been used as a storage facility and single family dwelling for about 15 years. The building has a total size of 10,000 square feet.

In consideration of this proposal, the City pursued using the property (not the building) for a future fire hall. This was ruled out by the HLFD. The site was further explored for a full renovation for a reuse by the public works department. Assessments completed by architects and construction managers advised against this siting the condition of the building and high expense to renovate.



As a final consideration, assessments were made for a renovations at a scope that would provide public works with a more short term solution to their space/facility needs. To renovate a portion of the building to provide enough space to replace lost office and storage space due to the water treatment plant construction, multiple quotes have been obtained to suggest a total project of about \$300,000 or \$170 square foot.

While it is the City's long term intention to construct a singular facility to consolidate public works to one "campus" this is not financially feasible at this time. For these reasons, purchasing and completing a more modest renovation appears to be the most cost effective solution to provide necessary heated storage for the public works department on a short term (3-5 year) plan.

FINANCIAL: Proposed sale price of \$155,000 for the property. This is the 2026 Wright County Tax Assessed Value.

LEGAL: The City Attorney has drafted the attached purchase agreement. The agreement stipulates that the City will pay the agreed upon price as well as up to \$2,000 in closing costs. The purchase agreement also stipulates that the City is purchasing the property “as-is.” Typically, in real-estate transactions the City completes various inspections and Phase 1/Phase 2 assessments. Initial building inspections already suggest this property is in poor condition and should not be renovated fully. While the City may assume future liability with any environmental concerns, the proposed scope of our work does not include excavation or construction that would expose contamination. Finally, we have consulted with historical drawings and documents available from Wright County and MNDOT that have considered environmental concerns from street projects; none of which showed any evidence of contamination in the right-of-way, which is generally encouraging for the balance of the site.

COUNCIL ACTION REQUESTED: Approve purchase agreement for 513 10th Avenue for \$155,000 with Willey Estate. Further, direct city administrator and mayor to close on the property.

ATTACHMENTS:

1. Purchase Agreement for 513 10th Avenue

**AGREEMENT FOR PURCHASE AND SALE
OF PROPERTY IN THE CITY OF HOWARD LAKE,
WRIGHT COUNTY, MINNESOTA**

THIS AGREEMENT (“Agreement”), effective July 20, 2026, (“Effective Date”) is made by and between The City of Howard Lake, a municipal corporation under the laws of the State of Minnesota (“Seller”), and the Estate of Richard Leonard Willey (“Buyer”).

RECITALS

Seller owns certain real property located in the City of Howard Lake, Wright County, Minnesota, legally described on the attached Exhibit "A" hereto (“Property”).

Buyer desires to purchase the Property containing approximately 26,131 square feet and containing a commercial building.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I
DEFINITIONS**

For the purposes of this Agreement the following terms shall have the meanings set forth in this Article I:

1.1 **Closing Date.** The term “Closing Date” shall mean the actual date of closing which shall take place as expediently as may be mutually agreed by Buyer or Seller, but in no event shall the Closing occur after August 31, 2026 or such other date as the parties may agree.

1.2 **Laws and Restrictions.** The term “Laws and Restrictions” shall mean all applicable federal, state, local, and other laws, regulations, codes, orders, ordinances, rules, permits, approvals, conditions, regulations and statutes, and all restrictive covenants, conditions and restrictions (if any) and other title encumbrances, affecting all or any part of the Property.

1.3 **Permitted Encumbrances.** The term “Permitted Encumbrances” shall mean (i) reservation of any mineral rights by the State of Minnesota; (ii) building and zoning laws, ordinances, and state and federal regulations; (iii) the lien of real estate taxes and installments of special assessments not yet due and payable, as further described in this Agreement; (iv) such other exceptions to title or encumbrances, if any, which are approved by Buyer pursuant to Article VI below.

1.5 **Property.** The term “Property” or “Seller’s Property” shall mean the real property legally described on Exhibit A, addressed as 513 10th Avenue, Howard Lake, Minnesota.

1.7 **Title Commitment.** The term “Title Commitment” shall mean a title commitment with respect to the Property to be issued by the Title Company pursuant to Article VI below.

1.8 **Title Company.** The term “Title Company” shall mean WaterMark Title Company located in Delano, Minnesota.

ARTICLE II PURCHASE PRICE/ADJUSTMENTS/ PAYMENT/EARNEST MONEY/ PRORATIONS

2.1 **Purchase Price.** Buyer shall pay to Seller, as consideration for the conveyance of the Property, \$155,000 (the “Purchase Price”) as follows: \$5,000 as earnest money (“Earnest Money”) payable to Watermark Title Company in Delano to hold in escrow for the Seller, said payment to be made within 3 days of the signing of this Purchase Agreement and \$150,000 at closing, subject to adjustments, prorations and allocations, as hereinafter provided.

2.2 **Prorations and Allocations.** Seller and Buyer shall make the following prorations and allocations:

2.2.1 Real Estate Taxes and Special Assessments.

2.2.1.1 **Real Estate Taxes.** General real estate taxes (i) payable in the year prior to the year of closing shall be paid by Seller and all prior years will be paid by Seller, (ii) payable in the year of closing shall be paid by Buyer; (iii) payable in the year following the year of closing shall be paid by Buyer; and (iv) Seller shall pay all “Green Acres” and other deferred taxes and charges, if any.

2.2.1.2 **Special Assessments.** Buyer shall pay all special assessments levied as of the date of this Agreement.

2.2.2 **Title Insurance.** Seller shall pay the title insurance commitment fee, Seller shall pay costs of correcting title as provided in Section 6.2.2, and Buyer will pay all costs of the owner's Title Policy and all supplements and endorsements thereto that Buyer desires but is not part of cost of correcting title.

2.2.3 **Deed Tax.** Seller shall pay all state deed tax regarding the Warranty Deed to be delivered by Seller pursuant to this Agreement.

2.2.4 **Platting and Recording Costs.** Buyer will pay the cost of recording the Warranty Deed. Seller shall pay the cost to record any documents necessary to clear title to the Property as provided in Article VI hereof.

2.2.5 **Attorneys' Fees.** Each of the parties will pay its own attorneys' fees.

2.2.6 **Other Closing-Related Costs.** The parties shall share equally the fees charged by the Title Company to close the transaction and other closing-related costs, if any, shall be paid in accordance with generally accepted customs and practices for similar transactions in Wright County, Minnesota.

2.3 **Payment.** The purchase price shall be payable in the certified funds or wire transfer in the amount of \$155,0000 on the Closing Date.

ARTICLE III ACCESS TO PROPERTY, INDEMNITY, REPORTS, AND GRADING PLAN

3.1 **Access to Property/Indemnity.** Seller hereby authorizes Buyer and Buyer's representatives to access the Property for the express purpose of making such inspections, tests and verifications as they deem reasonably necessary. Buyer (i) shall pay all costs and expenses of such investigations, tests or verifications; and (ii) shall indemnify and hold Seller and the Property harmless from all losses, liabilities, cost and expenses caused by the activities of Buyer and/or its representatives. Buyer shall not be liable for conditions disclosed during Buyer's investigation of the Property.

3.2 **Reports.** Buyer shall provide Seller, without cost to Seller, with copies of all reports generated or purchased by Buyer or its representatives in connection with any tests, inspections or verifications involving the condition of the Property.

3.3 **Survey.** Buyer has already received a copy of the survey of the Property by showing the boundaries of the Property and the acreage of the Property (the "Survey").

ARTICLE IV CONDITIONS PRECEDENT TO CLOSING/TERMINATION

The Closing hereunder shall be conditioned upon Buyer's satisfaction or written waiver of each of the following ("Conditions Precedent") within the times hereinafter provided:

4.1 By the Closing Date Seller shall have provided to Buyer the following:

4.1.1 marketable title to the Property subject only to the Permitted Encumbrances;

4.2 All representations and warranties of Seller herein shall be true in all material respects on the Closing Date as if made on such date.

4.3 At the Closing, Buyer shall receive an owner's title insurance policy issued by the Title Company in the amount of the purchase price and insuring good, marketable and indefeasible fee simple title to the Property in Buyer, subject only to the Permitted Encumbrances.

4.4 At the Closing, Buyer shall be satisfied that there are no indications of contamination via Hazardous Substances on the Property. If a Phase I environmental review indicates that a Phase II environment review should be conducted on the Property, the Closing Date shall be postponed for a reasonable time to enable the completion of said Phase II environmental review if the Buyer elects to commission said Phase II environmental review.

4.5 **Termination**. This Agreement shall continue in full force and effect unless terminated within the following times:

4.5.1 **By Buyer**. If all of the Conditions Precedent in Section 4 have not been timely satisfied or waived in writing, then this Agreement may be terminated, at the option of Buyer, by written notice prior to the Closing Date.

4.5.2 **By Either Party**. If one of the parties does not complete a task required under this Agreement or fails to close by the Closing Date, the Agreement shall terminate upon the party that is not at fault sending a written notice of termination to the party that failed to perform under this Agreement.

4.5.3 **Effects of Termination**. Upon any such termination under this paragraph 4.5, neither party will have any further rights or obligations regarding this Agreement or the Property and no further action shall be brought or maintained herein, excepting only Buyer's obligation to provide Seller with a quit claim deed

and/or cancellation agreement as provided in Section 12.7 and the indemnification obligations contained in Section 3.1. If Buyer has not defaulted under this Agreement, Buyer shall be entitled to receive its \$5,000 Earnest Money back from the Title Company in the event of termination.

ARTICLE V REPRESENTATIONS AND WARRANTIES, COVENANTS, AND INDEMNIFICATION

5.1 **Representations and Warranties by Seller.** Seller represents and warrants to Buyer as follows:

5.1.1 **Authority.** Seller has the requisite power and authority to enter into and perform this Agreement.

5.1.2 **Hazardous Substances.** To the best of Seller's knowledge, the Property does not hold or contain any hazardous substances or waste material and there have been no events or circumstances that would reasonably be expected to cause the Property to be contaminated by any hazardous substances or any waste material.

5.1.3 **Wells; Tanks; Septic Systems.** To the best of Seller's knowledge, there are not currently, and in the past there have been no, wells, underground storage tanks or abandoned septic systems located on the Property.

5.1.4 **Special Assessments.** There are no pending special assessments or planned improvements that may result in special assessments being levied against the Property.

5.2 **Buyer's Express Representations and Warranties.** Buyer represents and warrants to Seller as follows:

5.2.1 **Authority.** Buyer is duly qualified to transact business in the State of Minnesota; Buyer has the requisite corporate power and authority to enter into and perform this Agreement.

5.3. **As-is Condition.** Buyer makes no representations regarding the condition of the Property and Seller is buying the Property in "As-is" condition.

ARTICLE VI TITLE EXAMINATION

Examination of title to Property will be conducted as follows:

6.1 **Title Commitment.** Within twenty (20) days of the Effective Date, Seller shall provide to Buyer, at Seller's expense, a title commitment for Seller's Property ("Title Commitment") from the Title Company for an Owner's Policy of Title Insurance, together with all documents shown as exceptions in said Title Commitment wherein the Title Commitment will commit the Title Company to insure Buyer's title to the Property at the Closing, subject only to Permitted Encumbrances.

6.2 **Title Examination.**

6.2.1 **Objections.** Buyer shall have 15 days after it has received (i) the Title Commitment; (ii) all documents shown as exceptions therein; and (iii) the Survey, to make written objections to title of the Property and matters shown on the Survey ("Objections") and the failure by Buyer to make any such Objections within such time period will constitute a waiver of all Objections.

6.2.2 **Cure of Objections/Non-Cure Notice.** Seller will have thirty (30) days after receipt of any Objections to cure the Objections; provided, however, that if Seller gives Buyer written notice (a "Non-Cure Notice") within ten (10) days after receipt of such Objections that Seller cannot or will not cure specified Objections, then this Agreement shall terminate, unless within ten (10) days after receiving the Non-Cure Notice Buyer gives Seller written notice that Buyer is waiving the Objections specified in the Non-Cure Notice, which items or matters subject to the Objection(s) shall then also become a Permitted Encumbrance(s). In any event, Seller shall cure at Closing any title objections relating to mortgages or liens that can be cured by the payment of money.

ARTICLE VII SELLER'S CLOSING DOCUMENTS.

On the Closing Date, Seller will deliver to Buyer the following (collectively, "Seller's Closing Documents"):

7.1 **Deed.** A Personal Representative's Deed conveying fee title to the Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances, in a form reasonably acceptable to the Buyer and the Title Company.

7.2 **Title Documents.** An Affidavit of Seller stating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property; and that there are no other unrecorded interests in the Property and such other Affidavits and documents as may be reasonably required by Title

Company or Buyer in order to record Seller's Deed and issue the Title Policy required by this Agreement.

7.3 **Other Documents.** Such other documents as the Title Company or Buyer shall reasonably request to implement the within described transaction.

ARTICLE VIII BUYER'S CLOSING DOCUMENTS

On the Closing Date, Buyer will deliver to Seller the following (collectively, "Buyer's Closing Documents"):

8.1 **Purchase Price.** The full purchase price in the form of a certified funds or a commercial bank wire transfer in the amount of \$150,000.00.

8.2 **Closing Costs.** At the Closing, Buyer shall pay the first \$2,000 of Seller's Closing costs, which may include Seller's portion of the Closer's fees, Seller's recording fees, and Seller's Title Commitment fees.

8.3 **Other Documents.** Such other documents as the Title Company or Seller shall reasonably request to implement the within described transaction.

ARTICLE IX CONDEMNATION

If, prior to the Closing Date, eminent domain proceedings are commenced against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact and at Buyer's option (to be exercised within thirty (30) days after receipt of Seller's notice), this Agreement shall terminate, in which event the Earnest Money shall be returned to Buyer and neither party will have further obligations under this Agreement. If Buyer shall fail to give such notice of termination within such time, then there shall be no reduction in the purchase price and Seller shall assign to Buyer at the Closing Date all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings in connection with the Property.

ARTICLE X BROKER'S COMMISSION

Both Seller and Buyer represent and warranty that neither of them has engaged any broker to represent them on this transaction and they each indemnify and hold the other harmless in regard to any broker claiming any fee or commission in regard to the sale and purchase of the Property described in this Agreement.

ARTICLE XI NOTICES

All notices, demands, consents, requests, or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be sent to the address set forth below for the receiving party by any of the following means: (i) personal service; (ii) courier; or (iii) if being delivered or sent to an address that is within the same country from which the notice is being sent, by certified (or equivalent) or registered mail, postage prepaid, return receipt requested. Notice shall be effective upon delivery if by personal service or courier, and two (2) days after deposit with the U.S. Postal Service if sent by mail.

If to Seller:	The City of Howard Lake P.O. Box 736 Howard Lake, MN 55349
and a copy to:	Couri & Ruppe Law Office P.O. Box 369 705 Central Avenue NE St. Michael, MN 55376
If to Buyer:	Lisa Willey, Personal Representative _____ _____

ARTICLE XII MISCELLANEOUS

12.1 **Force Majeure.** Any prevention, delay, or stoppage because of strikes, lockouts, other labor disputes, material shortages, embargoes, civil unrest, governmental regulations, enemy or hostile governmental action, judicial order, public emergency, weather, fire, earthquake, other Acts of God, and other causes beyond the reasonable control of the party obligated to perform, will extend the period for performance of any act required by a party (except for payment obligations imposed pursuant to this Agreement), including the time required for satisfaction of any condition, for the period of the delay provided, however (i) the unavailability of financing shall not qualify for force majeure treatment and (ii) Seller shall give reasonable written notice to Buyer of the occurrence causing such delay and shall include in such notice the date by which the delayed obligation will be performed.

12.2 **Counterparts.** This Agreement may be executed in one or more counterparts; all so executed shall constitute one contract.

12.3 **Construction.** This Agreement shall be governed by and construed under the laws of the State of Minnesota. All captions in this Agreement are for reference only.

12.4 **Time.** Time is of the essence in the performance of the parties' respective obligations set forth in this Agreement.

12.5 **No Merger.** The obligations, covenants, representations, and warranties, and the remedies for breach thereof, set forth in this Agreement shall survive the closing and shall not merge with transfer of title but shall remain in effect until fulfilled.

12.6 **List of Exhibits.** The following Exhibits are a part of this Agreement:

13.6.1 Exhibit "A" Legal Description of Seller's Property

12.7 **Confirmation of Termination.** If this Agreement terminates, Buyer agrees to execute and deliver to Seller a quit claim deed for the Property.

12.8 **Location of Closing.** The Closing shall take place at the Title Company's Office, or at such other place as may be agreed to by the parties.

12.9 **Binding Effect.** This Agreement binds and benefits the parties and their successors and assigns.

12.10 **Remedies.** If Buyer defaults under this Agreement prior to Closing, Seller shall have the right to terminate this Agreement by giving written notice to Buyer pursuant to Minn. Stat. § 559.21, subject to Buyer's right to cure such default within thirty (30) days as provided by such statute and Seller shall be entitled to the Earnest Money held by the Closer. If Buyer fails to cure such default within thirty (30) days of the date of such notice and there has been no default by Seller under this Agreement, this Agreement will terminate and, except as expressly stated in this Agreement, neither Party shall have any further rights or obligations under this Agreement. The termination of this Agreement will be the sole and exclusive remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement prior to Closing, Buyer may terminate this Agreement upon fifteen (15) days' written notice to Seller (Seller having cure rights during the 15-day period). If Seller fails to cure such default within fifteen (15) days of the date of such notice and there has been no default by Buyer under this Agreement, then at Buyer's election, (i) Buyer may seek specific performance of this Agreement, or (ii) this Agreement will terminate and, the Title Company shall return the \$5,000 Earnest Money to Buyer, and except as expressly stated in this Agreement, neither Party shall have any further rights or obligations under this Agreement. The remedies

provided above will be the sole and exclusive remedies available to Buyer for such default by Seller, and Seller will not be liable for damages. If either Buyer or Seller defaults in the performance of any obligation to be performed after Closing under this Agreement, the non-defaulting party shall have all remedies available for such default, at law or in equity.

ARTICLE XIII
ENTIRE AGREEMENT; NO MODIFICATIONS

This Agreement, together with the attached exhibits, constitutes the entire agreement of the Seller and Buyer with respect to the purchase and sale of the Property. This Agreement may not be modified or amended except in a writing signed by Seller and Buyer.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

BUYER:

The City of Howard Lake
a Minnesota municipal corporation

Peter Zimmerman, Mayor

Nick Haggemiller, Administrator/Clerk

The remainder of this page is left intentionally blank.

SELLER: ESTATE OF RICHARD LEONARD WILLEY

By: Lisa Jean Willey
Its: Personal Representative

EXHIBIT “A”

Legal Description of the Property



HOWARD LAKE CITY COUNCIL MEETING

July 20, 2026

AGENDA ITEM: Consider Fee and Scope of Services for DEED BDPI Application

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: The City has entered into a purchase agreement with Revive Data Inc to construct a facility in the industrial park. An ancillary part of this project includes a potential street extension that would allow for westward expansion of the industrial park.

The Department of Employment and Economic Development (DEED) has a program, Business Development Public Infrastructure (BDPI) that assists with infrastructure improvements related to economic development ventures. From the DEED website:

Eligibility

Local governmental units (city, county, townships, special district, or other political subdivision or public corporation) are eligible to apply for a grant.

Program Requirements

The projects must be of publicly owned infrastructure related to a development project, including projects that target manufacturing, technology, warehousing and distribution; research and development; innovative business incubator; agricultural processing; or industrial, office, or research park development that would be used by an innovative business

Funds from this program can be used for wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science technology and clinical research, and research infrastructure.

The amount of a grant may not exceed 50 percent of the cost of the public infrastructure project.

Definition of an Innovative Business

For the purposes of this program, an Innovative Business is defined as a business that is engaged in, or is committed to engage in innovation in Minnesota in one of the following: using proprietary technology to add value to a product, process, or service in a high technology field; researching or developing a proprietary product, process or service in a high technology field; researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, transportation, or green manufacturing.

Definition of Proprietary Technology

Proprietary technology is defined as the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

As we consider various options associated with Revive Data as well as expansions of the industrial park, we have approved a revised plat that dedicates right of way for a street extension. To further consider viability and best means of serving the current development, we are exploring application of the BDPI program. The grant application and related administration is extensive as it requires coordination with the city engineer for the actual plans and specifications of the proposed street extension and if funds are awarded, compliance measures such as prevailing wages must be monitored throughout the project.

The attached proposal from Bolton and Menk seeks to complete the application and all related grant administration during the construction project and following.

There are a number of options in consideration:

Option 1 –

Project owner completes a temporary driveway and provides private water/sewer service lines to their development.

Option 2 –

The City extends street and utilities only within currently owned city property at an estimated expense of \$425,000 of which roughly half is eligible for funding under BDPI.

Option 3

The City extends street and utilities INTO the adjacent property to literally open up industrial property for expansion. This would come at an estimated cost of \$625,000, of which roughly half is grant eligible.



FINANCIAL: The proposed fee for this payable to Bolton and Menk would be \$21,500. The application itself would be \$7,500. If we were not successful in obtaining the competitive grant, the rest would not be expensed. Further, if this current exploration of options deems no street extension necessary or viable, we simply won't apply for the grant at all.

LEGAL: Bolton and Menk is our assigned engineering firm therefore quotes or proposals are not required.

STRATEGIC PLAN:

Foster a Robust Business Community

➔ Support and Incentivize a Thriving Mix of Commercial and Industrial Developments

COUNCIL ACTION REQUESTED: Approve Fee and Scope of Services for the BDPI Application.

ATTACHMENTS:

1. BMI Proposal
2. Street Concept & Cost Estimates

July 17, 2026

Nick Haggemiller
City Administrator
City of Howard Lake
625 8th Ave
Howard Lake, MN 55349

RE: Proposal for BDPI Application and Administration Assistance

Dear Mr. Haggemiller:

This scope and fee proposal is in response to your request for application and administration assistance for the MN Department of Employment and Economic Development (DEED) Greater MN Public Infrastructure Grant Program (BDPI) to support expansion of the city's industrial park. Bolton & Menk, Inc. has experience with both the application and administrative process of the BDPI program and is happy to propose the following scope of services for this effort.

Task 1: BDPI Application Assistance

Description: Bolton & Menk, Inc. will prepare and submit the required BDPI application materials on behalf of the city, coordinating with the appropriate parties to support this effort. These parties include but are not limited to: BDPI Program staff, city staff, Wright County Assessor's Office, and prospective business entities.

Task 2: BDPI Administration

Description: If successfully awarded, Bolton & Menk, Inc. will support the administration tasks associated with the BDPI program, including: Post-award checklist, contract requirements, grant closeout checklist and report, wage compliance and disbursements.

FEES

Bolton & Menk, Inc.'s proposed fees to provide the described work will be billed hourly with the total estimated cost to be:

Scope of Services Rates	
Task	Estimated Fees
Task 1: BDPI Application Assistance	\$7,500
Task 2: BDPI Grant Administration	\$14,000
TOTAL for Tasks 1 and 2:	\$21,500

In continued service to the City of Howard Lake, we are excited at the opportunity to support this effort. I will serve as your lead client contact. Please contact me at 507-382-9486 or Chelsea.Alger@bolton-menk.com if you have any questions regarding our proposal.

Respectfully submitted,

Bolton & Menk, Inc.

A handwritten signature in black ink, appearing to read "Chelsea Alger", with a stylized flourish extending to the right.

Chelsea Alger
Funding Director

CC: Josh Halvorson, P.E., City Engineer

INDUSTRIAL PARK IMPROVEMENT - PHASE 1
PRELIMINARY QUANTITY & COST ESTIMATE

INDUSTRIAL PARK IMPROVEMENTS EXPLORATION
CITY OF HOWARD LAKE, MINNESOTA
BMI PROJECT 26X.142089

6/5/2026

ITEM NO.	ITEM	UNIT	ESTIMATED UNIT PRICE	TOTAL ESTIMATED QUANTITY	TOTAL ESTIMATED COST
STREET AND RESTORATION					
1	MOBILIZATION	LUMP SUM	\$30,000.00	1	\$30,000.00
2	CLEARING & GRUBBING	ACRE	\$10,000.00	0.10	\$1,000.00
3	COMMON EXCAVATION (P)	CU YD	\$20.00	1,675	\$33,500.00
4	SELECT GRANULAR BORROW	CU YD	\$30.00	560	\$16,800.00
5	SITE GRADING	LUMP SUM	\$15,000.00	1	\$15,000.00
6	GEOTEXTILE FABRIC, TYPE 5	SQ YD	\$2.00	1,650	\$3,300.00
7	AGGREGATE BASE (CV) CLASS 5	CU YD	\$37.00	420	\$15,540.00
8	TYPE SP 9.5 WEARING COURSE MIXTURE (2,B)	TON	\$94.00	135	\$12,690.00
9	TYPE SP 12.5 NON WEARING COURSE MIXTURE (2,B)	TON	\$90.00	220	\$19,800.00
10	CONCRETE CURB & GUTTER DESIGN B618	LIN FT	\$32.00	600	\$19,200.00
11	TRAFFIC CONTROL	LUMP SUM	\$1,000.00	1	\$1,000.00
12	TURF ESTABLISHMENT	LUMP SUM	\$7,500.00	1	\$7,500.00
13	EROSION & SEDIMENT CONTROL	LUMP SUM	\$5,000.00	1	\$5,000.00

SUBTOTAL STREET & RESTORATION COST = \$180,330.00

STORM SEWER					
14	CONNECT TO EXISTING STORM SEWER	EACH	\$2,500.00	1	\$2,500.00
15	12" PIPE SEWER	LIN FT	\$65.00	395	\$25,675.00
16	15" PIPE SEWER	LIN FT	\$70.00		
17	21" PIPE SEWER	LIN FT	\$77.00		
18	15" RC PIPE APRON	EACH	\$2,800.00		
19	21" RC PIPE APRON	EACH	\$3,900.00		
20	RANDOM RIPRAP CLASS IV	CU YD	\$120.00		
21	CONSTRUCT DRAINAGE STRUCTURE, R-1 (2'X3')	EACH	\$3,600.00	2	\$7,200.00
22	CONSTRUCT DRAINAGE STRUCTURE, DES 48-4020	EACH	\$4,400.00	2	\$8,800.00
23	POND EXCAVATION	CU YD	\$9.00		
24	POND SKIMMER STRUCTURE	LUMP SUM	\$12,000.00		

SUBTOTAL STORM SEWER COST = \$44,175.00

WATERMAIN					
25	CONNECT TO EXISTING WATERMAIN	EACH	\$2,500.00	2	\$5,000.00
26	SALVAGE AND REINSTALL HYDRANT	EACH	\$2,800.00		
27	HYDRANT 8.5' BURY	EACH	\$6,800.00	1	\$6,800.00
28	6" PVC WATERMAIN C-900 DR 18	LIN FT	\$44.00	20	\$880.00
29	8" PVC WATERMAIN C-900 DR 18	LIN FT	\$54.00	315	\$17,010.00
30	6" GATE VALVE AND BOX	EACH	\$2,800.00	1	\$2,800.00
31	8" GATE VALVE AND BOX	EACH	\$3,900.00	1	\$3,900.00
32	WATERMAIN FITTINGS	POUND	\$13.00	215	\$2,795.00
33	ADJUST GATE VALVE BOX	EACH	\$225.00	2	\$450.00

SUBTOTAL WATERMAIN COST = \$39,635.00

SANITARY SEWER					
34	CONNECT TO EXISTING SANITARY SEWER	EACH	\$2,500.00	1	\$2,500.00
35	6" PVC PIPE SEWER	LIN FT	\$48.00	40	\$1,920.00
36	8" PVC PIPE SEWER	LIN FT	\$58.00	330	\$19,140.00
37	8" x 6" WYE	EACH	\$1,400.00	1	\$1,400.00
38	SANITARY MANHOLE	EACH	\$8,400.00	2	\$16,800.00
39	ADJUST FRAME AND RING CASTING (SANITARY)	EACH	\$350.00	2	\$700.00

SUBTOTAL SANITARY SEWER COST = \$42,460.00

SUBTOTAL CONSTRUCTION COST PHASE 1=\$306,600.00

CONTINGENCIES (10%) = \$30,660.00

TOTAL CONSTRUCTION COST PHASE 1=\$337,260.00

LEGAL, ENGINEERING, & ADMINISTRATION FEES (25%)=\$84,315.00

ESTIMATED TOTAL PROJECT COST PHASE 1=\$421,575.00
