



AGENDA CITY COUNCIL MEETING

**July 20, 2026 - 6:00 PM
City Hall Council Chambers**

Members of the public can participate in person at Lakeville City Hall, 20195 Holyoke Avenue. The mayor will allow for public comments and questions at the appropriate time.

The City Council is provided background information for agenda items in advance by staff and appointed commissions, committees, and boards. Decisions are based on this information, as well as City policy, practices, input from constituents, and a council member's personal judgment.

1. Call to order, moment of silence and flag pledge
2. Roll Call
3. Citizen Comments
4. Additional agenda information
5. Presentations/Introductions
 - a. Public Works Quarterly Report
6. Consent Agenda
 - a. Check Register Summary
 - b. Minutes of the 07-06-2026 City Council Meeting
 - c. Professional Services Proposal from SRF Consulting for the Construction of Voyageur Park
 - d. Proposal from Kompani for the Purchase of Playground Equipment for East Community Park Phase II
 - e. Approve Change Order 2 for the Miscellaneous Street Improvements Project
 - f. Right of Entry and Memorandum of Understanding for Facility Evaluation Study with McKinstry
 - g. Contract for Heritage Center HVAC Roof Top Unit Replacement
 - h. Contract for Boiler Plant Replacement at the Fine Arts Building
 - i. Proposal from Southern Aluminum for the Purchase of Tables for the John Hennen Pavilion
 - j. Accepting Donation from the Lakeville Public Safety Foundation
 - k. Resolution Approving Charitable Gambling Rosemount VFW Post 9433
 - l. Juniper Triangle Development Agreements

City Council Meeting Agenda
July 20, 2026

Page 2

- m. Lakeville 35 Logistics Center South Addition Final Plat
 - n. Post Consumer Brands Parking Lot Expansion
 - o. EB First Addition Final Plat
 - p. Authentix Lakeville Second Addition Final Plat
- 7. Action Items
 - a. Acknowledge 2025 Annual Comprehensive Annual Report
 - 8. Unfinished Business
 - 9. New Business

New Business items are intended for informal City Council discussion and will not begin before 6:30 p.m. The Council may provide direction to staff but will not take formal action on these matters.
 - 10. Council/Committee Updates
 - 11. Announcements
 - a. Next City Council Meeting August 3, 2026
 - 12. Adjourn



Date: 7/20/2026

Public Works Quarterly Report

Proposed Action

Staff recommends adoption of the following motion:

Overview

Supporting Information

None

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: Report Completed by:
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Date: 7/20/2026

Check Register Summary

Proposed Action

Staff recommends adoption of the following motion: Move to approve the Check Register Summaries for 6/30/2026-7/1/2026.

Overview

Checks	329995 - 330103	\$ 1,693,606.67
ACH/EFT	25790 - 25924	\$ 4,310,479.89
Total		\$ 6,004,086.56

The City Council receives a list of expenditures paid (claims detail), which is available to the public upon request. The City serves as the fiscal agent for Lakeville Arenas and Dakota 911 and processes their accounts payable and payments – these amounts are not included in the total above.

Supporting Information

1. 06.30.26 CKSUM-Checks
2. 07.01.26 CKSUM-ACH-EFT
3. Check Register Detail 7.1.26 ACH-EFT
4. Check Register Detail 6.30.2026 - Checks

Financial Impact: \$6,004,086.56 Budgeted: Yes Source: Various Envision Lakeville Community Values: Good Value for Public Service Report Completed by: Julie Stahl, Finance Director

CHECK DISBURSEMENT REPORT FOR CITY OF LAKEVILLE
ALL DATES

	Amount
1000 GENERAL FUND	135,940.83
2000 COMMUNICATIONS FUND	53.06
2210 FRANCHISE FEES	487.60
3252 2021B KEOKUK LIQUOR STORE	375.00
4000 BUILDING FUND	4,059.25
4025 NEW FIRE STATION #2 (2026 CONSTRUCTION)	164,612.00
4125 TECHNOLOGY FUND	2,314.27
4200 PARK DEDICATION FUND	7,000.00
4720 2024A PARK BONDS	72,280.98
5300 PAVEMENT MANAGEMENT FUND	3,813.81
7450 ENVIRONMENTAL RESOURCES FUND	80.08
7600 WATER FUND	17,139.61
7700 SEWER FUND	508,267.55
7800 LIQUOR FUND	220,741.93
7900 MUNICIPAL RESERVES FUND	3,625.00
8000 ESCROW FUND	552,815.70
Report Total:	1,693,606.67

CHECK DISBURSEMENT REPORT FOR CITY OF LAKEVILLE
ALL DATES

	Amount
1000 GENERAL FUND	204,726.44
2292 FIRST CENTER OPERATING FUND	0.92
4000 BUILDING FUND	1,214,559.10
4025 NEW FIRE STATION #2 (2026 CONSTRUCTION)	18,395.12
4125 TECHNOLOGY FUND	1,360.90
4200 PARK DEDICATION FUND	16,821.62
4720 2024A PARK BONDS	58,701.35
5200 STATE AID CONSTRUCTION FUND	69,280.64
5400 STORMWATER INFRASTRUCTURE FND	45,811.14
6611 2026 STREET PROJECTS	556,346.44
7450 ENVIRONMENTAL RESOURCES FUND	23,441.25
7575 STREET LIGHTING FUND	91.90
7600 WATER FUND	814,414.48
7700 SEWER FUND	67,991.40
7800 LIQUOR FUND	558,689.31
9800 PAYROLL CLEARING FUND	659,847.88
Report Total:	4,310,479.89



MINUTES CITY COUNCIL MEETING

**July 6, 2026 - 6:00 PM
City Hall Council Chambers**

1. Call to order, moment of silence and flag pledge

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

2. Roll Call

Members Present: Mayor Hellier, Council Members Bermel, Lee, Volk, Wolter

Staff Present: Justin Miller, City Administrator; Andrea McDowell Poehler, City Attorney; Joe Masiarchin, Parks & Recreation Director; Allyn Kuennen, Assistant City Administrator; Ann Orlofsky, City Clerk; Brad Paulson, Police Chief; Paul Oehme, Public Works Director; Tina Goodroad, Community Development Director

3. Citizen Comments

The following members of the public addressed the City Council regarding a Conditional Use Permit request that will be considered at a future City Council meeting:

Karin Miller, 17985 Jacquard Path, Lakeville
Steven Buck, 16530 Judicial Road, Lakeville
Kevin McCarty, 5920 W 136th Street, Savage
Surya Ganesan, 7093 184th Street West, Lakeville

4. Additional agenda information

5. Presentations/Introductions

a. National Night Out Proclamation

Police Chief Brad Paulson described the activities that will occur during National Night Out.

Mayor Hellier proclaimed Tuesday, August 4, 2026, as National Night Out in the City of Lakeville.

b. Lakeville Liquors Mid-Year Report

Liquor Operations Director Tana Wold presented the Mid-Year report for Lakeville Liquors.

6. Consent Agenda

Motion was made by Wolter, seconded by Bermel, to approve the following consent agenda:

Voice vote was taken on the motion. Ayes - Hellier, Bermel, Lee, Volk, Wolter

- a. Check Register Summary
- b. Minutes of the 06/15/2026 City Council Meeting
- c. Extension of on-sale liquor license premises at B-52's for Pan-O-Prog events
- d. Certificate of Completion related to KTJ First Addition
- e. Amendment to Master Agreement with Lakeville Lacrosse for Facility Use and Sponsorships
- f. Approval of purchase of Fire Department Gas Monitor and Calibration System
- g. Resolution Accepting Donation from the Lakeville Public Safety Foundation
- h. Approve Agreement with the Metropolitan Council for the 2026 Community Assisted Lake Monitoring Program
- i. Temporary on-sale liquor license to Lakeville Rotary for Taste of Lakeville
- j. Resolution Receiving Feasibility Report and Calling for Public Hearing on the 215th Street Improvement Project (CP 26-09)
- k. Resolution Accepting a Donation from the Lakeville Public Safety Foundation for the Police Department
- l. Approve Joint Powers Agreement with the Vermillion River Watershed Joint Powers Organization for East Lake Rough Fish Management
- m. Contract for Fuel Island Upgrades
- n. Lake Marion Greenway Trail Change Order No. 1
- o. Joint Powers Agreement Between Dakota County and the City of Lakeville for Engineering and Construction for the North Creek Greenway, East Lake Community Park to Eagleview Drive
- p. Lakeville Employment Policy Updates
- q. Agreement with Minnesota Department of Natural Resources for Local Trail Connections Grant for the Lake Marion Greenway Trail Construction from Ritter Farm Park to Casperson Park
- r. Agreement for High-Speed Garage Door Replacement at the Police Station
- s. Crystal Lake Education Center Site Improvement Performance Agreement
- t. 9446 210th Street - Conditional Use Permit
- u. 9475 212th Street - Conditional Use Permit
- v. Juniper Triangle Final Plat
- w. Restoration Covenant Church Site Improvement Performance Agreement

7. Action Items

None

8. Unfinished Business

None

9. New Business

**a. Update on Safety and Operations at the CSAH 50/CSAH 60 Roundabout
Dakota County Presentation**

City Engineer Zach Johnson introduced Tyler Krage, Dakota County Traffic Engineer, who provided an update on the safety and operations of the CSAH 50/CSAH 60 roundabout. The presentation was informational and intended to provide the City Council with an opportunity to review the County's findings and provide input as the study progresses.

Mr. Krage reported that the intersection has experienced the highest number of crashes of any Dakota County intersection since the roundabout was constructed in 2015. Between 2023 and 2025, 423 crashes were recorded, resulting in a Crash Rate Index (CRI) of 5.96. He reviewed the County's mitigation efforts since 2016, including public education, enhanced enforcement, signage and pavement marking modifications, pedestrian crossing enhancements, and multiple engineering studies.

Mr. Krage presented three improvement alternatives for Council consideration:

- Option 1: Enhanced roundabout improvements, including pedestrian beacons, buffered lanes, and central island modifications, with an estimated cost of \$100,000 to \$200,000. This option is expected to provide minor safety improvements with no significant reduction in traffic delay.
- Option 2: Enhanced roundabout improvements with right-turn bypass lanes, estimated at approximately \$1.5 million. This option is expected to provide minor safety improvements and some reduction in traffic delay.
- Option 3: Conversion of the intersection to a signalized intersection, estimated at approximately \$4 million to \$5 million. This option is projected to provide the greatest improvements in both safety and traffic operations.

Mr. Krage stated that industry experts consulted by Dakota County, including the Minnesota Department of Transportation (MnDOT), the Institute of Transportation Engineers, and the Transportation Research Board, indicated that traffic volumes at this location are unusually high for a two-lane roundabout and that few comparable intersections exist nationally. He also noted that MnDOT no longer constructs this style of roundabout.

The County's proposed next step is to initiate the engineering phase by retaining a consultant to further evaluate alternatives and conduct public engagement. The process would include ongoing updates to both the Lakeville City Council and the Dakota County Board, with County Board approval required before advancing to right-of-way acquisition or construction.

Councilmembers discussed the alternatives presented and questioned whether additional or more innovative design options should be explored. Discussion included the lack of speed data collected at the intersection and whether additional traffic calming measures could reduce crashes. Councilmembers observed that vehicle speed and distracted driving appear to be significant contributing factors and reiterated that the County's stated objective is to reduce crashes.

County staff requested the City's partnership in advancing preliminary engineering and evaluating additional design alternatives, noting that work completed to date has primarily focused on traffic analysis rather than conceptual engineering.

The Council indicated it is not supportive of major modifications to the intersection at this time and expressed no interest in converting the roundabout to a signalized intersection. Councilmembers requested that the County continue exploring additional alternatives before selecting a preferred option and noted that several questions remain unanswered. Councilmembers also stated that, should a future construction project move forward, they do not believe the City should be asked to contribute additional funding, as the City has previously participated financially in the intersection improvements.

No formal action was taken. The Council directed staff to continue coordinating with Dakota County on the development of additional design alternatives.

b. Lakeville Facility Study Update

Parks and Recreation Director Joe Masiarchin and Brian Harjes of HKGi presented an update on the Community Facilities Study, which is being completed as part of the Park System Master Plan. No Council action was required.

Staff summarized stakeholder outreach, site visits, and preliminary community survey results, which identified strong interest in expanded indoor recreation space, additional programming for all ages, improved arts and event facilities, and enhanced athletic amenities. Survey responses also showed broad support for a future community center and emphasized affordability and accessibility.

Councilmembers discussed the City's current shortage of indoor recreational space, requested that potential future facility sites be evaluated, and asked about benchmarking membership costs and facility models in other communities. The consultant confirmed those analyses will be included in the final study.

No formal action was taken. Staff will continue the study and return to the City Council with future updates.

10. Council/Committee Updates

None

11. Announcements

a. Next City Council Meeting July 20, 2026

12. Adjourn

Motion was made by Lee, seconded by Bermel, to adjourn at 7:38 p.m.

Voice vote was taken on the motion. Ayes - Hellier, Bermel, Lee, Volk, Wolter

Respectfully Submitted,

Ann Orlofsky, City Clerk

Luke M. Hellier, Mayor



Date: 7/20/2026

Professional Services Proposal from SRF Consulting for the Construction of Voyageur Park

Proposed Action

Staff recommends adoption of the following motion: Move to approve the professional services proposal from SRF Consulting for the Construction of Voyageur Park.

Overview

In May of 2022, the Parks, Recreation and Natural Resources Committee Approved the Voyageur Farms Preliminary Plat. The need for a neighborhood park in this service area located east of and adjacent to Cedar Avenue and north of and adjacent to 185th Street was identified in the 2015 Parks, Trails and Open Space Plan. The developer was required to satisfy the Park Dedication contribution at the time of final plat by dedicating 2.11 acres for park space and making a cash contribution to cover the remaining obligation. Now that the final phase of the subdivision has been platted, staff is moving forward with the planning process for the new neighborhood park to be named Voyageur Park in accordance with the department's standard neighborhood park naming policy.

SRF Consulting's proposal includes facilitating online public engagement, preparing the master plan, and developing construction documents for the park. The total cost of these services would be \$56,940.00, funded through Park Dedication funds. Construction of the new neighborhood park is anticipated to be completed in October 2027, per the attached timeline.

Supporting Information

1. Voyageur Park Project Timeline
2. Site Map
3. Professional Services Proposal from SRF Consulting for the Construction of Voyageur Park

Financial Impact: \$56,940.00 Budgeted: Yes Source: Park Dedication Fund Envision Lakeville Community Values: Access to a Multitude of Natural Amenities and Recreational Opportunities Report Completed by: Joe Masiarchin, Parks and Recreation Director
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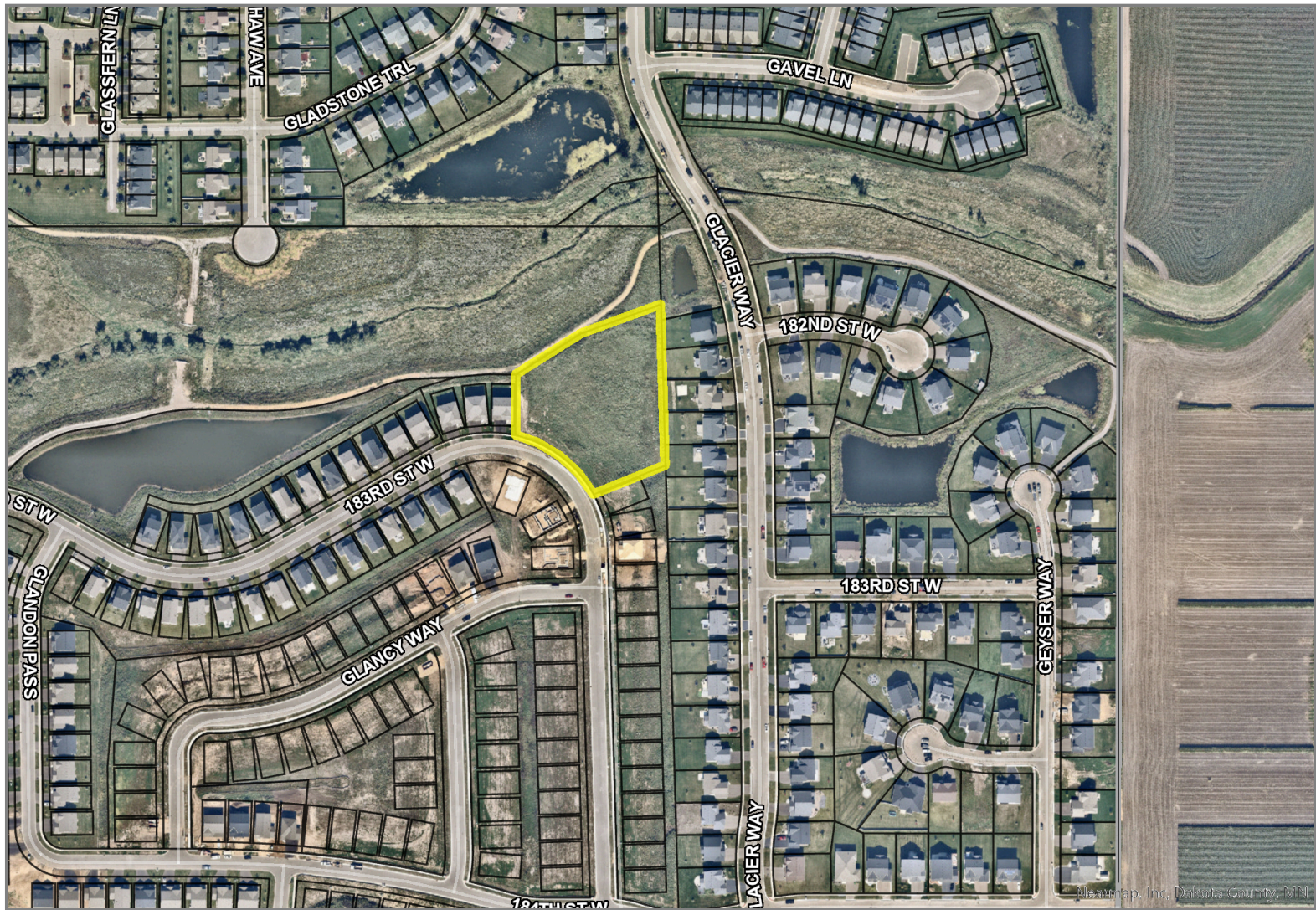


SRF No. 17833.00

Voyageur Park Master Plan & General Site Improvements

Proposed Project Schedule:

Online Public Engagement	July 17 - August 3, 2026
Preparation of Topographic Survey	July 17 - August 3, 2026
Input from Parks and Recreation Commission	August 5, 2026
Approved Master Plan	August 14, 2026
Design Development	August 17 - September 11, 2026
Construction Documents	September 14 - October 30, 2026
Plans, Specifications, and Estimate Complete for Bidding	October 30, 2026
Ad for Bid to City Clerk Before Noon	November 3, 2026
Bid Documents Posted to Quest CDN	November 3, 2026
Publish Project in Lakeville Sun This Week	November 7, 2026
Bid Opening	November 24, 2026
City Council Meeting Approval	December 7, 2026
Preconstruction Meeting	April 14, 2027
Construction Begins	May 17, 2027
Substantial Completion	September 17, 2027
Final Completion	October 8, 2027
Preparation of As-built Survey	October 22, 2027



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey, or for zoning verification.

Map Scale
1 inch = 300 feet
7/10/2026



July 7, 2026

Joe Masiarchin
Parks and Recreation Director
City of Lakeville
20195 Holyoke Avenue
Lakeville, MN 55044

Subject: Proposal for Professional Services for Neighborhood Park Development
(Voyageur Park) Lakeville, MN

Dear Joe Masiarchin:

Based on your request, SRF Consulting Group, Inc. ("SRF") is pleased to submit this Proposal to provide professional services for online public engagement, preparation of the master plan, and development of construction documents for Voyageur Park based on the approved master plan. Pioneer Engineering is included as a subconsultant to provide topographic survey services.

Scope of Services

SRF proposes to carry out the services described as follows:

- Prepare topographic survey for the park property.
- Utilize interactive online engagement (WikiMapping, SurveyMonkey, or other) to inform the public and gather input on the three concepts prepared under the conceptual design phase.
- Prepare summary of comments and input received through online public engagement.
- Develop preferred master plan concept based on input received through online public engagement and staff.
- Prepare cost estimate for preferred master plan concept.
- Provide preferred master plan concept and cost estimate for staff review with Parks and Recreation Commission.
- Integrate feedback received from Park and Recreation Commission into final master plan.
- Attend final design kick-off meeting with staff to confirm site program and project schedule.
- Based on approved master plan, prepare design development plan set including removals, site layout, grading, drainage, site electrical, landscaping, and turf establishment.

- Prepare cost estimate for design development plan set.
- Attend meeting with staff to review design development plan set.
- Coordinate with selected play equipment vendor for development of play equipment and surfacing layout options. Assist staff with selection of preferred layout option. Procurement of play equipment through vendors will utilize state contract or similar purchasing program. Adjust the container layout as needed to best fit the selected play equipment.
- Based on feedback received from staff, prepare final construction documents and cost estimate based on the approved design development plan set, including plans, details, and technical specifications addressing removals, site layout, grading, drainage, site electrical, landscaping, and turf establishment.
- Attend meeting with staff to review final construction documents and cost estimate.
- Prepare Stormwater Pollution Prevention Plan (SWPPP) and prepare NPDES permit application.
- Post bidding documents on QuestCDN, monitor contractor interest, and provide responses to contractor inquiries, including preparation of addenda as needed, and attendance at bid opening. Review bids and provide recommendations for contract award.
- Attend pre-construction meeting and up to thirteen (13) progress meetings during construction (assuming 90-day construction period). Respond to contractor requests for information, review contractor submittals and pay applications, and provide recommendations to staff. Participate in final walk through and prepare punch list.
- Prepare as-built survey for park including georeferenced points and polygons of all assets within the park. Elements to be captured include all structures, amenities, underground utilities, and trails. Survey information shall be provided to the City in shape file format for integration into Cartegraph asset management system.

Assumptions

The scope of services is based on the following assumptions:

- This scope of work does not include wetland delineation or mitigation of wetland impacts. Wetland impacts will be avoided within the project site.
- Irrigation design is not included in this scope of work.
- Geotechnical investigation is not included in this scope of work.
- Construction testing is not included in this scope of work.
- The City of Lakeville will provide the following items or tasks:
 - o Mapping or subdivision materials for the surrounding land development (CAD-based).

Schedule

SRF will complete this work within a mutually agreed-upon time schedule. We understand that the intent is to finalize the construction documents for bidding in late 2026, subject to available funding. Park construction will occur in the spring/summer of 2027.

Basis of Payment/Budget

We propose to be reimbursed for our services on an hourly basis for the actual time expended. Other direct project expenses, such as printing, supplies, reproduction, etc., will be billed at cost, and mileage will be billed at the current allowable IRS rate for business miles. Invoices are submitted on a monthly basis for work performed during the previous month. Payment is due within 30 days.

Based on our understanding of the project and our scope of services, we estimate the cost of our services at \$56,940, including both time and expenses.

Task	Cost
Topographic Survey	\$3,200
Online Public Engagement	\$2,100
Refinement of Concepts to Approved Final Master Plan	\$3,520
Design Development	\$5,880
Construction Documents/Permitting	\$19,550
Cost Estimating	\$1,850
Bidding	\$3,240
Construction Assistance	\$13,500
As-Built Survey	\$3,200
Direct Expenses	\$900
Total	\$56,940

Changes in Scope of Services

It is understood that if the scope or extent of work changes, the cost will be adjusted accordingly. Before any out-of-scope work is initiated, however, SRF will submit a budget request for the new work and will not begin work until you provide authorization.

Standard Terms and Conditions

The Master Agreement for Professional Engineering Services executed between the City of Lakeville and SRF Consulting Group, Inc., and dated September 20, 2021, together with this

proposal for professional services, constitutes the entire agreement between the Client and SRF Consulting Group, Inc., and supersedes all prior written or oral understandings. This agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

Acceptance/Notice to Proceed

A signed copy of this Proposal, mailed or emailed to Timothy Wold at the address on the first page of this document or at twold@srfconsulting.com, will serve as acceptance of this Proposal and SRF's notice to proceed.

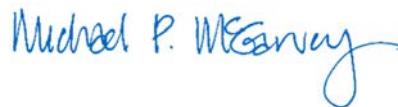
We appreciate your consideration of this Proposal and look forward to working with you on this project. Please feel free to contact us if you have any questions or need additional information.

Sincerely,

SRF Consulting Group, Inc.



Timothy Wold, PLA
Senior Project Manager



Mike McGarvey, PLA, ASLA, LEED AP
Senior Project Director

TW/MM/ajs

Approved: City of Lakeville

Signature: _____
(Acting Mayor, John Bermel)

Signature: _____
(Deputy City Clerk, Taylor Snider)

Date: _____

This cost proposal is valid for a period of 90 days. SRF reserves the right to adjust its cost estimate after 90 days from the date of this proposal.

K:\LArch\tim\Promo\Lakeville - Voyageur Park\17833.PP_Voyageur-NH-Park Final Design_070726-REV.docx

June 26, 2026

Revise July 7, 2026

EXHIBIT A

Timothy Wold, ASLA, PLA
Senior Project Manager, Landscape Architecture | Urban Design
SRF Consulting Group
3701 Wayzata Boulevard, Suite 100, Minneapolis, MN 55416-3791
Direct: 763-452-4755 | twold@srfconsulting.com

RE: **VOYAGER FARM 3RD ADDITION Outlot A (approximately 2.1 acres) – Design topography**
Lakeville, Minnesota
P.E. Project #126088

Dear Timothy Wold:

Pioneer Engineering, P.A. (hereinafter called PIONEER) has reviewed the land surveying services for the above referenced site. Please find PIONEER'S proposal for providing those services Timothy Wold, ASLA, PLA Senior Project Manager, Landscape Architecture | Urban Design SRF Consulting Group (hereinafter called CLIENT) outlined below.

SERVICES

A. Topography Survey

1. Limits of the survey are as follows:
 - a. Outlot A, VOYAGER FARM 3RD ADDITION with a 50-foot overlap.
2. Specific work description is as follows:
 - a. Locate improvements/structures on the site.
 - b. Locate existing underground private utilities (as located by Gopher State One Call and record plans provided by CLIENT).
 - c. Locate 6-inch diameter and larger trees and record diameter and type (coniferous or deciduous).
 - e. Provide 2.0-foot contours.
 - f. Provide and AutoCAD base drawing on Dakota County coordinate system showing improvements, contours and boundary lines (per recorded plats, County Half Section maps, documents and available property corners).

TOTAL ESTIMATE COST FOR SECTION A (Billed Hourly)

\$3,200.00

CLIENT RESPONSIBILITIES

- A. CLIENT will provide PIONEER with a current title commitment of subject property including current deeds for adjoining properties.
- B. CLIENT will provide covenants, restrictions and homeowners association documents or other association documents as may be required.
- C. CLIENT will provide PIONEER with any plottable offsite (i.e., appurtenant) easements or servitudes disclosed in documents not noted in title commitment.
- D. CLIENT will arrange all necessary access to on site buildings and adjacent buildings as may be required.

VOYAGER FARM 3RD ADDITIOB Outlot A (approximately 2.1 acres) – Design topography
Lakeville, Minnesota
P.E. Project #126088

- E. PIONEER shall have the right to rely on information contained in documents provided by the CLIENT.
- F. Printing and delivery costs will be the responsibility of the CLIENT.

COMPENSATION

The above services for Section A will be provided. Payment shall be remitted within 60 days of invoice date.

WORK SCHEDULE

PIONEER is prepared to begin work as soon as we receive authorization to proceed.

EXTENT OF AGREEMENT

This **Exhibit A**, the attached **General Conditions to Contract/Agreement for Professional Services, ALTA/NSPS Survey Standards, PIONEER'S Contract and Fee Schedule**, represent the entire and integrated **AGREEMENT** between the CLIENT and PIONEER. This **AGREEMENT** can only be amended by written instrument, signed by both the CLIENT and PIONEER.

Thank you for the opportunity to submit this proposal. If you have any questions or comments concerning our proposal, please contact me at (651) 251-0619 or Phawkinson@pioneereng.com.

Sincerely,
PIONEER ENGINEERING, P.A.
www.pioneereng.com



Peter J. Hawkinson LS
Enclosures

GENERAL CONDITIONS TO CONTRACT/AGREEMENT
FOR
PROFESSIONAL SERVICES

SECTION 1. SCOPE OF WORK

- 1.1 PIONEER ENGINEERING, P.A. (Hereinafter called PIONEER) shall perform the services defined in the contract/agreement, and shall invoice the CLIENT for those services at the rates shown on the attached FEE SCHEDULE. For extended projects, the billing rates may increase on January 1st or each year at an annual rate not to exceed 10%. Any estimate of cost to the CLIENT as stated in the contract/agreement shall not be considered as a firm figure, but only as an estimate, unless otherwise specifically stated in the contract/agreement. PIONEER will provide additional services under the contract/agreement as authorized by the CLIENT and requested by the CLIENT with charges for those additional services invoiced at the stated rates. PIONEER shall, upon written request, provide estimates for construction costs. Construction cost estimates shall not be considered as a firm figure, but only as an estimate.

SECTION 2. RESPONSIBILITIES

- 2.1 PIONEER will not be responsible for the failure of others to perform in accordance with the specifications of contract/agreement documents, and PIONEER services shall in no way relieve others of their responsibilities.
- 2.2 CLIENT will make available to PIONEER all known information regarding existing and proposed conditions of the site and project to be undertaken. CLIENT will immediately provide PIONEER with any new information which becomes available to it or its contractors which differs materially from information previously provided, including all changes in plans. PIONEER has the right to rely on the information contained in documents provided by the CLIENT.

SECTION 3. ESTIMATED COST

- 3.1 PIONEER will endeavor to perform the work and accomplish the objectives defined in the scope of work within the estimated costs for services provided and schedule proposed. The estimated costs for services provided and schedule proposed are based on our judgment of the requirements known at the time of the proposal. Successful completion within cost and schedule limits can be influenced - favorably or adversely - by changes in work scope and schedule as dictated by CLIENT needs and unforeseen circumstances. PIONEER will notify the CLIENT in advance if schedule or costs for services provided are expected to exceed the estimate. In such event, the CLIENT may wish to (1) authorize additional funds to complete the work as originally defined, (2) redefine the scope of work in order to fit the remaining funds, or (3) request that work be stopped at a specific expenditure level. If option 3 is chosen, PIONEER will share materials completed at the authorized level without further obligation or liability to either party except for payment for work performed.

SECTION 4. PAYMENT, INTEREST AND BREACH

- 4.1 CLIENT agrees to pay invoice(s) on receipt, and to pay interest on unpaid balances beginning thirty days after invoice date at the rate of 1.5% per month, but not to exceed the maximum rate established by law.
- 4.2 In the event CLIENT fails to pay PIONEER within 60 days following the invoice date, PIONEER may consider the default a total breach of the contract/agreement and may, at its discretion, terminate all of its duties without liability to PIONEER or others.
- 4.3 CLIENT agrees to pay all costs incurred in collecting the debt, including all attorney fees.

SECTION 5. INSURANCE

- 5.1 PIONEER will furnish certificates of insurance upon request. If the CLIENT requests increased insurance coverage, PIONEER will take out additional insurance, if obtainable, at the CLIENT'S expense, but shall have no liability beyond the limits and conditions of the insurance coverage.

SECTION 6. LIMITATION OF LIABILITY

- 6.1 In the event PIONEER is held liable for damages, the total cumulative liability of PIONEER, its affiliates, and their respective directors, officers, employees, agents and subcontractors shall not exceed 100% of the gross compensation received by PIONEER, as its fee under the contract/agreement, to a maximum of \$20,000.00.
- 6.2 CLIENT agrees to notify all contractors and others who may perform work in connection with the project of the limitation of liability contained in Section 6.1, and to require as a condition precedent to performing work, the acceptance of a like limitation of liability in favor of PIONEER. In the event CLIENT fails to obtain a like limitation of liability, CLIENT agrees to indemnify PIONEER from and against all liability to contractors and others in excess of the limitation amount.
- 6.3 In the event CLIENT does not wish to limit PIONEER'S liability, PIONEER agrees to waive the limitation provided for in section 6.1 upon written notice from CLIENT received within five (5) days after the date the contract/agreement is executed, and CLIENT agrees to pay additional consideration equivalent to ten (10) percent of PIONEER'S gross compensation for the project, such consideration to be called a Waiver of Limitation of Liability Charge. This charge will in no way be construed as being a charge for insurance of any type but will be increased consideration for the greater risk involved in performing work for which there is no limitation of liability.

SECTION 7. STANDARD OF CARE

- 7.1 In performing it's services, PIONEER will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of it's profession practicing in the same locality. No other warranty is made or intended.

SECTION 8. LIEN RIGHTS

- 8.1 PIONEER hereby gives notice that, pursuant to Minnesota Statute Chapter 514, and as stated in the contract, it retains the right to file a lien against real property in the event of non-payment of invoices for engineering, landscape architecture, surveying, planning or environmental services performed with respect to the subject property. The lien will be prepared and filed in accordance with pertinent laws of the State of Minnesota.

SECTION 9. CONSEQUENTIAL DAMAGES

- 9.1 Neither PIONEER nor CLIENT will be liable to the other for any indirect, incidental, special or consequential damages (including loss of anticipated profits, business interruption or good will of other economic or commercial loss) relating to the services rendered.

SECTION 10. TERMINATION

- 10.1 Either PIONEER or CLIENT may terminate the contract/agreement by giving fourteen (14) days written notice to the other party. In the event of such termination, for whatever cause, the CLIENT shall pay PIONEER the costs that PIONEER has incurred to the effective date of termination, including any obligation, commitments, pro rata overhead, profit and unsettled claims plus any charges due and owing by the CLIENT as of the date of termination to include reasonable termination expenses. Upon payment, any and all obligations and liabilities of the parties hereto shall terminate.

SECTION 11. OWNERSHIP OF DOCUMENTS

- 11.1 The original Drawings and Specifications as instruments of the service are, and shall remain, the property of PIONEER, whether the project for which they are made is executed or not. PIONEER is not to reuse these drawings, or any part thereof, for any other client that PIONEER may have, without the written approval of the CLIENT. These drawings are not to be used by the CLIENT on other projects or extensions to this project except by agreement in writing and with appropriate compensation to PIONEER.
- 11.2 The CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless PIONEER from any claim, liability, or cost resulting from unauthorized use of the drawings or documents by the client or any persons or entities that acquires or obtains the drawings or documents from or through the client without written authorization from PIONEER.

SECTION 12. RELATIONSHIP OF PARTIES

- 12.1 PIONEER will act solely as an independent contractor of the CLIENT and not as the CLIENT agent for any purpose. Neither PIONEER nor the CLIENT may enter into any agreement or assume any obligation for the other, and nothing herein may be construed to establish any partnership, joint venture or principal-agent relationship between PIONEER and the CLIENT.

SECTION 13. FORCE MAJEURE

- 13.1 PIONEER will have no liability for any failure to perform or delay in performance due to any circumstances beyond reasonable control, including, but not limited to, strikes, riots, wars, fire, flood, explosion, acts of nature, acts of government, labor disputes, delays in transportation or inability to obtain material or equipment. In the event of any delay in performance due to any such circumstances, the time for performance will be extended by a period of time necessary to overcome the effect of such delay, and the CLIENT will not be entitled to refuse performance or otherwise be relieved of any obligations.

SECTION 14. SUCCESSORS AND ASSIGNS

- 14.1 The CLIENT and PIONEER each binds itself, its successors, assigns and legal representatives to the other party of the contract/agreement and to the successors, assigns and legal representatives of such other party with respect to all provisions of the contract/agreement. Neither the CLIENT nor PIONEER shall assign, set over or transfer his interest in the contract/agreement, in whole, or in part, without the prior written consent of the other, and any act in derogation hereof, shall, at the option of the non-assigning party, render the written contract/agreement terminated.

SECTION 15. ARBITRATION

- 15.1 All claims, disputes and other matters in question arising out of, or relating to, the contract/agreement or the breach thereof shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise in writing. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law in the State of Minnesota. Notice of the demand for arbitration shall be filed in writing with the other party to the contract/agreement and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event, shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitation. Arbitration will not limit PIONEER'S mechanic's lien rights.
- 15.2 The award rendered by the arbitrators shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Arbitration of claims arising from the contract/agreement shall not be consolidated with any other arbitration proceedings except by written consent of the parties.

SECTION 16. ENTIRE AGREEMENT

- 16.1 The CLIENT'S engagement of PIONEER to perform work represents the CLIENT'S acceptance of the terms and conditions contained herein, which constitute the entire understanding between PIONEER and the CLIENT and supersede any previous communication, representations or agreements by either party, whether oral or written. The terms and conditions contained herein take precedence over the CLIENT'S additional or different terms and conditions that may be contained in any purchase order, work order, invoice, gate pass, acknowledgment form, manifest or other document forwarded by the CLIENT to PIONEER to which notice of objection is hereby given. Unless otherwise agreed to in writing by an officer of PIONEER, the CLIENT'S engagement of PIONEER is limited to these terms and conditions. PIONEER'S commencement of performance will not be deemed or construed as acceptance of the CLIENT'S additional or different terms and conditions.
- 16.2 No change of any of the terms or conditions herein will be valid or binding on either party unless in writing and signed by the owner or an officer of the CLIENT and by an officer of PIONEER. If any of the provisions hereof are invalid under any applicable statute or rule of law, such provisions are, to that extent, deemed omitted, but the remaining terms and conditions of the contract/agreement will remain otherwise in effect. There are no understandings, agreements, representations or warranties, express or implied, that are not specified herein respecting the subject hereof.

SECTION 17. APPLICABLE LAW

- 17.1 The contract/agreement shall be governed by the laws of the State of Minnesota.

SECTION 18. EEO/AA

- 18.1 PIONEER is an Equal Employment Opportunity/Affirmative Action Employer.

FEE SCHEDULE

Revised 01-01-2026

<u>STAFF TYPE</u>	<u>HOURLY RATE</u>
CLERICAL STENO	\$ 85.00
PRINCIPAL ENGINEER	\$ 200.00
SENIOR ENGINEER	\$ 190.00
PROJECT ENGINEER II	\$ 180.00
PROJECT ENGINEER I	\$ 160.00
ENGINEER TECHNICIAN II	\$ 150.00
ENGINEER TECHNICIAN I	\$ 140.00
INSPECTOR I	\$ 150.00
PRINCIPAL PLANNER	\$ 200.00
SENIOR PLANNER	\$ 190.00
PLANNER III	\$ 180.00
PLANNER II	\$ 160.00
PLANNER I	\$ 140.00
LANDSCAPE ARCHITECT II	\$ 180.00
LANDSCAPE ARCHITECT I	\$ 140.00
PRINCIPAL SURVEYOR	\$ 220.00
SENIOR SURVEYOR	\$ 210.00
SURVEYOR	\$ 190.00
1 MAN SURVEY CREW	\$ 200.00
2 MAN SURVEY CREW	\$ 236.00
3 MAN SURVEY CREW	\$ 280.00
SURVEYOR COMPUTER TECHNICIAN III	\$ 165.00
SURVEYOR COMPUTER TECHNICIAN II	\$ 145.00
SURVEYOR COMPUTER TECHNICIAN I	\$ 130.00
EXPERT WITNESS - COURT/DEPOSITION	
TRANSPORTATION	\$0.72/Mile
OUTSIDE SERVICES	Cost*1.15
OUT OF POCKET EXPENSES	Cost*1.15

CONTRACT

PROJECT NO.: 126088
ORDER DATE: June 26, 2026
BY: Peter Hawkinson LS
DEPT.: Surveying
PROJECT NAME: VOYAGER FARM 3RD ADDITION Outlot A
CLIENT NAME: SRF Consulting Group
PHONE: ORDERED BY: Timothy Wold, ASLA, PLA
ADDRESS: 3701 Wayzata Boulevard, Suite 100
CITY: Minneapolis STATE: Minnesota ZIP: 55416-3791

WORK TO BE PERFORMED AND SPECIAL INSTRUCTIONS

SEE PROPOSAL EXHIBIT A DATED JUNE 26, 2026 REVISED 6-22-26 ATTACHED
SEE GENERAL CONDITIONS TO CONTRACT/AGREEMENT FOR PROFESSIONAL SERVICES ATTACHED
SEE FEE SCHEDULE DATED JANUARY 1, 2026 ATTACHED
SEE ALTA/NSPS LAND TITLE SURVEY STANDARDS ATTACHED

In connection with this contract, the property owner is entitled by law to the following notice:

(a) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.

(b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

BASIS FOR FEE CHARGED: () PERCENTAGE OF CONSTRUCTION () HOURLY RATES
 (X) AS PER EXHIBITS/ATTACHMENTS () AS PER INSTRUCTIONS

Unless agreed in writing, payment for all invoices shall be due net 30 days, after which interest shall be added at a rate of 1.5% per month to the unpaid balance. Pioneer Engineering, P.A. may stop work progress, file a lien to protect debt, bring suit, or take any other action available to collect the debt if invoices are not paid. Client agrees to pay all costs incurred, including attorney's fees, in collecting the debt.

FIRM NAME (If a business): _____
SIGNED BY (Signature): _____
TITLE OR POSITION: _____ DATE SIGNED _____
DISTRIBUTION: 1ST COPY – RETURN TO PIONEER ENGINEERING; 2ND COPY – CLIENT COPY



Date: 7/20/2026

Proposal from Kompani for the Purchase of Playground Equipment for East Community Park Phase II

Proposed Action

Staff recommends adoption of the following motion: Move to approve proposal from Kompani for the purchase of playground equipment for East Community Park Phase II.

Overview

Construction of East Community Park Phase II began in late June, this is the final construction project that was approved as part of the 2021 Park Bond Referendum. In 2025, during the planning and design phase, residents in the surrounding neighborhoods were invited to provide recommendations on two master plan concepts. The preferred concept, Heritage Landing, leverages Dakota County's agricultural history and includes farmstead-themed design elements throughout. The concept includes a shelter with four-season restrooms, community plaza, dog park, farmstead-themed play elements, natural play areas, and a community garden.

ISG who has been consulting on the project, leaned into the farmstead-themed elements and presented staff with a custom horse play structure for the new play area. This custom piece is suitable for ages 5-12 years old and includes climbing elements, balance ropes, a slide, overlook areas and will be constructed on poured-in-place surfacing. The 14' 5" tall structure will provide a one-of-a-kind play experience for park goers. Construction of the new park area will continue through fall of this year and the park will open in 2027.

Supporting Information

1. Kompani Final Design Dated June 1, 2026
2. Kompani Sales Proposal Dated July 8, 2026 (2)

Financial Impact: \$260,947.92 Budgeted: Yes Source: Park Bond Referendum Envision Lakeville Community Values: Access to a Multitude of Natural Amenities and Recreational Opportunities Report Completed by: Joe Masiarchin, Parks and Recreation Director

FINAL DESIGN

BINDING APPROVAL

KRS8200581C

Mutual agreement for Order purchase. This Design is defined under its own KDS Identification number stated below. All constructional details, dimensions, materials, colours and specifications shown on attached datasheets (plan, side, perspective view + safety zone) are herewith accepted. Changes are no longer possible.

Notwithstanding the aforementioned and without changing the overall design, KDS may in the construction phase, without obtaining approval, perform smaller modifications when deemed beneficial or necessary for the project. All other modifications are subject to prior approval.

Date _____

Signature _____

The Order confirmation and lead time will not start unless signed off responsibly by project coordinator.

KOMPAN®



Created 6.1.2026

Designer BarMar

Page 26 of 420

**Bindende Genehmigung für benutzerdefiniertes Design**

Für alle Käufe ist ein unterzeichneter Vertrag erforderlich. Dieses Design wird unter der oben angegebenen eigenen KOMPAN-Identifikationsnummer definiert. Alle Konstruktionsdetails, Abmessungen, Materialien, Farben und Spezifikationen, die auf den beigefügten Datenblättern angegeben sind (Plan, Seite, perspektivische Ansicht + Sicherheitsbereich), werden hiermit akzeptiert. Änderungen sind nicht mehr möglich. Die Auftragsbestätigung wird erst nach Abzeichnung durch den Projektkoordinator wirksam und erst dann beginnt die Vorlaufzeit.

In der Bauphase kann KDS ungeachtet der vorgenannten Ausführungen kleinere Änderungen vornehmen, ohne zuvor eine Genehmigung einholen zu müssen, wenn dabei der Gesamtentwurf nicht geändert wird und wenn die Änderungen für das Projekt als vorteilhaft oder erforderlich erachtet werden. Alle weiteren Änderungen bedürfen der vorherigen Genehmigung.

**Aprobación vinculante para el diseño personalizado**

Todas las compras están sujetas a un contrato firmado. Este diseño viene definido por su propio número de identificación de KOMPAN, que se indica más arriba. Mediante el presente documento se aceptan todos los detalles de fabricación, dimensiones, materiales, colores y especificaciones mostrados en las hojas técnicas adjuntas (vista en planta, lateral y en perspectiva + zona de seguridad). No se permitirán cambios. La confirmación del pedido no se hará efectiva y el plazo no empezará a contar hasta que el coordinador de proyectos la firme.

Sin perjuicio de lo anterior y sin modificar el diseño general, KDS podrá, durante la fase de construcción y sin aprobación previa, realizar pequeñas modificaciones si estas se considerasen ventajosas o necesarias para el proyecto. Todas las demás modificaciones se someterán a aprobación previa.

**Approbation contraignante pour la conception personnalisée**

Tous les achats sont soumis à un accord signé. Ce modèle est défini sous son propre numéro d'identification KOMPAN, qui est indiqué ci-dessus. Tous les détails, dimensions, matériaux, couleurs et spécifications de construction indiqués sur les fiches de données ci-jointes (plan, côté, vue en perspective + zone de sécurité) sont acceptés par la présente. Il n'est plus possible de réaliser des changements.

La confirmation de la commande n'entrera pas en vigueur et le délai ne commencera pas tant que le coordinateur du projet ne l'aura pas signée.

Nonobstant ce qui précède et sans modifier la conception générale, KDS peut, en phase de construction, sans obtenir d'approbation, effectuer de petites modifications lorsqu'elles sont jugées bénéfiques ou nécessaires pour le projet. Toutes les autres modifications sont soumises à une approbation préalable.

**定制化设计审批要求**

所有订购均受签字协议约束。本设计采用KOMPAN自有识别号（见以上）。特此接受随附数据表中所示之所有结构细节、尺寸、材料、颜色与规格（平面图、侧视图和透视图 + 安全区）。不可另行变更。
项目负责人签字后，订单确认方可生效，并开始计算生产周期。

尽管存在上述规定，在不改变整体设计的情况下，若 KDS 认为对项目有利或必要时，可以在施工阶段进行小幅修改，无需审批。其他所有修改则需要事先获得批准。

Design

ASTM F1487 / 5–12 years

Inground Footing / Inground Steel Footing

ADA not required

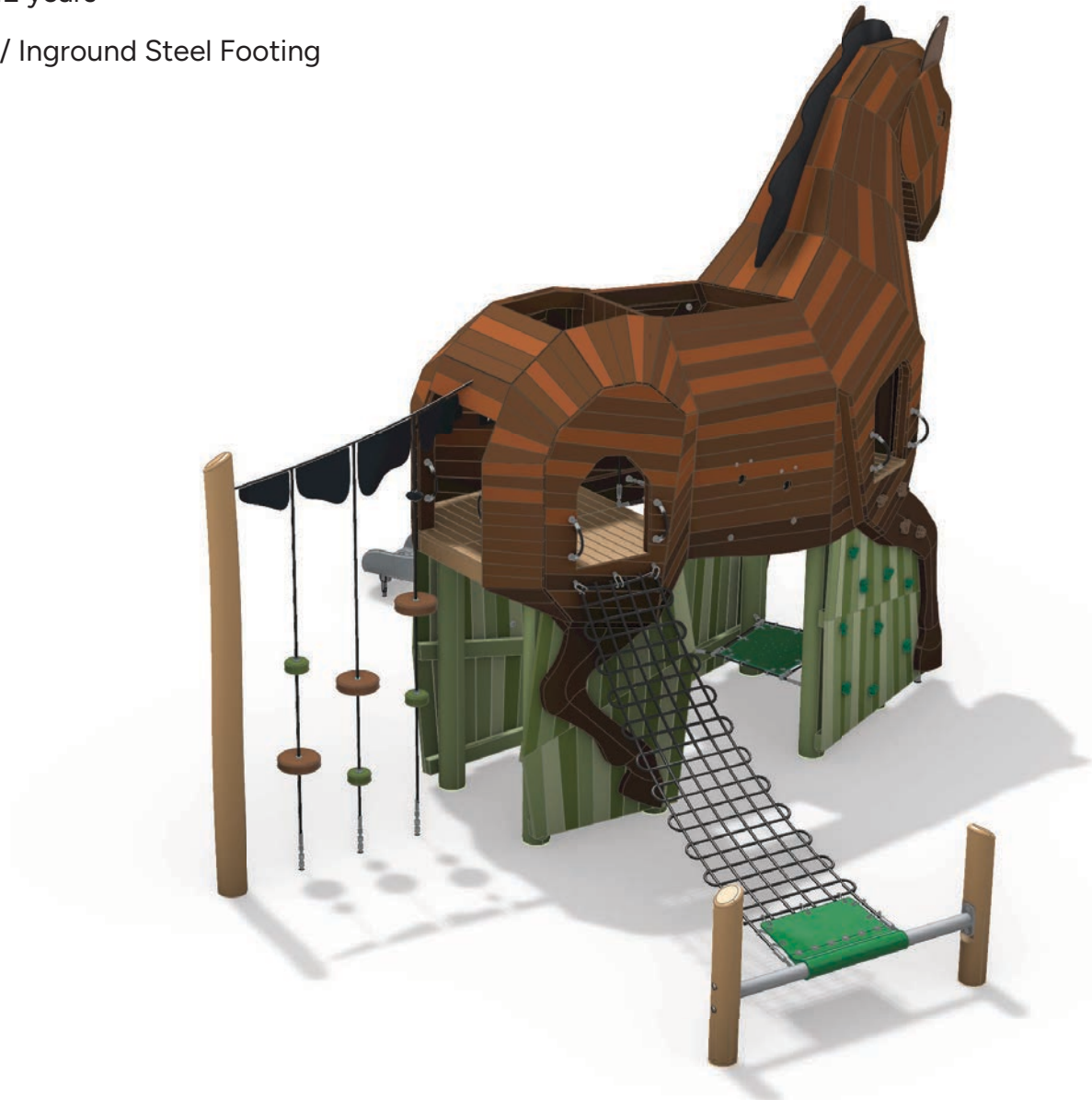


Design

ASTM F1487 / 5–12 years

Inground Footing / Inground Steel Footing

ADA not required



Design

ASTM F1487 / 5–12 years

Inground Footing / Inground Steel Footing

ADA not required



Activities

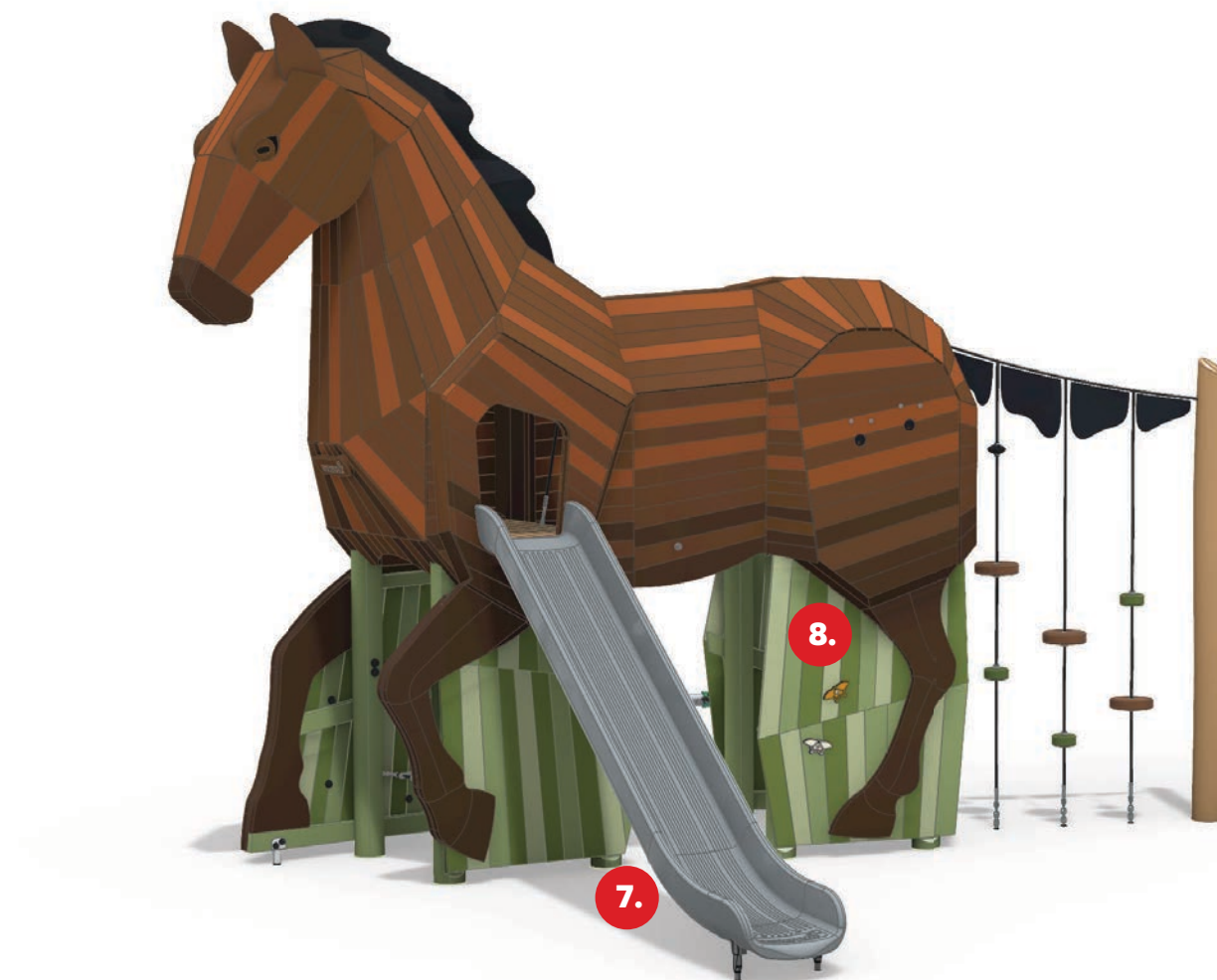
- 1. Net Transfer
- 2. Balance Ropes
- 3. Membrane Flaps
- 4. Hang-out Membrane
- 5. Rock Climber
- 6. Peak Holes



Activities

7. Slide PE H1780

8. HDPE Butterflies



Main Materials

Robinia



Untreated
Natural Wood



Green
NCS S 3030-G40Y



Green
NCS S 2020-G50Y



Green
NCS S 4040-G40Y



Brown
NCS S 8010-Y50R



Brown
NCS S 7020-Y40R



Brown
NCS S 5040-Y50R

EPDM



Rainbow Green



Brown

Grips



Medium Green



Beige Brown

Membrane



Black



Green

Steel construction



Galvanized Steel

HDPE Elements



Yellow



White



Brown

Ropes



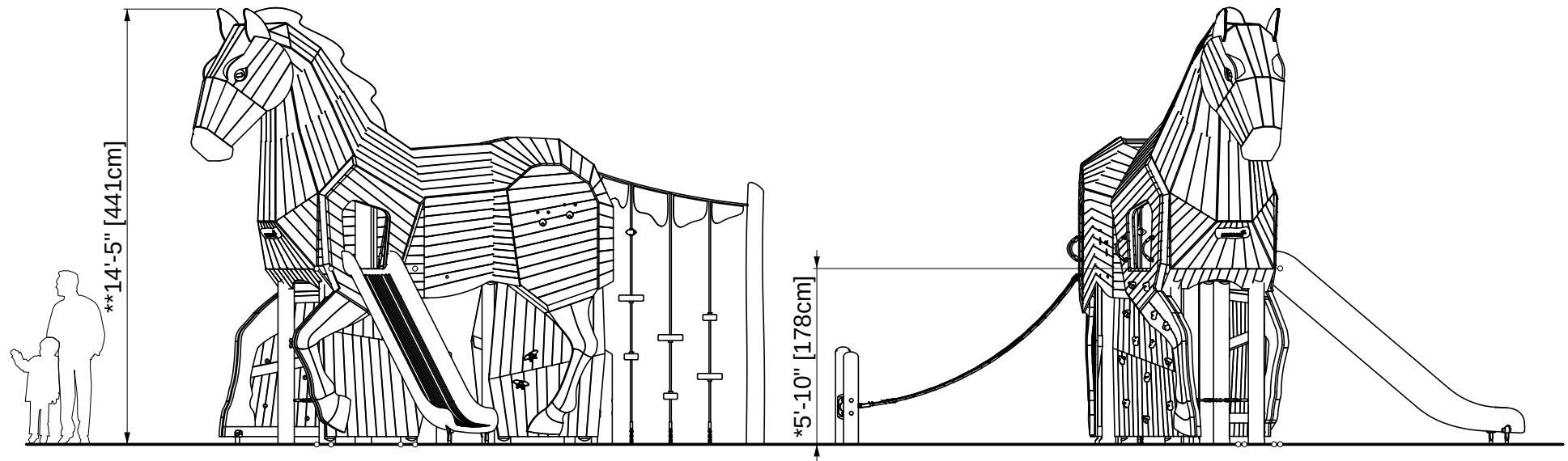
Black



Sideview

ASTM F1487

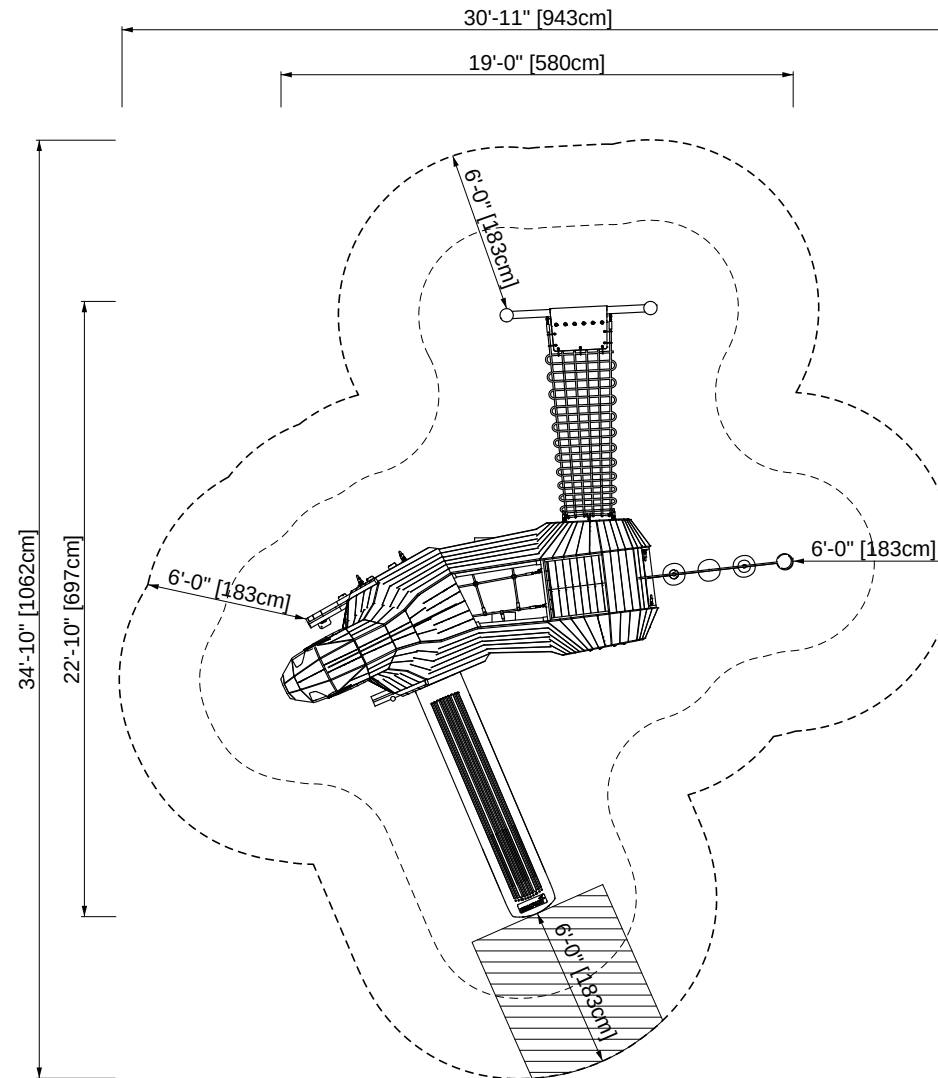
Max. fall height: **5'-10"** [178cm] / Total height: **14'-5"** [441cm]



Footprint

ASTM F1487

Max. fall height: **5'-10"** [178cm] / Total height: **14'-5"** [441cm] / Use zone area: **683.5ft²** [63.5m²]



General Conditions

Design Rights

All design rights belong to Kompan.

Dispensation from this can only be given by Kompan Group Management and requires a written confirmation.

Warranty

The Product is covered by the general KOMPAN Warranty.

Maintenance and After Sales Support

Products should be maintained according to the instructions in the KOMPAN Maintenance Manual delivered with the product.

In case maintenance requires spare parts please take contact to Business Support.

Products are not included in the Kompan Master.

Installation

Installation instruction will not be available within the same scope as KOMPAN standard products.

Supervised installation can therefore be required using experienced staff from the KOMPAN Design Studio production Team.

The extend of supervision will be accessed according to the respective product and will be stated separately in the Quotation by the KOMPAN Design Studio.

Dispensation from this can only be given by Kompan Design Studio and requires a written confirmation.

Safety and Compliance

The product is delivered with a Kompan Compliance Statement.

On site compliance inspection is mandatory.

Products from KOMPAN Design Studio are unique products designed for this particular purpose.

They are designed in accordance with the requirements of the safety standard relevant for the market or the one specified as preferred. KDS products are not certified. The products are evaluated for compliance in both design and engineering phase and the results documented in a compliance statement. For EN1176 / AS4685 a verification of the layout from TÜV Product Service GmbH can be supplied as well. Final confirmation of compliance must be done on site.



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Sales Proposal

City of Lakeville
Joe Masiarchin
Lakeville, MN 55044

Quote No. SP163504-7
Customer No. C131614
Document Date 07/08/2026
Expiration Date 09/06/2026

Sales Representative John Engfer
Email JohEng@Kompan.com

Project Name US341107 City of Lakeville- East Community Park

No.	Description	Qty Unit	Unit Price	Net Price
	OMNIA Partners Contract #2017001135			
	<u>Equipment</u>			
US-KRS-CUSTOM	KOMPAN KRS CUSTOM VARIANT	1 Pieces	213,631.00	213,631.00
FREIGHT	Freight	1 Pieces	20,308.10	20,308.10
INSTALL SPECIAL	Installation of KOMPAN Equipment	1 Pieces	25,964.91	25,964.91
US ROBINIA SERVICE	Robinia Service Program included in sales price			
	<u>Surfacing</u>			
US-PIP-50-50-CUSTOM	Supply and Install Pour In Place Surfacing and Subbase Aromatic Binder, 4" subbase, frt & security	1,171 Sq. Feet	33.86	39,650.06

Sales Proposal

City of Lakeville
Joe Masiarchin
Lakeville, MN 55044

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Document Date 07/08/2026
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Sales Representative John Engfer
Email JohEng@Kompan.com

Project Name US341107 City of Lakeville- East Community Park

No.	Description	Qty	Unit	Unit Price	Net Price
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Notes

Please read attached General Assumptions and Exclusion document for information on Install/Sitework.

Excludes sitework, products, & services not listed.

Assumes site to be accessible & install ready.

Please allow 35-37 weeks for product delivery upon order placement.

Equipment is as per "East Community Park" Site Plan version "K1.0" - dated 12/22/25

Description	Qty	Unit Price	Net Price
No. of Products	1		
Subtotal - Products		32,044.65	181,586.35
Subtotal - Surfacing		3,965.01	35,685.05
Subtotal - Installation		2,596.49	23,368.42
Subtotal - Freight			20,308.10
Subtotal			299,554.07
Project Discount Amount			-38,606.15
Total USD			260,947.92

Business Agreement OMNIA Partners Contract
Payment Terms 50% Prepayment , 50% Net 30 days

Installation Site Address

City of Lakeville- East Community Park
16700 Pilot Knob Rd
Farmington, MN 55024

Sales Proposal

City of Lakeville
Joe Masiarchin
Lakeville, MN 55044

Quote No. SP163504-7
Customer No. C131614
Document Date 07/08/2026
Expiration Date 09/06/2026

Sales Representative John Engfer
Email JohEng@Kompan.com

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Sales Proposal

City of Lakeville
Joe Masiarchin
Lakeville, MN 55044

Quote No. SP163504-7
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Document Date 07/08/2026
Expiration Date 09/06/2026

Sales Representative John Engfer
Email JohEng@Kompan.com

Project Name US341107 City of Lakeville- East Community Park

Note that the color and texture of products and surfacing made with recycled content are subjected by the differences from the used recycled raw materials. Therefore, minor differences in the appearance and texture can occur.
Applicable sales tax will be added unless a valid tax exemption certificate is provided. This amount is only an estimate of your tax liability.
Your acceptance of this proposal constitutes a valid order request and includes acceptance of terms and conditions contained within this Master Agreement, which is hereby acknowledged.
Acceptance of this proposal from KOMPAN is acknowledged by issuance of an order confirmation by an authorized KOMPAN representative.
Prices in this quotation are good until expiration date, shown in the top of this document. After that date, this proposal may be withdrawn.
Prevailing Wage and Payment & Performance Bonds are not included unless stated in body of Sales Proposal. If Payment & Performance Bonds are needed, add 2.2% of the entire sales proposal.

This information required for order placement:

Accepted By (Please Print): _____

Accepted By (Title): _____

Accepted By (signature): _____

Date: _____

Date Equipment needed on site: _____

Bill To: _____

Ship To: _____

Address: _____

Address: _____

City, State, Zip: _____

City, State, Zip: _____

Contact: _____

Contact: _____

Contact Email: _____

Contact Email: _____

Contact Phone (Office): _____

Contact Phone (Office): _____

Contact Phone (Cell): _____

SALES TAX EXEMPTION CERTIFICATE #: _____

(PLEASE PROVIDE A COPY OF CERTIFICATE)



Date: 7/20/2026

Approve Change Order 2 for the Miscellaneous Street Improvements Project

Proposed Action

Staff recommends adoption of the following motion: Move to approve change order #2 in the amount of \$195,000 for the 2026 Miscellaneous Improvements Project, City Project 26-01.

Overview

On April 6, 2026 the City Council awarded a construction contract for the 2026 Miscellaneous Improvements Project. Included in the project were street and utility improvements in part of the downtown area. Over the past few years, Utility staff has been working with the Minnesota Department of Health and the EPA to report and replace any lead or galvanized water service lines that may exist in Lakeville. This spring, 13 services were determined to need replacement in the downtown project area which are in the Miscellaneous Street Project area. City staff saw this as a good opportunity to combine this work and gain efficiencies while reducing the overall total cost of the needed water service line replacements. Staff worked with the contractor to negotiate the replacements of these 13 services and incorporate the water service line replacements into the already planned work of the project. The change order has an estimated cost for each service line replacement. However, actual costs will be billed on a time and materials basis as every water line service scope of work is unique to each residence. This work would then be completed prior to any other street repair work thus keeping restoration costs to a minimum.

The change order in the total amount of \$195,000 would allow these necessary replacements to be made. The Water Fund was budgeted in 2026 for this work and would finance all costs associated with the change order. Staff recommends approval of change order 2.

Supporting Information

1. 7.15.26 - 26-01 CHANGE ORDER 2

Financial Impact: \$195,000 Budgeted: Yes Source: Water Operating Fund Envision Lakeville Community Values: Good Value for Public Service Report Completed by: Steve Ferraro, Public Works Coordinator
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CITY OF LAKEVILLE CHANGE ORDER



CHANGE ORDER NO. 2	
DATE 7/9/2026	SHEET Page 1 of 2
PROJECT NO. 26-01	
PROJECT NO. 26-01	
PROJECT NO. 26-01	
CONTRACTOR McNamara Contracting Inc	PROJECT NAME 2026 214th Street Reconstruction Project
CONTRACTOR McNamara Contracting Inc	PROJECT NAME 2026 Miscellaneous Project
CONTRACTOR McNamara Contracting Inc	PROJECT NAME 2026 Trail Gaps Project
ADDRESS 16700 Chippendale Ave Rosemount, MN 55068	TYPE OF WORK Change Order 2
ORIGINAL CONTRACT AMOUNT \$3,604,247.90	REVISED CONTRACT AMOUNT \$3,799,247.90

Spec. No.	Item No.	Item of Work	Unit	Original ± Previous Change Quantity	Quantity ±	Unit Price	Increase Amount	Decrease Amount
351	351	LEAD WATER SERVICE REMOVAL AND REPLACEMENT	EACH	0	13.00	\$15,000.00	\$195,000.00	0.00
Net <u>Increase</u> or Decrease: \$195,000.00							Totals	\$195,000.00 \$0.00

Due to this change, the contract time:

- ☐ a: is increased/decreased by 0 working days.
is increased/decreased by 0 calendar days.

► **b: is not changed.**

- ☐ c: may be revised if the work affects/affected the controlling operation

EXPLANATION OF CHANGE IN PLAN RECOMMENDED (Attach additional sheets if necessary)

This change order is for the removal and replacement of the lead/galvanized waterlines in the project's Downtown Area. The unit price is an estimate as every replacement is site specific and the actual work will be billed and paid for on a time-and-materials basis.

CONTRACTOR SIGNATURE <i>Lucas Henry</i>	DATE 7.15.26
ACTING MAYOR SIGNATURE	DATE
DEPUTY CITY CLERK SIGNATURE	DATE
CONSTRUCTION REPRESENTATIVE SIGNATURE <i>Mike Johnson</i>	DATE 7/9/2026



Date: 7/20/2026

Right of Entry and Memorandum of Understanding for Facility Evaluation Study with McKinstry

Proposed Action

Staff recommends adoption of the following motion: Move to approve Right of Entry and Memorandum of Understanding for Facility Energy Evaluation Study with McKinstry.

Overview

McKinstry has proposed conducting a no-cost energy assessment on City-owned facilities. This assessment will help the City allocate resources efficiently, align facility improvements with strategic goals, identify potential federal and state grants and ensure public facilities are responsive to the community's evolving needs.

The evaluation will include all major building systems including mechanical, electrical, plumbing, building envelope, and building controls. This comprehensive review will identify the current condition of each facility, highlight maintenance and replacement needs and prioritize both near-term and long-term capital improvements. As part of the assessment, McKinstry will also identify applicable federal and state utility incentive programs that may help offset the cost of future facility and energy improvement projects.

The primary deliverable will be a report summarizing the condition of City-owned facilities, identifying potential energy efficiency and capital improvement projects and outlining funding opportunities. The report will serve as the foundation for a long-term capital improvement strategy that supports both current operations and the City's future growth.

Supporting Information

1. Right of Entry Agreement
2. MOU- Exhibit A

Financial Impact: None Budgeted: No Source: N/A Envision Lakeville Community Values: Good Value for Public Service Report Completed by: Paul Oehme, Public Works Director

RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT (“Agreement”) is made this 13 day of July, 2026, by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation (“Grantor”) and **MCKINSTRY ESSENTION, LLC**, a Washington limited liability company (“Grantee”).

RECITALS

A. Grantor is the fee owner of real property located in the City of Lakeville, County of Dakota, State of Minnesota (“City Property”); and

B. Grantor and Grantee seek to evaluate the feasibility of implementing energy, sustainability, and facility improvements to City Property in context of available funding opportunities; and

C. Grantee wishes to enter onto City Property for the purpose of conducting a preliminary energy evaluation as set forth in the parties’ Memorandum of Understanding executed _____ and attached as **Exhibit A** (“Permitted Use”); and

D. Grantor is willing to allow Grantee to engage in the Permitted Use according to the terms and conditions provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties contained in this Agreement, the parties agree as follows:

1. **Right of Entry.** The City authorizes Grantee, its employees, agents, or Grantees, to enter upon City Property, without charge, beginning on 07/13/2026 and automatically terminating at 7:00 p.m. on 10/01/2026 (the “Termination Date”). Grantee’s right to enter shall be conditioned upon seeking prior approval from the City’s Public Works Director for each date and time when it seeks entry onto City Property, which approval shall not be unreasonably withheld, conditioned or delayed. There shall be no renewal of this Agreement. If the Permitted Use is not completed by the Termination Date, a new right of entry agreement shall be required.

2. **Permitted Use.** The Permitted Use includes the right to enter onto City Property for the sole purpose of conducting a preliminary energy evaluation as set forth in Exhibit A, including bringing such equipment onto City Property as is commercially reasonable for this purpose. Other than the foregoing, Grantee shall not conduct any invasive testing, inspections, or investigations of City Property without the prior consent of Grantors, which consent shall not be unreasonably withheld, conditioned or delayed. To the extent Grantee reasonably requires access to secured areas of City Property for the Permitted Use, Grantee shall coordinate with the City’s Public Works Director and any other City officials or employees so that Grantee may be escorted through such areas in compliance with applicable rules, regulations, or laws related to the safety and security of such areas.

3. **Responsibilities of Grantee.** Grantee shall make all reasonable efforts to minimize any conflicts with the City's or public's use of City Property. Grantee shall pay for the costs of all tests, appraisals, and inspections of City Property conducted by Grantee, its employees, agents, or Grantees. Grantee will provide Grantor with copies of reports related to the results of such inspections or tests. Grantee shall, at its sole expense, keep City Property in a neat, clean and safe condition in the exercise of its rights under this Agreement and will not make any alterations to City Property without the prior written approval of Grantor. Grantee shall, at its sole expense, remove all its equipment from City Property and restore the City Property to its original condition, including replacement of damaged improvements or structures, prior to the Termination Date.

4. **Hold Harmless and Indemnification.** Grantee shall indemnify and hold Grantor, its officials, employees, agents, and Grantees harmless from claims, actions, damages, and costs, including reasonable attorneys' fees, pertaining to personal injury and property damage caused by the negligence or willful misconduct of Grantee or its employees, agents, or Grantees in conducting the Permitted Use, including but not limited to those arising from payment of third parties performing work or inspections on the City Property, mechanics liens, or other similar claims. Grantee's indemnification obligation shall survive the termination of this Agreement.

5. **Insurance.** Grantee, at its expense, shall maintain the insurance coverage included in **Exhibit B** for the duration of this Agreement.

6. **Scope of Right of Entry.** The grant of right of entry to the Grantee by Grantor shall not confer any estate, title, or exclusive possessory rights in City Property to Grantee or its successors, assigns, employees, agents, or Grantees.

7. **Notices.** All notices and demands required under this agreement shall be in writing and shall be deemed given when personal delivered or sent by first class mail, addressed to the parties:

City: City of Lakeville Public Works Department
Attn: Paul Oehme, Public Works Director
18400 Ipava Avenue
Lakeville, MN 55044

Grantee: McKinstry Essention, LLC
Attn: Eric Runez, Regional Director, Midwest Energy
1600 Utica Ave S
Minneapolis, MN

8. **No Assignment.** Grantee may not assign its rights to use City Property or any portion of City Property without the prior written consent of the City.

9. **Governing Law; Venue.** This Agreement shall be governed and enforced in accordance with the laws of the State of Minnesota. In the event of litigation, the exclusive venue shall be in the District Court of the State of Minnesota for Dakota County.

10. **Binding Authority.** The individual executing this Agreement represents that they are authorized by Grantee to sign this Agreement on behalf of Grantee and bind Grantee to the terms of this Agreement.

11. **Incorporation of Recitals and Exhibits.** The Recitals at the beginning of this Agreement and the Exhibits at the end of this Agreement, are each one true and correct, and are incorporated and made part of this Agreement.

IN WITNESS WHEREOF, the Grantor and Grantee have each caused this Agreement to be duly executed in their name and on their behalf by the individuals below, on or as of the date first written above.

GRANTOR:
CITY OF LAKEVILLE

By: _____
John Bermel, Acting Mayor

By: _____
Taylor Snider, Deputy City Clerk

GRANTEE:
MCKINSTRY ESSENTION, LLC

By:  _____
Eric Runez [printed name]

Its: Regional Director, Midwest Energy [printed title]

DRAFTED BY:
CAMPBELL KNUTSON, P.A.
Grand Oak Office Center I
860 Blue Gentian Road, Suite 290
Eagan, Minnesota 55121
Telephone: (651) 452-5000
AMP/PNA

**EXHIBIT A
TO
RIGHT OF ENTRY AGREEMENT**

[attach MOU]

**EXHIBIT B
TO
RIGHT OF ENTRY AGREEMENT**

Insurance Requirements

Grantee, at its expense, shall procure and maintain in force for the duration of this Agreement the following minimum insurance coverages:

- A. General Liability. The Grantee agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products completed operations, personal injury, advertising injury, and contractually assumed liability. Grantor shall be endorsed as additional insured.
- B. Automobile Liability. If the Grantee operates a motor vehicle in performing the Services under this Agreement, the Grantee shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000 combined single limit.
- C. Workers' Compensation. The Grantee agrees to provide workers' compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota. The Grantee shall also carry employers liability coverage with minimum limits are as follows:
 - \$500,000 – Bodily Injury by Disease per employee
 - \$500,000 – Bodily Injury by Disease aggregate
 - \$500,000 – Bodily Injury by Accident

The Grantee shall, prior to commencing the Services, deliver to Grantor a Certificate of Insurance as evidence that the above coverages are in full force and effect.

The insurance requirements may be met through any combination of primary and umbrella/excess insurance.

All insurance shall be provided on an occurrence basis and not on a claims-made basis, except professional liability insurance or other coverage not reasonably available on an occurrence basis; provided that all such claims-made coverage is subject to the approval of Grantor.

All insurance limits of any policy in excess of the minimum limits shall be available to Grantor.

All policies, except professional liability, shall be endorsed with a waiver of subrogation in favor of the Grantor, including its elected and appointed officials, employees, and agents for losses arising from activities under this Agreement.

Deductibles and self-insured retentions in excess of \$50,000 must be declared to and approved by Grantor. Grantor may require the Grantee to provide proof of ability to pay losses and related expenses within the deductible and retention.

The Grantee's policies shall be the primary insurance to any other valid and collectible insurance available to Grantor with respect to any claim arising out of Grantee's performance under this Agreement.

The Grantee's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days advanced written notice to the Grantor, or ten (10) days' written notice for nonpayment of premium.

The Grantee shall obtain insurance policies from insurance companies having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota, or as approved by Grantor.

Failure to maintain required insurance coverage may result in suspension of work or termination of this Agreement. Please review these requirements with your insurance agent or broker for assurance that the mandatory types and limits of insurance coverages are in place.

Grantor's failure to approve or disapprove the Grantee's policies or certificates shall not relieve the Grantee of full responsibility to maintain the required insurance.

All insurance policies must be open to inspection by Grantor, and copies of policies must be submitted to Grantor's authorized representative upon written request.

If the coverage period shown on the Grantee's current certificate(s) of insurance ends during the duration of the project, the Grantee must, prior to the end of the coverage period, obtain a new certificate of insurance showing that coverage is in effect.

No representation is made that the minimum insurance requirements are sufficient to cover the obligations of the Grantee under this Agreement.

The Grantee's insurance shall not limit its indemnification obligation to Grantor under this Agreement.

Memorandum of Understanding

Preliminary Energy Evaluation for the City of Lakeville

July 10, 2026

City of Lakeville

20195 Holydyke Ave
Lakeville, MN 55044

This jointly authored Memorandum of Understanding (MOU) is to confirm the interest of the City of Lakeville in working with McKinstry Essention LLC (McKinstry) to evaluate the viability of implementing energy, sustainability, and facility improvement measures; alignment with federal, state, local, utility funding opportunities; and to address the below stated building infrastructure initiatives or needs for the City.

Customer Objectives

To receive assistance in evaluating the feasibility of energy, sustainability, and facility improvement measures that will allow the City to implement an impactful project and to evaluate the viability for federal, state, local, and utility funding opportunities.

Customer Deliverables

The customer agrees to assist McKinstry in the development of the Preliminary Energy Evaluation by providing:

- a) Meetings with the McKinstry team
- b) Confirmation of the City's energy, sustainability, planning, and resiliency interests
- c) Guidance and accessibility with site visit(s)
- d) Background information – facility, planning, and utility information
- e) City feedback, recommendations, and guidance
- f) City approval to proceed with application(s) for funding as needed / appropriate

Preliminary Energy Evaluation Deliverables to be provided by McKinstry

Preliminary Energy Evaluation summary of findings in presentation format (10-30 pages)

- a) Executive summary outlining proposed solutions, potential outcomes, and benefits
- b) Final presentation report detailing proposed solutions, potential outcomes, and benefits
- c) Project cost estimates
- d) Green House Gas (GHG) and Carbon reduction potential
- e) Solar production potential (if applicable)
- f) Energy savings potential
- g) Job creation impact (Local/MBE/WBE/DBE, etc.) – if appropriate
- h) Sketches / pictures / photos of proposed solutions
- i) Follow-up with federal, state, local, utility funding opportunities and to assist on any questions regarding project scope / details, as needed
- j) Others as agreed upon by both parties

Proposed Tasks to Complete the Work

Task Summary

1) PROJECT INITIATION AND PRELIMINARY AUDIT

a) **Project Kick Off Meeting**

- i) Review project goals, objectives, and desired outcomes
- ii) Review opportunities that align with funding opportunities – as this legislation continues to evolve quickly
- iii) Establish key project milestones and timeline
- iv) Collection/ review of background information

b) **Initial Scoping Workshop**

- i) Work with the City and its team to identify viable project components (sites/ locations/ solutions) that align with an energy / sustainability project– such as:
 - (1) Review sites for renewable energy and energy storage
 - (2) Review sites for electric vehicle (EV) charging
 - (3) Review opportunities for energy efficiencies
 - (4) Review ‘unique’/ Net Zero opportunities
 - (5) Review CIP (Capital Improvement Plan) items that impact energy for potential inclusion.
 - (6) Review other potential items for consideration/ evaluation

c) **Site Visit for 1-3 days (with guidance from the City)**

- i) Visit building/ site locations as identified at the Initial Scoping Workshop (or other)
- ii) McKinstry will enter into a right of entry prior to site visits in a form approved by the City.

2) PRELIMINARY DEVELOPMENT WORK

a) **Scope Selection**

- i) McKinstry to provide initial scope recommendations for the City’s review and feedback.
- ii) Work with the City to approve final scope selection.

b) **Preliminary Development Work**

- i) McKinstry to further develop/ design deliverables for selected sites/ locations/ solutions.

3) PROJECT DELIVERY

a) **Meetings / Presentations (to be staggered to allow appropriate completion and advocacy of the work)**

- i) Review the various federal, state, local, utility funding opportunities – as appropriate
- ii) Progress meetings as required for City feedback
- iii) Review Draft Preliminary Energy Evaluation Summary Presentation/ Report
- iv) Presentation(s) to the City Leadership (Sustainability Commission and Council) and Executive Team (Sustainability staff leads and City Manager)

b) **Final Deliverables (as defined above)**

- i) Recommended energy, sustainability, and facility improvement solutions
- ii) *Preliminary Energy Evaluation Presentation Report*



Proposed Team

The below list of McKinstry Team members will be assigned to this project and will be available to jointly work with the City and its team to develop this project. Additional team members may be assigned or substituted as needed.

TEAM MEMBER	ROLE	CERTIFICATIONS	YEARS OF EXPERIENCE
Adam Seidel	Account Executive		7 years
John Neville, PE, CEM, GBE, CSDP	Business Development Director	Licensed Professional Engineer (P.E.), Wisconsin No. E-23299 Certified Energy Manager (CEM) Green Building Engineer (GBE) Certified Sustainability Design Professional (CSDP)	30 years
Kathryn Pearson	Energy Engineer	Energy Engineer Certified Energy Manager (CEM)	5 years
Sean Currie	Project Development Manager	LEED Green Associate (LEED GA)	29 years
Chris Sawyer	Project Manager	Certified Energy Manager (CEM)	20 years
David Rheineck, CEM, CLEP	Building Energy Program Manager, Lighting Solutions	Certified Energy Manager (CEM) Certified Lighting Efficiency Professional (CLEP)	11 years
Eric Rehm, MBA	Development Director, Renewable Energy	MBA	24 years
Paul Gustafson	Project Engineer	Professional Engineer (PE)	20 years
Mayur Patel	Director of Engineering	Certified Energy Manager (CEM)	20 years
Bob Long	McKinstry Project Consultant	Attorney	20 years



Proposed Timeline

Provide the above proposed work as expeditiously as the work allows. And, to coincide with the respective due dates for funding opportunities (as appropriate).

Compensation

No compensation will be required by the City to McKinstry under this MOU. The project deliverables as defined in *Task Summary 3) Project Delivery b) Final Deliverables* provided by McKinstry under this MOU will be owned by the City. It is understood and agreed that the deliverables will be a report of a high level overview of potential projects and will not be any final scope or design, and will not be appropriate for any construction, repair, or design applications or use. Such deliverables will not come with any warranty, and any further use of the deliverables will be at the City's sole risk.

By signing below, the City of Lakeville and McKinstry agree that this MOU adequately captures the intent of the Preliminary Energy Evaluation as well as both parties' interest in partnering throughout the process.

Acceptance:

City of Lakeville

Signed

Printed Name

Title

Date

Acceptance:

McKinstry Essention LLC

Signed

Eric Runez

Printed Name

Regional Director, Midwest Energy

Title

07.14.2026

Date



Date: 7/20/2026

Contract for Heritage Center HVAC Roof Top Unit Replacement

Proposed Action

Staff recommends adoption of the following motion: Move to approve a contract with William Bishop Holdings LLC to replace Roof Top Unit-10 at the Heritage Center.

Overview

The Heritage Center rooftop unit (RTU) 10 has experienced multiple heating and cooling issues over recent seasons, resulting in inconsistent performance and increased maintenance demands. The unit has reached an age where it is no longer operating reliably and continued repairs are no longer cost-effective.

Due to the frequency of breakdowns and the unit's overall condition, staff recommend full replacement to restore dependable HVAC service within the facility. A new RTU will provide improved efficiency, reduced operating costs, and greater reliability, ensuring the building remains comfortable and functional for community use.

Supporting Information

1. Quote Tabulation
2. Agreement William Bishop Holdings

Financial Impact: \$13,856.00 Budgeted: Yes Source: Facility CIP Envision Lakeville Community Values: Good Value for Public Services Report Completed by: Tom Breeggemann Facility Supervisor
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Quote Tabulation
Heritage Center Packaged RTU-10 Replacement

Contractor	Base Price	Add Alt 1	Total	Addendum Acknowledgements
Pioneer Power llc	\$24,620.00	N/A	\$24,620.00	Yes
Hi-Tech Refrigeration	\$13,856.00	N/A	\$13,856.00	yes
Archer Mechanical	\$17,522.00	N/A	\$17,522.00	Yes
Bauernfeind Goedtel	\$16,635.00	N/A	\$16, 635	Yes

NON-BID CONTRACT FOR PURCHASE OF GOODS AND SERVICES

AGREEMENT made this 20th day of July 2026, by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation ("City") and **WILLIAM BISHOP HOLDINGS, INC.**, a Minnesota corporation, dba HI-TECH REFRIDGERATION ("Contractor").

IN CONSIDERATION OF THEIR MUTUAL COVENANTS, THE PARTIES AGREE AS FOLLOWS:

1. CONTRACT DOCUMENTS. The following documents shall be referred to as the "Contract Documents," all of which shall be taken together as a whole as the contract between the parties as if they were set verbatim and in full herein:

- A. This Agreement.
- B. RTU 10 Replacement RFQ (Exhibit A)
- C. RTU 10 Replacement RFQ Amendment 1 (Exhibit B)
- D. Responsible Contractor Verification (Exhibit C)
- E. Contractors Completed Quote Form (Exhibit D)

In the event of a conflict among the provisions of the Contract Documents, the order in which they are listed above shall control in resolving any such conflicts. Contract Document "A" has the first priority and Contract Document "E" has the last priority.

2. CONTRACTOR OBLIGATIONS. The Contractor shall provide the goods, services and perform the work in accordance with the Contract Documents for installation of new roof top unit 10 (RTU 10), at City of Lakeville Heritage Center. Contractor shall provide all personnel, supervision, services, materials, tools, equipment and supplies and do all things necessary and ancillary thereto specified in the Contract Documents. This contract may be terminated by the City at any time upon discovery by the City that the Contractor or any of its subcontractors has submitted a false statement under oath verifying compliance with any of the minimum criteria set forth in Minn. Stat. § 16C.285, Subdivision 3, the Responsible Contractor statute.

3. CONTRACTOR'S REPRESENTATIONS.

A. Contractor has examined and carefully studied the Contract Documents and other related data identified in the Contract Documents.

B. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

C. Contractor has given City written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by City is acceptable to Contractor.

D. The Contract Documents are generally sufficient to indicate and convey

understanding of all terms and conditions for performance and furnishing of the Work.

4. COMPENSATION. Contractor shall be paid by the City for the goods and services described in exhibit C, but not to exceed: thirteen thousand, eight hundred and fifty-six dollars and zero cents. (\$13,856.00) which is inclusive of reimbursable expenses. The fee shall not be adjusted even if the estimated number of hours to perform a task, or any other estimate, assumption or matter is wrong or exceeded. Payment shall be made periodically after a service has been completed and within thirty-five (35) days of receipt of an invoice.

5. COMPLETION DATE. The Contractor shall complete the Work on or before December 31st 2026.

6. WARRANTY. The Contractor guarantees that all warranties as specified in the Quote shall be in full force and transferred to the City upon payment by the City. The Contractor shall be held responsible for any and all defects in workmanship. In addition to the warranties required in the specifications the Contractor provides the following warranties. The Contractor is responsible for any and all defects in workmanship and materials and upon notification by the City shall immediately replace or repair the defective workmanship and materials without cost to the City. The Contractor warrants that only new unused materials will be used. The Contractor further warrants to the City that all materials and services furnished under the Contract will be in conformance with Contract Documents and that the goods are of merchantable quality and are fit for the use for which they are sold. These warranties are in addition to any manufacturer's standard warranty, and any warranty provided by law.

7. RIGHTS AND REMEDIES.

A. The duties and obligations imposed by the Contract Documents, and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

B. No action, or failure to act, by the City or the Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of, or acquiescence in, any breach there under, except as may be specifically agreed in writing.

8. INSPECTION AT DELIVERY. At the point of delivery, the City will have the right inspect the goods for compliance with the Contract Documents prior to installation. As the result of the inspection, the City will:

A. Accept the goods subject to an inspection report requiring correction; or

B. Refuse to make payment until corrections are complete.

9. CHANGES TO WORK. Without invalidating the Contract, the City may, at any time, or from time to time, order additions, deletions or revisions in the work provided under this Agreement; these will be authorized by an amendment to the Contract. Upon approval of an amendment, Contractor shall proceed with the work provided under the amendment. Changes in the Contract Price shall be based upon the prices identified in the Quote provided or negotiated between the parties based on similar work provided in the Proposal.

10. UNAUTHORIZED WORK. Additional work performed without authorization of an amendment of this Contract will not entitle Contractor to an increase in the Compensation or an extension of the Contract.

11. DOCUMENTS. The City shall be the owner of all documents, reports, studies, analysis and the like prepared by the Contractor in conjunction with this contract.

12. COMPLIANCE WITH LAWS AND REGULATIONS. In providing services hereunder, Contractor shall abide by all statutes, ordinances, rules and regulations pertaining to the provisions of goods and services to be provided.

13. STANDARD OF CARE. Contractor shall exercise the same degrees of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a professional Contractor under similar circumstances. No other warranty, expressed or implied, is included in this Agreement. City shall not be responsible for discovering deficiencies in the accuracy of Contractor's services.

14. INDEMNIFICATION. To the fullest extent permitted by law, Contractor agrees to defend, indemnify and hold harmless the City, and its employees, officials, and agents from and against all claims, actions, damages, losses and expenses, including reasonable attorney fees, arising out of Contractor's negligence or its performance or failure to perform its obligations under this Contract. Contractor's indemnification obligation shall apply to subcontractor(s), or anyone directly or indirectly employed or hired by Contractor, or anyone for whose acts Contractor may be liable. Contractor agrees this indemnity obligation shall survive the completion or termination of this Contract.

15. INSURANCE. Prior to the start of the project, Contractor shall furnish to the City a certificate of insurance showing proof of the required insurance required under this Paragraph. Contractor shall take out and maintain or cause to be taken out and maintained until six (6) months after the City has accepted the public improvements, such insurance as shall protect Contractor and the City for work covered by the Contract including workers' compensation claims and property damage, bodily and personal injury which may arise from operations under this Contract, whether such operations are by Contractor or anyone directly or indirectly employed by either of them. The minimum amounts of insurance shall be as follows:

Commercial General Liability (or in combination with an umbrella policy)

\$2,000,000 Each Occurrence

\$2,000,000 Products/Completed Operations Aggregate

\$2,000,000 Annual Aggregate

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage

Personal and Advertising Injury

Blanket Contractual Liability

Products and Completed Operations Liability

Automobile Liability

\$2,000,000 Combined Single Limit – Bodily Injury & Property Damage

Including Owned, Hired & Non-Owned Automobiles

Workers Compensation

Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Employer's Liability with minimum limits are as follows:

\$500,000 – Bodily Injury by Disease per employee

\$500,000 – Bodily Injury by Disease aggregate

\$500,000 – Bodily Injury by Accident

The Contractor's insurance must be "Primary and Non-Contributory".

All insurance policies (or riders) required by this Contract shall be (i) taken out by and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of Minnesota, (ii) shall name the City, its employees and agents as additional insureds (CGL and umbrella only) by endorsement which shall be filed with the City. **A copy of the endorsement must be submitted with the certificate of insurance.**

Contractor's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days' advanced written notice to the City, or ten (10) days' notice for non-payment of premium.

An Umbrella or Excess Liability insurance policy may be used to supplement Contractor's policy limits on a follow-form basis to satisfy the full policy limits required by this Contract.

16. INDEPENDENT CONTRACTOR. The City hereby retains the Contractor as an independent contractor upon the terms and conditions set forth in this Agreement. The Contractor is not an employee of the City and is free to contract with other entities as provided herein. Contractor shall be responsible for selecting the means and methods of performing the work. Contractor shall furnish any and all supplies, equipment, and incidentals necessary for Contractor's performance under this Agreement. City and Contractor agree that Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's agents or employees are in any manner agents or employees of the City. Contractor shall be exclusively responsible under this Agreement for Contractor's own FICA payments, workers compensation payments, unemployment compensation payments, withholding amounts, and/or self-employment taxes if any such payments, amounts, or taxes are required to be paid by law or regulation.

17. SUBCONTRACTORS. Contractor shall not enter into subcontracts for services provided under this Agreement without the express written consent of the City. Contractor shall comply with Minnesota Statute § 471.425. Contractor must pay Subcontractor for all undisputed services provided by Subcontractor within ten days of Contractor's receipt of payment from City. Contractor must pay interest of 1.5 percent per month or any part of a month to Subcontractor on any undisputed amount not paid on time to Subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.

18. ASSIGNMENT. Neither party shall assign this Agreement, nor any interest arising herein, without the written consent of the other party.

19. WAIVER. Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.

20. ENTIRE AGREEMENT. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

21. CONTROLLING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

22. COPYRIGHT. Contractor shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the City from loss or damage resulting there from.

23. RECORDS/AUDIT. The Contractor shall maintain complete and accurate records of time and expense involved in the performance of services. Pursuant to Minnesota Statutes § 16C.05, Subd. 5, any books, records, documents, and accounting procedures and practices of City and Contractor relevant to the Agreement are subject to examination by City and Contractor, and either the Legislative Auditor or the State Auditor as appropriate. City and Contractor agree to maintain these records for a period of six years from the date of performance of all services covered under this Agreement.

24. MINNESOTA GOVERNMENT DATA PRACTICES ACT. Contractor must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to (1) all data provided by the City pursuant to this Agreement, and (2) all data, created, collected, received, stored, used, maintained, or disseminated by the Contractor pursuant to this Agreement. Contractor is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes Section 13.08, as if it were a government entity. In the event Contractor receives a request to release data, Contractor must immediately notify City. City will give Contractor instructions concerning the release of the data to the requesting party before the data is released. Contractor agrees to defend, indemnify, and hold City, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Contractor's officers', agents', city's, partners', employees', volunteers', assignees' or subcontractors' unlawful disclosure and/or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Agreement.

25. TERMINATION. This Agreement may be terminated by City on two (2) days' written notice delivered to Contractor at the address on file with the City. Upon termination under this provision if there is no fault of the Contractor, the Contractor shall be paid for goods and services rendered and reimbursable expenses until the effective date of termination. If the City terminates the Agreement because the Contractor has failed to perform in accordance with this Agreement, no further payment shall be made to the Contractor, and the City may retain another Contractor to undertake or complete the work identified in this Agreement.

Dated: _____, 2026

CITY OF LAKEVILLE

By: _____
John Bermel, Acting Mayor

And: _____
Taylor Snider, Deputy City Clerk

Dated: _____, 2026

WILLAIM BISHOP HOLDINGS INC.

By: _____

Print Name: _____

Its: _____



Request for Quote

Replacement of RTU-10 Project

1. Project Overview

The City of Lakeville is requesting quotes for the removal and replacement of the existing RTU-10 at the heritage center. The project includes replacing one (1) existing 2.5 ton packaged RTU, and all associated electrical, piping, ducting, insulation, controls, rigging, and ancillary work necessary for a complete and operational system.

RFQ Issued:	6/18/2026
Mandatory Project Walkthrough	7/02/2026 10AM Heritage Center
RFQ Due:	7/13/2026
Council Approval	7/20/2026

2. Project Location

Lakeville Heritage Center
 2110 Holyoke Ave
 Lakeville, Minnesota 55044

3. Scope of Work

Provide all labor, materials, equipment, permits, supervision, and services required for a complete code compliant RTU, including but not limited to the following:

1. Packaged RTU Replacement

- Remove and properly dispose of one (1) 2.5 Ton RTU.
- Furnish and install one (1) 2.5 ton RTU.
- RTU shall be:
 - New, factory-assembled, UL listed
 - 2.5 ton Cooling capacity
 - Natural Gas Heat exchanger
 - 75,000 Heating input BTU's
 - Supply fan only
 - 208v-230v/60/1
 - Minimum EER 11.2
 - BACnet controls



- Aeon, Daikin, Trane, Bryant
- Include all required gas piping modifications, venting, refrigerant line piping, condensate piping, supports, curbing, offsets, and appurtenances required for proper operation.
- Install RTU per manufacturer requirements and applicable codes.
- Provide startup, combustion analysis, and commissioning by a factory-authorized technician.
- Provide O&M manuals, startup documentation, and manufacturer warranties.

2. Piping, Valves, and Accessories

- Existing piping, valves, and accessories may be reused if determined to be in good working condition.
- Contractor shall evaluate existing piping, valves, fittings, and appurtenances and notify the Owner of any components requiring replacement.
- Provide new piping, valves, fittings, and accessories only as required to accommodate new equipment, meet manufacturer requirements, or correct deficiencies.
- Any replaced components shall meet current code and manufacturer requirements.

3. Insulation

- Provide insulation on all new piping and on any existing piping where insulation is removed or damaged during construction.
- Insulation shall match or exceed existing type and thickness.

4. Controls & Integration

- Controls to be completed by city of Lakeville's automation contractor St. Cloud Refrigeration (SCR).
- Contractor to coordinate work with St. Cloud Refrigeration (SCR) .
- St. Cloud Refrigeration (SCR) to invoice City directly.

5. System Charging

- Charge new RTU with proper amount of refrigerant.
- Test RTU for proper reading on pressure gauge.
- Test RTU for proper function



6. Crane, Rigging, and Demolition

- Provide all rigging, crane services, permits, and coordination required for removal of existing RTU and installation of new equipment.
- All crane and rigging costs shall be included in the base bid.
- Existing RTU to be properly discharged of all refrigerant before removal

4. General Requirements

- Comply with all applicable local, state, and federal codes.
- Obtain all required permits and inspections.
- Coordinate shutdowns with the Owner and minimize downtime.
- Protect existing building, equipment, and finishes.
- Leave the system complete, tested, commissioned, and ready for operation.

5. Exclusions (Unless Specifically Noted Otherwise)

- Temporary HVAC systems
- Electrical service upgrades beyond reconnecting to existing power
- Building automation system upgrades beyond required integration

6. Schedule

- Contractor shall provide an anticipated project schedule with the proposal.
- Work shall be coordinated to minimize disruption to building operations.
- Final schedule subject to Owner approval.

7. Submittals

The successful bidder shall provide:

- Equipment cut sheets
- Startup and commissioning Reports
- Warranty information



8. Quote Requirements

Quotes shall include:

- Lump sum cost for all work described
- Breakdown of major components (RTU, crane, labor, etc.)
- Estimated lead times for equipment
- Project schedule
- Contractor Verification of Compliance
- Acknowledgement of any Addendums issued

11. Addendums

- Addendums will be issued via email to contractors no later than 7 days before proposals are due.

12. Questions

All questions shall be submitted via email to:

City of Lakeville
Tom Breeggemann Facility Supervisor
TBreeggemann@LakevilleMN.gov
952-985-2630

All question are to be asked 7 days before proposal due date to issue timely Addendums



City of Lakeville

Positioned to Thrive

ADDENDUM NO. 1

Project Name: Heritage RTU 10

Date: July 7, 2026

To: Interested Parties

From: Tom Breeggemann Facility Supervisor

Subject: Addendum No. 1 – Revisions and Clarifications

1. Purpose of Addendum

This Addendum modifies and clarifies the original documents issued for the referenced project. This Addendum is considered part of the contract documents and shall be incorporated into the final agreement.

2. Description of Changes

- Item 1: Heating output adjusted to include a 70,000btu unit

-Item 2: For design or engineering inquiries, the City will issue the RFI to a City-approved engineering firm. It is the contractor's responsibility to submit an RFI to the City, ensuring all necessary information is included, such as equipment make, model, size, weight, installation specifications, and power requirements.

3. Acknowledgment

All contractors must acknowledge receipt of this Addendum in their proposal or bid submission. Failure to do so may result in disqualification.

Issued By

Tom Breeggemann

Facility Supervisor

INITIAL CONTRACTOR VERIFICATION OF COMPLIANCE

By signing this document I certify that I am an owner or officer of the company, and I swear under oath that:

My company meets each of the minimum criteria in subclauses (1) – (6) of Minn. Stat. § 16C.285, subd. 3, the Responsible Contractor statute.

The undersigned understands that a failure to meet or verify compliance with the minimum criteria established for a “responsible contractor” as defined in Minn. Stat. § 16C.285, subd. 3, renders a bidder ineligible to be awarded a construction contract for the Project or to perform work on the Project.

The undersigned understands that a false statement under oath verifying compliance with any of the minimum criteria shall make the undersigned, ineligible to be awarded a construction project and may result in termination of a contract awarded to the undersigned. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that the contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria.

I have attached a list of all of my company’s first-tier subcontractors that it intends to retain for work on the project.

Date: _____

Contractor:

By _____
(please print name)

Signature _____
(please sign name)

Its _____

SUBCONTRACTORS LIST

PROJECT TITLE: _____

_____	_____
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Attach Additional Sheets if Necessary

Contractor: _____

By _____
(please print name)

Signature _____
(please sign name)

Its _____



City of Lakeville
Positioned to Thrive

Quote FORM

Packaged RTU-10 Replacement

Project: Packaged RTU-10 Replacement

Location: Lakeville Heritage Center, 20110 Holyoke Ave, Lakeville MN 55044

Owner: City of Lakeville

Contractor: Hi-Tech Refrigeration

Date: 7/10/2026

The undersigned contractor proposes to perform the work described in the Contract Documents for the prices listed below.

BASE BID – LUMP SUM PRICING

Item	Description	Price
1	Packaged RTU (1 total)	\$ 5901
2	Crane & Rigging – Equipment removal and installation, including permits and coordination	\$ 7955
3	Labor- All, mechanical labor not otherwise itemized	\$ _____
4	Labor- Electrical labor not otherwise itemized	\$ _____

BASE BID TOTAL Mobilization Included:

\$ 13856



ADDENDUM ACKNOWLEDGEMENTS

addendum 1	addendum 2	addendum 3	addendum 4	addendum 5
✓				

NO SUBSTITUTIONS

- Bids shall be based **solely** on the specified equipment.
- **No substitutions** for the specified Aaon, Daikin, Trane, Bryant will be accepted.
- Any bid submitted with proposed substitutions may be considered **non-responsive** and rejected at the Owner's discretion.

CONTRACTOR ACKNOWLEDGEMENTS

- Base Quote includes all labor, materials, equipment, permits, crane costs, and services required for a complete and operational system.
- Existing piping, valves, and accessories may be reused if in good working condition.
- All work shall comply with applicable codes and manufacturer requirements.
- Pricing includes startup, testing, and commissioning.

Contractors Signature: _____
Printed Name & Title: Wes Barnhart - Project Manager
Company Name: Hi-Tech Refrigeration
Phone / Email: 763.494.9340 / Bill@htrmn.com



Date: 7/20/2026

Contract for Boiler Plant Replacement at the Fine Arts Building

Proposed Action

Staff recommends adoption of the following motion: Move to approve a contract with Willian Bishop Holdings LLC for the replacement of the fine arts building boiler plant, with add alternate #1 to replace the system pumps and add variable frequency drives.

Overview

The boiler system at the Fine Arts Building has reached the end of its serviceable life. The existing Slant-Fin boilers are no longer supported, as the manufacturer is out of business and replacement components are no longer available. Currently, three of the four boilers remain operational only through temporary repair measures and overall system reliability continues to decline. Given these conditions, ongoing maintenance is no longer practical or cost-effective. Replacement of the boiler plant is necessary to ensure consistent heating, operational reliability and safety within the facility.

The proposed new boiler system will utilize modern, high-efficiency boilers designed to improve energy performance, reduce operational costs and enhance system reliability. This upgrade aligns with the City's long-term goals of investing in energy-efficient infrastructure and reducing maintenance demands across municipal facilities.

Staff solicited quotes from three qualified contractors. William Bishop's Hoeling Inc. submitted the lowest total quote at \$112,953.00, which includes replacement of the system pumps equipped with variable frequency drives to support improved energy efficiency and system control.

This project is not currently included in the 2026 budget; however, sufficient funding is still available due to savings from various other projects within the Facilities 2026 CIP.

Supporting Information

1. Contract
2. Quote Tabulation

Financial Impact: \$112,953.00 Budgeted: No Source: 2026 Facility CIP Envision Lakeville Community Values: Good Value for Public Services Report Completed by: Tom Breeggemann, Facility Supervisor

NON-BID CONTRACT FOR PURCHASE OF GOODS AND SERVICES

AGREEMENT made this 20th day of July 2026, by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation ("City") and **WILLIAM BISHOP HOLDINGS, INC.**, a Minnesota corporation, dba HI-TECH REFRIDGERATION ("Contractor").

IN CONSIDERATION OF THEIR MUTUAL COVENANTS, THE PARTIES AGREE AS FOLLOWS:

1. CONTRACT DOCUMENTS. The following documents shall be referred to as the "Contract Documents," all of which shall be taken together as a whole as the contract between the parties as if they were set verbatim and in full herein:

- A. This Agreement.
- B. Boiler Plant Replacement RFQ (Exhibit A)
- C. Boiler Plant Replacement RFQ Amendment 1 (Exhibit B)
- D. Responsible Contractor Verification (Exhibit C)
- E. Contractors Completed Quote Form (Exhibit D)

In the event of a conflict among the provisions of the Contract Documents, the order in which they are listed above shall control in resolving any such conflicts. Contract Document "A" has the first priority and Contract Document "D" has the last priority.

2. CONTRACTOR OBLIGATIONS. The Contractor shall provide the goods, services and perform the work in accordance with the Contract Documents for installation of new condensing boilers, along with Add Alt #1 for new system pumps with VFD's at City of Lakeville Fine Arts Building. Contractor shall provide all personnel, supervision, services, materials, tools, equipment and supplies and do all things necessary and ancillary thereto specified in the Contract Documents. This contract may be terminated by the City at any time upon discovery by the City that the Contractor or any of its subcontractors has submitted a false statement under oath verifying compliance with any of the minimum criteria set forth in Minn. Stat. § 16C.285, Subdivision 3, the Responsible Contractor statute.

3. CONTRACTOR'S REPRESENTATIONS.

A. Contractor has examined and carefully studied the Contract Documents and other related data identified in the Contract Documents.

B. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

C. Contractor has given City written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by City is acceptable to Contractor.

D. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

4. COMPENSATION. Contractor shall be paid by the City for the goods and services described in exhibit C, but not to exceed: one hundred and twelve thousand, nine hundred and fifty-three dollars and zero cents. (\$112,953.00) which is inclusive of reimbursable expenses. The fee shall not be adjusted even if the estimated number of hours to perform a task, or any other estimate, assumption or matter is wrong or exceeded. Payment shall be made periodically after a service has been completed and within thirty-five (35) days of receipt of an invoice.

5. COMPLETION DATE. The Contractor shall complete the Work on or before December 31st 2026.

6. WARRANTY. The Contractor guarantees that all warranties as specified in the Quote shall be in full force and transferred to the City upon payment by the City. The Contractor shall be held responsible for any and all defects in workmanship. In addition to the warranties required in the specifications the Contractor provides the following warranties. The Contractor is responsible for any and all defects in workmanship and materials and upon notification by the City shall immediately replace or repair the defective workmanship and materials without cost to the City. The Contractor warrants that only new unused materials will be used. The Contractor further warrants to the City that all materials and services furnished under the Contract will be in conformance with Contract Documents and that the goods are of merchantable quality and are fit for the use for which they are sold. These warranties are in addition to any manufacturer's standard warranty, and any warranty provided by law.

7. RIGHTS AND REMEDIES.

A. The duties and obligations imposed by the Contract Documents, and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

B. No action, or failure to act, by the City or the Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of, or acquiescence in, any breach there under, except as may be specifically agreed in writing.

8. INSPECTION AT DELIVERY. At the point of delivery, the City will have the right inspect the goods for compliance with the Contract Documents prior to installation. As the result of the inspection, the City will:

A. Accept the goods subject to an inspection report requiring correction; or

B. Refuse to make payment until corrections are complete.

9. CHANGES TO WORK. Without invalidating the Contract, the City may, at any time, or from time to time, order additions, deletions or revisions in the work provided under this Agreement; these will be authorized by an amendment to the Contract. Upon approval of an amendment, Contractor shall proceed with the work provided under the amendment. Changes in

the Contract Price shall be based upon the prices identified in the Quote provided or negotiated between the parties based on similar work provided in the Proposal.

10. UNAUTHORIZED WORK. Additional work performed without authorization of an amendment of this Contract will not entitle Contractor to an increase in the Compensation or an extension of the Contract.

11. DOCUMENTS. The City shall be the owner of all documents, reports, studies, analysis and the like prepared by the Contractor in conjunction with this contract.

12. COMPLIANCE WITH LAWS AND REGULATIONS. In providing services hereunder, Contractor shall abide by all statutes, ordinances, rules and regulations pertaining to the provisions of goods and services to be provided.

13. STANDARD OF CARE. Contractor shall exercise the same degrees of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a professional Contractor under similar circumstances. No other warranty, expressed or implied, is included in this Agreement. City shall not be responsible for discovering deficiencies in the accuracy of Contractor's services.

14. INDEMNIFICATION. To the fullest extent permitted by law, Contractor agrees to defend, indemnify and hold harmless the City, and its employees, officials, and agents from and against all claims, actions, damages, losses and expenses, including reasonable attorney fees, arising out of Contractor's negligence or its performance or failure to perform its obligations under this Contract. Contractor's indemnification obligation shall apply to subcontractor(s), or anyone directly or indirectly employed or hired by Contractor, or anyone for whose acts Contractor may be liable. Contractor agrees this indemnity obligation shall survive the completion or termination of this Contract.

15. INSURANCE. Prior to the start of the project, Contractor shall furnish to the City a certificate of insurance showing proof of the required insurance required under this Paragraph. Contractor shall take out and maintain or cause to be taken out and maintained until six (6) months after the City has accepted the public improvements, such insurance as shall protect Contractor and the City for work covered by the Contract including workers' compensation claims and property damage, bodily and personal injury which may arise from operations under this Contract, whether such operations are by Contractor or anyone directly or indirectly employed by either of them. The minimum amounts of insurance shall be as follows:

Commercial General Liability (or in combination with an umbrella policy)

\$2,000,000 Each Occurrence

\$2,000,000 Products/Completed Operations Aggregate

\$2,000,000 Annual Aggregate

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage

Personal and Advertising Injury

Blanket Contractual Liability

Products and Completed Operations Liability

Automobile Liability

\$2,000,000 Combined Single Limit – Bodily Injury & Property Damage
Including Owned, Hired & Non-Owned Automobiles

Workers Compensation

Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Employer's Liability with minimum limits are as follows:

\$500,000 – Bodily Injury by Disease per employee
\$500,000 – Bodily Injury by Disease aggregate
\$500,000 – Bodily Injury by Accident

The Contractor's insurance must be "Primary and Non-Contributory".

All insurance policies (or riders) required by this Contract shall be (i) taken out by and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of Minnesota, (ii) shall name the City, its employees and agents as additional insureds (CGL and umbrella only) by endorsement which shall be filed with the City. **A copy of the endorsement must be submitted with the certificate of insurance.**

Contractor's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days' advanced written notice to the City, or ten (10) days' notice for non-payment of premium.

An Umbrella or Excess Liability insurance policy may be used to supplement Contractor's policy limits on a follow-form basis to satisfy the full policy limits required by this Contract.

16. INDEPENDENT CONTRACTOR. The City hereby retains the Contractor as an independent contractor upon the terms and conditions set forth in this Agreement. The Contractor is not an employee of the City and is free to contract with other entities as provided herein. Contractor shall be responsible for selecting the means and methods of performing the work. Contractor shall furnish any and all supplies, equipment, and incidentals necessary for Contractor's performance under this Agreement. City and Contractor agree that Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's agents or employees are in any manner agents or employees of the City. Contractor shall be exclusively responsible under this Agreement for Contractor's own FICA payments, workers compensation payments, unemployment compensation payments, withholding amounts, and/or self-employment taxes if any such payments, amounts, or taxes are required to be paid by law or regulation.

17. SUBCONTRACTORS. Contractor shall not enter into subcontracts for services provided under this Agreement without the express written consent of the City. Contractor shall comply with Minnesota Statute § 471.425. Contractor must pay Subcontractor for all undisputed services provided by Subcontractor within ten days of Contractor's receipt of payment from City. Contractor must pay interest of 1.5 percent per month or any part of a month to Subcontractor on any undisputed amount not paid on time to Subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.

18. ASSIGNMENT. Neither party shall assign this Agreement, nor any interest arising herein, without the written consent of the other party.

19. WAIVER. Any waiver by either party of a breach of any provisions of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.

20. ENTIRE AGREEMENT. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

21. CONTROLLING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

22. COPYRIGHT. Contractor shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, drawings or specifications supplied by it, and it shall hold harmless the City from loss or damage resulting there from.

23. RECORDS/AUDIT. The Contractor shall maintain complete and accurate records of time and expense involved in the performance of services. Pursuant to Minnesota Statutes § 16C.05, Subd. 5, any books, records, documents, and accounting procedures and practices of City and Contractor relevant to the Agreement are subject to examination by City and Contractor, and either the Legislative Auditor or the State Auditor as appropriate. City and Contractor agree to maintain these records for a period of six years from the date of performance of all services covered under this Agreement.

24. MINNESOTA GOVERNMENT DATA PRACTICES ACT. Contractor must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to (1) all data provided by the City pursuant to this Agreement, and (2) all data, created, collected, received, stored, used, maintained, or disseminated by the Contractor pursuant to this Agreement. Contractor is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes Section 13.08, as if it were a government entity. In the event Contractor receives a request to release data, Contractor must immediately notify City. City will give Contractor instructions concerning the release of the data to the requesting party before the data is released. Contractor agrees to defend, indemnify, and hold City, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Contractor's officers', agents', city's, partners', employees', volunteers', assignees' or subcontractors' unlawful disclosure and/or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Agreement.

25. TERMINATION. This Agreement may be terminated by City on two (2) days' written notice delivered to Contractor at the address on file with the City. Upon termination under this provision if there is no fault of the Contractor, the Contractor shall be paid for goods and services rendered and reimbursable expenses until the effective date of termination. If the City terminates the Agreement because the Contractor has failed to perform in accordance with this Agreement, no further payment shall be made to the Contractor, and the City may retain another Contractor to undertake or complete the work identified in this Agreement.

Dated: _____, 2026

CITY OF LAKEVILLE

By: _____
Luke M. Hellier, Mayor

And: _____
Taylor Snider, Assistant to the City Administrator

Dated: _____, 2026

WILLAIM BISHOP HOLDINGS INC.

By: _____

Print Name: _____

Its: _____



Request for Quote

Replacement of RTU-10 Project

1. Project Overview

The City of Lakeville is requesting quotes for the removal and replacement of the existing Boiler system at the Lakeville Area Fine Arts Building. The project includes replacing four (4) existing 375,000 BTU slant fin boilers, and all associated electrical, piping, venting, insulation, controls, and ancillary work necessary for a complete and operational system.

RFQ Issued:	6/05/2026
Mandatory Walkthrough	6/16/2026 11am Fine Arts Building
RFQ Due:	6/22/2026
Contract Issues	6/23/2026
Council Approval	7/6/2026

2. Project Location

Lakeville Area Arts Building

Fine Arts Building
 20950 Howland Ave W
 Lakeville, Minnesota 55044

3. Scope of Work

Provide all labor, materials, equipment, permits, supervision, and services required for a complete code compliant boilers, including but not limited to the following:

i. Boiler Replacement

- Remove and properly dispose of four (4) 375,000 BTU boilers.
- Furnish and install 4 (4) 375,000 BTU equivalent condensing boilers .
- Boilers shall be:
 - New, factory-assembled, UL listed
 - Condensing
 - Natural Gas
 - 375,000 Heating input BTU's
 - Cascading



- 120v/60/1
 - BACnet controls
 - Riello, Aerco, Navien
- Include all required gas piping modifications, venting, condensate piping, supports, curbing, and appurtenances required for proper operation.
- Install boiler per manufacturer requirements and applicable codes.
- Provide startup, combustion analysis, and commissioning by a factory-authorized technician.
- Provide O&M manuals, startup documentation, and manufacturer warranties.

ii. Piping, Valves, and Accessories

- Existing piping, valves, and accessories may be reused if determined to be in good working condition.
- Contractor shall evaluate existing piping, valves, fittings, and appurtenances and notify the Owner of any components requiring replacement.
- Provide new piping, valves, fittings, and accessories only as required to accommodate new equipment, meet manufacturer requirements, or correct deficiencies.
- Any replaced components shall meet current code and manufacturer requirements.

iii. Insulation

- Provide insulation on all new piping and on any existing piping where insulation is removed or damaged during construction.
- Insulation shall match or exceed existing type and thickness.

iv. Controls & Integration

- Controls to be completed by city of Lakeville's automation contractor St. Cloud Refrigeration (SCR).
- Contractor to coordinate work with St. Cloud Refrigeration (SCR) .
- St. Cloud Refrigeration (SCR) to invoice City directly.

v. System Filling and Start Up

- Fill new boilers with proper amount of 40% Propylene Glycol.
- Glycol mixture provided by the city.
- Test boilers for proper reading on pressure gauge.
- Test boilers for proper function



vi. Crane, Rigging, and Demolition

- Provide all rigging, crane services, permits, and coordination required for removal of existing boilers and installation of new equipment.
- All crane and rigging costs shall be included in the base bid.

vii. Alternates

- provide Alternate to replace existing system pumps.

4. General Requirements

- Comply with all applicable local, state, and federal codes.
- Obtain all required permits and inspections.
- Coordinate shutdowns with the Owner and minimize downtime.
- Protect existing building, equipment, and finishes.
- Leave the system complete, tested, commissioned, and ready for operation.

5. Exclusions (Unless Specifically Noted Otherwise)

- Temporary HVAC systems
- Electrical service upgrades beyond reconnecting to existing power
- Building automation system upgrades beyond required integration

6. Schedule

- Contractor shall provide an anticipated project schedule with the proposal.
- Work shall be coordinated to minimize disruption to building operations.
- Final schedule subject to Owner approval.

7. Submittals

The successful bidder shall provide:

- Equipment cut sheets
- Startup and commissioning Reports
- Warranty information



8. Quote Requirements

Quotes shall include:

- Lump sum cost for all work described
- Breakdown of major components (boilers, crane, labor, etc.)
- Estimated lead times for equipment
- Project schedule
- Contractor Verification of Compliance
- Acknowledgement of any Addendums issued

9. Addendums

- Addendums will be issued via email to contractors no later than 5 days before proposals are due.

12. Questions

All questions shall be submitted via email to:

City of Lakeville
Tom Breeggemann Facility Supervisor
TBreeggemann@Lakevillemn.gov
952-985-2630

All question are to be asked 7 days before proposal due date to issue timely Addendums



City of Lakeville

Positioned to Thrive

ADDENDUM NO. 1

Project Name: Fine Arts Boilers

Date: July 7, 2026

To: Interested Parties

From: Tom Breeggemann Facility Supervisor

Subject: Addendum No. 1 – Revisions and Clarifications

1. Purpose of Addendum

This Addendum modifies and clarifies the original documents issued for the referenced project. This Addendum is considered part of the contract documents and shall be incorporated into the final agreement.

2. Description of Changes

- Item 1: Venting: It is the City's preference to have boilers share a common vent.
- Item 2: The existing water heater shall remain. All piping, venting, and any ancillary components required for its proper operation are the contractor's responsibility to modify as needed.
- Item 3: It is the City's preference that the contractor use the manufacturer's drawings for proper plant design. The contractor shall furnish all manufacturer-provided drawings required for the plant design.
- Item 4: Valves: It is the City's preference that the existing tie-in isolation valves be reused if they are in proper working condition. Any valves required within the new plant design shall be new.
- Item 5: For any additional design or engineering inquiries not supported by manufacture, the City will issue the RFI to a City-approved engineering firm. It is the contractor's responsibility to submit an RFI to the City, ensuring all necessary information is included, such as equipment make, model, size, weight, installation specifications, and power requirements.

3. Acknowledgment

All contractors must acknowledge receipt of this Addendum in their proposal or bid submission. Failure to do so may result in disqualification.

Issued By

Tom Breeggemann

Facility Supervisor

INITIAL CONTRACTOR VERIFICATION OF COMPLIANCE

By signing this document I certify that I am an owner or officer of the company, and I swear under oath that:

My company meets each of the minimum criteria in subclauses (1) – (6) of Minn. Stat. § 16C.285, subd. 3, the Responsible Contractor statute.

The undersigned understands that a failure to meet or verify compliance with the minimum criteria established for a “responsible contractor” as defined in Minn. Stat. § 16C.285, subd. 3, renders a bidder ineligible to be awarded a construction contract for the Project or to perform work on the Project.

The undersigned understands that a false statement under oath verifying compliance with any of the minimum criteria shall make the undersigned, ineligible to be awarded a construction project and may result in termination of a contract awarded to the undersigned. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that the contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria.

I have attached a list of all of my company’s first-tier subcontractors that it intends to retain for work on the project.

Date: _____

Contractor:

By _____
(please print name)

Signature _____
(please sign name)

Its _____

SUBCONTRACTORS LIST

PROJECT TITLE: _____

_____	_____
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Attach Additional Sheets if Necessary

Contractor: _____

By _____

(please print name)

Signature _____

(please sign name)

Its _____

SUBCONTRACTORS LIST



City of Lakeville
Positioned to Thrive

Quote FORM

Boiler Plant Replacement

Project: Boiler Plant Replacement

Location: Lakeville Area Art Center, Fine Arts Building, 20950 Howland Ave W, Lakeville MN 55044

Owner: City of Lakeville

Contractor: Hi-Tech Refrigeration W/ Ryan Mechanical

Date: 7/10/2026

The undersigned contractor proposes to perform the work described in the Contract Documents for the prices listed below.

BASE BID – LUMP SUM PRICING

Item	Description	Price
1	Boilers (4 total)	\$ <u>55200</u>
2	Crane & Rigging – Equipment removal and installation, including permits and coordination	\$ <u>15525</u>
3	Labor- All, mechanical labor not otherwise itemized	\$ <u>26680</u>
4	Labor- Electrical labor not otherwise itemized	\$ <u>2300</u>

BASE BID TOTAL Mobilization Included:

\$ 99705



Item	Description	Price
Alternate 1.	System Pumps and VFD's	\$ <u>13248</u>

ADDENDUM ACKNOWLEDGEMENTS

addendum 1	addendum 2	addendum 3	addendum 4	addendum 5
☒				

NO SUBSTITUTIONS

- Bids shall be based **solely** on the specified equipment.
- No substitutions** for the specified Reillo Condexa Pro, Aerco AM, Navien, will be accepted.
- Any bid submitted with proposed substitutions may be considered **non-responsive** and rejected at the Owner's discretion.

CONTRACTOR ACKNOWLEDGEMENTS

- Base Quote includes all labor, materials, equipment, permits, crane costs, and services required for a complete and operational system.
- Existing piping, valves, and accessories may be reused if in good working condition.
- All work shall comply with applicable codes and manufacturer requirements.
- Pricing includes startup, testing, and commissioning.

Contractors Signature: _____

Printed Name & Title: Wes Barnhart - Project Manager

Company Name: Hi-Tech Refrigeration

Phone / Email: 763-494-9340 / Bill@htrmn.com

Quote Tabulation
Fine Arts Building Boiler Plant Replacement

Contractor	Base Price	Add Alt 1	Total	Addendum Acknowledgements
Pioneer Power llc	\$139,000.00	\$33,200.00	\$172,200.00	Yes
William Bishop Holdings LLC	\$99,705.00	\$13,248.00	\$112,953.00	yes
Faribo Plumbing	\$99,500.00	\$19,000.00	\$118,500.00	Yes



Date: 7/20/2026

Proposal from Southern Aluminum for the Purchase of Tables for the John Hennen Pavilion

Proposed Action

Staff recommends adoption of the following motion: Move to approve purchase of tables from Southern Aluminum.

Overview

Over the last three rental seasons at the John Hennen Pavilion, the existing tables have caused numerous issues for renters and staff. Staff is recommending the purchase of new, more durable tables that will be easier for renters to set up and take down. After exploring offerings from several vendors and gathering feedback, Southern Aluminum was recommended. The attached proposal includes the purchase of 15 60-inch round tables and storage racks. The funding will be reallocated from Heritage Center's 2026 improvements, which have been postponed at this time. The tables that are still in good condition will be given to the Keokuk Liquor Store/Emporium Room for use in their rentals.

Supporting Information

1. Southern Aluminum Proposal Dated July 6, 2026 (1)

Financial Impact: \$17,336.00 Budgeted: No Source: Heritage Center CIP Envision Lakeville Community Values: Access to a Multitude of Natural Amenities and Recreational Opportunities Report Completed by: Susan Johnson, Recreation Manager
--



SOUTHERN ALUMINUM
PO BOX 884
Magnolia AR 71754
USA
Phone: 800-221-0408
www.southernaluminum.com

Quotation

Quote Number: 702132

Date: 7/6/2026

Expires: 8/5/2026

Sales Person: Stacie Brice

This is not an invoice. Terms subject to credit approval.

Bill To: (CTYLVK) City of Lakeville 20195 Holyoke Avenue Lakeville, MN 55044 USA	Quote To: (CTYLVKANT) City of Lakeville - Antlers Park Susan Johnson 20141 Ipava Avenue Lakeville MN 55044 USA Email: smjohnson@lakevillemn.gov Phone: 952.985.4610	Ship To: (CTYLVKANT) City of Lakeville - Antlers Park 20141 Ipava Avenue Lakeville, MN 55044 USA
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TIPS: 230301

United States Dollar

Line	Part / Description	Expected Qty	Unit Price	Ext. Price
1	AL60RDPHL-TBD 60" Round Alulite Folding Table with H Style Leg - Black Matte Paint Color: TBD	15 EA	795.00	11,925.00
2	TT72NR-P Large Round Narrow GHD Table Truck	3 EA	1,471.00	4,413.00

TT72NR-P

(5) Table Capacity

**Loaded Table Cart Dimensions - 31.5" W x 72 1/2"L **

QUOTE - Miscellaneous Charge -

	<u>Description</u>	<u>Ext. Price</u>
1)	Freight	998.00

Lines Total: 16,338.00

Quote Miscellaneous Charges: 998.00

Quote Total \$ 17,336.00



SOUTHERN ALUMINUM
PO BOX 884
Magnolia AR 71754
USA
Phone: 800-221-0408
www.southernaluminum.com

Quotation

Quote Number: 702132

Date: 7/6/2026

Expires: 8/5/2026

Sales Person: Stacie Brice

This is not an invoice. Terms subject to credit approval.

LEGAL TERMS AND CONDITIONS

PRICE: Quoted Pricing in U.S. Dollars, EX WORKS/F.O.B. Origin

COMMENTS: The prices in this quote are valid for 30 days from the date of this quote. We reserve the right to correct any material errors contained herein. For orders shipping outside of the U.S., this quote EXCLUDES applicable taxes, custom duties, detention, demurrage, and clearing costs. This must be coordinated with your broker. Southern Aluminum will provide appropriate export documentation. It is the responsibility of the forwarder and/or customs broker to file the appropriate documentation for importation and clearance.

FREIGHT: For U.S. shipments only: any estimated freight is to destination ONLY; it does not include additional delivery equipment, i.e., lift gate, inside delivery, set-up or packing materials disposal, etc. Freight is for standard packaging. Palletization requests will incur additional fees and increased freight charges. If delivery equipment is required for delivery, additional charges may apply. Freight prices are subject to change based on actual shipping charges. For shipments outside the U.S.: estimated freight will be provided upon request to forwarder, port, or destination.

TERMS: Net 30 days with approved credit for orders being delivered in the U.S. Advance Payment for orders being delivered outside the U.S.

TRANSPORTATION RESPONSIBILITY: Southern Aluminum products are shipped F.O.B. origin from Magnolia, Arkansas. This means that the buyer, and not the seller, owns the goods and carries all the risk of loss or damage after the goods leave the factory. It is the buyer's responsibility to inspect the shipment upon delivery before accepting delivery in good condition. Any damage, visible or concealed, must be noted on the carrier's delivery receipt in the presence of the driver. This should be done before signing the delivery receipt accepting the goods in good condition. Upon delivery, cartons should be inspected for any visible damage that may have occurred in transit. Promptly (within 3 business days) report to the delivering carrier or Southern Aluminum any obvious tears in cartons or damage to contents.

DELIVERY: Southern Aluminum assumes no liability for damages on account of delay in delivery resulting from any cause whatsoever beyond its reasonable control.

NOTE: All quotations and agreements are contingent upon absence of strikes, accidents, fires, availability of materials and all other causes beyond our control. Prices are based on costs and conditions existing on date of quotation and are subject to change by the Seller before final acceptance. Typographical errors are subject to correction. Conditions not specifically herein shall be governed by established trade customs. Terms inconsistent with those stated herein which may appear on Purchaser's formal order will not be binding on the seller.

THANK YOU - WE ARE EAGER TO PARTNER WITH YOU.

Dated: _____, 2026.

By: _____

John Bermel, Acting Mayor

And: _____

Taylor Snider, Deputy City Clerk

In lieu of a purchase order, please sign/date above after reviewing our legal terms.



Date: 7/20/2026

Accepting Donation from the Lakeville Public Safety Foundation

Proposed Action

Staff recommends adoption of the following motion: Move to approve a resolution to accept a donation of Bereavement Baskets and K-9 Patches to the Lakeville Police Department.

Overview

The Lakeville Police Department submitted two grant requests to the Lakeville Public Safety Foundation:

- (20) Bereavement Baskets - Valued at \$2,500.
- (200) K-9 Patches - Valued at \$500.

The Bereavement Baskets grant was requested to enhance the support provided to community members experiencing the loss of a loved one. Following a death investigation, the Lakeville Police Department, along with our Chaplains and Social Services Team, provides follow-up support and connects families with available resources. Through a partnership with Brantley's Bereavement Baskets, an organization that works with several South Metro law enforcement agencies, grieving families can receive a thoughtfully assembled basket containing items such as hand-sewn blankets, neck wraps, journals, grief resources, and other comfort items. These baskets provide meaningful, tangible support and encouragement to those experiencing loss in our community.

The K-9 Patches grant was requested to expand our community outreach and increase awareness of the Lakeville Police Department K-9 Unit through custom K-9 patches. The patches represent our specialized K-9 unit while providing a recognizable way for community members to identify and support the program. The Lakeville Public Safety Foundation will oversee the sale of these patches, with the proceeds returning to the Lakeville Public Safety Foundation, to support the Lakeville Police Department K-9 fund. These patches will be available for purchase at community events throughout the year.

Both of these grants have been approved by the Lakeville Public Safety Foundation.

Supporting Information

1. Bereavement Basket Grant App&Narrative 4.15.26
2. K9 Patches Grant Application & Narrative 7.1.26

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: Safety Throughout the Community Report Completed by: Brad Paulson, Cheif of Police

CITY OF LAKEVILLE

RESOLUTION NO. _____

**ACCEPTING DONATION FROM THE LAKEVILLE PUBLIC SAFETY
FOUNDATION**

WHEREAS, MN Statute 465.03 requires that cities accept donations for the benefit of their citizens in accordance with the terms prescribed by the donor; and

WHEREAS, the City of Lakeville's Police Department has received a donation from Lakeville Public Safety Foundation for (20) Bereavement Baskets and (500) K-9 Pathces in total valued at \$3,000.00; and

WHEREAS, the donation is beneficial to the police department.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakeville, Minnesota, that the donation is hereby officially accepted and acknowledged with gratitude to the donor; and

BE IT FURTHER RESOLVED that City staff is authorized to amend the budget to comply with grant agreements and restricted donations.

ADOPTED by the Lakeville City Council this 20th day of July 2026.

CITY OF LAKEVILLE:

Luke M Hellier, Mayor

ATTEST:

Ann Orlofsky, City Clerk



LPSF Grant Application

The purpose of the Lakeville Public Safety Foundation is to promote public safety and provide financial assistance to enhance the capabilities of the Lakeville Police and Fire Departments.

Date of Grant Application: 4/15/2026

Submit electronically to: info@lpsfmn.org

or send a copy to: LPSF
P.O. Box 1526
Lakeville, MN 55044

Lakeville Police Department

Name of organization

9237 183rd St, Lakeville, MN 55044

Address

952-985-2800

Phone

952-985-4899

Fax

www.ci.lakeville.mn.us

Website

Brad Paulson

Name of Staff Executive

Chief of Police

Title

952-985-4801

Phone

bpaulson@lakevillemn.gov

E-mail

Alex Yohnke

Name of Contact Person

Police Administrative Specialist

Title

952-985-2801

Phone

ayohnke@lakevillemn.gov

E-mail

Is your organization an IRS 501(c) (3) not-for-profit?

☐ Yes ☒ No

If no, is your agency a public agency/gov't?

☒ Yes ☐ No

If no, check with funder for details on using fiscal agents and list name and address of fiscal agent:

Name: Bereavement Baskets

Fiscal agent's EIN#: [Click here to enter text.](#)

Address: 9237 183rd St, Lakeville, MN 55044

Proposal Information

Write an executive summary that describes how this grant will help the **Lakeville Public Safety Foundation** achieve its mission “*to promote public safety by enhancing the capabilities of the Lakeville Police Department and Lakeville Fire Department*”.

Please include the following:

- Brief description of the project
- Expected outcomes –

Dollar amount requested: \$2,500.00

Total annual organization budget: [Click here to enter text.](#)

Total project budget: \$

Organization Information

Provide background on your organization:

- State your mission and goals
- Summarize your organization’s history
- Outline the organization’s current programs and activities
- Highlight the recent accomplishments

Purpose of Grant

Project, program and operating funds requests:

- **Problem and need.** Identify the problem to be addressed and the needs to be met by the project. What unique services would the community be deprived of if you do not undertake this project?
- **Program/Project Goal.** Describe the goals and overall impact of the project or program.
- **Program/Project.** Describe your program objectives relating to this grant application, activities, strategies, time lines and explain how the grant will enable you to address the problem or need. Is this a new or continuing project?
- **Project timeframe.** Over what period of time will the funds be utilized?
- **Utilization.** Number of individuals to benefit from funds.

Evaluation

Outcomes. Describe the proposed program/project outcomes. What outcomes do you want to produce by the end of the grant period? How do these outcomes support the *mission of the LPSF*?

Measurements. Outline your plan to document progress and results. How will you measure expected outcomes and the effectiveness of your activities?

Grant applications will be reviewed within 60 days of receipt.

Questions? Please contact Shanen Corlett at info@lpsfmn.org or 612-799-8375



City of Lakeville *Positioned to Thrive*

In 2025, the Lakeville Police Department responded to approximately 58 calls where an individual was deceased or died shortly after the initial response. These incidents can range from natural deaths to suicides, vehicle accidents, fires or homicidal violence.

After these calls, our chaplain team and our Social Services Liaison follow up with the families to provide resources and support. Whenever possible, the same chaplain who was at the initial call will come along for the follow up to offer a familiar presence. Families are provided with resources such as sympathy cards, county services and therapy.

We are always looking for meaningful ways to further support those experiencing loss. Recently, a community member reached out with desire to collaborate on providing tangible care items for grieving families through gift baskets. This led us to connect with Brantley's Bereavement Baskets.

This organization was founded after 14-year-old Brantley McCarty was killed in a motor vehicle accident in 2024. Brantley and his family previously lived in Lakeville and Brantley attended Lakeville schools. The organization has been collaborating with several law enforcement agencies in the south metro to provide grieving families with a thoughtfully assembled basket. The baskets can include hand sewn blankets, neck wraps, journals and a grief resource binder for families either at the initial death call or during follow-up meetings.

Providing these baskets would allow us to offer tangible support and encouragement to those experiencing loss in our community. Our request to the Lakeville Public Safety Foundation is to purchase 25 baskets for us to hold and have them available for these situations. We appreciate your consideration and partnership to support our community.

Estimated costs:

ITEM:	BUSINESS:	COST:
Bereavement Baskets	Brantley's Bereavement Baskets	\$100/basket
		TOTAL: \$2,500.00

Brantley's Trail of Kindness:

- <https://www.brantleystrailofkindness.com/>
- <https://www.whitefuneralhomes.com/obituary/brantley-mccarty>

Payment Options:

- Check: Brooke MCCarty 3310 310th Street Cannon Falls, MN 55009
- Venmo: Donation can be made to @Dabugs14



LPSF Grant Application

The purpose of the Lakeville Public Safety Foundation is to promote public safety and provide financial assistance to enhance the capabilities of the Lakeville Police and Fire Departments.

Date of Grant Application: 7/1/2026

Submit electronically to: info@lpsfmn.org

or send a copy to: LPSF
P.O. Box 1526
Lakeville, MN 55044

Lakeville Police Department

Name of organization

9237 183rd St, Lakeville, MN 55044

Address

952-985-2800

Phone

952-985-4899

Fax

www.ci.lakeville.mn.us

Website

Brad Paulson

Name of Staff Executive

Chief of Police

Title

952-985-4801

Phone

bpaulson@lakevillemn.gov

E-mail

Alex Yohnke

Name of Contact Person

Police Administrative Specialist

Title

952-985-2801

Phone

ayohnke@lakevillemn.gov

E-mail

Is your organization an IRS 501(c) (3) not-for-profit?

☐ Yes ☒ No

If no, is your agency a public agency/gov't?

☒ Yes ☐ No

If no, check with funder for details on using fiscal agents and list name and address of fiscal agent:

Name: K-9 Patches

Fiscal agent's EIN#: [Click here to enter text.](#)

Address: 9237 183rd St, Lakeville, MN 55044

Proposal Information

Write an executive summary that describes how this grant will help the **Lakeville Public Safety Foundation** achieve its mission “*to promote public safety by enhancing the capabilities of the Lakeville Police Department and Lakeville Fire Department*”.

Please include the following:

- Brief description of the project
- Expected outcomes –

Dollar amount requested: \$500.00

Total annual organization budget: [\\$Click here to enter text.](#)

Total project budget: \$

Organization Information

Provide background on your organization:

- State your mission and goals
- Summarize your organization’s history
- Outline the organization’s current programs and activities
- Highlight the recent accomplishments

Purpose of Grant

Project, program and operating funds requests:

- **Problem and need.** Identify the problem to be addressed and the needs to be met by the project. What unique services would the community be deprived of if you do not undertake this project?
- **Program/Project Goal.** Describe the goals and overall impact of the project or program.
- **Program/Project.** Describe your program objectives relating to this grant application, activities, strategies, time lines and explain how the grant will enable you to address the problem or need. Is this a new or continuing project?
- **Project timeframe.** Over what period of time will the funds be utilized?
- **Utilization.** Number of individuals to benefit from funds.

Evaluation

Outcomes. Describe the proposed program/project outcomes. What outcomes do you want to produce by the end of the grant period? How do these outcomes support the *mission of the LPSF*?

Measurements. Outline your plan to document progress and results. How will you measure expected outcomes and the effectiveness of your activities?

Grant applications will be reviewed within 60 days of receipt.

Questions? Please contact Shanen Corlett at info@lpsfmn.org or 612-799-8375



City of Lakeville *Positioned to Thrive*

The Lakeville Police Departments K-9 Unit is requesting support to expand their community outreach and branding through the creation of custom Lakeville Police Department K-9 Patches. These patches would represent our specialized K-9 unit while providing a recognizable way for community members to identify and support the program.

Our goal is to have the production of the patches funded by the Lakeville Public Safety Foundation. The patches would then be sold, with proceeds collected through Venmo and directed back to the Lakeville Public Safety Foundation, which in turn will support the K-9 fund. These funds would help provide equipment, training and other needs from our two K-9 teams. The ask is for the Foundation to purchase 200 patches to start this initiative.

There are numerous opportunities where these patches can be sold throughout the year including the Pan-O-Prog K-9 Demo, other local K-9 Demos, the fall K-9 sales at the Lakeville Liquor Stores, at other local LPD events and even potentially online through the Foundation's website.

We are proud of the work that our K-9 teams do each day and want to further promote awareness of the important role they play in serving our community. Since the Lakeville Police Department does not currently sell or distribute our traditional patches to the public, these custom K-9 patches would provide a unique opportunity for community members to support the Lakeville Public Safety Foundation, and in turn the Lakeville Police Department.

Other agencies throughout Dakota County have successfully created their own custom K-9 patches, often introducing limited editions as police patch collecting is a popular hobby. We believe this opportunity would be well received in our community and would provide ongoing support for our K-9 Unit.

With the K-9 Unit being established and a proud one, we would love to expand our Lakeville Police Department brand and selling these would expand the awareness of this specialized unit and their capabilities. We appreciate your consideration for this grant and are grateful for your support of the Lakeville Police Department and our two K-9 teams.

Estimated costs:

ITEM:	BUSINESS:	COST:
Custom K-9 Patches	ITL Patch – Burnsville	\$2.45/patch
		TOTAL: \$500.00





Date: 7/20/2026

Resolution Approving Charitable Gambling Rosemount VFW Post 9433

Proposed Action

Staff recommends adoption of the following motion: Move to approve a resolution granting approval to the Rosemount VFW Post 9433 to conduct off-site gambling at the Lakeville Arts Center, 20965 Holyoke Avenue.

Overview

Rosemount VFW Post 9433 has applied to the State of Minnesota Gambling Control Board to conduct off-site gambling (pull-tabs) at Lakeville Arts Center on August 20, 2026. The organization has a gambling premise permit. The application for off-site activity requires a resolution of approval by the City Council.

Supporting Information

1. Resolution for Rosemount VFW (Taste of Lakeville) Off Site Gambling

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: A Sense of Community and Belonging Report Completed by: <i>Ann Orlofsky</i>, City Clerk
--

CITY OF LAKEVILLE

RESOLUTION NO. _____

**RESOLUTION APPROVING CHARITABLE GAMBLING
ROSEMOUNT VFW POST 9433**

WHEREAS, the City of Lakeville received an application from the Rosemount VFW Post 9433 to conduct off-site gambling at the Lakeville Area Arts Center for the Taste of Lakeville; and

WHEREAS, Rosemount VFW Post 9433 is a qualified organization.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lakeville grants approval to the Rosemount VFW Post 9433 to conduct off-site gambling on August 20, 2026, at the Lakeville Area Arts Center, 20965 Holyoke Avenue, for the Taste of Lakeville.

DATED this 20th day of July 2026

CITY OF LAKEVILLE:

John Bermel, Acting Mayor

ATTEST:

Taylor Snider, Deputy City Clerk



Date: 7/20/2026

Juniper Triangle Development Agreements

Proposed Action

Staff recommends adoption of the following motion: Move to approve the Development Contract and related agreements for the plat of Juniper Triangle.

Overview

The City Council approved the final plat and resolution for Juniper Triangle on July 6, 2026. The approved plat includes a one-lot subdivision and the development of an 81,107 square foot office warehouse building. The site is 10.08 acres in area, located south of Juniper Way (CSAH 70) and at the terminus of Kenrick Court, east of Kenrick Avenue.

A stipulation of plat approval requires the developer to sign a development contract and all related development documents pursuant to the approved development contract. The development contract is required to address site improvements and securities to assure the City the work is completed as planned. A stormwater maintenance agreement is required to address the continued maintenance of the on-site private stormwater facilities.

Supporting Information

1. Plat-SitePlan-DevAgreement-SMAsigned

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: Diversified Economic Development Report Completed by: Heather Botten, Senior Planner

KNOW ALL PERSONS BY THESE PRESENTS: That HUMO LLC, a Minnesota limited liability company, owner of the following described property:

That part of the following described property which lies southerly of the southerly right of way line of County State Aid Highway No. 70 as shown on Dakota County Road Right of Way Map No. 300:

The West 330.00 feet of the West Half of the Northwest Quarter of the Northeast Quarter (W1/2 of NW 1/4 of NE 1/4), Section Thirty-six (36), Township One Hundred Fourteen (114), Range Twenty-One (21), according to the Government Survey thereof, Dakota County, Minnesota.

AND

All that part of the Northwest Quarter of the Northeast Quarter of Section 36, Township 114 North, Range 21 West, Dakota County, Minnesota, lying east of the West 330.00 feet thereof; and lying southwesterly of a line drawn parallel with and 85.00 feet southwesterly of, as measured at right angles to, the following described line:

Commencing at a point on the north line of the Northwest Quarter of said Section 3, distant 467.2 feet west of the northeast corner of said Northwest Quarter; thence South 51 degrees 24 minutes 30 seconds East (assuming the north line of said Northwest Quarter bears East-West) for a distance of approximately 1014.2 feet to the actual point of beginning; thence continuing South 51 degrees 24 minutes 30 seconds East for approximately 1163.0 feet to a point on the south line of said Northwest Quarter of the Northeast Quarter of Section 36, distant 134.95 feet west of the southeast corner thereof and there terminating.

Has caused the same to be surveyed and platted as JUNIPER TRIANGLE and does hereby dedicate to the public for public use the public ways and the drainage and utility easements as created on this plat.

In witness whereof said HUMO LLC, a Minnesota limited liability company, has caused these presents to be signed by its proper officer this _____ day of _____, 20 ____.

HUMO LLC

By: _____
Muzaffar Gafurov, Managing Member

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____ day of _____, 20 _____, by Muzaffar Gafurov, the Managing Member of HUMO LLC, a Minnesota limited liability company, on behalf of the company.

(Notary Signature) Notary Public, _____ County, _____

(Notary Printed Name) My commission expires _____

I Marcus F. Hampton do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20 _____

Marcus F. Hampton, Licensed Land Surveyor, Minnesota License No. 47481

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me on this _____ day of _____, 20 _____, by Marcus F. Hampton, Licensed Land Surveyor, Minnesota License No. 47481.

(Notary Signature) Notary Public, _____ County, Minnesota

(Notary Printed Name) My commission expires January 31, _____

CITY COUNCIL, CITY OF LAKEVILLE, MINNESOTA

This plat of JUNIPER TRIANGLE was approved and accepted by the City Council of the City of Lakville, Minnesota at a regular meeting thereof held this _____ day of _____, 20 _____, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

By: _____ Clerk
Mayor

DAKOTA COUNTY SURVEYOR, COUNTY OF DAKOTA, STATE OF MINNESOTA

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 20 _____.

By: _____
Todd B. Tollefson, Dakota County Surveyor

COUNTY BOARD, COUNTY OF DAKOTA, STATE OF MINNESOTA

We do hereby certify that on the 5th day of May, 2026, the Board of Commissioners of Dakota County, Minnesota, approved this plat of JUNIPER TRIANGLE and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2, and pursuant to the Dakota County Contiguous Plat Ordinance.

By: _____ Attest: _____
Chair, Dakota County Board Dakota County Treasurer - Auditor

DEPARTMENT OF PROPERTY TAXATION AND RECORDS, COUNTY OF DAKOTA, STATE OF MINNESOTA

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20 _____ on the land hereinbefore described have been paid. Also pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this _____ day of _____, 20 _____.

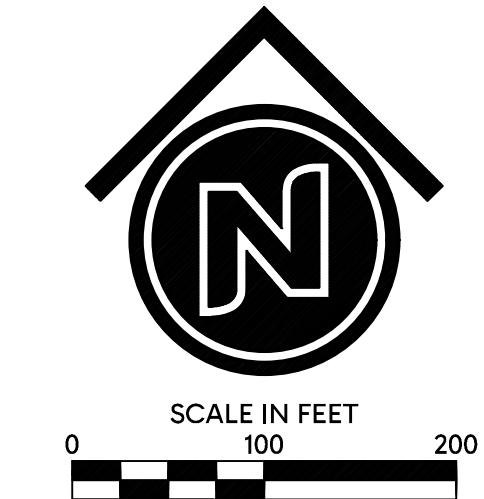
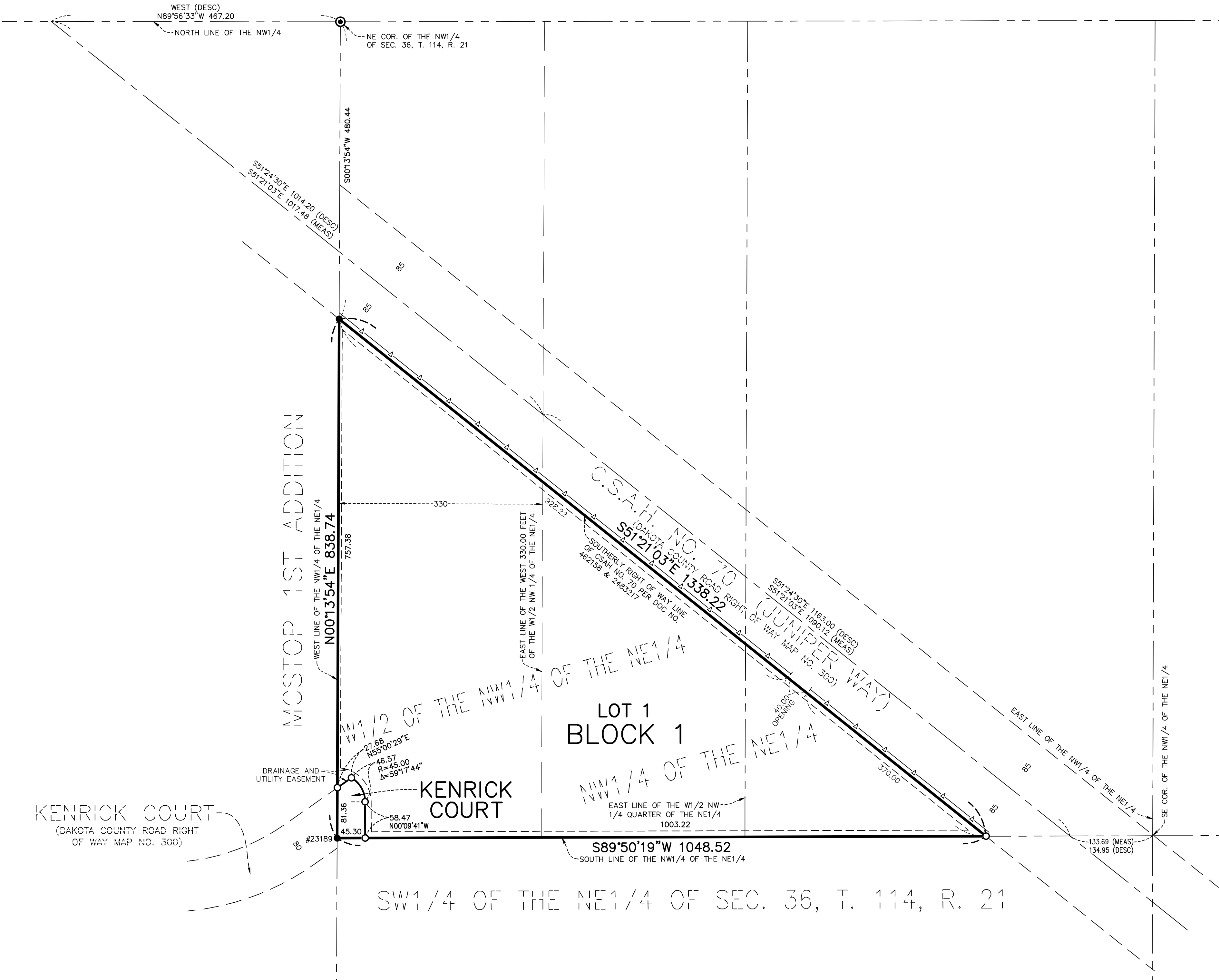
By: _____
Amy A. Koethe, Director,
Department Of Property Taxation and Records

COUNTY RECORDER, COUNTY OF DAKOTA, STATE OF MINNESOTA

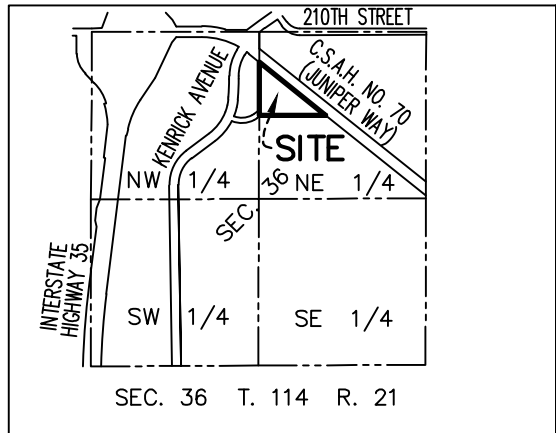
I hereby certify that this plat of JUNIPER TRIANGLE was filed in the office of the County Recorder for public record on this _____ day of _____, 20 _____, at _____ o'clock _____ M. and was duly filed in Book _____ of Plats, Page _____, as Document Number _____.

Amy A. Koethe, County Recorder

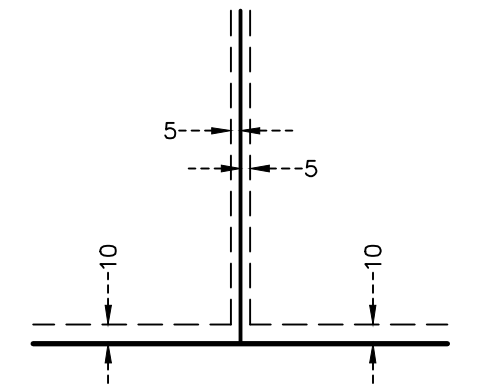
JUNIPER TRIANGLE



VICINITY MAP



DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



BEING 5 FEET IN WIDTH AND ADJOINING SIDE LOT LINES, AND BEING 10 FEET IN WIDTH AND ADJOINING PUBLIC WAYS AND REAR LOT LINES, UNLESS OTHERWISE INDICATED ON THIS PLAT.

BEARINGS ARE BASED ON THE WEST LINE OF THE NW 1/4 OF THE NE 1/4 OF SEC. 36, T. 114, R. 21 WHICH IS ASSUMED TO HAVE A BEARING OF N 00°13'54\"/>

- DENOTES FOUND OPEN 1/2 INCH IRON MONUMENT UNLESS OTHERWISE NOTED
- DENOTES SET 1/2 INCH BY 14 INCH IRON MONUMENT WITH CAP MARKED L.S. NO. 47481 TO BE SET IN ACCORDANCE WITH MN STATE SATUTE 505.021, SUBD. 10.
- ⊙ DENOTES FOUND HENNEPIN COUNTY CAST IRON MONUMENT
- △— DENOTES RESTRICTED ACCESS TO DAKOTA COUNTY PER THE DAKOTA COUNTY CONTIGUOUS PLAT ORDINANCE

HILL
INCORPORATED

F:\Civil 3D Projects\24360\PRE-PLAT PLANS\24360SITE.dwg - 4/30/2026 11:24AM



LEGEND

- EXISTING CURB & GUTTER
- EXISTING ASPHALT
- EXISTING CONCRETE
- PROPOSED CURB & GUTTER
- PROPOSED LIGHT POLE
- PROPOSED ASPHALT SURFACE
- PROPOSED CONCRETE
- PROPOSED INFILTRATION BASIN
- PROPOSED SEDIMENT BASIN
- NUMBER OF PARKING SPACES PER ROW
- PARKING SETBACK LINE
- BUILDING SETBACK LINE
- OUTDOOR STORAGE AREA

KEY NOTES

- A EXISTING SITE ACCESS
- B 10' WIDE CONCRETE PAD FOR SEMI-TRAILERS
- C CONNECT TO EXISTING STREET
- D CONCRETE DRIVEWAY APRON
- E OUTDOOR STORAGE AREA
- F PROOF OF PARKING AREAS
- G RETRAINING WALL
- H B612 CONCRETE CURB AND GUTTER
- I B618 CONCRETE CURB AND GUTTER
- J CONCRETE PEDESTRIAN RAMP
- K 10' WIDE BITUMINOUS TRAIL
- L LIGHT POLE

DEVELOPMENT SUMMARY

GROSS PROPERTY AREA	13.74 ACRES / 598,583 SF
PROJECT AREA	10.08 ACRES / 439,044 SF
EXISTING ZONING	OP, OFFICE PARK
PROPOSED ZONING	OP, OFFICE PARK
BUILDING	
GROSS FLOOR AREA	81,107 SF
WAREHOUSE FLOOR AREA	72,996 SF
OFFICE FLOOR AREA	8,111 SF
CODE MAXIMUM HEIGHT	SIX STORIES OR 65 FEET
PARKING	
WAREHOUSE:	1 SPACE PER 1,000 SF
OFFICES:	3 SPACE PER 1,000 SF
PROPOSED PARKING REQUIRED	
WAREHOUSE (FLOOR AREA MINUS 10%)	65,696 SF AT 1 PER 1,000 = 66 STALLS
OFFICE (FLOOR AREA MINUS 10%)	7,300 SF AT 3 PER 1,000 = 22 STALLS
TOTAL REQUIRED	88 STALLS
PARKING STALLS PROVIDED	
PROPOSED STALLS	78 STALLS
PROOF OF PARKING	12 STALLS
TOTAL AVAILABLE PARKING	90 STALLS
GREEN SPACE	
GREEN SPACE REQUIRED (30%)	3.02 ACRES / 131,713 SF
GREEN SPACE PROPOSED (30.2%)	3.05 ACRES / 132,685 SF
OUTDOOR STORAGE	
MAXIMUM ALLOWED (20%)	2.02 ACRES / 87,809 SF
PROPOSED AS SHOWN ON PLAN* (10.7%)	1.08 ACRES / 46,845 SF
TRUCK SPACES PROVIDED	61 SPACES
*ACTUAL OUTDOOR STORAGE WILL VARY BUT SHALL NOT EXCEED 20%	
SETBACKS	
BUILDING SETBACK (RIGHT-OF-WAY)	50 FEET
BUILDING SETBACK (SIDE/REAR)	10 FEET
PARKING SETBACK (RIGHT-OF-WAY)	20 FEET
PARKING SETBACK (SIDE/REAR)	5 FEET



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HILL
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I hereby certify that this plan,
specification or report was prepared
by me or under my direct supervision
and that I am a duly Licensed
Professional Engineer under the laws
of the State of Minnesota.

BRADY BUSSELMAN
Date: 1/16/2026 Reg. No. 44579

GLOBUS BUSINESS PARK
LAKEVILLE, MINNESOTA
SITE PLAN
FOR
GLOBUS TRANSPORT INC.
22000 HUMBOLDT ROAD, SUITE 200 LAKEVILLE, MN 55044

DRAWN BY
JSO

DATE
4/20/2026

REVISIONS

2026-02-13 CITY COMMENTS
2026-02-24 CITY COMMENTS
2026-03-02 CITY COMMENTS
2026-03-04 TREE INVENTORY
2026-03-24 CITY COMMENTS
2026-03-24 CITY COMMENTS
2026-04-20 PERMIT PLAN
2026-04-22 WIDEN BIT. TRAIL
2026-04-30 TREES/GRADING LIMITS

CAD FILE
24360SITE

PROJECT NO.
24360

C600

(reserved for recording information)

DEVELOPMENT CONTRACT

(Developer Installed Improvements)

JUNIPER TRIANGLE

CONTRACT dated _____, 2026, by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation ("City"), and **HUMO LLC**, a Minnesota limited liability company (the "Developer").

1. **REQUEST FOR PLAT AND SITE PLAN APPROVAL.** The Developer has asked the City to approve a site plan and plat for ***JUNIPER TRIANGLE*** (referred to in this Contract as the "plat"). The land is situated in the County of Dakota, State of Minnesota, and is legally described on Exhibit "A" attached hereto and made a part hereof.

2. **CONDITIONS OF PLAT APPROVAL.** The City hereby approves the plat on condition that the Developer enter into this Contract, furnish the security required by it, and record the plat with the County Recorder or Registrar of Titles within 180 days after the City Council approves the final plat.

3. **RIGHT TO PROCEED.** Within the plat or land to be platted, the Developer may not grade or otherwise disturb the earth or remove trees, unless a grading permit has been approved by the City Engineer following approval of a preliminary plat by the City Council, construct sewer lines, water lines, streets, utilities,

public or private improvements, or any buildings until all the following conditions have been satisfied: 1) this agreement has been fully executed by both parties and filed with the City Clerk, 2) the necessary security has been received by the City, 3) the necessary insurance for the Developer and its construction contractors has been received by the City, and 4) the plat has been filed with the Dakota County Recorder or Registrar of Titles' office.

4. PHASED DEVELOPMENT. If the plat is a phase of a multi-phased preliminary plat, the City may refuse to approve final plats of subsequent phases if the Developer has breached this Contract and the breach has not been remedied. Development of subsequent phases may not proceed until Development Contracts for such phases are approved by the City. Park dedication charges referred to in this Contract are not being imposed on outlots, if any, in the plat that are designated in an approved preliminary plat for future subdivision into lots and blocks. Such charges will be calculated and imposed when the outlots are final platted into lots and blocks.

5. PRELIMINARY PLAT STATUS. If the plat is a phase of a multi-phased preliminary plat, the preliminary plat approval for all phases not final platted shall lapse and be void unless final platted into lots and blocks, not outlots, within two (2) years after preliminary plat approval.

6. CHANGES IN OFFICIAL CONTROLS. For two (2) years from the date of this Contract, no amendments to the City's Comprehensive Plan, except an amendment placing the plat in the current metropolitan urban service area, or official controls shall apply to or affect the use, development density, lot size, lot layout or dedications of the approved plat unless required by state or federal law or agreed to in writing by the City and the Developer. Thereafter, notwithstanding anything in this Contract to the contrary, to the full extent permitted by state law, the City may require compliance with any amendments to the City's Comprehensive Plan, official controls, platting or dedication requirements enacted after the date of this Contract.

7. DEVELOPMENT PLANS. The plat shall be developed in accordance with the following plans. The plans shall not be attached to this Contract. With the exception of Plan A, the plans may be prepared, subject to the City Engineer's approval, after entering the Contract, but before commencement of

any work in the plat. The City Engineer may approve minor amendments to Plan B, C, D, E, and F without City Council approval. The erosion control plan may also be approved by the Dakota County Soil and Water Conservation District. If the plans vary from the written terms of this Contract, the written terms shall control.

The plans are:

Plan A - Plat

Plan B - Final Grading, Drainage, and Erosion Control Plan

Plan C - Tree Preservation Plan

Plan D - Plans and Specifications for Public Improvements

Plan E - Street Lighting Plan

Plan F - Landscape Plan

8. IMPROVEMENTS. The Developer shall install and pay for the following:

A. Sanitary Sewer System

B. Water System

C. Storm Sewer System

D. Streets

E. Concrete Curb and Gutter

F. Street Lights

G. Site Grading, Stormwater Treatment/Infiltration Basins, and Erosion Control

H. Underground Utilities

I. Setting of Iron Monuments

J. Surveying and Staking

K. Sidewalks and Trails

L. Retaining Walls

The improvements shall be installed in accordance with the City subdivision ordinance; City standard specifications for utility and street construction; and any other ordinances including Section 11-16-7 of the City Code concerning erosion and drainage and Section 4-1-4-2 prohibiting grading, construction activity,

and the use of power equipment between the hours of 10 o'clock p.m. and 7 o'clock a.m. The Developer shall submit plans and specifications which have been prepared by a competent registered professional engineer to the City for approval by the City Engineer. The Developer shall instruct its engineer to provide adequate field inspection personnel to assure an acceptable level of quality control to the extent that the Developer's engineer will be able to certify that the construction work meets the approved City standards as a condition of City acceptance. In addition, the City may, at the City's discretion and at the Developer's expense, have one or more City inspectors and a soil engineer inspect the work on a full or part-time basis. The Developer, its contractors and subcontractors, shall follow all instructions received from the City's inspectors. The Developer's engineer shall provide for on-site project management. The Developer's engineer is responsible for design changes and contract administration between the Developer and the Developer's contractor. The Developer or its engineer shall schedule a pre-construction meeting at a mutually agreeable time at the City with all parties concerned, including the City staff, to review the program for the construction work.

In accordance with Minnesota Statutes 505.021, the final placement of iron monuments for all lot corners must be completed before the applicable security is released. The Developer's surveyor shall also submit a written notice to the City certifying that the monuments have been installed following site grading, utility and street construction.

9. CONTRACTORS/SUBCONTRACTORS. City Council members, City employees, and City Planning Commission members, and corporations, partnerships, and other entities in which such individuals have greater than a 25% ownership interest or in which they are an officer or director may not act as contractors or subcontractors for the public improvements identified in Paragraph 8 above.

10. PERMITS. The Developer shall obtain or require its contractors and subcontractors to obtain all necessary permits, which may include:

- A. Dakota County for County Road Access and Work in County Rights-of-Way
- B. MnDot for State Highway Access
- C. MnDot for Work in Right-of-Way
- D. Minnesota Department of Health for Watermains

- E. MPCA NPDES Permit for Construction Activity
- F. MPCA for Sanitary Sewer and Hazardous Material Removal and Disposal
- G. DNR for Dewatering
- H. City of Lakeville for Building Permits
- I. MCES for Sanitary Sewer Connections
- J. City of Lakeville for Retaining Walls

11. DEWATERING. Due to the variable nature of groundwater levels and stormwater flows, it will be the Developer's and the Developer's contractors and subcontractors responsibility to satisfy themselves with regard to the elevation of groundwater in the area and the level of effort needed to perform dewatering and storm flow routing operations. All dewatering shall be in accordance with all applicable county, state, and federal rules and regulations. DNR regulations regarding appropriations permits shall also be strictly followed.

12. TIME OF PERFORMANCE. The Developer shall install all required public improvements by November 30, 2026, with the exception of the final wear course of asphalt on streets. The final wear course on streets shall be installed between August 15th and October 15th the first summer after the base layer of asphalt has been in place one freeze thaw cycle. The Developer may, however, request an extension of time from the City. If an extension is granted, it shall be conditioned upon updating the security posted by the Developer to reflect cost increases and the extended completion date. Final wear course placement outside of this time frame must have the written approval of the City Engineer.

13. LICENSE. The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the plat to perform all work and inspections deemed appropriate by the City in conjunction with plat development.

14. EROSION CONTROL. Prior to initiating site grading, the erosion control plan, Plan B, shall be implemented by the Developer and inspected and approved by the City. The City may impose additional erosion control requirements if they would be beneficial. All areas disturbed by the grading operations shall be stabilized per the MPCA Stormwater Permit for Construction Activity. Seed shall be in accordance with the City's current seeding specification which may include temporary seed to provide ground cover as rapidly

as possible. All seeded areas shall be fertilized, mulched, and disc anchored as necessary for seed retention. The parties recognize that time is of the essence in controlling erosion. If the Developer does not comply with the MPCA Stormwater Permit for Construction Activity or with the erosion control plan and schedule or supplementary instructions received from the City, the City may take such action as it deems appropriate to control erosion. The City will endeavor to notify the Developer in advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurred for such work within ten (10) days, the City may draw down the letter of credit to pay any costs. No development, utility or street construction will be allowed and no building permits will be issued unless the plat is in full compliance with the approved erosion control plan.

The Developer is responsible for obtaining an MPCA Construction Permit for the site prior to construction. The SWPPP was reviewed by the city prior to grading. Changes made throughout construction should be documented in the SWPPP.

Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures require shall be installed and maintained by the Developer.

The MS4 Administration Fee has not been collected on the parent parcel and shall be paid with the final plat, calculated as follows:

\$522,454	x 2.0%	= \$10,449.08
Grading Cost	2026 Rate	MS4 Administration Fee
Juniper Triangle		Juniper Triangle

15. GRADING. The Project shall be graded in accordance with the approved grading development and erosion control plan, Plan "B". The plan shall conform to City of Lakeville specifications. Within thirty (30) days after completion of the grading and final establishment of the ground cover or temporary stabilization approved by the City, the Developer shall provide the City with an "as constructed" grading plan certified by a registered land surveyor or engineer that all storm water treatment/infiltration basins and swales, have been constructed on public easements or land owned by the City. The "as constructed" plan shall include field verified elevations of the following: a) cross sections of storm water

treatment/infiltration basins; b) location and elevations along all swales, wetlands, wetland mitigation areas if any, locations and dimensions of borrow areas/stockpiles, and installed "conservation area" posts; and c) lot corner elevations and building pads, and all other items listed in City Code Section 10-3-5.NN. The City will withhold issuance of a Certificate of Occupancy until the approved certified grading plan is on file with the City and all erosion control measures are in place as determined by the City Engineer. The soils observation and testing report, including referenced development phases and lot descriptions, shall be submitted to the Building Official for review prior to the issuance of the Certificate of Occupancy.

Prior to the release of the grading and erosion control security, the "as-constructed" plan for the lot must be submitted to verify that the final as-built grades and elevations of the specific lot and all building setbacks are consistent with the approved grading plan for the development, and amendments thereto as approved by the City Engineer, and that all required property monuments are in place. If the final grading, erosion control and "as-constructed" grading plan is not timely completed, the City may enter the lot, perform the work, and draw on the letter of credit. Upon satisfactory completion of the grading, erosion control and "as-constructed" grading plan, the security, less any draw made by the City, shall be released.

A certified as-built building pad survey must be submitted and approved for commercial, industrial or institutional developments prior to issuance of a building permit.

The development contains more than one acre of site disturbance. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading. A copy of the Notice of Stormwater Permit Coverage must be submitted to the City upon receipt from the MPCA.

16. CLEAN UP. The Developer shall clean dirt and debris from streets that has resulted from construction work by the Developer, home builders, subcontractors, their agents or assigns. Prior to any construction in the plat, the Developer shall identify in writing a responsible party and schedule for erosion control, street cleaning, and street sweeping.

17. OWNERSHIP OF IMPROVEMENTS. Upon completion of the work and construction required by this Contract and final acceptance by the City, the public improvements lying within public easements shall become City property without further notice or action.

18. CITY ENGINEERING ADMINISTRATION AND CONSTRUCTION OBSERVATION.

The Developer shall pay a fee for in-house engineering administration. City engineering administration will include monitoring of construction observation, consultation with Developer and its engineer on status or problems regarding the project, coordination for final inspection and acceptance, project monitoring during the warranty period, and processing of requests for reduction in security. Fees for this service shall be three percent (3%) of construction costs identified in the Summary of Security Requirements if using a letter of credit, assuming normal construction and project scheduling. The Developer shall pay for construction observation performed by the City's in-house engineering staff or consulting engineer. Construction observation shall include part or full time inspection of proposed public utilities and street construction and will be billed on hourly rates estimated to be five percent (5%) of the estimated construction cost.

19. STORM SEWER. The Developer shall construct one (1) privately owned and maintained stormwater management basin consisting of a pretreatment forebay and infiltration basin to collect and treat the stormwater runoff generated from the site. The basin will outlet to the existing swale on the south end of Juniper Way. The Developer shall enter into a stormwater maintenance agreement (SMA) with the City, in a recordable form approved by the City for recording with the final plat.

Following completion of the site improvements and restoration, the Developer shall conduct two double ring infiltrometer tests in the location of the filtration basins to demonstrate that the design infiltration rates have been achieved. The Developer shall provide a \$10,000.00 security with the final plat to ensure that this testing is completed.

The Developer shall construct privately owned and maintained storm sewer systems. Storm sewer will be installed within the subdivision to collect and convey stormwater runoff generated from within the

lot to the proposed privately owned and maintained stormwater management basin located in the development. Runoff shall convey to the existing channel on the south side of Juniper Way.

Draintile construction is required in areas of non-granular soils within the development for the street sub-cuts and lots. Any additional draintile construction, including perimeter draintile required for building footings, which is deemed necessary during construction shall be the Developer's responsibility to install and finance.

The Storm Sewer Charge has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

439,085.00 s.f.	x \$0.250/s.f.	= \$109,771.25
Net Area	2026 Unit Rate	Storm Sewer Charge
Juniper Triangle	(Commercial and Industrial)	Juniper Triangle

Final locations and sizes of all storm sewer facilities will be reviewed by City staff with the final construction plans.

20. SANITARY SEWER. The development is located within subdistrict SC-10510 of the South Creek sanitary sewer district as identified in the City's Comprehensive Sewer Plan.

The Developer shall extend privately owned and maintained sanitary sewer service to convey wastewater from the development via existing trunk sanitary sewer to the MCES Elko/New Market Interceptor monitored by meter M649 that continues to the Empire Wastewater Treatment Facility. The Developer shall extend sanitary sewer to serve the lot from an existing 8-inch stub at the north boundary of the plat.

The Developer shall pay the Lateral Sanitary Sewer Charge for the 8-inch sanitary sewer along 215th Street that was installed with City Project 20-05. The Lateral Sanitary Sewer Charge for the sanitary sewer adjacent to the site must be paid by the Developer with the final plat, calculated as follows:

917.00 ft.	x \$41.50/f.f.	+ \$418.00	= \$38,473.50
Front Footage	Non-Residential Charge	Per Service	Lateral Sanitary Sewer Charge
Juniper Triangle	Per Front Foot		Juniper Triangle

The Sanitary Sewer Availability Charge has not been collected on the parent parcel and shall be paid by the Developer with the building permit.

Final locations and sizes of sanitary sewer facilities will be reviewed by City staff with the final plat, building permit application and final construction plans

21. WATERMAIN. The Developer shall extend privately owned and maintained watermain service within the subdivision to serve the lot from a proposed 8-inch watermain stub at the north boundary of the plat.

The Developer shall pay the Lateral Watermain Charge for the 12-inch watermain along 215th Street that was installed with City Project 20-05. The Lateral Watermain Access Charge for the watermain adjacent to the site must be paid by the Developer with the final plat, calculated as follows:

917.00 ft.	x \$48.00/f.f.	+ \$408.00	= \$44,424.00
Front Footage Juniper Triangle	Non-Residential Charge Per Front Foot	Per Service	Lateral Watermain Charge Juniper Triangle

Final locations and sizes of watermain facilities will be reviewed by City staff with the final plat, building permit application and final construction plans

22. CONSTRUCTION ACCESS. Construction traffic access and egress for grading, utility, and street construction shall be through Kenrick Court. Access from Juniper Way (CSAH 70) must be permitted by Dakota County.

23. KENRICK COURT IMPROVEMENTS. The Developer shall extend Kenrick Court, a local industrial street to terminate in a Cul-de-Sac. The Developer shall dedicate the necessary right-of-way to include the entirety of the proposed Cul-de-Sac in compliance with City ordinance requirements. The Developer shall post a security in the amount of \$43,660.00 to ensure construction of the Cul-de-Sac.

The Developer shall construct a temporary Cul-de-Sac at the east end of Kenrick Court within a temporary public roadway, drainage and utility easement and provide a \$2,500.00 security for the future removal and restoration and grant to the City a temporary turnaround easement in a recordable form approved by the City.

24. PARKS, TRAILS, AND SIDEWALKS. Development includes the grading and restoration of public trails. Bituminous trails will be constructed along the south side of Juniper Way (10-feet wide) with a future city and county capital improvement project. The Developer will be responsible for 100% of the grading and restoration for the trail segment along the plat frontage.

The Park Dedication requirement has not been collected on the parent parcel and will be satisfied by the Developer through a cash contribution with the final plat, calculated as follows:

10.09 acres	x \$5,783.00	= \$58,350.47
Total Acreage	2026 Unit Rate	Park Dedication Fee
Juniper Triangle	(Industrial)	Juniper Triangle

25. STREET LIGHT OPERATION COSTS. The Developer shall pay a cash fee for one-year of streetlight operating expenses at the time of final plat approval, calculated as follows:

1338.22 ft.	x \$0.2974/front foot/qtr	x 4 qtrs/yr	= \$1,591.95
Front Footage	2026 Streetlight Operating Fee		Total
Juniper Triangle			Juniper Triangle

26. ENVIRONMENTAL RESOURCES EXPENSES. The Developer shall pay a cash fee for one-year of environmental resources management expenses with the final plat, calculated as follows:

1 unit	x \$64.00/unit	x 4.20	= \$268.80
Total Units	2026 Rate	Utility Factor	Environmental Resources Fee
Juniper Triangle			Juniper Triangle

27. LANDSCAPING. Landscaping shall be installed in accordance with the approved landscape plan. The Developer shall post a \$111,340.00 landscaping security at the time of final plat approval to ensure that the landscaping is installed in accordance with the approved plan.

28. TREE PRESERVATION. The Tree Preservation Plan submitted with the Globus Business Park preliminary plat identifies 3,453 inches of significant trees located within the project boundaries. As a Mixed Use, Commercial, Industrial, or Special District, the tree removal threshold is 70%, or 2,417 inches of allowable tree removal. Plans propose to remove 2,252 diameter inches of common and hardwood deciduous trees which is below the threshold and no replacement planting for common, coniferous, or hardwood deciduous trees removed from the site is required. Heritage trees require the replacement of 100% of the diameter inches removed, minus any credits for heritage trees saved up to 50%. Plans show

the removal of 190 inches of heritage trees with credits for heritage tree preservation reducing the replacement requirement to 95 caliper inches of new trees. The landscape plan dated 7/6/2026 complies with tree preservation requirements.

All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any trees to be preserved that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance.

- 29. SPECIAL PROVISIONS.** The following special provisions shall apply to plat development:
- A. Implementation of the recommendations listed in the June 22, 2026, Planning Report, and June 22, 2026, Engineering Report.
 - B. The Developer shall provide one driveway access to Juniper Way (CSAH 70) that will be restricted as a right-in/right-out access.
 - C. The Developer shall enter into a parking deferment agreement in a recordable form approved by the City prior to approval of a building permit. A minimum of ten (10) parking spaces shall be provided.
 - D. Snow storage shall not take place in required parking spaces. If there is not adequate space to store snow on site, snow must be removed from the site.
 - E. Prior to City Council approval of the final plat, the Developer shall furnish a boundary survey of the proposed property to be platted with all property corner monumentation in place and marked with lath and a flag. Any encroachments on or adjacent to the property shall be noted on the survey. The Developer shall post a \$100.00 security for the final placement of interior subdivision iron monuments at property corners. The security was calculated as follows: one (1) lot/outlot at \$100.00 per lot/outlot. The security will be held by the City until the Developer's land surveyor certifies that all irons have been set following site grading and utility and street construction. In addition, the certificate of survey must also include a certification that all irons for a specific lot have either been found or set prior to the issuance of a building permit for that lot.

- F. The Developer shall pay a cash fee for the preparation of addressing, property data, and City base map updating. This fee is \$90.00 per lot/outlot for a total charge of \$90.00.
- G. The Developer shall be responsible for the cost of street light installation consistent with a street lighting plan approved by the City. Before the City signs the final plat, the Developer shall post a security for street light installation consistent with the approved plan. The estimated amount of this security is \$1,400.00 and consists of one (1) mast-arm streetlight at \$1,400.00 each.
- H. The Developer is required to submit the final plat in electronic format. The electronic format shall be either AutoCAD.DWG file or a .DXF file. All construction record drawings (e.g., grading, utilities, streets) shall be in electronic format in accordance with standard City specifications.
- A. The Developer shall submit as-built record drawings following the completion of the project to be constructed on the Subject Property.

30. SUMMARY OF SECURITY REQUIREMENTS. To guarantee compliance with the terms of this Contract, payment of real estate taxes including interest and penalties, payment of special assessments, payment of the costs of all public improvements, and construction of all public improvements, the Developer shall furnish the City with a cash escrow, or letter of credit, in the form attached hereto, from a bank ("security") for \$773,282.11. The amount of the security was calculated as follows:

CONSTRUCTION COSTS:

A. Kenrick Court Extension	\$43,660.00
B. Sanitary Sewer Connection	5,000.00
C. Watermain Connection	5,000.00
D. Storm Sewer Connection	5,000.00
E. Grading, Grading Certification, Erosion Control and Restoration	<u>522,454.00</u>
CONSTRUCTION SUB-TOTAL	\$581,114.00

OTHER COSTS:

A. Developer's Design (3.0%)	\$17,433.42
B. Developer's Construction Survey (2.5%)	14,527.85
C. City Legal Expenses (Est. 0.5%)	2,905.57
D. City Construction Observation (Est. 5.0%)	29,055.70

E. City Record Drawings (0.5%)	2,905.57
F. Kenrick Court Temporary Cul-de-Sac Removal	2,500.00
G. Infiltration Basin Testing	10,000.00
H. Landscaping	111,340.00
I. Streetlights	1,400.00
J. Lot Corners/Iron Monuments	100.00
OTHER COSTS SUB-TOTAL	<u>\$192,168.11</u>
TOTAL SECURITIES:	<u>\$773,282.11</u>

This breakdown is for historical reference; it is not a restriction on the use of the security. The bank shall be subject to the approval of the City Administrator. The City may draw down the security, on five (5) business days written notice to the Developer, for any violation of the terms of this Contract or without notice if the security is allowed to lapse prior to the end of the required term. If the required public improvements are not completed at least thirty (30) days prior to the expiration of the security, the City may also draw it down without notice. If the security is drawn down, the proceeds shall be used to cure the default. Upon receipt of proof satisfactory to the City that work has been completed and financial obligations to the City have been satisfied, with City approval the security may be reduced from time to time by ninety percent (90%) of the financial obligations that have been satisfied. Ten percent (10%) of the amounts certified by the Developer's engineer shall be retained as security until all improvements have been completed, all financial obligations to the City satisfied, the required "as constructed" plans have been received by the City, a warranty security is provided, and the public improvements are accepted by the City Council. The City's standard specifications for utility and street construction outline procedures for security reductions.

31. SUMMARY OF CASH REQUIREMENTS. The following is a summary of the cash requirements under this Contract which must be furnished to the City prior to the City Council signing the final plat:

A. Park Dedication	\$58,350.47
B. Storm Sewer Charge	109,771.25
C. Lateral Sanitary Sewer Charge	38,473.50
D. Lateral Watermain Charge	44,424.00

E. Streetlight Operating Fee	1,591.95
F. Environmental Resources Management Fee	268.80
G. MS4 Administration Fee	13,542.08
H. Property Data and Asset/Infrastructure Management Fee	90.00
I. City Engineering Administration (3.00%)	<u>22,072.92</u>
TOTAL CASH REQUIREMENTS	\$288,584.97

32. WARRANTY. The Developer warrants all improvements required to be constructed by it pursuant to this Contract against poor material and faulty workmanship. The warranty period for streets is one year. The warranty period for underground utilities is two years and shall commence following completion and acceptance by the City. The one year warranty period on streets shall commence after the final wear course has been installed and accepted by the City. The Developer shall post maintenance bonds in the amount of twenty-five percent (25%) of final certified construction costs to secure the warranties. The City shall retain ten percent (10%) of the security posted by the Developer until the maintenance bonds are furnished to the City or until the warranty period expires, whichever first occurs. The retainage may be used to pay for warranty work. The City's standard specifications for utility and street construction identify the procedures for final acceptance of streets and utilities.

33. RESPONSIBILITY FOR COSTS.

- A. Except as otherwise specified herein, the Developer shall pay all costs incurred by it or the City in conjunction with the development of the plat, including but not limited to Soil and Water Conservation District charges, legal, planning, engineering and construction observation inspection expenses incurred in connection with approval and acceptance of the plat, the preparation of this Contract, review of construction plans and documents, and all costs and expenses incurred by the City in monitoring and inspecting development of the plat.
- B. The Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from plat approval and development. The Developer shall indemnify the City and its officers, employees,

and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees.

- C. The Developer shall reimburse the City for costs incurred in the enforcement of this Contract, including engineering and attorneys' fees.
- D. The Developer shall pay, or cause to be paid when due, and in any event before any penalty is attached, all special assessments referred to in this Contract. This is a personal obligation of the Developer and shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.
- E. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Contract within thirty (30) days after receipt. If the bills are not paid on time, the City may halt plat development and construction until the bills are paid in full. Bills not paid within thirty (30) days shall accrue interest at the rate of eighteen percent (18%) per year. Additionally, the Developer shall pay in full all bills submitted to it by the City prior to any reductions in the security for the development.
- F. In addition to the charges and special assessments referred to herein, other charges and special assessments may be imposed such as but not limited to City or MCES sewer availability charges ("SAC"), City water connection charges, City sewer connection charges, and building permit fees.

34. DEVELOPER'S DEFAULT. In the event of default by the Developer as to any of the work to be performed by it hereunder, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer, except in an emergency as determined by the City, is first given notice of the work in default, not less than forty-eight (48) hours in advance. This Contract is a license for the City to act, and it shall not be necessary for the City to seek a Court order for permission to enter the land. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part.

35. MISCELLANEOUS.

- A. The Developer represents to the City that the plat complies with all city, county, metropolitan, state, and federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances, and environmental regulations. If the City determines that the plat does not comply, the City may, at its option, refuse to allow construction or development work in the plat until the Developer does comply. Upon the City's demand, the Developer shall cease work until there is compliance.
- B. Third parties shall have no recourse against the City under this Contract.
- C. Breach of the terms of this Contract by the Developer shall be grounds for denial of building permits, including lots sold to third parties.
- D. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Contract is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Contract.
- E. Grading, curbing, and one lift of asphalt shall be installed on all public and private streets prior to issuance of a permanent or temporary certificate of occupancy.
- F. If building permits are issued prior to the acceptance of public improvements, the Developer assumes all liability and costs resulting in delays in completion of public improvements and damage to public improvements caused by the City, Developer, its contractors, subcontractors, material men, employees, agents, or third parties. No sewer and water connections or inspections may be conducted and no one may occupy a building for which a building permit is issued on either a temporary or permanent basis until the streets needed for access have been paved with a bituminous surface and the utilities are accepted by the City Engineer.
- G. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's failure to promptly take legal action to enforce this Contract shall not be a waiver or release.

H. This Contract shall run with the land and may be recorded against the title to the property. In the event this Contract is recorded, upon request by Developer, the City covenants to provide a recordable Certificate of Completion within a reasonable period of time following the request, upon the completion of the work and responsibilities required herein, payment of all costs and fees required and compliance with all terms of the Contract. A release of this Contract may be provided in the same manner and subject to the same conditions as a Certificate of Completion provided there are no outstanding or ongoing obligations of Developer under the terms of this Contract. The Developer covenants with the City, its successors and assigns, that the Developer is well seized in fee title of the property being final platted and/or has obtained consents to this Contract, in the form attached hereto, from all parties who have an interest in the property; that there are no unrecorded interests in the property being final platted; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

I. Insurance. **Developer and Contractor shall provide a copy of the Development Contract to their insurance professional for verification that the certificate of insurance is in compliance with the requirements of the Development Contract.** Prior to execution of the final plat, Developer and its general contractor shall furnish to the City a certificate of insurance showing proof of the required insurance required under this Paragraph. Developer and its general contractor shall take out and maintain or cause to be taken out and maintained until six (6) months after the City has accepted the public improvements, such insurance as shall protect Developer and its general contractor and the City for work covered by the Contract including workers' compensation claims and property damage, bodily and personal injury which may arise from operations under this Contract, whether such operations are by Developer and its general contractor or anyone directly or indirectly employed by either of them. The minimum amounts of insurance shall be as follows:

Commercial General Liability (or in combination with an umbrella policy)
\$2,000,000 Each Occurrence
\$2,000,000 Products/Completed Operations Aggregate
\$2,000,000 Annual Aggregate

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability

Automobile Liability
\$2,000,000 Combined Single Limit – Bodily Injury & Property Damage
Including Owned, Hired & Non-Owned Automobiles

Workers Compensation
Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Employer's Liability with minimum limits are as follows:

- \$500,000 – Bodily Injury by Disease per employee
- \$500,000 – Bodily Injury by Disease aggregate
- \$500,000 – Bodily Injury by Accident

The Developer's and general contractor's insurance must be "Primary and Non-Contributory".

All insurance policies (or riders) required by this Contract shall be (i) taken out by and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of Minnesota, (ii) shall name the City, its employees and agents as additional insureds (CGL and umbrella only) by endorsement which shall be filed with the City and (iii) shall identify the name of the plat. A copy of the endorsement must be submitted with the certificate of insurance.

Developer's and general contractor's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days' advanced written notice to the City, or ten (10) days' notice for non-payment of premium.

An Umbrella or Excess Liability insurance policy may be used to supplement Developer's or general contractor's policy limits on a follow-form basis to satisfy the full policy limits required by this Contract.

- J. Indemnification. To the fullest extent permitted by law, Developer agrees to defend, indemnify and hold harmless the City, and its employees, officials, and agents from and against all claims, actions, damages, losses and expenses, including reasonable attorney fees, arising out of Developer's negligence or its performance or failure to perform its obligations under this Contract. Developer's indemnification obligation shall apply to Developer's general contractor, subcontractor(s), or anyone directly or indirectly employed or hired by Developer, or anyone for whose acts Developer may be liable. Developer agrees this indemnity obligation shall survive the completion or termination of this Contract.
- K. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.
- L. The Developer may not assign this Contract without the written permission of the City Council. The Developer's obligation hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it, until the City's issuance of a Certificate of Completion and Release.
- M. Retaining walls that require a building permit shall be constructed in accordance with plans and specifications prepared by a structural or geotechnical engineer licensed by the State of Minnesota. Following construction, a certification signed by the design engineer shall be filed with the Building Official evidencing that the retaining wall was constructed in accordance with the approved plans and specifications. All retaining walls identified on the development plans and by special conditions referred to in this Contract shall be constructed before any other building permit is issued for a lot on which a retaining wall is required to be built.

N. Should the Developer convey any lot or lots in the Development to a third party, the City and the owner of that lot or those lots may amend this Development Contract or other city approvals or agreements for development or use of those lots without the approval or consent of the Developer or other lot owners in the Development. Private agreements between the owners of lots within the Development for shared service or access and related matters necessary for the efficient use of the Development shall be the responsibility of the lot owners and shall not bind or restrict City authority to approve applications from any lot owner in the Development.

36. NOTICES. Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address: Attn: Muzaffer Gafurov, 2840 Chowen Avenue South, Minneapolis, Minnesota 55416. Notices to the City shall be in writing and shall be either hand delivered to the City Administrator, or mailed to the City by certified mail in care of the City Administrator at the following address: Lakeville City Hall, 20195 Holyoke Avenue, Lakeville, Minnesota 55044.

*[The remainder of this page has been intentionally left blank.
Signature pages follow.]*

CITY OF LAKEVILLE

(SEAL)

BY: _____
John Bermel, Acting Mayor

AND _____
Taylor Snider, Deputy Clerk

STATE OF MINNESOTA)
)ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by John Bermel and by Taylor Snider the Acting Mayor and Deputy Clerk of the City of Lakeville, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

NOTARY PUBLIC

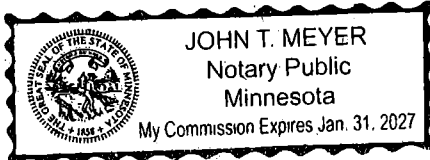
DEVELOPER:
HUMO LLC

BY: _____

Muzaffar Gafurov
Its Managing Member

STATE OF MINNESOTA)
)ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this 15th day of July, 2026, by Muzaffar Gafurov the Managing Member of HUMO LLC, a Minnesota limited liability company, on behalf of said entity.



NOTARY PUBLIC

DRAFTED BY:
CAMPBELL, KNUTSON
Professional Association
Grand Oak Office Center I
860 Blue Gentian Road, Suite 290
Eagan, MN 55121
Telephone: 651-452-5000
AMP/smt

EXHIBIT "A"
TO
DEVELOPMENT CONTRACT

Legal Description of Property Being Final Platted as
JUNIPER TRIANGLE

That part of the following described property which lies southerly of the southerly right of way line of County State Aid Highway No. 70 as shown on Dakota County Road Right of Way Map No. 300:

The West 330.00 feet of the West Half of the Northwest Quarter of the Northeast Quarter (W1/2 of NW 1/4 of NE 1/4), Section Thirty-Six (36), Township One Hundred Fourteen (114), Range Twenty-One (21), according to the Government Survey thereof, Dakota County, Minnesota.

(Abstract Property)

And

All that part of the Northwest Quarter of the Northeast Quarter of Section 36, Township 114 North, Range 21 West, Dakota County, Minnesota, lying east of the West 330.00 feet thereof; and lying southwesterly of a line drawn parallel with and 85.00 feet southwesterly of, as measured at right angles to, the following described line:

Commencing at a point on the north line of the Northwest Quarter of said Section 3, distant 467.2 feet west of the northeast corner of said Northwest Quarter; thence South 51 degrees 24 minutes 30 seconds East (assuming the north line of said Northwest Quarter bears East-West) for a distance of approximately 1014.2 feet to the actual point of beginning; thence continuing South 51 degrees 24 minutes 30 seconds East for approximately 1163.0 feet to a point on the south line of said Northwest Quarter of the Northeast Quarter of Section 36, distant 134.95 feet west of the southeast corner thereof and there terminating.

(Abstract Property)

**STORMWATER MAINTENANCE AGREEMENT/
BEST MANAGEMENT PRACTICE FACILITIES
AND LICENSE AGREEMENT**

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2026, by and between **HUMO LLC**, a Minnesota limited liability company (the "Owner") and the **CITY OF LAKEVILLE**, a Minnesota municipal corporation (the "City").

A. The Owner is the owner of certain real property located in Dakota County, Minnesota legally described in Exhibit A attached hereto ("Property"); and

B. The Owner is proceeding to build on and develop the Property, and has requested City approval of the final plat ("Plat Approval") and conditional use permit for the proposed development of the **Juniper Triangle** plat; and

C. The final plans for **Juniper Triangle**, hereinafter called the "Plans", submitted in support of the Plat Approval, which are expressly made a part hereof, as approved or to be approved by the City, provides for detention/retention of stormwater within the confines of the Property; and

D. The City and the Owner agree that the health, safety, and welfare of the residents of the City of Lakeville, Minnesota, require that on-site stormwater management/BMP facilities be constructed and maintained on the Property; and

E. The City requires that on-site stormwater management/BMP facilities ("Stormwater Facilities") as shown on the Plans be constructed and adequately maintained by the Owner as a condition of final plat and conditional use permit approval of the Property; and

F. As a condition of final plat and conditional use permit approval, the Owner is required to enter into this Agreement and grant to the City an easement for access, drainage and utility over a portion of the Property (the "Easement Area") legally described on Exhibit B attached hereto to comply with work required under the terms of this Agreement.

NOW, THEREFORE, in consideration of mutual covenants of the parties set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Construction of Stormwater Improvements.** Owner shall construct the Stormwater Facilities in accordance with the plans and specifications identified in the Plans.

2. **Maintenance of Stormwater Improvements.**

A. The Owner shall adequately maintain the Stormwater Facilities in accordance with the Stormwater Maintenance Plan and the City engineering standards for stormwater treatment facilities attached hereto as Exhibit C. This includes all pipes, channels, and other conveyances built to convey stormwater to the facility, as well as all structures, improvements, and vegetation provided to control the quantity and quality of the stormwater. Adequate maintenance is herein defined as good working condition so that these facilities are performing their design functions.

B. The Owner will perform the work necessary to keep these Stormwater Facilities in good working order as appropriate. In the event a maintenance schedule for the Stormwater Facilities (including sediment removal) is outlined on the approved plans, the schedule will be followed and comply with all federal, state, and local regulations relating to the disposal of material.

3. **Inspection and Reporting.** The Owner shall cause the Stormwater Facilities to be inspected and submit an inspection report annually and shall be responsible for the payment of any associated costs. The purpose of the inspection is to assure safe and proper functioning of the facilities. The inspection shall cover the entire facilities, berms, outlet structure, pond areas, access roads, buffers, etc. Deficiencies shall be noted in the inspection report. A storage treatment basin will be considered inadequate if it is not compliant with all requirements of the approved Plan and City engineering standards set forth in Exhibit C.

4. **City Access and Maintenance Rights.**

A. The Owner hereby grants the City a license, its authorized agents and employees, to enter upon the Property and to inspect the stormwater management/BMP facilities whenever the City deems necessary. The City shall provide the Owner, its successors and assigns, copies of the inspection findings and a directive to commence with the repairs if necessary ("Inspection Report").

B. In the event the Owner, its successors and assigns, fails to maintain the Stormwater Facilities in good working condition acceptable to the City and such failure continues for 60 days after the City gives the Owner written notice of such failure, the City may enter upon the Property and take whatever steps necessary, including excavation and the storage of materials and equipment, to correct deficiencies identified in the Inspection Report. The City's notice shall specifically state which maintenance tasks are to be performed. The City may charge the costs, including assessing the City's costs to the Owner's property taxes of such repairs, to the Owner, its successors and assigns. This provision shall not be construed to allow the City to erect any structure of permanent nature on the land of the Owner outside of the Easement Area for the Stormwater Facilities. It is expressly understood and agreed that the City is under no obligation to routinely maintain or repair said Stormwater Facilities, and in no event shall this Agreement be construed to impose any such obligation on the City. In addition, Owner agrees that it is, and will be, solely responsible to address complaints and legal claims brought by any third party with regard to the maintenance and operation and the consequences there from the Stormwater Facilities. The Owner expressly agrees to defend and hold the City harmless from any such third-party claim.

5. **Grant of Easement.** Owner hereby grants to the City, its successors and assigns, a permanent non-exclusive easement for access to the Stormwater Facilities over, on and across the Property

and for the purpose of accessing and maintaining the Stormwater Facilities pursuant to the terms of this Agreement over, on, across, under and through the Easement Area. The easement shall include the rights, but not the obligation, of the City, its contractors, agents, servants, and assigns, to enter upon the Easement to construct, reconstruct, inspect, repair, and maintain said private Stormwater Facilities together with the right to grade, level, fill, drain, pave, and excavate the Easement Area, and the further right to remove trees, bushes, undergrowth, and other obstructions interfering with the location, construction, and maintenance of said private Stormwater Facilities systems.

6. **Reimbursement of Costs.** The Owner agrees to reimburse the City for all costs incurred by the City in the enforcement of this Agreement, or any portion thereof, including court costs and reasonable attorneys' fees.

7. **Indemnification.** This Agreement imposes no liability of any kind whatsoever on the City. The Owner hereby agrees to indemnify and hold harmless the City and its agents and employees against any and all claims, demands, losses, damages, and expenses (including reasonable attorneys' fees) arising out of or resulting from the Owner or the Owner's agents or employee's negligent or intentional acts, or any violation of any safety law, regulation or code in the performance of this Agreement, without regard to any inspection or review made or not made by the City, its agents or employees or failure by the City, its agents or employees to take any other prudent precautions. In the event the City, upon the failure of the Owner to comply with any conditions of this Agreement, performs said conditions pursuant to its authority in this Agreement, the Owner shall indemnify and hold harmless the City, its employees, agents and representatives for its own negligent acts in the performance of the Owner's required work under this Agreement, but this indemnification shall not extend to intentional or grossly negligent acts.

8. **Notice.** All notices required under this Agreement shall either be personally delivered or be sent by certified or registered mail and addressed as follows:

To the Owner: Humo LLC
2840 Chowen Avenue
Minneapolis, Minnesota 55416
Attn: Muzaffar Gafurov

To the City: City of Lakeville
20195 Holyoke Avenue
Lakeville, Minnesota 55044
Attn: City Administrator

or to such other party at such other address as such party, by ten (10) days prior written notice given as provided, shall designate.

All notices given hereunder shall be deemed given when personally delivered or two business days after being placed in the mail properly addressed as provided herein.

9. **Successors/Covenants Run with Property.** All duties and obligations of Owner under this Agreement shall also be duties and obligations of Owner's successors and assigns. The terms and conditions of this Agreement shall run with the Property.

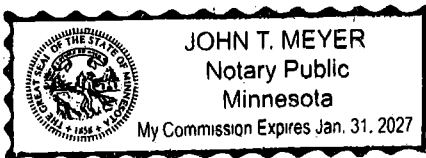
HUMO LLC

By: _____

Muzaffar Gafurov
Its: Managing Member

STATE OF MINNESOTA)
)ss.
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 15th day of July, 2026, by Muzaffar Gafurov, the Managing Member of **HUMO LLC**, a Minnesota limited liability company, on behalf of said entity.



NOTARY PUBLIC

DRAFTED BY:
CAMPBELL, KNUTSON
Professional Association
Grand Oak Office Center I
860 Blue Gentian Road, Suite 290
Eagan, MN 55121
Telephone: 651-452-5000
AMP/smt

CITY OF LAKEVILLE

By: _____
John Bermel, Acting Mayor

(SEAL)

And: _____
Taylor Snider, Deputy Clerk

STATE OF MINNESOTA)
)ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by John Bermel and by **Taylor Snider** the Acting Mayor and Deputy Clerk of the **City of Lakeville**, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
CAMPBELL KNUTSON
Professional Association
Grand Oak Office Center I
860 Blue Gentian Road, Suite 290
Eagan, Minnesota 55121
Telephone: (651) 452-5000
AMP/smt

**EXHIBIT A
TO
STORMWATER MAINTENANCE AGREEMENT**

Legal Description of the Owner Property

Lot 1, Block 1, Juniper Triangle, Dakota County, Minnesota, according to the recorded plat thereof.

EXHIBIT B Page 1
TO
STORMWATER MAINTENANCE AGREEMENT

Legal Description of the Easement

EXHIBIT B Page 2
TO
STORMWATER MAINTENANCE AGREEMENT

EXHIBIT C
CITY OF LAKEVILLE
ENGINEERING STANDARDS FOR STORM WATER
TREATMENT FACILITIES

Pond Maintenance Requirements

1. Annual inspection, maintenance reporting and certification by a professional engineer (Provided by Owner). Information must be submitted to the City annually.
2. Excavate pond to original design capacity when one half (1/2) of the wet volume of the pond is lost due to sediment deposition.
3. Remove floatable debris in and around the pond area including, but not limited to: oils, gases, debris and other pollutants.
4. Maintain landscape adjacent to the facility per original design, including but not limited to: maintenance of the buffer strip and other plant materials as per original plan design.
5. Maintenance of all erosion control measures including but not limited to: rip rap storm sewer outlets, catch basin inlets, etc.

Infiltration/Rain Garden Maintenance Requirements

1. Inlet and Overflow Spillway – Remove any sediment build-up or blockage and correct any erosion.
2. Vegetation
 - a. Maintain at least 80% surface area coverage of plants approved per plan.
 - b. Removal of invasive plants and undesirable woody vegetation.
 - c. Removal of dried, dead and diseased vegetation.
 - d. Re-mulch void or disturbed/exposed areas.
3. Annual inspection and maintenance efforts must be documented and submitted to the City.

Underground Infiltration System

1. Inspection of street or parking surface must be inspected for evidence of potholes, sinkholes, sediment build up, or surface ponding annually.
2. Annual inspections must be completed of pipe symmetry, pipe joint connections, and outlet structures to look for cracks, defects, misalignment, or seepage.
3. Inspection for accumulation of sediment must be done annually, maintenance should be performed when sediment accumulation occurs.
4. Visual inspection for trash and debris must be conducted monthly and following rain events of 1 inch or greater in 24 hours.
5. Inspections must be performed annually to look for oil accumulation in device or immediately after a spill occurs. Maintenance must be done when a layer of oil/gasoline develops on the surface.

Environmental Manhole Maintenance Requirements

1. Annual inspections, maintenance reporting and certification must be completed by a professional engineer licensed in the State of Minnesota at Owner's expense. Information must be submitted to the City annually.
2. Maintenance must be performed once the sediment or oil depth exceeds the established requirements recommended by the manufacturer.
3. Maintenance must occur immediately after a spill takes place. Appropriate regulatory agencies must also be notified in the event of a spill.
4. Disposal of materials shall be in accordance with local, state and federal requirements as applicable.



Date: 7/20/2026

Lakeville 35 Logistics Center South Addition Final Plat

Proposed Action

Staff recommends adoption of the following motion: Move to approve a resolution approving the plat of Lakeville 35 Logistics Center South Addition.

Overview

Likewise Partners has submitted an application for a final plat for a one lot, one outlet subdivision to be known as Lakeville 35 Logistics Center South Addition. The site is 15.36 acres in area and located south of Juniper Way (CSAH 70) and north of 215th Street. The site is zoned OP, Office Park District. The applicant is proposing an industrial office/warehouse project with an approximate 171,000 square foot building. A conditional use permit is required and was approved with the preliminary plat to allow an office/warehouse building in the OP, Office Park District.

The final plat is consistent with the preliminary plat and complies with the Subdivision Ordinance requirements. Final plat approval is subject to the execution of a Development Contract, special assessment agreement, and related development agreements for the site. The Developer is working with City staff on the details of the agreements. Once finalized, the agreements will be brought forward to City Council for review and approval.

Supporting Information

1. Plat Resolution
2. Planning and Engineering Reports
3. Exhibits

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: Diversified Economic Development Report Completed by: Heather Botten, Senior Planner

(Reserved for Dakota County Recording Information)

**CITY OF LAKEVILLE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 26-_____

**RESOLUTION APPROVING THE FINAL PLAT OF
LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION**

WHEREAS, the owner of the plat described as Lakeville 35 Logistics Center South Addition has requested final plat approval; and

WHEREAS, the preliminary plat was reviewed by the Planning Commission and approved by the City Council; and

WHEREAS, the final plat is consistent with the preliminary plat approved by the City Council; and

WHEREAS, the final plat meets Subdivision Ordinance requirements; and

WHEREAS, the final plat is acceptable to the City.

NOW, THEREFORE, BE IT RESOLVED by the Lakeville City Council:

1. The Lakeville 35 Logistics Center South Addition final plat is hereby approved subject to Developer executing a Development Contract for the plat, special assessment agreement and any other agreements related thereto and recording the agreements simultaneously with the plat.
2. The Mayor and City Clerk are hereby authorized to sign the final plat mylars, development contract, stormwater maintenance agreement, and all documents pursuant to the approved development contract.
3. The Lakeville 35 Logistics Center South Addition final plat is subject to the Developer executing a special assessment agreement with the City.
4. The City Clerk is directed to file a certified copy of this resolution with the Dakota County Recorder.

ADOPTED by the Lakeville City Council this 20th day of July 2026.

CITY OF LAKEVILLE

BY: _____
John Bermel, Acting Mayor

ATTEST:

Taylor Snider, Deputy Clerk

STATE OF MINNESOTA)
 (
CITY OF LAKEVILLE)

I hereby certify that the foregoing Resolution No. 26-____ is a true and correct copy of the resolution presented to and adopted by the City Council of the City of Lakeville at a duly authorized meeting thereof held on the 20th day of July 2026 as shown by the minutes of said meeting in my possession.

Taylor Snider, Deputy Clerk

(SEAL)



Memorandum

To: Tina Goodroad, AICP, Community Development Director
From: Heather Botten, Senior Planner
Date: July 6, 2026
Subject: Lakeville 35 Logistics Center South Addition Final Plat
Application Action Deadline: July 21, 2026 (60-day deadline)

BACKGROUND

Representatives of Likewise Partners have submitted a final plat for a one lot, one outlot industrial subdivision to be known as Lakeville 35 Logistics Center South Addition. The site is 15.36 acres in area and located south of Juniper Way (CSAH 70) and north of 215th Street.

The applicant is proposing a multi-tenant industrial office/warehouse project with an approximate 171,000 square foot building. The property is zoned O-P, Office Park District. A conditional use permit for an office/warehouse use was approved April 6, 2026.

The final plat plans have been reviewed by Community Development, Engineering, Environmental Resources, Forestry, and Parks and Recreation Department.

EXHIBITS:

- A. Location Map
- B. Zoning Map
- C. Final Plat
- D. Preliminary Plat
- E. Site Plan
- F. Dakota County Plat Commission letter dated June 18, 2026

SITE PLAN ANALYSIS

The site development and construction plans propose one building, approximately 171,000 square feet to include both office and warehouse type uses. The building is being constructed on speculation, the site plan estimates 10% office/90% warehouse occupancy, consistent with similar industrial office/warehouse buildings.

Existing Conditions. The property is undeveloped land and historically been used for agricultural crop production. There is a wetland on the southeasterly part of the property.

Lots/Blocks. One lot on one block is proposed with the final plat along with one outlot that will be deeded to the city. Proposed Lot 1 is 13.66 acres in area with over 1,300 ft of lot width exceeding the minimum lot area (30,000 square feet) and lot width (100 feet) requirements of the OP District.

Streets. Juniper Way (CSAH 70) abuts the proposed plat to the north. All required right-of-way has been previously dedicated for Juniper Way. Access to and from the property will be from 215th Street, that currently has a full access point onto CSAH 70.

215th Street is currently an unpaved road that runs along the southern portion of the plat that will provide two access points to the development. This road is planned for reconstruction, consistent with the City's urban collector roadway design standards. The project is explained in more detail in the Engineering Memo dated July 6, 2026.

The Dakota County Plat Commission recommended approval of the final plat at the June 17, 2026 meeting subject to the requirements in the approval letter dated June 18, 2026.

Tree Preservation. As an industrial district, the tree removal threshold is 70%. The Tree Preservation Plan identifies 2,104 inches of significant trees. The plans propose to remove 202 diameter inches which is below the threshold. A total of 1,902 diameter inches of significant trees are identified to be preserved.

All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any preserved trees that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance.

Wetlands. One wetland was identified on the site. No impacts are proposed to the wetland.

Grading, Drainage, Erosion Control, Utilities. Grading, drainage, erosion control, and utility plans have been submitted with the preliminary plat and are discussed in more detail in the attached July 6, 2026 engineering report. The Engineering Division recommends approval of Lakeville 35 Logistics Center South Addition final plat and development plans subject to the comments outlined in the engineering report.

Park Dedication, Trails and Sidewalks. The City’s Comprehensive Parks, Trails, and Open Space Plan does not identify any future park land needs in the area of the plat. Park dedication shall be satisfied with a cash fee at a rate of \$5,783 per acre.

Development of the site includes the grading and restoration of public trails. A bituminous trail will be constructed along the south side of Juniper Way (10-feet wide) with a future city and county capital improvement project. The Developer shall be responsible for 100% of the grading and restoration for the trail segment along the plats frontage.

Building Setbacks. The O-P, Office-Park District requires the following setback requirements:

	Front Yard (215 th St)	W. Side Yard	Rear Yard (CSAH 70)
Minimum	50 feet	10 feet	30 feet
Proposed	52 feet	50+ feet	50+ feet

Building Height/Exterior Materials. The proposed building will be one-story and 39 feet in height in compliance with O-P District requirements. The building will be constructed with 96% or greater Grade A materials, consisting of smooth texture pre-cast concrete panels painted white and gray with blue accents. The loading docks will be located on the east side of the building. The exterior building materials and design comply with Zoning Ordinance requirements for the OP District. The proposed building is compatible with the area in which it is proposed and consistent in design to other warehouse/office buildings in the OR District, as allowed by the Zoning Ordinance.

Access/Parking/Drive Aisles. The property will have two access points via 215th Street on the south side of the site. The egress points have been approved by Engineering. The parking lot meets or exceeds the minimum setbacks from a property line.

The site plan demonstrates two areas of proof of parking to accommodate the expansion of parking facilities if the parking demand exceeds the site supply.

Building size 170,978 SF
 Minus 10% of floor area allowed by code..153,880 SF
 Office area - est. 10% of floor area - 15,388 SF
 3 spaces per 1,000 SF = **46 stalls**
 Warehouse square feet - est. 90% = 138,492 SF
 1 space per 1,000 SF = **138 stalls**

Required (assuming 10% office occupancy)....184 stalls
Provided.....184 stalls

Circulation. All drive aisles and parking stalls comply with the required aisle width and parking stall dimensions for two-way 90-degree vehicle parking. The site has been designed to allow semi-truck and trailer and emergency vehicle circulation throughout the site. Employee and visitor would be on the west and north sides of the building with semi-traffic and semi-trailer parking using the easterly egress and the loading dock area.

Outdoor Storage. Outside storage will be limited to semi-trailers as part of the function of the building occupancy that includes receiving, transferring, shipping of goods and materials. The trailer parking will be located at the rear of the building.

Landscaping/Screening. The O-P District requires a minimum of 30% landscaped area on the property. Subtracting right-of-way dedication, the lot size is 14.88 acres. The site layout as designed proposes 46.6% greenspace, exceeding minimum requirements.

The landscape plan proposes 59 shade and evergreen trees and a variety of shrubs and perennials. Zoning Ordinance 11-21-9.B requires industrial and commercial properties to include perimeter plantings, including along the right-of-way of the proposed preliminary plat.

All of the landscaped areas within and adjacent to the parking lot, including landscaped islands, shall be irrigated in compliance with the Zoning Ordinance. A financial security will be required with the final plat to guarantee installation of the approved landscaping. The security amount will be determined by the developer's landscaping contractor prior to City Council consideration of the final plat.

Signage. The Zoning Ordinance for the OP District allows one freestanding sign to a maximum area of 100 square feet and 10 feet in height. The sign shall be located at least 15 feet from the property line abutting right-of-way and five feet from a side property line. All wall signs shall comply with Chapter 11-23 of the City Code. A sign permit shall be issued by the Community Development Department prior to the installation of any signs.

Recycling and Trash Containers. If trash will be kept outdoors in an enclosure, the structure must meet the requirements of Section 11-18-11, including exterior materials, location, and screening. All outdoor trash enclosures must be screened with a structure that is a minimum of six feet in height or one foot taller than the containers and must be constructed of materials that match the architecture of the principal building.

Mechanical Equipment. All rooftop and ground mounted mechanical equipment shall comply with Section 11-21-13 of city code. Screening materials must be aesthetically harmonious and compatible with the building.

Snow Storage. Snow storage may not take place in required parking spaces. Snow removal is shown to be stored near the southeast side of the building, out of the required parking areas.

RECOMMENDATION

Community Development Department staff has determined that Lakeville 35 Logistics Center South Addition final plat and development plans comply with Subdivision and Zoning Ordinance requirements for the O-P district. Staff recommends approval of the plat subject to the following stipulations:

1. The final plat and development plans shall be in substantial conformance with the plans on file with the Community Development Department except as may be modified by the conditions herein.
2. A development contract and any related agreements shall be approved by the City Council with the approval of the final plat.
3. Implementation of the requirements listed in the engineering report dated July 6, 2026 and any subsequent correspondence.
4. The landscape and tree preservation plans shall be approved by the City Forester. A landscaping financial security shall be submitted with the final plat.
5. Snow storage shall not take place in required parking spaces. If there is not adequate space to store snow on site, snow must be removed from the site.



Memorandum

To: Heather Botten, Senior Planner

From: Jonathan Nelson, Assistant City Engineer
McKenzie Cafferty, Environmental Resources Manager
Joe Masiarchin, Parks and Recreation Director

Copy: Zach Johnson, City Engineer
Julie Stahl, Finance Director
Dave Mathews, Building Official
Tina Goodroad, Community Development Director

Date: July 6, 2026

Subject: Lakeville 35 Logistics Center South

- Final Plat
- Grading and Erosion Control Plan
- Utility Plan
- Tree Preservation Plan

BACKGROUND

LPDC, LLC submitted a final plat named Lakeville 35 Logistics Center South. The proposed development is located east of Interstate 35, north of and adjacent to 215th Street and south of and adjacent to Juniper Way (CSAH 70). The parent parcel consists of Outlot A, Lakeville 35 Logistics North Addition and is zoned OP, Office Park District.

The final plat consists of one lot within one block and one outlot on 15.08 acres. The Developer is dedicating 0.48 acres for 215th Street right-of-way.

The outlot created with the final plat shall have the following use:

Outlot A: Wetland management area; to be deeded to the City (1.22 acres)

The development will be completed by:

Developer: LPDC, LLC
Engineer/Surveyor: Sambatek

SITE CONDITIONS

The Lakeville 35 Logistics Center South site contains undeveloped agricultural land. All existing remnants from the site, including field entrances and culverts, shall be removed with the final plat. The Developer must provide a \$10,000 security with the final plat to ensure the removal of existing field entrances and culverts. There is an overhead transmission line on the south side of the platted area that is considered high voltage.

EASEMENTS

Perimeter drainage and utility easements shall be provided with the final plat in accordance with city ordinance requirements. The Developer shall provide the city temporary construction easements of 14' along the southern plat boundary necessary for the grading and construction of City Project No. 26-09 215th Street improvements prior to City Council consideration of the final plat.

STREET AND SUBDIVISION LAYOUT

Juniper Way (CSAH 70)

Lakeville 35 Logistics Center South is south of and adjacent to Juniper Way, a Dakota County highway classified as a principal arterial as identified in the City's Transportation Plan. Juniper Way is an existing four-lane divided rural highway. The 2022 Dakota County Plat Needs Map (rev. 10-27-22) identifies a half right-of-way need of 75 feet. The necessary right-of-way was previously dedicated with Lakeville 35 Logistics Center North final plat. The Dakota County Plat Commission recommended approval of the final plat on June 17, 2026. The Developer is responsible for any requirements stipulated by Dakota County.

215th Street

Lakeville 35 Logistics Center South is located north of and adjacent to 215th Street, a City roadway classified as a minor collector. The necessary right-of-way was previously dedicated with Lakeville 35 Logistics Center North final plat.

215th Street is a two-lane undivided rural gravel roadway. 215th Street is planned for reconstruction consistent with City urban collector roadway design standards. The improvements are programmed in Lakeville's current adopted 5-year Capital Improvement Plan (2026-2030).

SPECIAL ASSESSMENT AGREEMENT

The Developer shall enter into a public improvement and special assessment agreement with the City to be recorded against Lot 1, Block 1, of the plat prior to recording the final plat, for

the costs associated with City Project No. 26-09 (215th Street Improvements) for the portion of 215th Street abutting the plat. The assessment agreement shall be recorded simultaneously with the Development Contract. By entering into the assessment agreement, the Developer waives the right to appeal the assessment. Entering into the assessment agreement releases the Developer and owner from their obligation to construct the public improvements associated with City Project 26-09. Any violation of the terms and conditions of the assessment agreement shall also constitute a breach of this Contract.

CONSTRUCTION ACCESS

Construction traffic access and egress for grading, utility and street construction shall be determined with the final construction plans.

PARKS, TRAILS AND SIDEWALKS

Development includes the grading and restoration of public trails. Bituminous trails will be constructed along the south side of Juniper Way (10-foot wide) with a future city and county capital improvement project. The Developer will be responsible for 100% of the grading and restoration for the trail segment along the plats frontage.

The Park Dedication requirement has not been collected on the parent parcel and will be satisfied through a cash contribution to be paid with the final plat, calculated as follows:

15.08 acres	x \$5,783.00	= \$87,207.64
Total Acreage	2026 Unit Rate	Park Dedication Fee
Lakeville 35 Logistics	(Industrial)	Lakeville 35 Logistics
South		South

UTILITIES

SANITARY SEWER

Lakeville 35 Logistics Center South is located within subdistricts SC-10500 and SC-10510 of the South Creek sanitary sewer district. Wastewater will be conveyed through City sanitary sewer to the MCES interceptor sewer monitored by meter M649. Wastewater treatment is provided by the Empire Wastewater Treatment Plant.

Development of Lakeville 35 Logistics Center South includes construction of private sanitary sewer. Sanitary sewer service will extend within Lot 1 from an existing stub.

The Lateral Sanitary Sewer Charge must be paid for the 8-inch sanitary sewer along 215th Street that was installed with City Project 20-05. The Lateral Sanitary Sewer Charge for the sanitary sewer adjacent to the site must be paid with the final plat, calculated as follows:

1,384.69 ft.	x \$41.50/f.f.	+ \$418.00	= \$57,882.64
Front Footage Lakeville 35 Logistics South	Non-Residential Charge Per Front Foot	Per Service	Lateral Sanitary Sewer Charge Lakeville 35 Logistics South

The Sanitary Sewer Availability Charge has not been collected on the parent parcel and shall be collected with the building permit.

Final locations and sizes of sanitary sewer facilities will be reviewed by City staff with the final plat, building permit application and final construction plans

WATERMAIN

Development of Lakeville 35 Logistics Center South includes construction of private watermain service. Watermain will extend within Lot 1 from a future stub to be constructed with City Project No. 26-09 215th Street Improvements.

The Lateral Watermain Charge must be paid for the 12-inch watermain along 215th Street that was installed with City Project 20-05. The Lateral Watermain Access Charge for the watermain adjacent to the site must be paid with the final plat, calculated as follows:

1,384.69 ft.	x \$48.00/f.f.	+ \$408.00	= \$66,873.12
Front Footage Lakeville 35 Logistics South	Non-Residential Charge Per Front Foot	Per Service	Lateral Watermain Charge Lakeville 35 Logistics South

Final locations and sizes of watermain facilities will be reviewed by City staff with the final plat, building permit application and final construction plans

STORM SEWER

Development includes construction of privately owned and maintained storm sewer systems. Storm sewer will be constructed within Lot 1 to collect and convey stormwater runoff generated from within the site to a private stormwater management facility.

The Storm Sewer Charge has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

668,851.00 s.f.	x \$0.250/s.f.	= \$167,212.75
Net Area Lakeville 35 Logistics South	2026 Unit Rate (Commercial and Industrial)	Storm Sewer Charge Lakeville 35 Logistics South

Draintile construction is required in areas of non-granular soils within the development for the street sub-cuts and lots. Any additional draintile construction, including perimeter draintile required for building footings, which is deemed necessary during construction shall be the Developer's responsibility to install and finance.

Final locations and sizes of all storm sewer facilities will be reviewed by City staff with the building permit application and final construction plans.

OVERHEAD LINES

Existing aboveground equipment (utility lines and poles) is located along the south plat boundary, adjacent to the parent parcel. The overhead lines are identified as high voltage lines that cannot be undergrounded by the utility provider.

DRAINAGE AND GRADING

The development is located within subdistricts SC-004 and SC-005 of the South Creek stormwater district.

Development includes construction of a privately-owned and maintained stormwater management system. A stormwater management basin will be located in Lot 1 and provide treatment and rate control of stormwater runoff generated from the site. The Developer shall enter into a Stormwater Maintenance Agreement with the City for the private stormwater management system.

The final grading plan shall identify all fill lots in which the building footings will be placed on fill material. The grading specifications shall also indicate that all embankments meet FHA/HUD 79G specifications. The Developer shall certify to the City that all lots with footings placed on fill material are appropriately constructed. Building permits will not be issued until a soils report and an as-built certified grading plan have been submitted and approved by City staff.

The development contains more than one acre of site disturbance. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading. A copy of the Notice of Stormwater Permit Coverage must be submitted to the City upon receipt from the MPCA.

FEMA FLOODPLAIN ANALYSIS

The development is shown on the Flood Insurance Rate Map (Map No. 27037C0191E; Eff. Date 12/2/2011) as Zone X by the Federal Emergency Management Agency (FEMA). Based on this designation by FEMA, the lots are not located within a Special Flood Hazard Area (SFHA), as determined by FEMA.

EROSION CONTROL

The Developer is responsible for obtaining an MPCA Construction Permit for the site. No grading or tree removals can take place until authorized by the City. Changes made throughout construction must be documented in the SWPPP.

Redundant silt fence is required along all wetlands. Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures required shall be installed and maintained by the Developer.

A maintenance schedule for the establishment of vegetation in the stormwater management basin must be submitted to the City for review prior to the start of grading.

The MS4 Administration Fee has not been collected on the parent parcel and shall be paid with the final plat, calculated as follows:

\$289,670.00	x 2.0%	= \$5,793.40
Grading Cost	2026 Rate	MS4 Administration Fee
Lakeville 35 Logistics South		Lakeville 35 Logistics South

WETLANDS

One wetland was delineated on the site. No impacts are proposed to the wetland. The wetland will be placed in a city owned outlot. Natural areas signs will be placed around the wetland buffer in seven locations. Final locations for the signs will be reviewed by city staff prior to installation.

TREE PRESERVATION

The Tree Preservation Plan submitted with the Lakeville Logistics 35 South preliminary plat identifies 2,104 inches of significant trees located with the project boundaries. As a Mixed Use, Commercial, Industrial, or Special District, the tree removal threshold is 70%, or 1,472 inches. Plans propose to remove 106 diameter inches on site, and 96 diameter inches off site, for a total proposed removal of 202 diameter inches which is below the threshold. A total of 1,902 diameter inches of significant trees are identified to be preserved.

All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any preserved trees that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance.

SECURITIES

The Developer shall provide a Letter of Credit as security for the Developer-installed improvements relating to the development. Construction costs are based upon estimates submitted by the Developer's engineer on May 20, 2026.

CONSTRUCTION COSTS

Sanitary Sewer Connection	\$ 5,000.00
Watermain Connection	15,000.00
Storm Sewer Connection	5,000.00
Grading, Grading Certification, Erosion Control and Restoration	289,670.00
SUBTOTAL - CONSTRUCTION COSTS	\$314,670.00

OTHER COSTS

Developer's Design (3.0%)	\$ 9,440.10
Developer's Construction Survey (2.5%)	7,866.75
City's Legal Expense (0.5%)	1,573.35
City Construction Observation (5.0%)	15,733.50
Developer's Record Drawing (0.5%)	1,573.35
Natural Area Signs (7)	1,050.00
Landscaping	92,779.00
Streetlights	2,800.00
Lot Corners/Iron Monuments	200.00
SUBTOTAL - OTHER COSTS	\$ 133,016.05
TOTAL PROJECT SECURITY	\$ 447,686.05

The street light security totals \$2,800 which consists of two (2) mast-arm streetlight at \$2,800 each.

The Developer shall post a security to ensure the final placement of iron monuments at property corners with the final plat. The security is \$100.00 per lot and outlot for a total of \$200.00. The City shall hold this security until the Developer's Land Surveyor certifies that all irons have been placed following site grading, street, and utility construction.

CASH FEES

A cash fee for one-year of streetlight operating expenses shall be paid at the time of final plat approval and is calculated as follows:

1,384.69 ft.	x \$0.2974/front foot/qtr	x 4 qtrs/yr	= \$1,674.23
Front Footage	2026 Streetlight Operating Fee		Total
Lakeville 35 Logistics South			Lakeville 35 Logistics South

A cash fee for one-year of environmental resources management expenses shall be paid with the final plat and is calculated as follows:

$$\begin{array}{ccccccc}
 1 \text{ unit} & & \times \$64.00/\text{unit} & & \times 4.20 & & = \$268.80 \\
 \text{Total Units} & & \text{2026 Rate} & & \text{Utility Factor} & & \text{Environmental Resources Fee} \\
 \text{Lakeville 35 Logistics South} & & & & & & \text{Lakeville 35 Logistics South}
 \end{array}$$

A cash fee for the preparation of addressing, property data, and City base map updating shall be paid with the final plat and is calculated as follows:

$$\begin{array}{ccccc}
 2 \text{ lots/outlots} & & \times \$90.00/\text{unit} & & = \$180.00 \\
 \text{Lots/Outlots} & & \text{2026 Rate} & & \text{Property Data \& Asset/Infrastructure Mgmt. Fee} \\
 \text{Lakeville 35 Logistics South} & & & & \text{Lakeville 35 Logistics South}
 \end{array}$$

The Developer shall submit the final plat and construction drawings in an electronic format. The electronic format shall be in .pdf and either .dwg (AutoCAD) or .dxf format.

The Developer shall also pay a cash fee for City Engineering Administration. The fee for City Engineering Administration will be based on three percent (3.00%) of the estimated construction cost, or \$9,440.10.

CASH REQUIREMENTS

Park Dedication	\$ 87,207.64
Storm Sewer Charge	167,212.75
Lateral Sanitary Sewer Charge	57,882.64
Lateral Watermain Charge	66,873.12
Streetlight Operating Fee	1,674.23
Environmental Resources Management Fee	268.80
MS4 Administration Fee	5,793.40
Property Data and Asset/Infrastructure Management Fee	180.00
City Engineering Administration (3.00%)	9,440.10
TOTAL CASH REQUIREMENTS	<u><u>\$ 396,532.68</u></u>

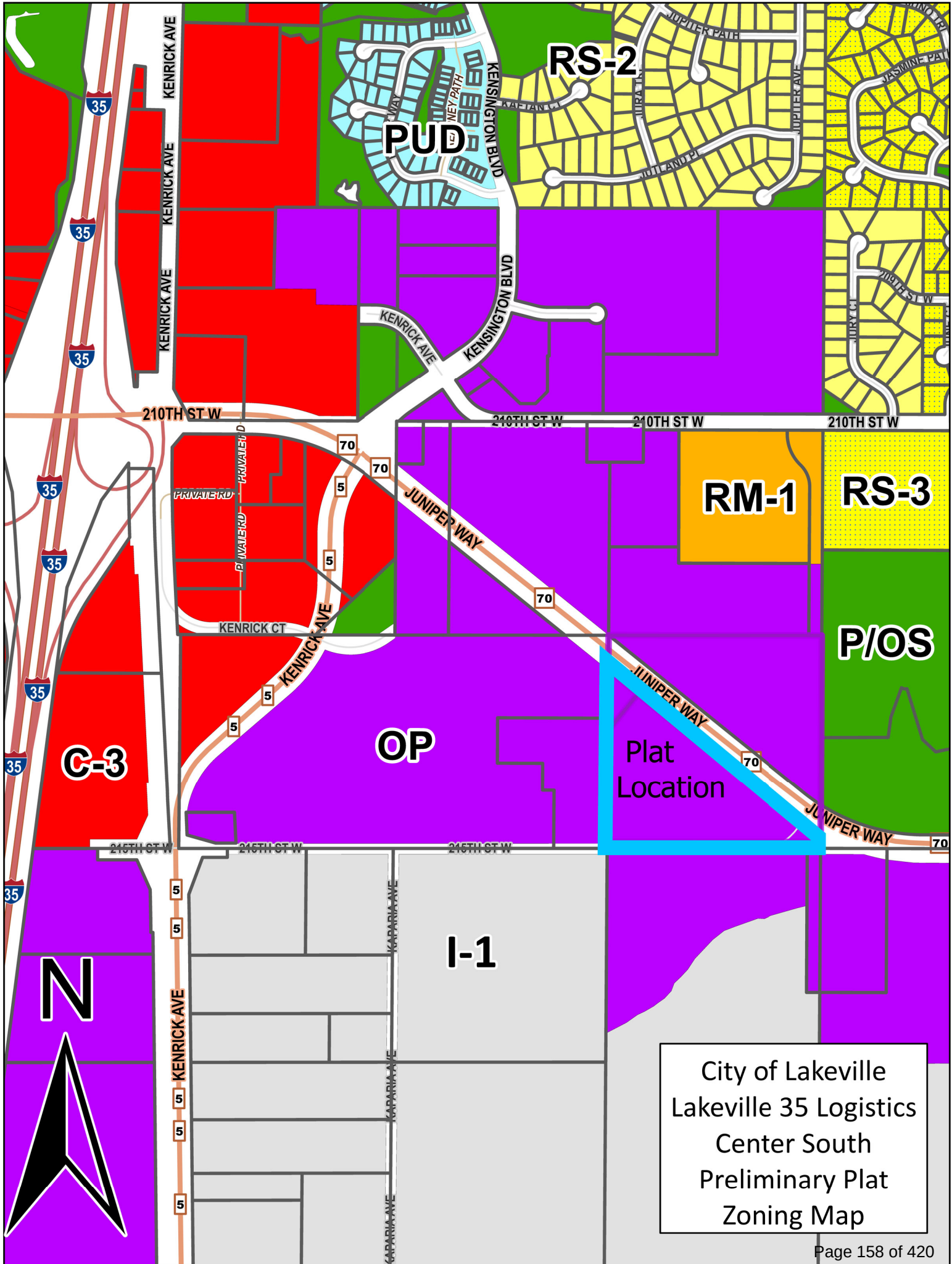
RECOMMENDATION

Engineering recommends approval of the final plat, site plan, grading and erosion control plan, and utility plan for Lakeville 35 Logistics Center South Addition, subject to the requirements and stipulations within this report.



Plat
Location

City of Lakeville
Lakeville 35 Logistics
Center South
Preliminary Plat
Location Map



City of Lakeville
Lakeville 35 Logistics
Center South
Preliminary Plat
Zoning Map

LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION

KNOW ALL PERSONS BY THESE PRESENTS: That Lakeville Industrial Acreage Partnership, a Minnesota partnership, fee owner of the following described property:

Outlot A, LAKEVILLE 35 LOGISTICS CENTER NORTH ADDITION.

Has caused the same to be surveyed and platted as LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION and does hereby dedicate to the public for public use the public way and the drainage and utility easements as created by this plat.

In witness whereof said Lakeville Industrial Acreage Partnership, a Minnesota partnership, has caused these presents to be signed by its proper officer this _____ day of _____, 20____.

Lakeville Industrial Acreage Partnership

By: _____
Lawrence F. Debalak Its: General Partner

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20____, by Lawrence F. Debalak as General Partner of Lakeville Industrial Acreage Partnership, a Minnesota partnership, on behalf of the partnership.

Notary Public, _____ County, _____

My Commission Expires _____

Notary Printed Name _____

I, Glen A. Mullenbach do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.1, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20____

Glen A. Mullenbach, Licensed Land Surveyor, Minnesota License No. 47470

STATE OF MINNESOTA
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20_____, by Glen A. Mullenbach

Notary Public, _____ County, Minnesota
My Commission Expires _____

CITY COUNCIL, CITY OF LAKEVILLE, COUNTY OF DAKOTA, STATE OF MINNESOTA

This plat was approved by the City Council of Lakeville, Minnesota this _____ day of _____, 20_____, and hereby certifies compliance with all requirements as set forth in Minnesota Statutes, Section 505.03, Subd. 2.

By: _____ Mayor

By: _____ Clerk

COUNTY SURVEYOR, COUNTY OF DAKOTA, STATE OF MINNESOTA

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 20____.

By: _____
Todd B. Tollefson, Dakota County Surveyor

COUNTY BOARD, COUNTY OF DAKOTA, STATE OF MINNESOTA

We do hereby certify that on the 7th day of January, 2025, the Board of Commissioners of Dakota County, Minnesota approved this plat of LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION, and said plat is in compliance with the provisions of Minnesota Statutes, Section 503.03 Subd. 2 and pursuant to the Dakota County Contiguous Plat Ordinance.

By: _____ Attest: _____
Chair, Dakota County Board Dakota County Treasurer – Auditor

DEPARTMENT OF PROPERTY TAXATION AND RECORDS, COUNTY OF DAKOTA, STATE OF MINNESOTA

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20____ on the land hereinbefore described have been paid. Also pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this ____ day of _____, 20____.

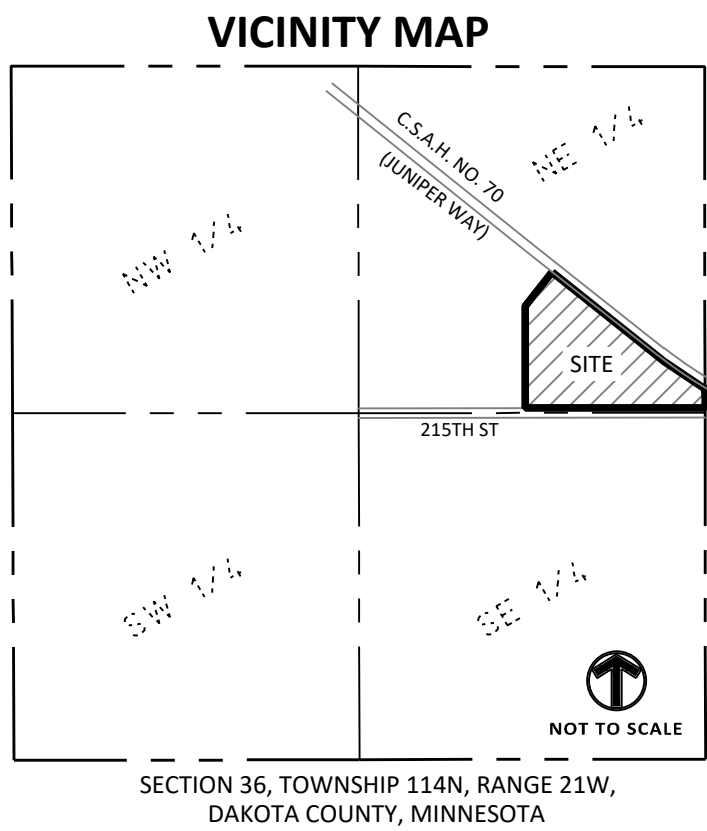
By: _____
Amy A. Koethe, Director, Department of Property Taxation and Records

COUNTY RECORDER, COUNTY OF DAKOTA, STATE OF MINNESOTA

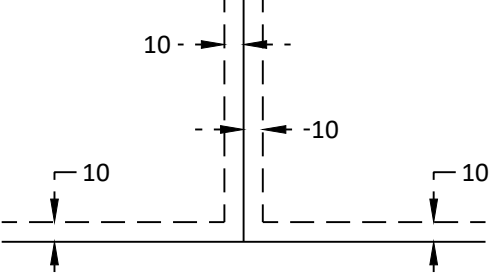
I hereby certify that this plat of LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION was filed in the office of the County Recorder for public record on this _____ day of _____, 20_____, at _____ o'clock _____ .M., and was duly filed in Book _____ of Plats, Page _____ as Document Number _____.

By: _____
Amy A. Koethe, County Recorder

LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION



DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:
(NOT TO SCALE)

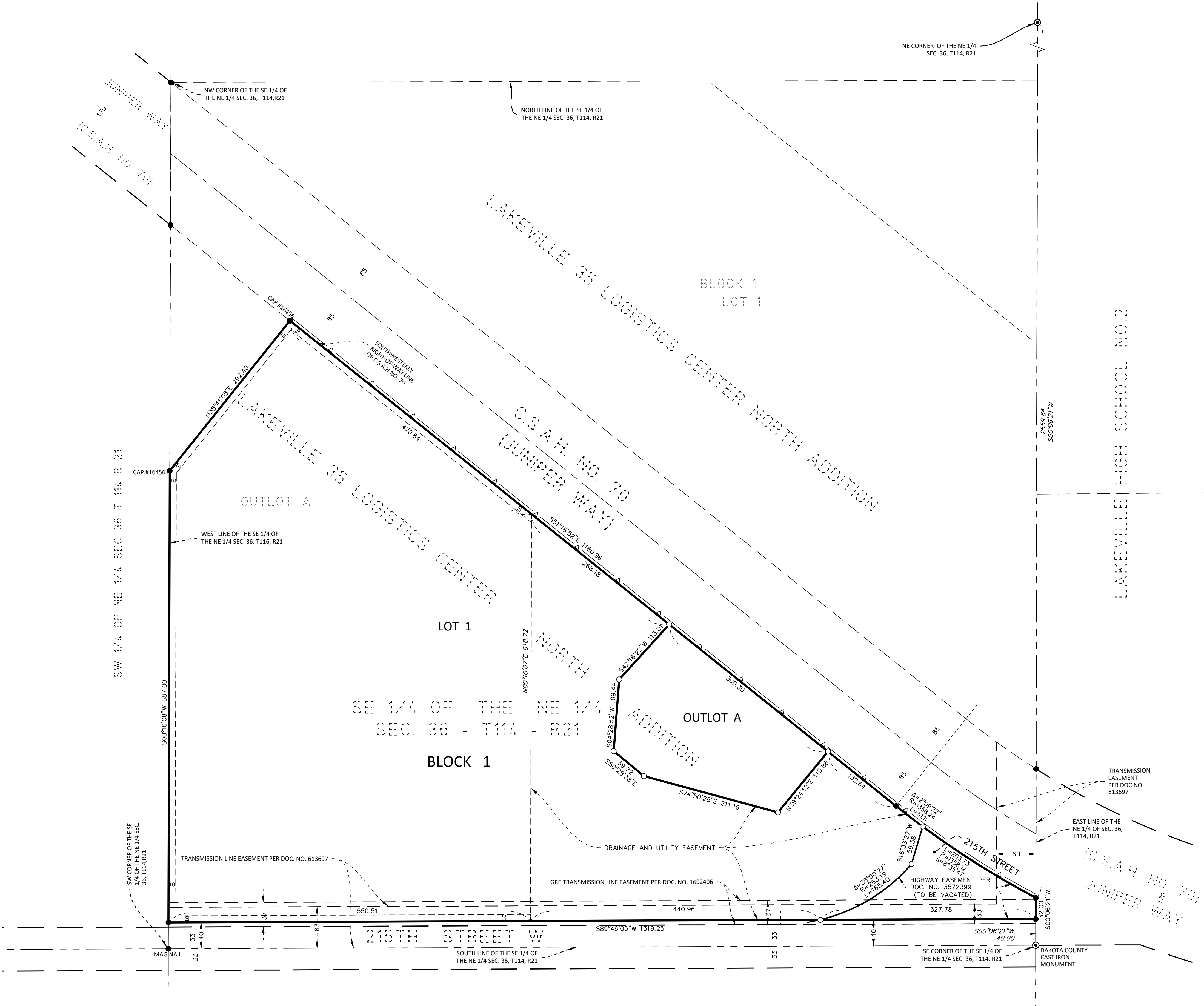
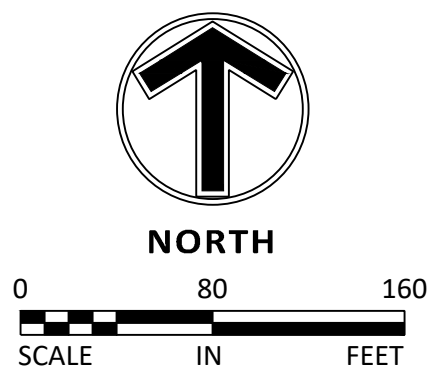


BEING 10 FEET IN WIDTH, UNLESS OTHERWISE
INDICATED, AND ADJOINING LOT LINES, AND
BEING 10 FEET IN WIDTH, UNLESS OTHERWISE
INDICATED, AND ADJOINING PUBLIC WAYS, AS
SHOWN ON THIS PLAT.

- ⊙ DENOTES DAKOTA COUNTY SECTION CORNER MONUMENT
- DENOTES 1/2 INCH BY 16 INCH IRON PIPE SET AND MARKED
BY LICENSE NO. 47470, UNLESS OTHERWISE NOTED.
- DENOTES 1/2 INCH IRON PIPE MONUMENT FOUND MARKED
BY LICENSE NO. 53642 UNLESS OTHERWISE NOTED

THE EAST LINE OF OUTLOT A, LAKEVILLE 35 LOGISTIC CENTER
NORTH ADDITION IS ASSUMED TO HAVE A BEARING OF
SOUTH 00 DEGREE 06 MINUTES 21 SECONDS WEST

— Δ — DENOTES RESTRICTED ACCESS TO DAKOTA COUNTY
PER THE DAKOTA COUNTY CONTIGUOUS PLAT
ORDINANCE



LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION

LEGEND		
● FOUND MONUMENT	— BOUNDARY LINE	- - - EASEMENT LINE
⊙ FOUND CAST IRON MONUMENT	— RIGHT-OF-WAY LINE	- - - SETBACK LINE
⊙ FOUND RIGHT-OF-WAY MONUMENT	- - - UNDERLYING / ADJACENT LOT	- - - RESTRICTED ACCESS
⊙ SET MONUMENT MARKED LS 53642	— TIE LINE	- - - TREE LINE
⊙ GATE VALVE / HYDRANT	— SECTION LINE	- - - CONCRETE CURB
⊙ CLEAN OUT	— DEED DISTANCE (100.00)	- - - BUILDING LINE
⊙ STORM MANHOLE	— WATERMAIN	- - - BUILDING CANOPY
⊙ STORM CATCH BASIN	— SANITARY SEWER	- - - BITUMINOUS SURFACE
⊙ FLARED END SECTION	— STORM SEWER	- - - GRAVEL SURFACE
⊙ TRANSFORMER	— UNDERGROUND ELECTRIC	⊙ DECIDUOUS TREE
⊙ LIGHT	— UT — UNDERGROUND TELEPHONE	⊙ CONIFEROUS TREE
⊙ GUY ANCHOR	— UNDERGROUND GAS	⊙ SPOT ELEVATION CONTOUR
⊙ GUARD POST	— OE — OVERHEAD ELECTRICAL WIRE	⊙ SOIL BORING
⊙ SIGN	— CHAIN LINK FENCE	⊙ REGULAR PARKING STALL COUNT
⊙ GAS METER	— WOOD FENCE	⊙ TRAFFIC MARKERS
⊙ GAS MANHOLE	— WIRE FENCE	
⊙ ELECTRIC MANHOLE	— WET LAND	
⊙ TELEPHONE PEDESTAL	— RETAINING WALL	
⊙ COMMUNICATIONS MANHOLE	— BLOCK RETAINING WALL	
	— STONE RETAINING WALL	
	— POND / WATER LINE	
	— FEMA FLOOD ZONE LINE	

PROPERTY DESCRIPTION

Outlot A, LAKEVILLE 35 LOGISTICS CENTER NORTH ADDITION

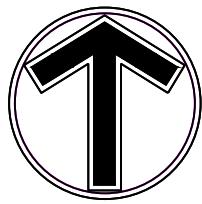
DEVELOPMENT SUMMARY			
AREA			
LOT 1, BLOCK 1	595,144 SF	13.66 AC	FRONT YARD (PARKING)
OUTLOT A	52,952 SF	1.22 AC	REAR YARD
R/W DEDICATION	20,755 SF	0.48 AC	SIDE YARD
			SETBACKS (BUILDING)
			FRONT YARD
			REAR YARD
			SIDE YARD
			ZONING
			EXISTING ZONING
			PROPOSED ZONING

DEVELOPMENT NOTES

1. ALL AREAS ARE ROUNDED TO THE NEAREST SQUARE FOOT.
2. STREET NAMES ARE SUBJECT TO APPROVAL BY THE CITY.
3. THE NAME OF THE PLAT IS LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION

BENCHMARKS

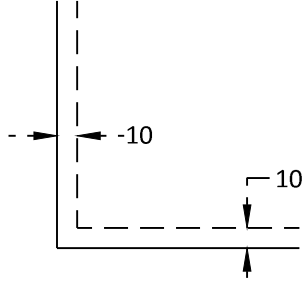
1. THE VERTICAL DATUM IS BASED ON NAVD88. THE ORIGINATING BENCH MARKS IS BR 19850 SE, REFERENCED FROM THE MNDOT GEODETIC DATABASE
- SITE BENCHMARK #1
TNH ELEV = 1030.86
- SITE BENCHMARK #2
TNH ELEV = 1043.75



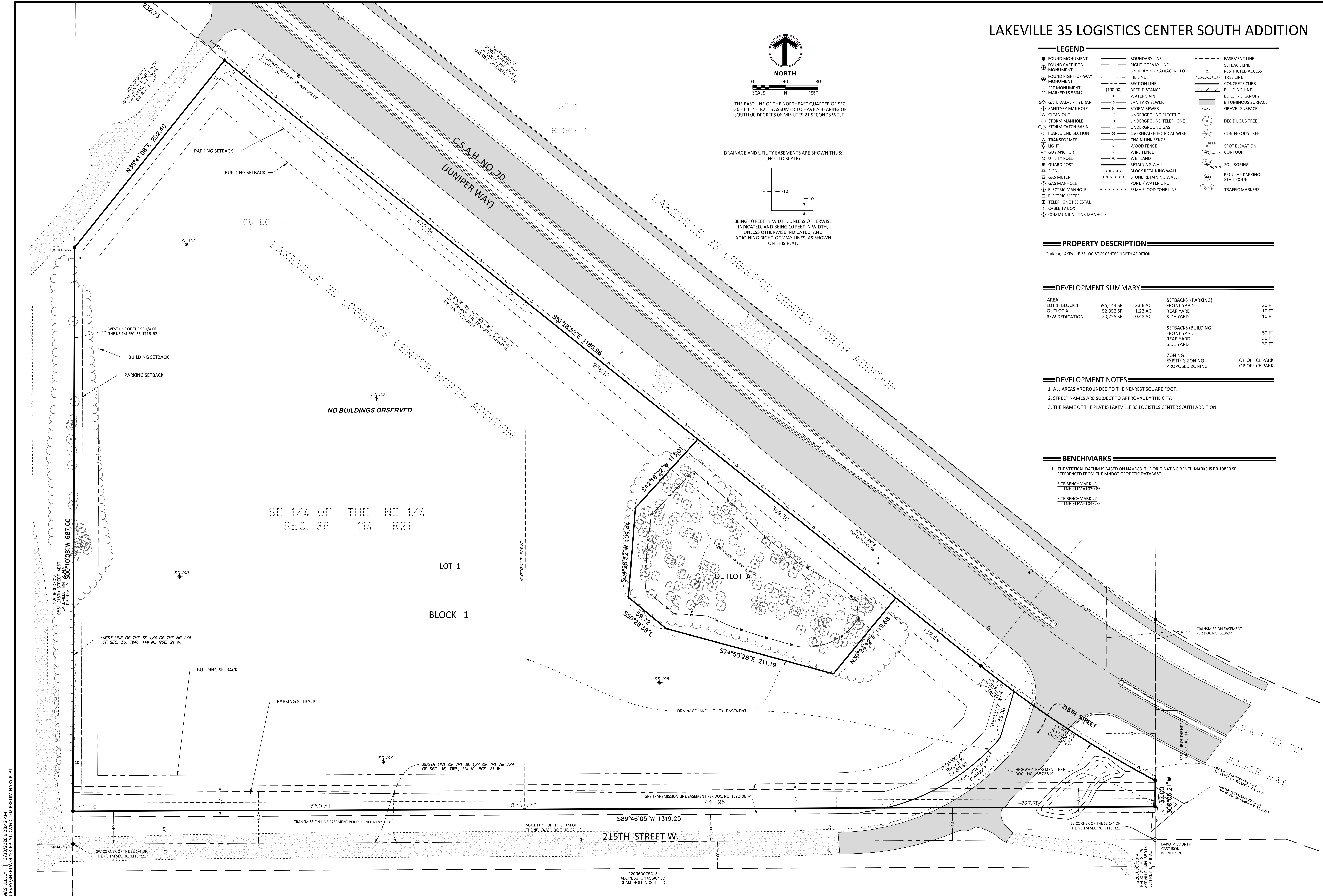
0 40 80
SCALE IN FEET

THE EAST LINE OF THE NORTHEAST QUARTER OF SEC. 36 - T 114 - R 21 IS ASSUMED TO HAVE A BEARING OF SOUTH 00 DEGREES 06 MINUTES 21 SECONDS WEST

DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:
(NOT TO SCALE)



BEING 10 FEET IN WIDTH, UNLESS OTHERWISE INDICATED, AND BEING 10 FEET IN WIDTH, UNLESS OTHERWISE INDICATED, AND ADJOINING RIGHT-OF-WAY LINES, AS SHOWN ON THIS PLAT.



24.15 LIMS TECH THOMAS KEELY 3/10/2026 9:38:42 AM PROJECT: 54228 - LAKEVILLE 35 LOGISTICS CENTER SOUTH ADDITION SHEET: 5 OF 20 © 2026 Sambatek	<table><tr><th>NO</th><th>DATE</th><th>BY</th><th>CKD</th><th>APPR</th><th>COMMENT</th></tr><tr><td>12/12/2025</td><td>IF/SG</td><td>JDB</td><td>EWM</td><td></td><td>CLIENT REVIEW SET</td></tr><tr><td>01/05/2026</td><td>IF/SG</td><td>JDB</td><td>EWM</td><td></td><td>CITY LAND USE APPLICATION SUBMITTAL</td></tr><tr><td>02/20/2026</td><td>TPK</td><td>JDB</td><td>EWM</td><td></td><td>CITY LAND USE APPLICATION SUBMITTAL</td></tr></table>	NO	DATE	BY	CKD	APPR	COMMENT	12/12/2025	IF/SG	JDB	EWM		CLIENT REVIEW SET	01/05/2026	IF/SG	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL	02/20/2026	TPK	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL	I hereby certify that this plan, survey, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota. Print Name: <i>Thomas Keely</i> Date: <i>3/10/2026</i> License #: <i>47470</i>	PRELIMINARY 01/05/2026 DESIGN REVIEW 02/20/2026 PERMIT SUBMITTAL CONSTRUCTION DOCUMENTS	DRAWN BY GAM DESIGNED BY CHECKED BY GAM PROJECT NO. 54228	Engineering Surveying Planning Environmental	PRELIMINARY PLAT LIKEWISE PARTNERS LAKEVILLE 35 LOGISTICS CENTER SOUTH PRELIMINARY SITE DEVELOPMENT PLANS LAKEVILLE, MN	SHEET C2.02 5 OF 20 REV.
NO	DATE	BY	CKD	APPR	COMMENT																										
12/12/2025	IF/SG	JDB	EWM		CLIENT REVIEW SET																										
01/05/2026	IF/SG	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL																										
02/20/2026	TPK	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL																										

24.15 (LWS TECH) | ALIA SITE UTZ | 6/11/2026 10:24:10 AM
PROJECT: 54228 C3.01 SITE DWG C3.01 SITE PLAN

THE SUBSURFACE UTILITY INFORMATION SHOWN ON THESE PLANS IS A UTILITY QUALITY LEVEL D. THIS QUALITY LEVEL WAS DETERMINED
ACCORDING TO THE GUIDELINES OF ASCE/CI 38-02, TITLED "STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF EXISTING
SUBSURFACE UTILITY DATA." THE CONTRACTOR AND/OR SUBCONTRACTORS SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES
BEFORE COMMENCING WORK. BY CONTACTING THE NOTIFICATION CENTER (GOPHER STATE ONE FOR MINNESOTA), THE CONTRACTOR AND/OR
SUBCONTRACTOR AGREE TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES, WHICH MIGHT BE OCCASIONED BY HIS OR HER FAILURE TO
EXACTLY LOCATE AND PRESERVE ANY AND ALL UTILITIES UNDERGROUND AND OVERHEAD.

IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO RELOCATE ALL EXISTING UTILITIES WHICH CONFLICT WITH THE PROPOSED
IMPROVEMENTS SHOWN ON THE PLANS.

NO	DATE	BY	CHKD	APPR	COMMENT
12/12/2025	IF/SG	JDB	EWM		CLIENT REVIEW SET
01/05/2026	IF/SG	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL
02/20/2026	TPK	JDB	EWM		CITY LAND USE APPLICATION SUBMITTAL
05/14/2026	JMW	JDB	EWM		FINAL PLAT APPLICATION
06/12/2026	JMW	JDB	EWM		FINAL PLAT RESUBMITTAL

I hereby certify that this plan, specification, or report
was prepared by me or under my direct supervision and
that I am a duly Licensed Professional Engineer under
the laws of the State of Minnesota.

Print Name: JOSEPH BAILEY

Date: 01/06/2026 License #: 58645

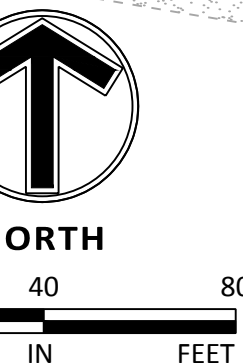
PRELIMINARY
01/05/2026
DESIGN REVIEW
02/20/2026
PERMIT SUBMITTAL

CONSTRUCTION DOCUMENTS

DRAWN BY
IF
DESIGNED BY

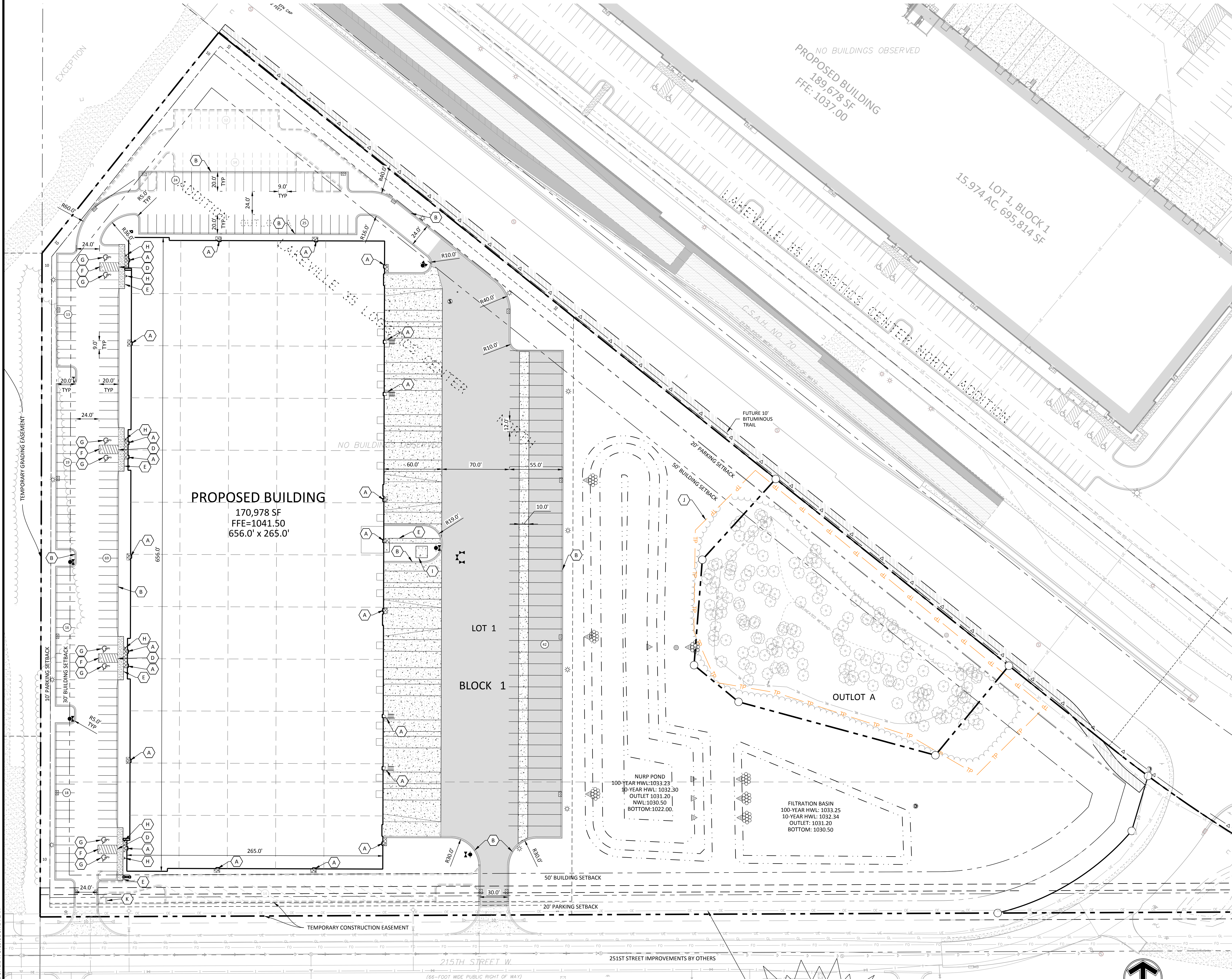
CHECKED BY

PROJECT NO.
54228



SITE PLAN
LIKEWISE PARTNERS
LAKEVILLE 35 LOGISTICS CENTER SOUTH
FINAL SITE DEVELOPMENT PLANS
LAKEVILLE, MN

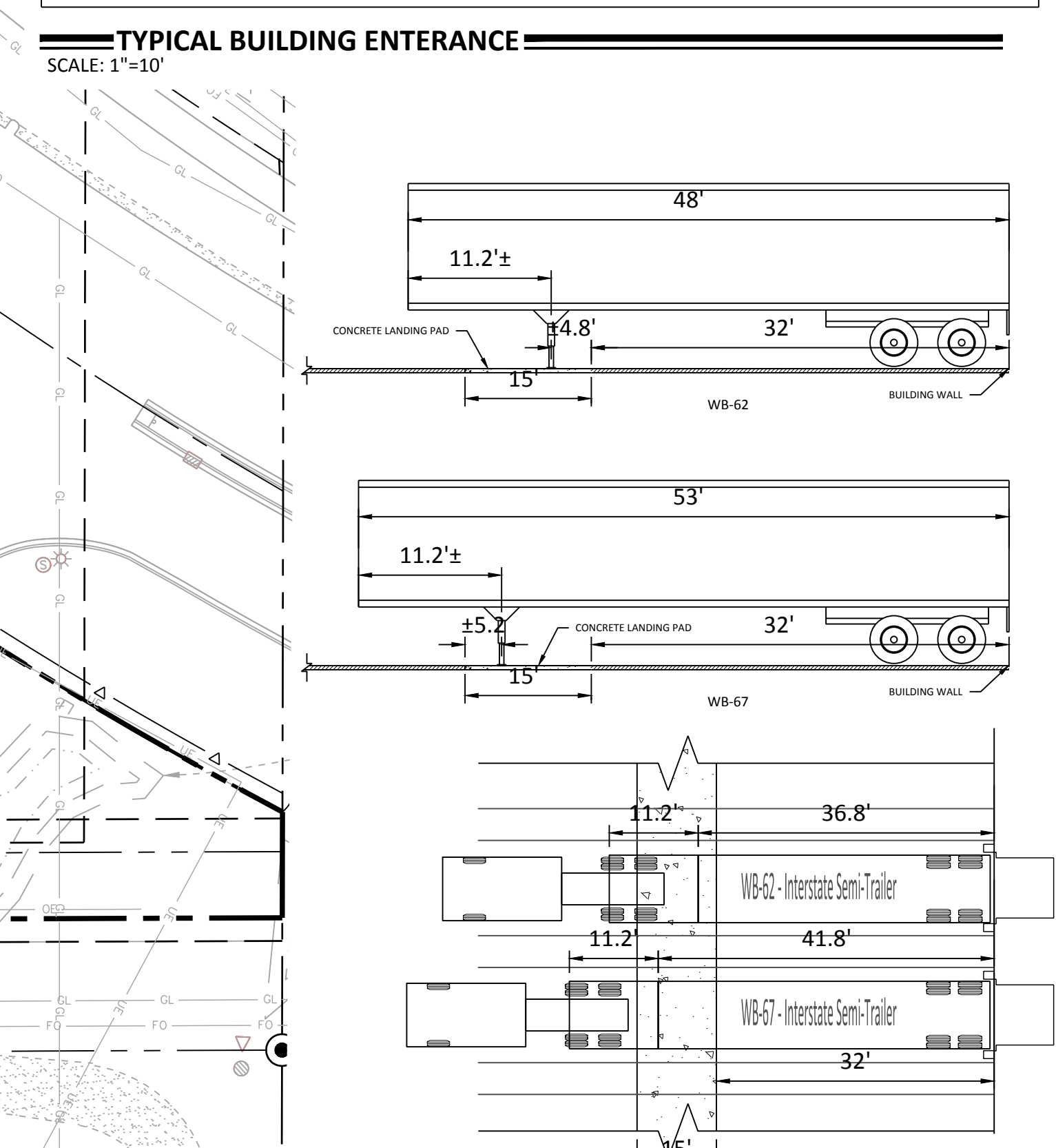
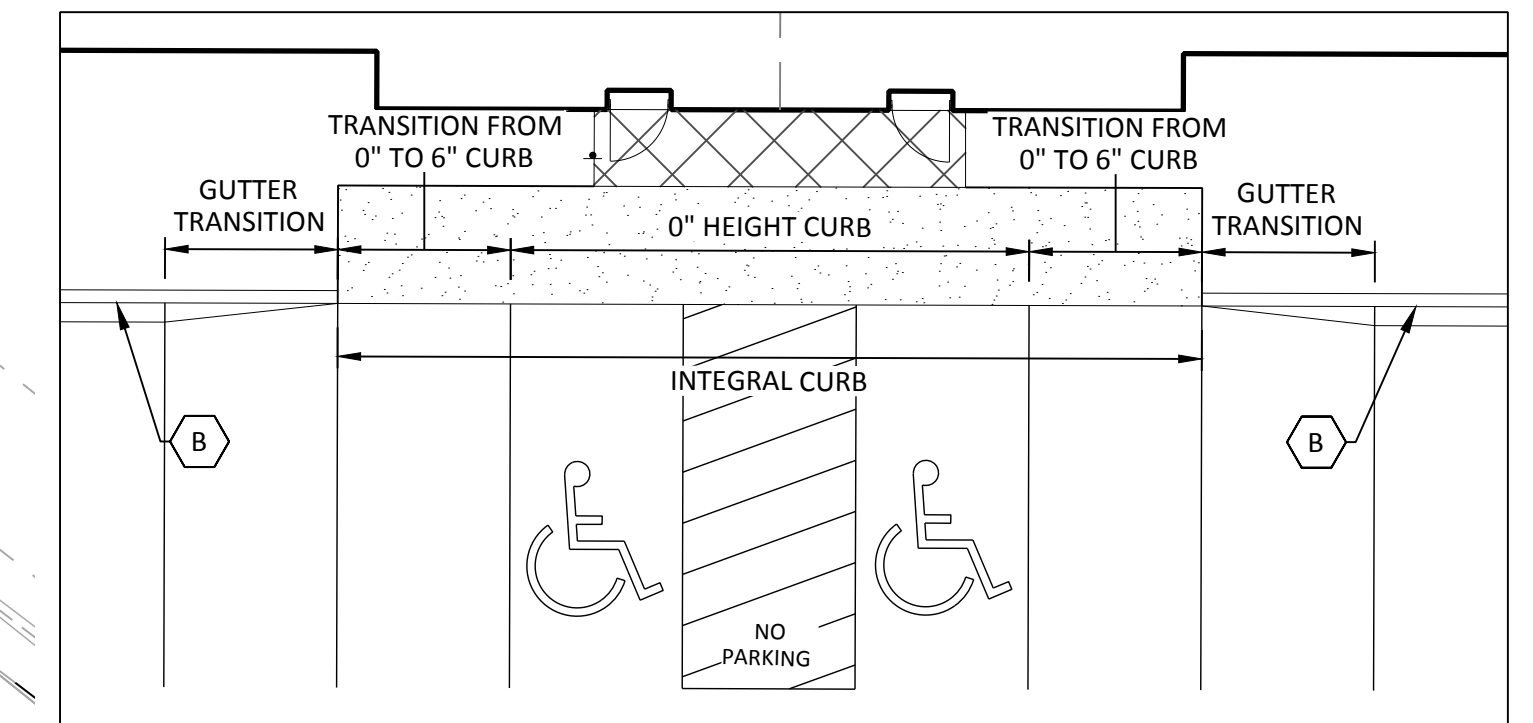
SHEET
C3.01
6 OF 21
REV.



LEGEND	
PROPOSED	EXISTING
BOUNDARY LINE	CONCRETE CURB
EASEMENT LINE	BUILDING LINE
RETAINING WALL	WETLAND
TREE LINE	SAW CUT LINE
SIGN	BOLLARD
PARKING STALL COUNT	KEY NOTE
LIGHT POLE (BY OTHERS)	TREE PROTECTION FENCE
STANDARD DUTY ASPHALT PAVING	HEAVY DUTY ASPHALT PAVING
CONCRETE PAVING	CONCRETE SIDEWALK
PAVEMENT BY OTHERS (SEE ARCHITECTURAL PLANS)	FUTURE BITUMINOUS TRAIL

DEVELOPMENT SUMMARY	
BUILDING SUMMARY	176 STALLS
STANDARD STALLS PROVIDED	42 STALLS
TRAILER STALLS PROVIDED	40 STALLS
PROOF OF PARKING	226 STALLS
TOTAL STALLS PROVIDED	
REQUIRED SUMMARY	
ASSUME GROSS BLDG. SQ. FOOTAGE -10%	= 152,100 SF
ASSUME 10% OFFICE AT 1/200	= 76 STALLS
ASSUME 90% WAREHOUSE AT 1/1000	= 137 STALLS
TOTAL STANDARD STALLS REQUIRED	= 213 STALLS
TOTAL STANDARD STALLS PROVIDED	= 182 STALLS
PROPOSED PAVEMENT	304,826 SF 6.99 AC
PROPOSED IMPERVIOUS	352,504 SF 8.09 AC
TOTAL SITE AREA	657,330 SF 15.08 AC
SETBACKS (PARKING)	
FRONT YARD	20 FT
REAR YARD	10 FT
SIDE YARD	10 FT
SETBACKS (BUILDING)	
FRONT YARD	50 FT
REAR YARD	30 FT
SIDE YARD	30 FT
AREA	
LOT 1, BLOCK 1	595,144 SF 13.66 AC
OUTLOT A	52,952 SF 1.22 AC
R/W DEDICATION	20,755 SF 0.48 AC
Required Parking: 184 Spaces	Proposed: 184 Spaces

- KEY NOTES**
- A. BUILDING, STOOPS, STAIRS (SEE ARCHITECTURAL PLANS)
 - B. B-612 CONCRETE CURB AND GUTTER (SEE SHEET C9.02, DETAIL 01)
 - C. CONCRETE APRON (SEE SHEET C9.02, CITY DETAIL LV-ST-4)
 - D. FLAT CURB SECTION (SEE SHEET 9.02, DETAIL 01)
 - E. CONCRETE SIDEWALK (SEE SHEET 9.02, DETAIL 06)
 - F. ADA ACCESS LOCATION
 - G. ACCESSIBLE STALL STRIPING (SEE SHEET 9.02, DETAIL 04)
 - H. ACCESSIBLE PARKING SIGN (SEE SHEET, 9.02, DETAIL 05)
 - I. TRANSFORMER
 - J. TREE PROTECTION FENCE (SEE SHEET L1.03, DETAIL 5)
 - K. MONUMENT SIGN





Dakota County Surveyor's Office

Western Service Center • 14955 Galaxie Avenue • Apple Valley, MN 55124
952.891-7087 • Fax 952.891-7127 • www.co.dakota.mn.us

June 18, 2026

City of Lakeville
20195 Holyoke Ave.
Lakeville, MN 55044

Re: **LAKEVILLE 35 LOGISTICS CENTER SOUTH**

The Dakota County Plat Commission met on June 17, 2026, to consider the final plat of the above referenced plat. The plat is adjacent to CSAH 70 (Juniper Way) and is therefore subject to the Dakota County Contiguous Plat Ordinance.

The site includes one lot for a commercial building site. The right-of-way guidelines along CSAH 70 as a 4-lane divided roadway are 75 feet of half right of way, which have been met. No access is shown to CSAH 70 except at 215th Street. Restricted access is required along all of CSAH 70 except one opening at 215th Street. A quit claim deed for restricted access to Dakota County is required with the recording of the plat mylars. As noted, the intersection at CSAH 70/215th Street West will be changed to a restricted access location in the future.

The Plat Commission has approved the final plat provided that the described conditions are met and will recommend approval to the County Board of Commissioners meeting on July 7, 2026.

Traffic volumes on CSAH 70 are 13,300 ADT and are anticipated to be 16,800 ADT by the year 2040.

No work shall commence in the County right of way until a permit is obtained from the County Transportation Department and no permit will be issued until the plat has been filed with the County Recorder's Office. The Plat Commission does not review or approve the actual engineering design of proposed accesses or other improvements to be made in the right of way. Nothing herein is intended to restrict or limit Dakota County's rights with regards to Dakota County rights of way or property. The Plat Commission highly recommends early contact with the Transportation Department to discuss the permitting process which reviews the design and may require construction of highway improvements, including, but not limited to, turn lanes, drainage features, limitations on intersecting street widths, medians, etc. Please contact TJ Bentley regarding permitting questions at (952) 891-7115 or Todd Tollefson regarding Plat Commission or Plat Ordinance questions at (952) 891-7070.

Sincerely,

A handwritten signature in black ink that reads "Todd B. Tollefson".

Todd B. Tollefson
Secretary, Plat Commission

c: Joseph Bailey, Sambatek



Date: 7/20/2026

Post Consumer Brands Parking Lot Expansion

Proposed Action

Staff recommends adoption of the following motion: Move to approve the Site Improvement Performance Agreement (SIPA) and Stormwater Maintenance Agreement for Post Consumer Brands.

Overview

Post Consumer Brands has submitted site plans for a parking lot expansion at Post Consumer Brands, located at 20802 Kensington Boulevard within the Fairfield Business Campus. The request to expand the parking lot is to meet the need of employees working at the site and will be done in two phases. The initial expansion includes 127 parking spaces and stormwater management for the site. A second expansion of the parking lot would provide an additional 111 spaces.

The parking lot expansion requires stormwater management on site to address the expansion area, which necessitates City Council approval of a Site Improvement Performance Agreement (SIPA) and Stormwater Maintenance Agreement (SMA). The applicant has agreed to the SIPA and SMA but weren't able to have the appropriate person within their organization sign the agreements prior to being submitted to the agenda; the agreements will be signed prior to the City Council meeting. The site improvements comply with Zoning Ordinance requirements and are approved by City staff.

Supporting Information

1. Site Improvement Performance Agreement
2. Stormwater Maintenance Agreement
3. July 14, 2026 Engineering report

Financial Impact: \$0 Budgeted: No Source: Envision Lakeville Community Values: Diversified Economic Development Report Completed by: Kris Jenson, Planning Manager

(reserved for recording information)

SITE IMPROVEMENT PERFORMANCE AGREEMENT

POST LAKEVILLE EAST PARKING LOT EXPANSION

AGREEMENT dated _____, 2026, by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation (“City”) and **MOM BRANDS COMPANY, LLC**, a Minnesota limited liability company (“Developer”).

1. BACKGROUND.

A. The Developer has submitted to the City a Site Plan for property in the City of Lakeville, Minnesota, on property legally described on Exhibit “A” attached hereto and made a part hereof (hereinafter referred to as the “Subject Property”).

B. The development of the Subject Property includes the construction and expansion of one privately owned and maintained parking lot (“Improvements”).

2. CONDITIONS OF APPROVAL. The City approved the Site Plan conditioned upon Developer entering into this Agreement, furnishing the security required by it and recording of this Agreement together with any appropriate consents prior to issuance of a building permit for or development of the Property.

3. PLANS. The Subject Property shall be developed in accordance with the following plans which are on file with the City. The plans shall not be attached to this Agreement. If the plans vary from the written terms of this Agreement, the written terms shall control. The plans are:

Plan A – Existing Conditions and Removals Plan

Plan B – Site, Paving, and Utility Plan

Plan C – Truck Flow Plan

Plan D – Grading and Drainage Plan

Plan E – Erosion and Sediment Control Plan

Plan F – Landscape Plan

Plan G – Civil Details

Plan H – Lighting Photometrics Plan

No work can occur outside of the areas indicated on the plans without modifying this Agreement or obtaining a separate grading permit.

4. EROSION CONTROL. The Developer is responsible for obtaining an MPCA Construction Permit for the site prior to construction. The permit requires that all erosion and sediment BMPS be clearly outlined in a site's SWPPP. Changes made throughout construction must be documented in the SWPPP.

Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures required shall be installed and maintained by the Developer.

The MS4 Administration Fee has not been collected on the parent parcel and is due with the site plan.

\$301,142.80	x 2%	= \$6,022.86
Grading Cost	2026 Rate	MS4 Administration Fee
Post Lakeville East		Post Lakeville East
Parking Lot Expansion		Parking Lot Expansion

5. LICENSE. Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the Subject Property to perform all work and inspections deemed appropriate by the City

in conjunction with site development. This license shall expire upon the issuance of a certificate of occupancy for the Subject Property.

6. CONSTRUCTION ACCESS. Construction traffic access and egress for grading, utility and street construction will be from Kenbridge Court.

7. CITY ENGINEERING ADMINISTRATION AND CONSTRUCTION OBSERVATION. The Developer shall pay for construction observation performed by the City's in-house engineering staff or consulting engineer. Construction observation shall include part or full time inspection of proposed public utilities and will be billed on hourly rates estimated to be five percent (5%) of the estimated construction cost.

8. DRAINAGE AND GRADING. As and to the extent required for the installation of the Improvements, Developer (or its agents, employees, or contractors) shall grade the Subject Property in accordance with the approved Grading and Drainage Plan. The plan shall conform to City of Lakeville specifications. Within thirty (30) days after completion of the grading necessary for the installation of the Improvements and final establishment of ground cover or temporary stabilization approved by the City (unless and to the extent otherwise permitted hereunder), the Developer shall provide the City with an "as constructed" plan certified by a registered land surveyor or engineer that all Improvements have been constructed pursuant to the applicable, approved plans.

Prior to the release of the grading and erosion control security with respect to the installation of the Improvements, the "as constructed" plan for the Improvements must be submitted to verify that the construction of the Improvements are consistent with the approved Plans, and amendments thereto as approved by the City Engineer, and that all required property monuments are in place.

If the final "as constructed" plan for the Improvements is not timely completed, the City may enter the lot, perform the work, and draw on the letter of credit. Upon satisfactory completion of the Improvements and submission of the "as constructed" plans for the Improvements, the security, less any draw made by the City, shall be released.

This site contains greater than one acre of site disturbance and is considered a part of common development greater than one acre. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading.

9. CLEAN UP. The Developer shall clean dirt and debris from streets that has resulted from construction work by the Developer, subcontractors, their agents or assigns. Prior to any construction on the Subject Property, the Developer shall identify in writing a responsible party and schedule for erosion control, street cleaning, and street sweeping.

10. STORM SEWER. The Developer shall construct one privately owned and maintained stormwater management basin to collect and treat the stormwater runoff generated from the site. The basin will outlet to the storm sewer system southwest of the site. The Developer shall enter into a Stormwater Maintenance Agreement with the City in a recordable form approved by the City, for the stormwater system prior to recording of the Site Improvement Performance Agreement. The stormwater system shall provide water quality treatment, volume reduction, and rate control of the stormwater runoff generated from the proposed site improvements and is in compliance with City Ordinance requirements.

The Developer shall construct privately owned and maintained storm sewer systems to collect and convey stormwater runoff generated from the lot to drain off site.

Draintile construction is required in areas of non-granular soils for the parking lot sub-cuts. Any additional draintile construction, which is deemed necessary during construction shall be the Developer's responsibility to install and finance.

11. SANITARY SEWER. The site is located within subdistrict SC-12075 of the South Creek sanitary sewer district as identified in the City's Sanitary Sewer Comprehensive Plan.

No alterations to the existing sanitary sewer service are proposed with the site plan.

12. WATERMAIN. The site includes the offset of the existing public 8" watermain service to accommodate the proposed storm sewer improvements.

13. PARKS, TRAILS, AND SIDEWALKS. The City's Parks, Trails and Open Space Plan does not designate a park within this site.

The proposed site plan does not include the construction of public trails and sidewalks.

14. LANDSCAPING. Landscaping shall be installed in accordance with the approved landscape plan. The Developer shall post a \$42,507.00 landscaping security to ensure that the landscaping is installed in accordance with the approved plan. All trees shall be warranted to be alive, of good quality, and disease free for twelve (12) months after planting. Any replacements shall be warranted for twelve (12) months from the time of planting. The Developer or property owner is responsible for contacting the City when all the landscaping has been installed to set up an inspection. Fifty percent (50%) of the security will be released when all the landscaping has been installed and inspected by City staff and the remaining fifty percent (50%) will be released one year after the landscaping inspection and any warranty work has been completed.

15. TREE PRESERVATION PLAN. Plans provide a partial inventory of the existing trees onsite, identifying those to be removed as part of construction. A total of 146 diameter inches are inventoried with 132 diameter inches of common trees, and 14 diameter inches of coniferous trees to be removed. The remaining trees onsite, outside the construction limits were not inventoried. The landscape plan proposes to plant 8 trees with a total of 20 diameter inches which meets the replacement requirements of the tree preservation ordinance and provides parking lot screening/landscaping.

The location of temporary tree protection fencing is identified on the landscape plan. All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any trees to be preserved that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance.

16. SPECIAL PROVISIONS. The following special provisions shall apply to this Agreement:

- A. The Subject Property shall be developed according to the plans approved by the City.
- B. The Developer shall submit the site and construction drawings in an electronic format. The electronic format shall be in .pdf and either a .dwg file (AutoCAD) or

- C. The Developer shall pay a cash fee for City Engineering Administration based on three percent (3.00%) of the estimated construction, or \$10,984.28.

17. SUMMARY OF SECURITY REQUIREMENTS. To guarantee compliance with the terms of this Agreement, payment of real estate taxes including interest and penalties, payment of special assessments, payment of the costs of all public improvements, and construction of all public improvements, the Developer shall furnish the City with a cash escrow or letter of credit, in the form attached hereto, from a bank ("Security") for \$450,756.22 prior to City Council execution of this Agreement. The amount of the Security is calculated as follows:

CONSTRUCTION COSTS:

Storm Sewer	\$50,000.00
Watermain	15,000.00
Grading, Erosion Control, and Restoration	<u>301,142.80</u>

CONSTRUCTION SUB-TOTAL	<u><u>\$366,142.80</u></u>
-------------------------------	-----------------------------------

OTHER COSTS:

Developer's Design (3.0%)	\$10,984.28
Developer's Construction Survey (2.5%)	9,153.57
City's Legal Expense (0.5%)	1,830.71
City Construction Observation (5.0%)	18,307.14
Developer's Record Drawing (0.5%)	1,830.71

Landscaping	<u>42,507.00</u>
OTHER COSTS SUB-TOTAL	<u><u>84,613.42</u></u>

TOTAL PROJECT SECURITIES:	\$450,756.22
----------------------------------	---------------------

This breakdown is for historical reference; it is not a restriction on the use of the Security. The bank shall be subject to the approval of the City Administrator. The City may draw down the Security, on five (5) business days prior written notice to the Developer, for any violation of the terms of this Agreement or without notice if the Security is allowed to lapse prior to the end of the required term. If the Security is drawn down,

the proceeds shall be used to cure the default. Upon receipt of proof satisfactory to the City that work has been completed and financial obligations to the City have been satisfied, with City approval the Security may be reduced from time to time by ninety percent (90%) of the financial obligations that have been satisfied. Ten percent (10%) of the amounts certified by the Developer's engineer shall be retained as Security until all improvements have been completed, all financial obligations to the City satisfied, the required "as constructed" plans have been received by the City, a warranty security is provided, and the public improvements are accepted by the City Council. The City's standard specifications for utility and street construction outline procedures for security reductions.

18. SUMMARY OF CASH REQUIREMENTS. The following is a summary of the cash requirements under this Contract which must be furnished by the Developer prior to issuance of a building permit.

A.	MS4 Administration Fee	\$6,022.86
B.	City Engineering Administration (3.00%)	<u>10,984.28</u>
	SUBTOTAL CASH REQUIREMENTS	\$17,007.14

19. RESPONSIBILITY FOR COSTS.

A. The Developer shall pay all costs incurred by it or the City in conjunction with the development of the Subject Property, including but not limited to legal, planning, engineering and inspection expenses incurred in connection with approval of the site plan, the preparation of this Agreement, review of any other plans and documents.

B. The Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from site approval and development. The Developer shall indemnify the City and its officers, employees, and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees. Notwithstanding anything contained within this Section 21(B), Developer shall not be obligated to indemnify or defend the City from and against claims based on any negligence or willful

misconduct by the City, its employees, agents or contractors, or the failure of the City to act in accordance with City ordinances and other applicable laws.

C. The Developer shall reimburse the City for costs incurred in the enforcement of this Agreement, including engineering and attorneys' fees.

D. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Agreement within thirty (30) days after receipt. Bills not paid within thirty (30) days shall accrue interest at the rate of eight percent (8%) per year.

20. MISCELLANEOUS.

A. Third parties shall have no recourse against the City under this Agreement.

B. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Agreement is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Agreement.

C. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.

D. This Agreement shall run with the land and may be recorded against the title to the Subject Property. The Developer covenants with the City, its successors and assigns, that the Developer has fee title to the Subject Property and/or has obtained consents to this Agreement, in the form attached hereto, from all parties who have an interest in the Subject Property; that there are no unrecorded interests in the Subject Property; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

E. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set

forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.

F. Breach of the terms of this Agreement by the Developer, including nonpayment of billings from the City, shall be grounds for denial of building permits and certificates of occupancy, and the halting of all work on the Subject Property.

G. The Developer represents to the City that the development complies with all City, county, metropolitan, state, and federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances, and environmental regulations. If the City determines that the development does not comply, the City may, at its option, refuse to allow construction or development work in the development until the Developer does comply. Upon the City's demand, the Developer shall cease work until there is compliance.

21. DEVELOPER'S DEFAULT. In the event of default by the Developer as to any of the work to be performed by it hereunder, the City may, at its option, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer, except in an emergency as determined by the City, is first given notice of the work in default, not less than ten (10) days in advance. This Agreement is a license for the City to act, and it shall not be necessary for the City to seek a Court order for permission to enter the Subject Property. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part.

22. NOTICES. Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address: 20802 Kensington Blvd, Lakeville, Minnesota 55044. Notices to the City shall be in writing and shall be either hand delivered to the City Administrator, or mailed to the City by certified mail in care of the City Administrator at the following address: Lakeville City Hall, 20195 Holyoke Avenue, Lakeville, Minnesota 55044.

CITY OF LAKEVILLE

BY: _____
John Bermel, Acting Mayor

(SEAL)

AND _____
Taylor Snider, Deputy City Clerk

STATE OF MINNESOTA)
)ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by **John Bermel** and by **Taylor Snider**, respectively the Acting Mayor and Deputy City Clerk of the City of Lakeville, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

NOTARY PUBLIC

DEVELOPER:
MOM BRANDS COMPANY, LLC

By: _____ [Print Name]
Its: _____ [Title]

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by _____, the _____ of
MOM BRANDS COMPANY, LLC, a Minnesota limited liability company, on behalf of said entity.

NOTARY PUBLIC

DRAFTED BY:
CAMPBELL, KNUTSON
Professional Association
860 Blue Gentian Road, Suite 290
Eagan, Minnesota 55121
Telephone: 651-452-5000
AMP/smt

EXHIBIT "A"
TO
SITE IMPROVEMENT PERFORMANCE AGREEMENT

Legal Description

Lot One (1) and Lot Two (2) Block One (1), FAIRFIELD BUSINESS CAMPUS, according to the recorded plat thereof, Dakota County, Minnesota.

(Torrens Property - Certificate of Title No. 167796)

(Reserved for Recording Data)

**STORMWATER MAINTENANCE AGREEMENT/
BEST MANAGEMENT PRACTICE FACILITIES
AND EASEMENT AGREEMENT**

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2026, by and between **MOM BRANDS COMPANY, LLC**, a Minnesota limited liability company (the “Owner”) and the **CITY OF LAKEVILLE**, a Minnesota municipal corporation (the “City”).

RECITALS

A. The Owner and/or affiliate of Owner is the owner of certain real property located in Dakota County, Minnesota legally described in Exhibit A attached hereto ("Property"); and

B. The Owner is proceeding to develop the Property, and has requested approval of the site plan for the proposed development; and

C. The final site plans for the Property, hereinafter called the "Plans", which are expressly made a part hereof, as approved or to be approved by the City, provides for detention/retention of stormwater within the confines of the Property; and

D. The City and the Owner agree that the health, safety, and welfare of the residents of the City of Lakeville, Minnesota, require that on-site stormwater management/BMP facilities be constructed and maintained on the Property; and

E. The City requires that on-site stormwater management/BMP facilities (“Stormwater Facilities”) as shown on the Plans be constructed and adequately maintained by the Owner as a condition of final site plan approval; and

F. As a condition of final site plan approval the Owner is required to enter into this Agreement and grant to the City an easement for access, drainage and utility over portions of the Property (the “Easement Areas”) legally described and depicted on Exhibit B attached hereto to comply with work required under the terms of this Agreement.

NOW, THEREFORE, in consideration of mutual covenants of the parties set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Construction of Stormwater Improvements.** Owner shall construct the Stormwater Facilities in accordance with the plans and specifications identified in the Plans.

2. **Maintenance of Stormwater Improvements.**

A. The Owner shall adequately maintain the Stormwater Facilities in accordance with the Stormwater Maintenance Plan and the City engineering standards for stormwater treatment facilities attached hereto as Exhibit C. This includes all pipes, channels, and other conveyances built to convey stormwater to the facility, as well as all structures, improvements, and vegetation provided to control the quantity and quality of the stormwater. Adequate maintenance is herein defined as good working condition so that these facilities are performing their design functions.

B. The Owner will perform the work necessary to keep these Stormwater Facilities in good working order as appropriate. In the event a maintenance schedule for the Stormwater Facilities (including sediment removal) is outlined on the approved plans, the Owner shall adhere to the schedule and shall comply with all federal, state, and local regulations relating to the disposal of material.

3. **Inspection and Reporting.** The Owner shall cause the Stormwater Facilities to be inspected and submit an inspection report annually and shall be responsible for the payment of any associated costs. The purpose of the inspection is to assure safe and proper functioning of the facilities. The inspection shall cover the entire facilities, berms, outlet structure, pond areas, access roads, buffers, etc. Deficiencies shall be noted in the inspection report. A storage treatment basin will be considered inadequate if it is not compliant with all requirements of the approved Plan and City engineering standards set forth in Exhibit C.

4. **City Access and Maintenance Rights.**

A. The Owner hereby grants permission to the City, its authorized agents and employees, to enter upon the Property and to inspect the stormwater management/BMP facilities whenever the City deems necessary. The City shall provide the Owner, its successors and assigns, copies of the inspection findings and a directive to commence with the repairs if necessary ("Inspection Report").

B. In the event the Owner, its successors and assigns, fails to maintain the Stormwater Facilities in good working condition acceptable to the City and such failure continues for 60 days after the City gives the Owner written notice of such failure, the City may enter upon the Property and take whatever steps necessary, including excavation and the storage of materials and equipment, to correct deficiencies identified in the Inspection Report. The City's notice shall specifically state which maintenance tasks are to be performed. The City may charge the costs, including assessing the City's costs to the Owner's property taxes of such repairs, to the Owner, its successors and assigns. This provision shall not be construed to allow the City to erect any

structure of permanent nature on the land of the Owner outside of the Easement Areas for the Stormwater Facilities. It is expressly understood and agreed that the City is under no obligation to routinely maintain or repair said Stormwater Facilities, and in no event shall this Agreement be construed to impose any such obligation on the City. In addition, Owner agrees that it is, and will be, solely responsible to address complaints and legal claims brought by any third party with regard to the maintenance and operation and the consequences therefrom related to the Stormwater Facilities. The Owner expressly agrees to defend and hold the City harmless from any such third-party claim.

5. **Grant of Easement.** Owner hereby grants to the City, its successors and assigns, a permanent non-exclusive easement for the purpose of accessing and maintaining the Stormwater Facilities pursuant to the terms of this Agreement over, on, across, under and through the Easement Areas and access over the Property to the Easement Areas. The easement shall include the rights, but not the obligation, of the City, its contractors, agents, servants, and assigns, to enter upon the Easement to construct, reconstruct, inspect, repair, and maintain said private Stormwater Facilities together with the right to grade, level, fill, drain, pave, and excavate the Easement Areas, and the further right to remove trees, bushes, undergrowth, and other obstructions interfering with the location, construction, and maintenance of said private Stormwater Facilities systems.

6. **Reimbursement of Costs.** The Owner agrees to reimburse the City for all costs incurred by the City in the enforcement of this Agreement, or any portion thereof, including court costs and reasonable attorneys' fees.

7. **Indemnification.** This Agreement imposes no liability of any kind whatsoever on the City. The Owner hereby agrees to indemnify and hold harmless the City and its agents and employees against any and all claims, demands, losses, damages, and expenses (including reasonable attorneys' fees) arising out of or resulting from the Owner or the Owner's agents or employee's negligent or intentional acts, or any violation of any safety law, regulation or code in the performance of this Agreement, without regard to any inspection or review made or not made by the City, its agents or employees or failure by the City, its agents or employees to take any other prudent precautions. In the event the City, upon the failure of the Owner to comply with any conditions of this Agreement, performs said conditions pursuant to its authority in this Agreement, the Owner shall indemnify and hold harmless the City, its employees, agents and representatives for the performance of the Owner's required work under this Agreement. Notwithstanding the foregoing, Owner shall not be obligated to indemnify or defend the City from and against claims based on any negligence or willful misconduct by the City, its employees, agents or contractors, or the failure of the City to act in accordance with City ordinances and other applicable laws.

8. **Notice.** All notices required under this Agreement shall either be personally delivered or be sent by certified or registered mail and addressed as follows:

To the Owner : MOM Brands Company, LLC
 20802 Kensington Blvd
 Lakeville, MN 55044

To the City: City of Lakeville
 20195 Holyoke Avenue
 Lakeville, Minnesota 55044
 Attn: City Administrator

All notices given hereunder shall be deemed given when personally delivered or two business days after being placed in the mail properly addressed as provided herein.

9. **Successors/Covenants Run with Property.** All duties and obligations of Developer under this Agreement shall also be duties and obligations of Developer's successors and assigns. The terms and conditions of this Agreement shall run with the Property.

*[Remainder of page is intentionally left blank.
Signature pages to follow.]*

**PROPERTY OWNER:
MOM BRANDS COMPANY, LLC**

By: _____
_____ [print name]
Its _____ [title]

STATE OF MINNESOTA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026,
by _____, the _____
of **MOM BRANDS COMPANY, LLC**, a Minnesota limited liability company, on behalf of said
entity.

Notary Public

CITY OF LAKEVILLE

By: _____
John Bermel, Acting Mayor

(SEAL)

And: _____
Taylor Snider, Deputy City Clerk

STATE OF MINNESOTA)
)ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by **John Bermel** and by **Taylor Snider**, the Acting Mayor and Deputy City Clerk of the **City of Lakeville**, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
CAMPBELL KNUTSON
Professional Association
Grand Oak Office Center I
860 Blue Gentian Road, Suite 290
Eagan, Minnesota 55121
Telephone: (651) 452-5000
AMP/smt

**EXHIBIT A
TO
STORMWATER MAINTENANCE AGREEMENT**

Legal Description of the Property

**EXHIBIT B Page 1
TO
STORMWATER MAINTENANCE AGREEMENT**

EXHIBIT B Page 2
TO
STORMWATER MAINTENANCE AGREEMENT

EXHIBIT C
CITY OF LAKEVILLE
ENGINEERING STANDARDS FOR STORM WATER
TREATMENT FACILITIES

Forebay and Filtration Basin Maintenance Requirements

1. Annual inspection, maintenance reporting and certification by a professional engineer (Provided by Owner). Information must be submitted to the City annually.
2. Excavate basin to original design capacity when one half (1/2) of the wet volume of the basin is lost due to sediment deposition.
3. Remove floatable debris in and around the basin area including, but not limited to: oils, gases, debris and other pollutants.
4. Maintain landscape adjacent to the facility per original design, including but not limited to: maintenance of the buffer strip and other plant materials as per original plan design.
5. Maintenance of all erosion control measures including but not limited to: rip rap storm sewer outlets, catch basin inlets, etc.

Infiltration/Rain Garden Maintenance Requirements

1. Inlet and Overflow Spillway – Remove any sediment build-up or blockage and correct any erosion.
2. Vegetation
 - a. Maintain at least 80% surface area coverage of plants approved per plan.
 - b. Removal of invasive plants and undesirable woody vegetation.
 - c. Removal of dried, dead and diseased vegetation.
 - d. Re-mulch void or disturbed/exposed areas.
3. Annual inspection and maintenance efforts must be documented and submitted to the City.



Memorandum

To: Kris Jenson, Planning Manager

From: Jon Nelson, Assistant City Engineer
McKenzie L. Cafferty, Environmental Resources Manager
Joe Masiarchin, Parks and Recreation Director

Copy: Zach Johnson, City Engineer
Tina Goodroad, Community Development Director
Julie Stahl, Finance Director
Dave Mathews, Building Official

Date: July 14, 2026

Subject: Post Lakeville East Parking Lot Expansion Site Plan

- Site Plan Review
- Grading and Erosion Control Plan Review
- Utility Plan Review

BACKGROUND

Post Consumer Brands has submitted a site plan application named Post Lakeville East Parking Lot Expansion Site Plan. The proposed site plan is located east of and adjacent to Kenbridge Court. This property consists of Lots 1 and 2 of Block 1 of Fairfield Business Campus (PID 222450001023) and is zoned OP, Office Park.

The site plan proposes construction of one parking lot on 23.09 acres.

The proposed development will be completed by:

Owner:	Post Consumer Brands
Engineer/Surveyor:	VAA, LLC

SITE CONDITIONS

The site consists of an existing office building, parking lot, and bituminous drive lane. The south portion of the parking lot generally drains from north to south. Stormwater is captured in the storm sewer system within the lot and flows south to an existing filtration basin located southwest of the site, then outlets to the east through the existing storm sewer.

STREET AND SUBDIVISION LAYOUT

Kenbridge Court

Kenbridge Avenue is identified as a local road in the City's Transportation Plan. The site proposes utilizing an existing access from Kenbridge Court.

Private Parking Lot

Development includes the expansion and construction of privately owned and maintained parking lot.

CONSTRUCTION ACCESS

Construction traffic access and egress for grading, utility and street construction will be from Kenbridge Court.

PARKS, TRAILS AND SIDEWALKS

The City's Parks, Trails and Open Space Plan does not designate a park within this site.

The proposed site plan does not include the construction of public trails and sidewalks.

UTILITIES

SANITARY SEWER

The site is located within subdistrict SC-12075 of the South Creek sanitary sewer district as identified in the City's Sanitary Sewer Comprehensive Plan.

No alterations to the existing sanitary sewer service are proposed with the site plan.

WATERMAIN

The site includes the offset of the existing public 8" watermain service to accommodate the proposed storm sewer improvements.

DRAINAGE AND GRADING

This site is located within subdistrict SC-135 of the South Creek stormwater district as identified in the City's Water and Natural Resources Management Plan.

Development includes the construction of one stormwater management basin. Drainage will be directed to the stormwater management basin to collect and treat the stormwater runoff generated from the site. The basin will outlet to the storm sewer system southwest of the site. The Developer shall sign a stormwater maintenance agreement for the stormwater system prior to recording of the site improvement performance agreement. The stormwater system shall provide water quality treatment, volume reduction, and rate control of the stormwater

runoff generated from the proposed site improvements and is in compliance with City Ordinance requirements.

This site contains greater than one acre of site disturbance and is considered a part of common development greater than one acre. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading.

STORM SEWER

The site includes the construction of privately owned and maintained storm sewer systems. Storm sewer will be installed to collect and convey stormwater runoff generated from the lot to drain off site.

Draintile construction is required in areas of non-granular soils for the parking lot sub-cuts. Any additional draintile construction, including perimeter draintile required for building footings, which is deemed necessary during construction shall be the developer's responsibility to install and finance.

FEMA FLOODPLAIN ANALYSIS

The site is shown on the Flood Insurance Rate Map (Map No. 27037C0193E; Eff. Date 12/2/2011) as Zone X by the Federal Emergency Management Agency (FEMA). Based on this designation, there are no areas in the site located within a Special Flood Hazard Area (SFHA), as determined by FEMA.

WETLANDS

There are no wetlands in the project area.

TREE PRESERVATION

Plans provide a partial inventory of the existing trees onsite, identifying those to be removed as part of construction. A total of 146 diameter inches are inventoried with 132 diameter inches of common trees, and 14 diameter inches of coniferous trees to be removed. The remaining trees onsite, outside the construction limits were not inventoried. The landscape plan proposes to plant 8 trees with a total of 20 diameter inches which meets the replacement requirements of the tree preservation ordinance and provides parking lot screening/landscaping.

The location of temporary tree protection fencing is identified on the landscape plan. All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any trees to be preserved that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance.

EROSION CONTROL

The Developer is responsible for obtaining an MPCA Construction Permit for the site prior to construction. The permit requires that all erosion and sediment BMPs be clearly outlined in a site's SWPPP. Changes made throughout construction must be documented in the SWPPP.

Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures required shall be installed and maintained by the developer.

The MS4 Administration Fee has not been collected on the parent parcel and is due with the site plan.

\$301,142.80	x 2%	= \$6,022.86
Grading Cost	2026 Rate	MS4 Administration Fee
Post Lakeville East Parking		Post Lakeville East Parking
Lot Expansion		Lot Expansion

SECURITIES

The Developer shall provide a Letter of Credit as security for the Developer-installed improvements relating to the site. Construction costs are based upon cost estimates submitted by the Developer's contractor on June 8, 2026 and July 14, 2026.

CONSTRUCTION COSTS

Storm Sewer	\$50,000.00
Watermain	15,000.00
Grading, Erosion Control and Restoration	301,142.80
SUBTOTAL - CONSTRUCTION COSTS	\$ 366,142.80

OTHER COSTS

Developer's Design (3.0%)	\$ 10,984.28
Developer's Construction Survey (2.5%)	9,153.57
City's Legal Expense (0.5%)	1,830.71
City Construction Observation (5.0%)	18,307.14
Developer's Record Drawing (0.5%)	1,830.71
Landscaping	42,507.00
SUBTOTAL - OTHER COSTS	\$84,613.42
TOTAL PROJECT SECURITY	\$450,756.22

CASH FEES

The Developer shall submit the site plan and construction drawings in an electronic format. The electronic format shall be in .pdf and either .dwg/.dxf or .shx format.

The Developer shall also pay a cash fee for City Engineering Administration. The fee for City Engineering Administration will be based on three percent (3.00%) of the estimated construction cost, or \$10,984.28

CASH REQUIREMENTS

MS4 Administration Fee	\$6,022.86
City Engineering Administration (3.00%)	10,984.28
TOTAL CASH REQUIREMENTS	\$ 17,007.14

RECOMMENDATION

Engineering recommends approval of the site plan, grading and erosion control plan, and utility plan for Post Lakeville East Parking Lot Expansion Site Plan, subject to the requirements and stipulations within this report.



WWW.RYANCOMPANIES.COM

OWNER



KEY PLAN

PROJECT INFORMATION

POST LAKEVILLE EAST PARKING EXPANSION

20802 KENSINGTON
BLVD, LAKEVILLE, MN
55044

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota

REGISTRATION NO.

PROJ. NO.
251944

ISSUE RECORD		
A	02.06.2026	REVIEW SET
B	02.13.2026	ISSUED FOR DD
C	04.24.2026	REVIEW SET
D	06.10.2026	CITY REVISIONS

LEGEND

- | | |
|--|---|
| | PROPOSED LIGHT DUTY BITUMINOUS PAVEMENT |
| | PROPOSED HEAVY DUTY BITUMINOUS PAVEMENT |
| | PROPOSED CONCRETE SIDEWALK |
| | PROPOSED ROCK MULCH |
| | PROPOSED B612 CURB |
| | PROPOSED SURMOUNTABLE CURB |
| | PROPOSED STORM SEWER |
| | PROPOSED FES |
| | PROPOSED CATCHBASIN / MH |
| | PROPOSED DRAIN TILE |
| | PROPOSED LIGHT POLE |
| | EXISTING PROPERTY LINE |
| | EXISTING EASEMENT LINE |
| | LIMITS OF CONSTRUCTION |
| | EXISTING STORM SEWER |
| | EXISTING STORM SEWER |
| | EXISTING SANITARY SEWER |
| | EXISTING WATER LINE |
| | EXISTING DRAIN TILE |
| | EXISTING FIBER OPTIC LINE |
| | EXISTING TREES |
| | EXISTING WATER VALVE |
| | EXISTING HYDRANT |
| | EXISTING CATCH BASIN |
| | EXISTING CLEANOUT |
| | EXISTING STORM SEWER MANHOLE |
| | EXISTING FES W/ RIPRAP |
| | EXISTING FES |
| | EXISTING LIGHT POLE |
| | EXISTING TREES |
| | EXISTING BITUMINOUS PAVEMENT |
| | EXISTING CONCRETE PAVEMENT |
| | EXISTING ROCK SURFACE |

GENERAL NOTES

4. ALL EXISTING INFORMATION TAKEN FROM SURVEY BY JACOBSON ENGINEERS & SURVEYORS, DATED AUGUST 21, 2012 AND DESIGN WORK FROM PREVIOUS PROJECTS IS REFLECTED IN AREAS IDENTIFIED ON THE PROJECT. THE PROJECTOR HAS CONDUCTED THIS SURVEY DRAWINGS IS FOR REFERENCE ONLY.
5. SUBSURFACE GEOTECHNICAL INVESTIGATION BY AMERICAN ENGINEERING TEST, INC. PROJECT NUMBER 22-01845, DATED DECEMBER 21, 2012. FURTHER GEOTECHNICAL EXPLORATION BY BRAIN INTERTEC IS IN PROGRESS.
6. CONTRACTOR TO FIELD VERIFY ALL EXISTING CONDITIONS INCLUDING LOCATIONS OF EXISTING PUBLIC AND PRIVATE UTILITIES, AND NOTIFY ENGINEER OF ANY DISCREPANCIES PRIOR TO STARTING CONSTRUCTION.
7. ALL EXISTING UTILITIES AND OTHER IMPROVEMENTS ARE TO REMAIN UNLESS NOTED OTHERWISE.
8. CONTRACTOR TO KEEP FROM DAMAGE ALL EXISTING IMPROVEMENTS, LANDSCAPING, STRUCTURES AND UTILITIES THAT ARE TO REMAIN. CONTRACTOR TO REPAIR ANY DAMAGE AT OWN EXPENSE.
9. ALL WORK TO CONFORM WITH CITY OF LAKEVILLE AND STATE OF MINNESOTA STANDARDS AND REGULATIONS.
10. ALL EXCAVATIONS MUST COMPLY WITH THE REQUIREMENTS OF OSHA 28 CFR, PART 1926, SUBPART "EXCAVATIONS AND TRENCHES". THIS DOCUMENT STATES THAT "EXCAVATION SAFETY IS THE RESPONSIBILITY OF THE CONTRACTOR."
11. PROVIDE TRAFFIC CONTROL, AT STREETS AND SIDEWALKS PER CITY OF LAKEVILLE AND MUTCD REQUIREMENTS, AS DRAWINGS, TRAFFIC CONTROL DESIGN, RELATED PERMITTING, AND REQUIREMENTS SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.
12. ANY WORK PERFORMED OUTSIDE THE PROPERTY BOUNDARIES MUST BE APPROVED BY OWNER AND ALL REGULATING GOVERNMENT AGENCIES AND APPROPRIATE PERMITS MUST BE OBTAINED.
13. CONTRACTOR'S SURVEYOR SHALL RESET PERMANENT MONUMENTS AT LOCATIONS OF ALL FOUND MONUMENTS THAT ARE DISTURBED BY CONSTRUCTION AT NO COST TO OWNER.
14. CONTRACTOR'S SURVEYOR SHALL PREPARE A MONUMENT PRESERVATION CERTIFICATE IN ACCORDANCE WITH STATE LAW.

UTILITY NOTES

1. ALL UTILITY DEMOLITION AND/OR ABANDONMENT TO BE PERFORMED IN ACCORDANCE WITH CITY OF LAKEVILLE AND STATE OF MINNESOTA REGULATIONS AND STANDARDS.
2. EXISTING UTILITIES ARE SHOWN IN THEIR APPROXIMATE LOCATION. CONTRACTOR TO FIELD VERIFY THE LOCATION OF ALL EXISTING PUBLIC AND PRIVATE UTILITIES WHICH MAY INCLUDE BUT IS NOT LIMITED TO ELECTRIC, TELEPHONE, GAS, CABLE TV, COMMUNICATION CABLE, FIBER OPTIC CABLE, SANITARY SEWER, STORM SEWER AND WATERMAIN. CONTRACTOR TO CONTACT 811 BEFORE EXCAVATING.
3. PROVIDE THE FOLLOWING MINIMUM COVER OVER THE TOP OF PIPE AS FOLLOWS:
 - A. 7' OVER WATERMAIN
 - B. 6' OVER SANITARY SEWER
 - C. 1.5' OVER STORM SEWER

MANHOLE / CATCHBASIN SCHEDULE				
STRUCTURE NAME:	MH SIZE / GRATE	RIM ELEVATION:	PIPES IN:	PIPES OUT
CB-101	60" MH / R-2501-F	1097.73	18" HDPE IN=1091.88 (E) 18" HDPE IN=1092.65 (SW)	24" PVC IN=1091.88 (SE)
CB-102	48" MH / R-2501-F	1097.30		18" HDPE IN=1093.21 (NE)
CB-103	48" MH / R-2501-F	1097.52		18" HDPE IN=1093.16 (W)
CB-105	48" MH / R-2580-C	1091.50	8" PVC IN=1087.20 (NW)	18" HDPE IN=1086.36 (E)
MH-104	48" MH / R-1737	1092.70	18" HDPE IN=1085.74 (W)	

Parking Calculations Chart	
	Total Stalls Required
West Building	
Office (68,000 sf)	20
Warehouse (17,000 sf)	3
East Building	
Office (45,000 sf)	13
Warehouse (31,000 sf)	3
Total	38
Total Stalls Provided	62
Existing Stalls	49
New Stalls	12
New ADA Stalls	

**ISSUED FOR
REVIEW**
NOT FOR CONSTRUCTION

SITE, PAVING AND UTILITY PLAN

C201



Date: 7/20/2026

EB First Addition Final Plat

Proposed Action

Staff recommends adoption of the following motion: Move to approve a resolution approving the EB First Addition final plat.

Overview

EB Development has prepared plans for a final plat for EB First Addition, which proposes one lot for the construction of 24 row-style townhomes and a 142-unit apartment building on 8.25 acres located north of 210th Street (CSAH 70) and west of Keokuk Avenue. The City Council approved the preliminary plat and CUP for two principal buildings on a single lot, building height, and an exception to the exterior materials on October 3, 2024. After a change in the developer and a reduction in the number of units on the site, a revised CUP and ROW vacation were approved on June 15, 2026.

City staff and the Developer are working through items and language within the development contract and stormwater maintenance agreement. The final plat approval is subject to those documents being approved by the City Council.

Supporting Information

1. Final Plat Resolution
2. June 24, 2026 Planning & Engineering reports

Financial Impact: \$0 Budgeted: No Source: Envision Lakeville Community Values: A Home for All Ages and Stages of Life Report Completed by: Kris Jenson, Planning Manager

(Reserved for Dakota County Recording Information)

**CITY OF LAKEVILLE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 26-_____

RESOLUTION APPROVING THE EB FIRST ADDITION FINAL PLAT

WHEREAS, the owner of the property described as **EB FIRST ADDITION** has requested final plat approval; and

WHEREAS, the preliminary plat was reviewed by the Planning Commission and the Parks, Recreation and Natural Resources Committee and approved by the City Council; and

WHEREAS, the final plat is consistent with the preliminary plat; and

WHEREAS, the final plat is acceptable to the City;

NOW THEREFORE BE IT RESOLVED by the Lakeville City Council:

1. The **EB FIRST ADDITION** final plat is approved subject to City Council approval of the development contract, stormwater maintenance agreement and security requirements.
2. The Mayor and City Clerk are hereby authorized to execute the final plat mylars, development contract, and all other documents required pursuant to the development contract.
3. The City Clerk is directed to file a certified copy of this resolution with the Dakota County Recorder.

ADOPTED by the Lakeville City Council this 20th day of July 2026.

CITY OF LAKEVILLE

John Bermel, Acting Mayor

ATTEST:

Taylor Snider, Deputy City Clerk

STATE OF MINNESOTA)

CITY OF LAKEVILLE)

I hereby certify that the foregoing Resolution No. 26-____ is a true and correct copy of the resolution presented to and adopted by the City Council of the City of Lakeville at a duly authorized meeting thereof held on the **20th** day of **July 2026** as shown by the minutes of said meeting in my possession.

Taylor Snider
Deputy City Clerk

(SEAL)

Drafted By:
City of Lakeville
20195 Holyoke Avenue
Lakeville, MN 55044



Memorandum

To: Tina Goodroad, Community Development Director
From: Kris Jenson, Planning Manager
Date: June 24, 2026
Subject: EB First Addition final plat
Action Deadline: July 20, 2026

BACKGROUND

EB Lakeville Development LLC has submitted applications and plans for a final plat to be known as EB First Addition. The plat consists of one lot of 8.25 acres. The property is located north of 210th Street (CSAH 70) and west of Keokuk Avenue. The preliminary plat was approved by the City Council on October 21, 2024, along with a Conditional Use Permit for multiple principal buildings on one lot, to exceed the maximum building height in the RH-2 District, and for an exception to the exterior material requirements. At the June 4, 2026 meeting, the City Council approved an amendment to the CUP for multiple principal structures on one parcel and for the vacation of undeveloped 207th Street right of way. The plans have been reviewed by the Engineering, Environmental Resources, Forestry, and Parks and Recreation staff.

EXHIBITS

- A. Location Map
- B. Final Plat
- C. Preliminary Plat
- D. April 9, 2026 Plat Commission letter

PLANNING ANALYSIS

Existing Conditions. The site is heavily wooded and includes a single-family home, which will be removed with development of the site. Access will be from 210th Street; a private frontage road has been constructed along the south side

of the property to the east that will also provide access for this site to Keokuk Avenue upon completion of the remaining segment just east of the Authentix Lakeville Second Addition plat boundary.

Zoning. The zoning of the parcel is RH-2, Multiple Family Residential District. Multiple family structures and townhomes are permitted uses within the district.

Outlots. There are no outlots within the EB First Addition final plat.

Streets. The plat is directly adjacent to 210th Street (CSAH 70) with access provided at the southeast corner of the property. A private frontage road was constructed in 2023 and provides access from this parcel to Keokuk Avenue.

The Dakota County Plat Commission reviewed and approved the final plat at their April 8, 2026 meeting.

Grading, Drainage and Utilities. The final plat includes grading, drainage, and erosion control plans, which are reviewed in the engineering report prepared by Chloe Anderson, Project Engineer and Mac Cafferty, Environmental Resources Manager. See the June 24, 2026 Engineering memo for additional information. The EB First Addition final plat must be recorded in conjunction with the Authentix Lakeville Second Addition final plat and the stormwater maintenance agreement for Outlot B of that plat.

Wetlands. A wetland delineation was approved for the site on September 4, 2024. A conservation easement over the wetland and the required buffer must be recorded with the final plat. See the June 24, 2026 Engineering report for additional information.

Tree Inventory/Landscape Plan. Because the preliminary plat was approved in late 2024 under the previous tree inventory requirements, the site is not required to comply with the current tree preservation requirements. Measures to protect significant trees as identified must be in place prior to the start of tree removals or other work on site.

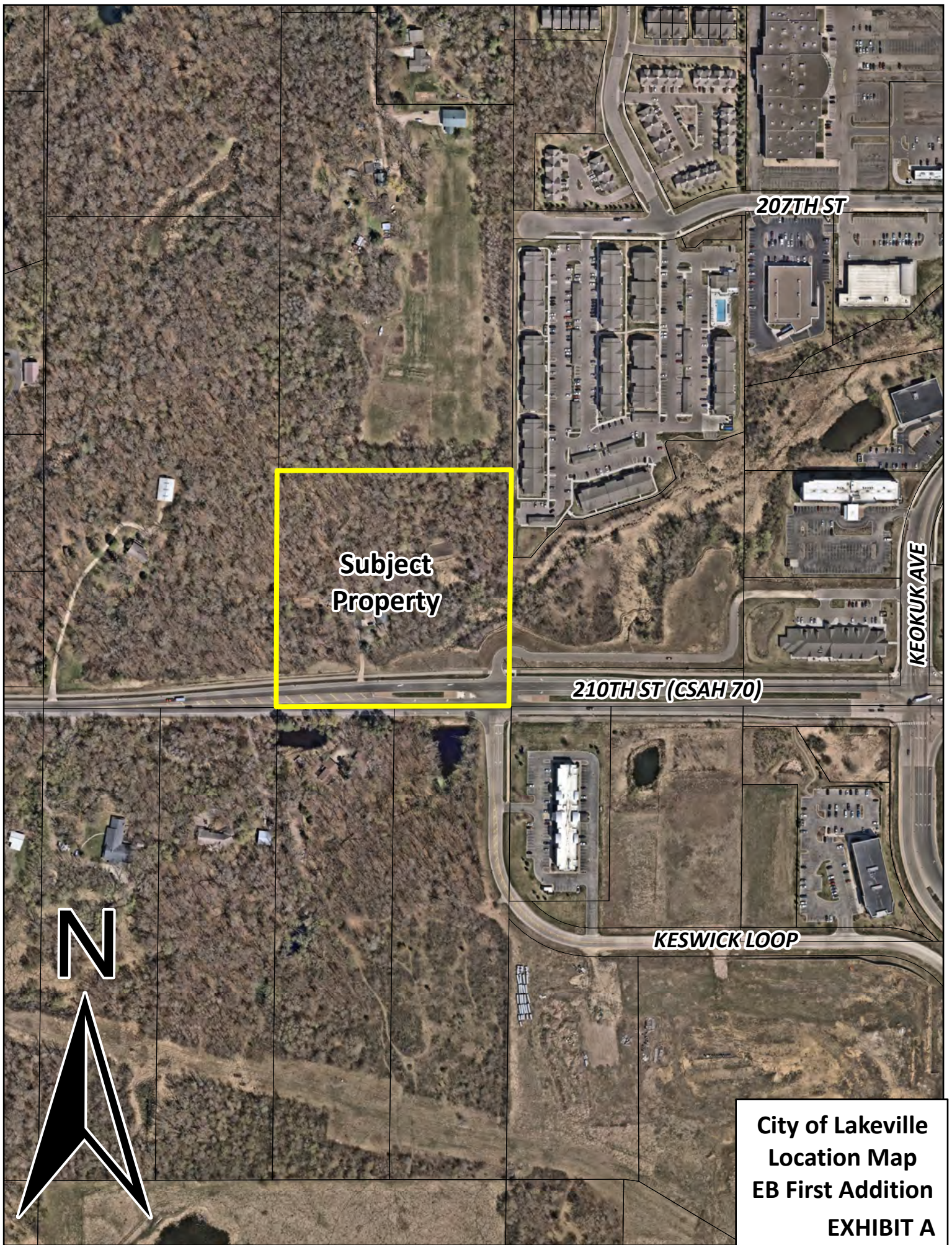
Landscaping is proposed around the site and at the foundation of the apartment building and townhome units, with all landscaped areas having inground irrigation. A security of \$163,620 must be provided with the final plat to guarantee the installation of landscaping on site. An as-planted landscape plan must be provided to the city prior to any landscape inspections taking place on site.

Park Dedication. The park dedication will be satisfied by a cash contribution. The park dedication fee of \$520,078 must be paid at the time of final plat.

RECOMMENDATION

Community Development Department staff recommends approval of the EB First Addition final plat, subject to the following stipulations:

1. Implementation of the recommendations listed in the June 24, 2026 engineering report.
2. A security of \$163,620 is required to be submitted with the final plat to guarantee installation of the landscaping.
3. An as-planted landscape plan must be submitted to the city prior to any landscape inspections taking place.
4. Park dedication fee of \$520,078 must be paid at the time of final plat.
5. The EB First Addition final plat must be recorded in conjunction with the Authentix Lakeville Second Addition final plat and stormwater maintenance agreement for Outlot B of said plat.



207TH ST

Subject
Property

210TH ST (CSAH 70)

KEOKUK AVE

KESWICK LOOP

N

City of Lakeville
Location Map
EB First Addition

EXHIBIT A

KNOW ALL PERSONS BY THESE PRESENTS: That EB Lakeville Development LLC, a Minnesota limited liability company, fee owner of the following described property:

The South 661.26 feet of the East 1/2 of the West 1/2 of the Southeast 1/4 of Section 26, Township 114, Range 21, according to the U.S. Government Survey thereof, Dakota County, Minnesota.

Has caused the same to be surveyed and platted as EB FIRST ADDITION and does hereby dedicate to the public for public use the public ways and drainage and utility easements as created by this plat.

In witness whereof said EB Lakeville Development LLC, a Minnesota limited liability company has caused these presents to be signed by its proper officer this _____ day of _____, 20_____.

EB Lakeville Development LLC

By: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20_____, by _____ as _____ of EB Lakeville Development LLC, a Minnesota limited liability company

Notary Public, _____ County, _____ Notary Printed Name
My Commission Expires _____

I, Glen A. Mullenbach do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.1, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20_____

Glen A. Mullenbach, Licensed Land Surveyor, Minnesota License No. 47470

STATE OF MINNESOTA
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20_____, by Glen A. Mullenbach

Notary Public, _____ County, Minnesota Notary Printed Name
My Commission Expires _____

CITY COUNCIL, CITY OF LAKEVILLE, COUNTY OF DAKOTA, STATE OF MINNESOTA

This plat was approved by the City Council of Lakeville, Minnesota this _____ day of _____, 20_____, and hereby certifies compliance with all requirements as set forth in Minnesota Statutes, Section 505.03, Subd. 2.

By: _____ By: _____
Mayor Clerk

COUNTY SURVEYOR, COUNTY OF DAKOTA, STATE OF MINNESOTA

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 20_____.

By: _____
Todd B. Tollefson, Dakota County Surveyor

COUNTY BOARD, COUNTY OF DAKOTA, STATE OF MINNESOTA

We do hereby certify that on the _____, the Board of Commissioners of Dakota County, Minnesota approved this plat of EB FIRST ADDITION, and said plat is in compliance with the provisions of Minnesota Statutes, Section 503.03 Subd. 2 and pursuant to the Dakota County Contiguous Plat Ordinance.

By: _____ Attest: _____
Chair, Dakota County Board Dakota County Treasurer – Auditor

DEPARTMENT OF PROPERTY TAXATION AND RECORDS, COUNTY OF DAKOTA, STATE OF MINNESOTA

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20_____ on the land hereinbefore described have been paid. Also pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this _____ day of _____, 20_____.

By: _____
Amy A. Koethe, Director, Department of Property Taxation and Records

COUNTY RECORDER, COUNTY OF DAKOTA, STATE OF MINNESOTA

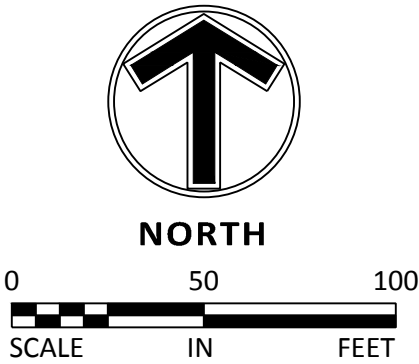
I hereby certify that this plat of EB FIRST ADDITION was filed in the office of the County Recorder for public record on this _____ day of, 20_____, at _____ o'clock _____ .M., and was duly filed in Book _____ of Plats, Page _____ as Document Number _____.

By: _____
Amy A. Koethe, County Recorder

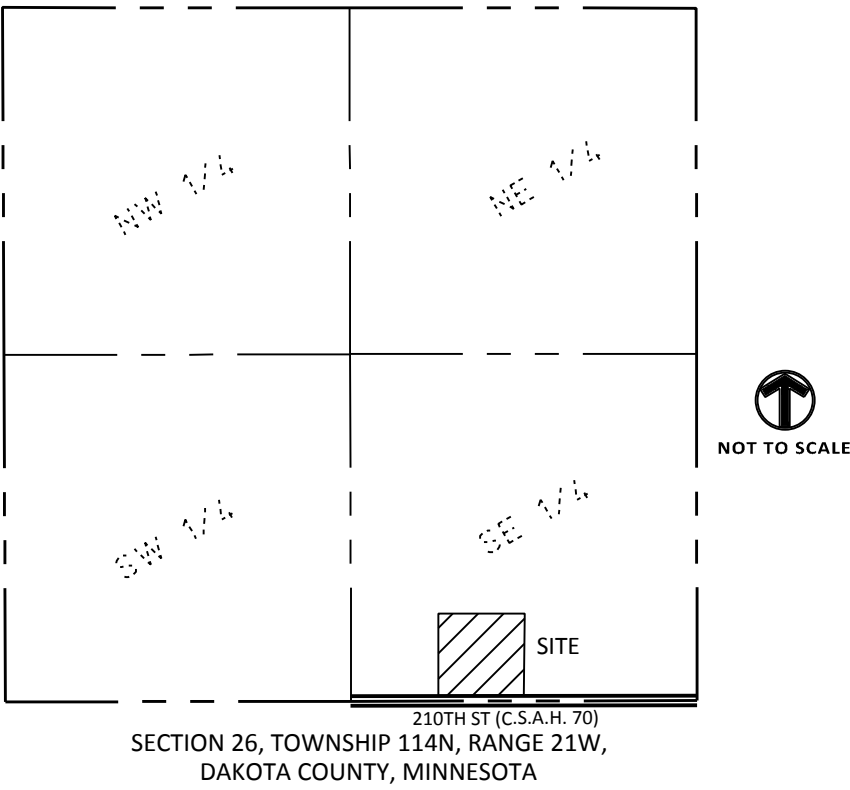
EB FIRST ADDITION

- DENOTES DAKOTA COUNTY SECTION CORNER MONUMENTATION
- DENOTES 1/2 INCH BY 16 INCH IRON PIPE SET AND MARKED BY LICENSE NO. 47470, UNLESS OTHERWISE NOTED.
- DENOTES 1/2 INCH IRON PIPE MONUMENT FOUND UNLESS OTHERWISE NOTED
- DENOTES DAKOTA COUNTY ROW MONUMENT
- △—△—△— DENOTES RESTRICTED ACCESS

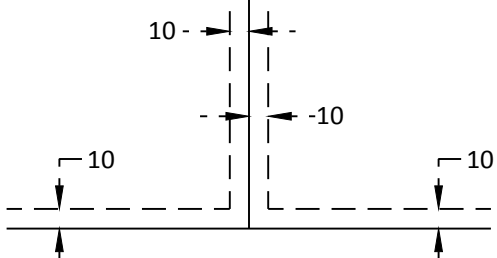
THE EAST LINE OF THE EAST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SEC. 26, T114N, R21W IS ASSUMED TO HAVE A BEARING OF SOUTH 00 DEGREES 02 MINUTES 35 SECONDS WEST



VICINITY MAP



DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:
(NOT TO SCALE)



BEING 10 FEET IN WIDTH, UNLESS OTHERWISE INDICATED, AND ADJOINING LOT LINES, AND BEING 10 FEET IN WIDTH, UNLESS OTHERWISE INDICATED, AND ADJOINING PUBLIC WAYS, AS SHOWN ON THIS PLAT.

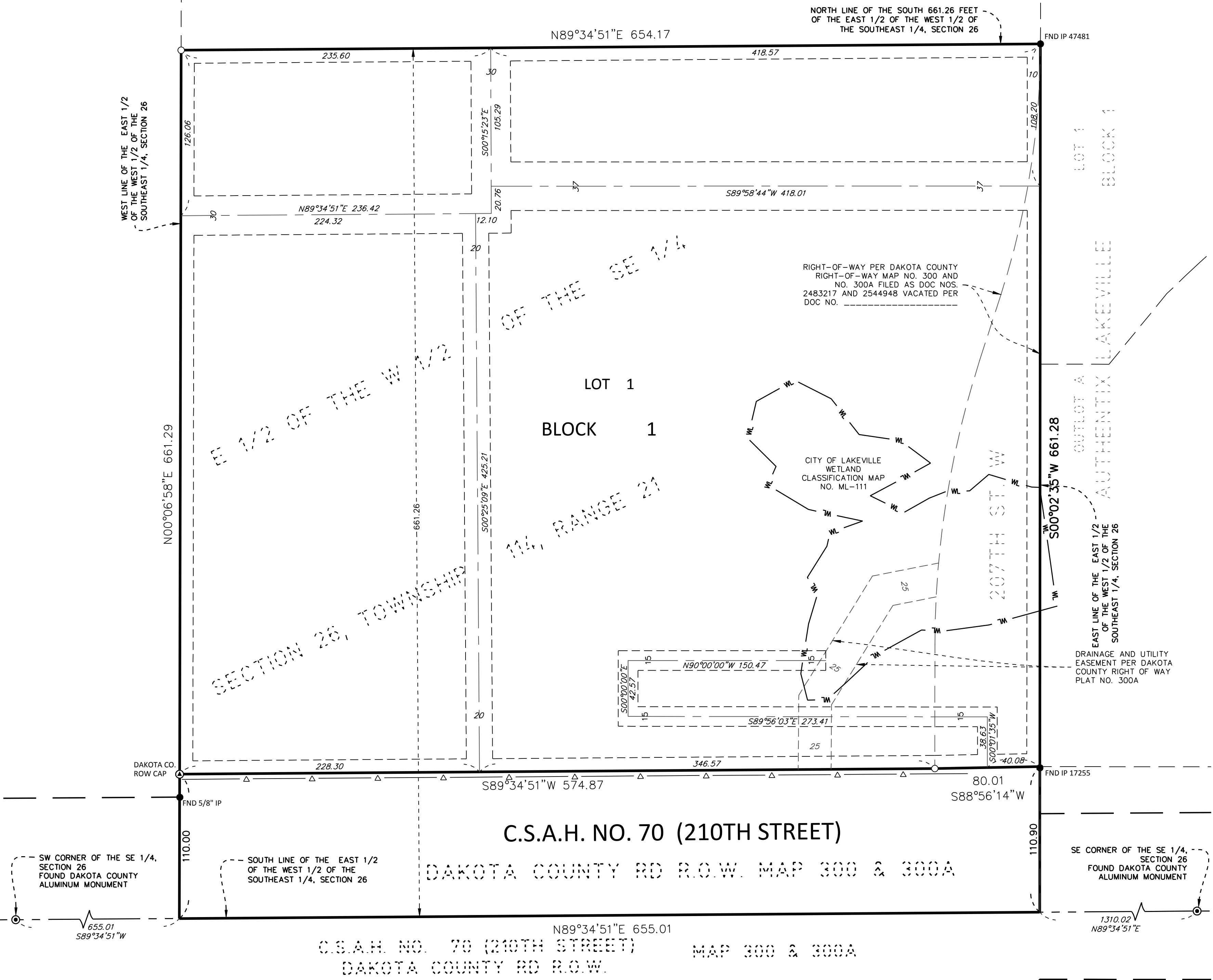
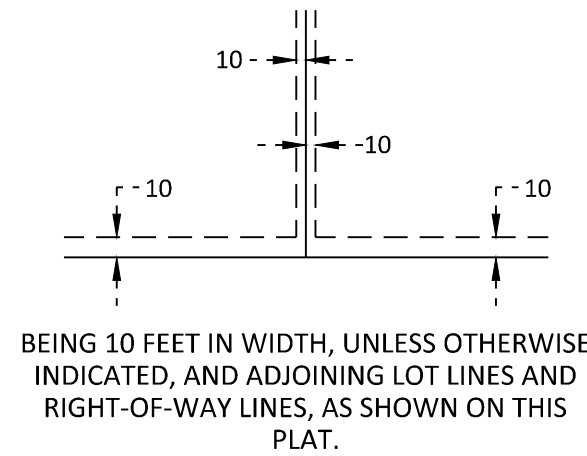
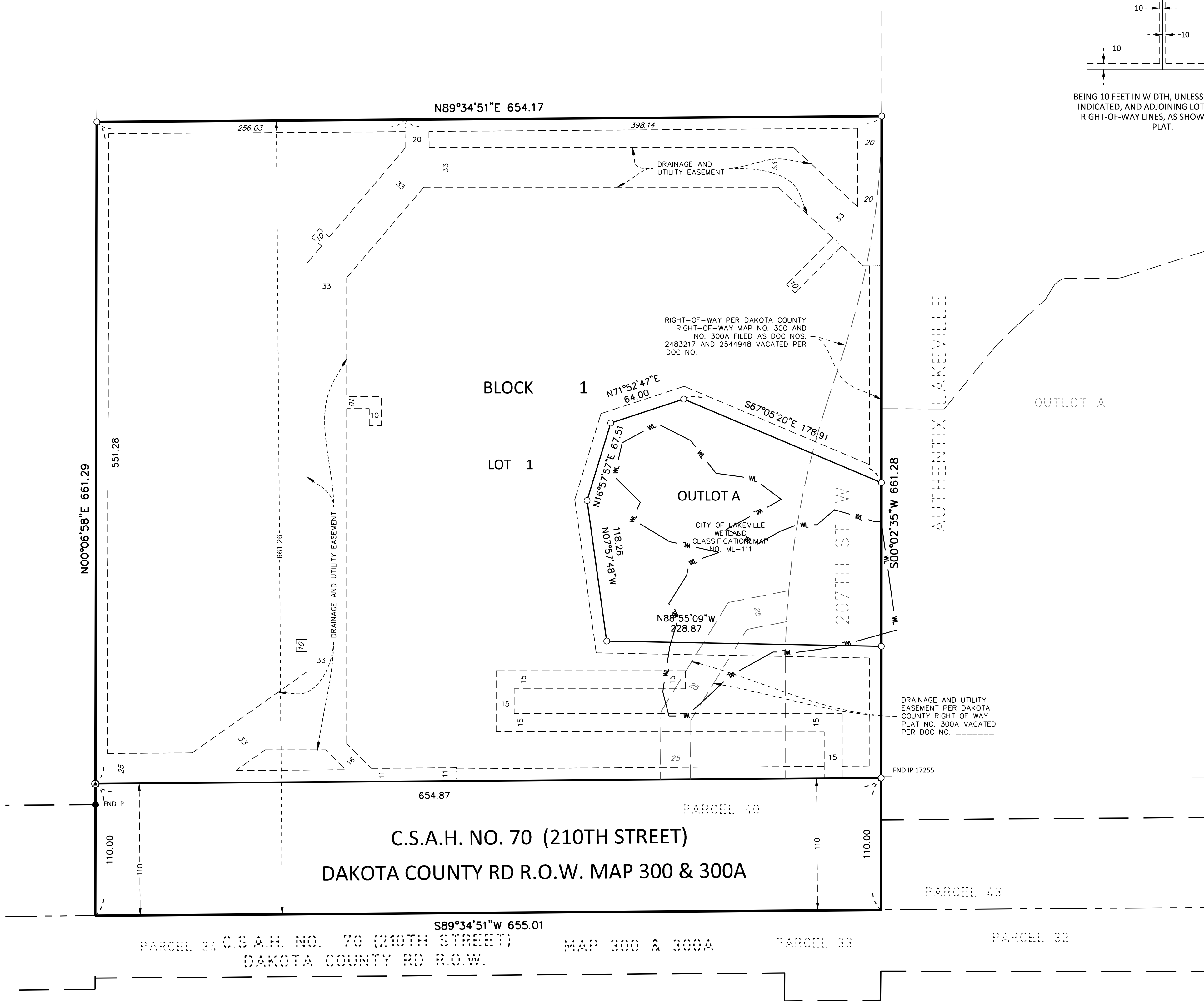


EXHIBIT B

SAMBATEK, INC.
ENGINEERING, PLANNING
AND LAND SURVEYING

24:15 (LWS TECH) | ALEA STUTZ | 9/18/2024 12:05:19 PM
L:\PROJECTS\52908\CAD\SURVEY\52908-PLAT.DWG.C3.00 PRELIMINARY PLAT



LEGEND		
● FOUND MONUMENT	— BOUNDARY LINE	- - - EASEMENT LINE
⊙ FOUND CAST IRON MONUMENT	— RIGHT-OF-WAY LINE	- - - SETBACK LINE
⊙ FOUND RIGHT-OF-WAY MONUMENT	— UNDERLYING / ADJACENT LOT	- - - RESTRICTED ACCESS
○ SET MONUMENT MARKED LS 43933	— TIE LINE	- - - TREE LINE
⊕ GATE VALVE / HYDRANT	— SECTION LINE (100.00)	— CONCRETE CURB
⊕ SANITARY MANHOLE	— DEED DISTANCE	— BUILDING LINE
⊕ CLEAN OUT	— WATERMAIN	— BUILDING CANOPY
⊕ STORM MANHOLE	— SANITARY SEWER	— BITUMINOUS SURFACE
⊕ STORM CATCH BASIN	— STORM SEWER	— CONCRETE SURFACE
⊕ FLARED END SECTION	— UNDERGROUND ELECTRIC	⊕ DECIDUOUS TREE
⊕ TRANSFORMER	— UNDERGROUND TELEPHONE	⊕ CONIFEROUS TREE
⊕ LIGHT	— UNDERGROUND GAS	⊕ SPOT ELEVATION CONTOUR
⊕ GUY ANCHOR	— OVERHEAD ELECTRICAL WIRE	⊕ SOIL BORING
⊕ UTILITY POLE	— CHAIN LINK FENCE	⊕ REGULAR PARKING STALL COUNT
⊕ GUARD POST	— WOOD FENCE	⊕ TRAFFIC MARKERS
⊕ SIGN	— WIRE FENCE	
⊕ GAS METER	— WET LAND	
⊕ GAS MANHOLE	— RETAINING WALL	
⊕ ELECTRIC MANHOLE	— BLOCK RETAINING WALL	
⊕ ELECTRIC METER	— STONE RETAINING WALL	
⊕ TELEPHONE PEDESTAL	— POND / WATER LINE	
⊕ CABLE TV BOX	— FEMA FLOOD ZONE LINE	
⊕ COMMUNICATIONS MANHOLE		

DESCRIPTION

THE SOUTH 661.26 FEET OF THE EAST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 26, TOWNSHIP 114,RANGE 21, DAKOTA COUNTY, MINNESOTA.

PROPERTY SUMMARY

TOTAL SITE AREA: 432,853 S.F. (GROSS)
LESS OUTLOTS: 41,611 S.F.
LESS RIGHT-OF-WAY: 72,043 S.F.
319,199 S.F. (NET)

LOT SUMMARY

LOT 1, BLOCK 1: 319,199 S.F.
OUTLOT A: 41,611 S.F.

SITE DENSITY

PROPOSED DENSITY: 14 UNITS PER ACRE (GROSS)
23 UNITS PER ACRE (NET)

SITE SETBACKS

ZONE: RH-2
FRONT YARD: 30'
REAR YARD: 30'
SIDE YARD: 15'

DEVELOPMENT NOTES

- ALL AREAS ARE ROUNDED TO THE NEAREST SQUARE FOOT.
- STREET NAMES ARE SUBJECT TO APPROVAL BY THE CITY.
- DRAINAGE AND UTILITY EASEMENTS SHALL BE PROVIDED AS REQUIRED. DRAINAGE AND UTILITY EASEMENTS WILL BE PROVIDED OVER ALL PUBLIC UTILITIES AND UP TO 1 FOOT ABOVE THE HIGH WATER LEVEL OF ALL PONDS.

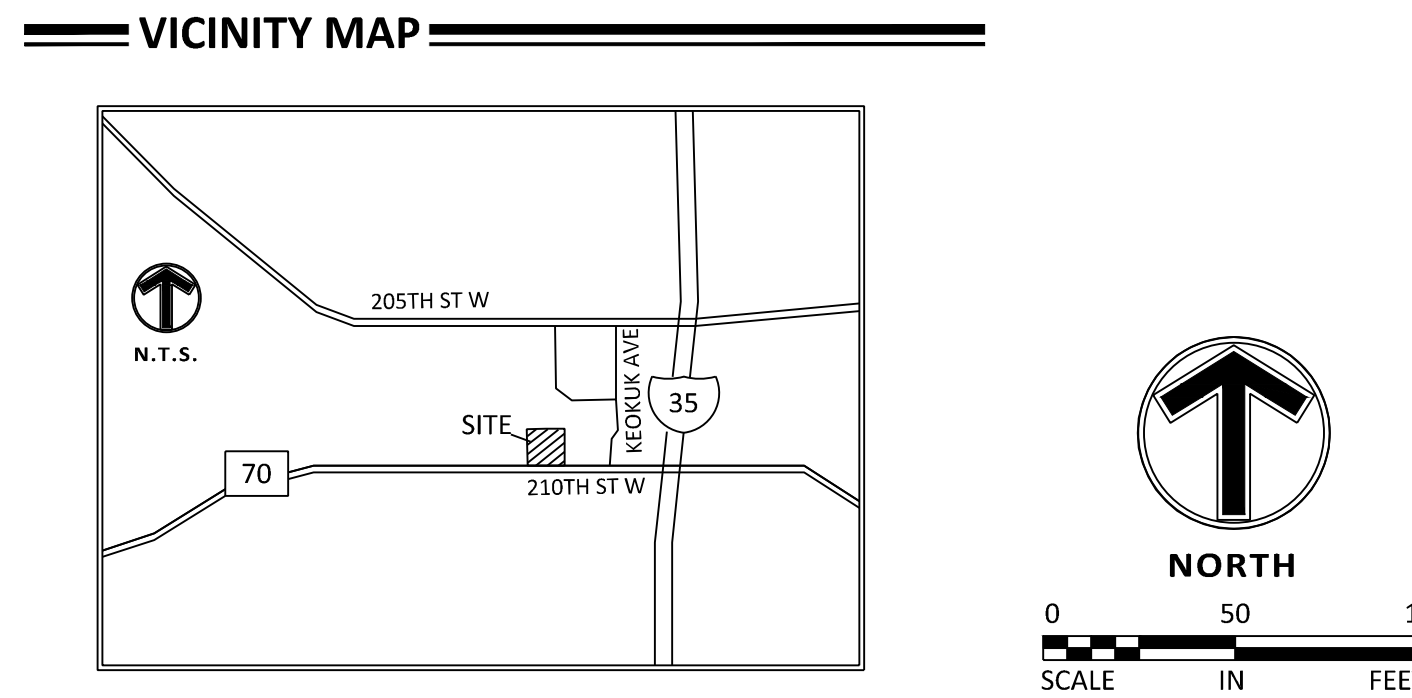


EXHIBIT C

NO	DATE	BY	CKD	APPR	COMMENT
1	07/01/2024	JJA	MS		REMOVED EAST PARCEL
© 2021 Sambatek					

I hereby certify that this plan, survey, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Mark R. Salo

Date 07/01/2024 License # 43933

DATE ISSUED
04/26/2024

DRAWN BY
DJT

DESIGNED BY

CHECKED BY
MRS

PROJECT NO.
52908

**Sambatek**
www.sambatek.com
Engineering | Surveying | Planning | Environmental

PRELIMINARY PLAT

CROWN LMN, LLC
CROWN LAKEVILLE APARTMENTS

LAKEVILLE, MINNESOTA

SHEET
C3.00
OF 1
REV.



Dakota County Surveyor's Office

Western Service Center • 14955 Galaxie Avenue • Apple Valley, MN 55124
952.891-7087 • Fax 952.891-7127 • www.co.dakota.mn.us

April 9, 2026

City of Lakeville
20195 Holyoke Ave.
Lakeville, MN 55044

Re: **EB FIRST ADDITION**

The Dakota County Plat Commission met on April 8, 2026, to consider the final plat of the above referenced plat. The plat is adjacent to CSAH 70 (210th St. W.) and is therefore subject to the Dakota County Contiguous Plat Ordinance.

The proposed site includes a four-story apartment building and 24 townhomes with access at CSAH 70/Keswick Loop. The plat meets the future right-of-way needs along CSAH 70. As discussed, the county will soon be releasing part of Parcel 40 (207th Street) to the city as this future city connection will no longer be needed. The city will vacate that portion of 207th Street with the recording of the proposed plat. Restricted access should be shown along all of CSAH 70 except for one access opening. A quit claim deed to Dakota County for restricted access is required with the recording of the plat mylars.

As noted, there is an existing cross access agreement for the frontage road along CSAH 70 to Keokuk Avenue, which will be needed for this proposed site when the Keswick Loop access is restricted in the future.

The Plat Commission has approved the final plat provided that the described conditions are met and will recommend approval to the County Board of Commissioners meeting on May 5, 2026.

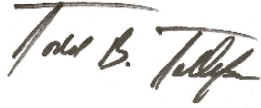
Traffic volumes on CSAH 70 are 8,000 ADT and are anticipated to be 8,200 ADT by the year 2040. These traffic volumes indicate that current Minnesota noise standards for residential units could be exceeded for the proposed plat. Residential developments along County highways commonly result in noise complaints. In order for noise levels from the highway to meet acceptable levels for adjacent residential units, substantial building setbacks, buffer areas, and other noise mitigation elements should be incorporated into this development.

No work shall commence in the County right of way until a permit is obtained from the County Transportation Department and no permit will be issued until the plat has been filed with the County Recorder's Office. The Plat Commission does not review or approve the actual engineering design of proposed accesses or other improvements to be made in the right of way. Nothing herein is intended to restrict or limit Dakota County's rights with regards to Dakota County rights of way or property. The Plat Commission highly recommends early contact with the Transportation Department to discuss the permitting process which reviews the design and may require construction of highway improvements, including, but not limited to, turn lanes, drainage features, limitations on intersecting street widths, medians, etc.

EXHIBIT D

Please contact TJ Bentley regarding permitting questions at (952) 891-7115 or Todd Tollefson regarding Plat Commission or Plat Ordinance questions at (952) 891-7070.

Sincerely,

A handwritten signature in black ink, reading "Todd B. Tollefson". The signature is written in a cursive, flowing style with a horizontal line above the first name.

Todd B. Tollefson
Secretary, Plat Commission

c: Mark Anderson, Sambatek



Memorandum

To: Kris Jenson, Planning Manager

From: Chloe Anderson, Civil Engineer
McKenzie L. Cafferty, Environmental Resources Manager
Joe Masiarchin, Parks and Recreation Director
Zach Jorgenson, City Forester

Copy: Zach Johnson, City Engineer
Jonathan Nelson, Assistant City Engineer
Julie Stahl, Finance Director
Dave Mathews, Building Official
Tina Goodroad, Community Development Director

Date: June 24, 2026

Subject: EB First Addition Final Plat Report

- Site Plan Review
- Grading and Erosion Control Plan Review
- Utility Plan Review

BACKGROUND

EB Lakeville Development, LLC has submitted a final plat named EB First Addition and plans for the construction of a 142-unit apartment complex and four 6-unit townhome buildings resulting in a total of 166 units on site. The request also includes the vacation of public right of way for 207th Street. The proposed development is located north of and adjacent to 210th Street (CSAH 70) and west of Keokuk Ave. The parent parcel consists of one metes and bounds parcel in Section 26, Township 114, Range 21 (PID No. 220260081010) zoned RH-2, Multiple Family Residential District.

The final plat consists of one lot within one block on 9.94 acres.

The proposed development will be completed by:

Developer:	EB Lakeville Development, LLC
Engineer/Surveyor:	Sambatek

SITE CONDITIONS

The EB First Addition site contains undeveloped land with one pre-existing homestead and an accessory building that will be demolished prior to site development. Security of \$50,000 will be held for the demolition, sealing of existing well(s), and removal of septic system(s). There is an existing driveway and curb cut that shall be removed with the final plat. Security of \$10,000 will be held for the removal of the driveway and curb cut. A wetland complex is located on the east side of the property. The land generally slopes from the west to the east. An overhead utility line is located adjacent to the south property line of the parent parcel.

EASEMENTS

Several easements for highway, stormwater, and utility purposes exist across the parent parcel and will remain with the development improvements. A drainage and utility easement shall be established with the final plat encompassing the public trunk watermain through the site. A temporary grading easement is required to extend the trunk utilities to the western plat boundary.

STREET AND SUBDIVISION LAYOUT

210th Street (CSAH 70)

EB First Addition is located north of and adjacent to 210th Street, a Principal Arterial roadway as identified in the City's Comprehensive Transportation Plan. The Dakota County Plat Commission reviewed the proposed development at its April 8, 2026 meeting and recommended approval.

Dakota County controls the right-of-way requirements and access locations along 210th Street. The current Dakota County Plat Review Needs Map identifies 210th Street as a 4-lane divided roadway with a half right-of-way requirement of 75-feet adjacent to the development. The Developer is dedicating the necessary right-of-way for 210th Street with the EB First Addition final plat.

RIGHT OF WAY VACATION

Earlier this year, Dakota County conveyed the right of way for 207th Street, located at the southeast corner of the subject parcel, to the City's jurisdiction so that it could be vacated in conjunction with the EB First Addition final plat. The future alignment of 207th Street has changed since 2006 when the 207th Street right of way was established by Dakota County in 2006.

CONSTRUCTION ACCESS

Construction traffic access and egress for grading, utility and street construction shall be determined with the final construction plans.

PARKS, TRAILS AND SIDEWALKS

The Park Dedication requirement has not been collected on the parent parcel and will be satisfied through a cash contribution to be paid with the final plat, calculated as follows:

166 units	x \$3,133.00	= \$520,078.00
Total Units EB First Addition	2026 Unit Rate (High-Density)	Park Dedication Fee EB First Addition

UTILITIES

SANITARY SEWER

EB First Addition is located within sub-district SC-13440 of the South Creek sanitary sewer district as identified in the City's Comprehensive Sewer Plan. The wastewater from the proposed site will be conveyed by City-owned sanitary sewer facilities to the Elko/New Market interceptor and then to the Empire Wastewater Treatment Plant. The existing City-owned downstream facilities are adequate to convey the wastewater generated by the proposed development.

Private sanitary sewer service hookups were extended from the public sanitary sewer to the south side of the subject parcel for development of the property with the development of EB Lakeville units.

The Sanitary Sewer Availability Charge has not been collected on the parent parcel and shall be paid with the building permit.

WATERMAIN

A service stub was provided with the development of EB Lakeville from the 12-inch watermain along 210th Street within the City's Normal Pressure Zone. Public trunk watermain will be extended through the site in accordance with the City's Comprehensive Water Plan.

The Developer is eligible for a credit from the City for the oversizing of the trunk watermain in the development. The credit is based on the cost difference between 8-inch watermain and the oversized 12-inch watermain that will be installed, derived from estimates submitted by the Developer's engineer on June 30th, 2025. The credit will be applied to the Developer's final plat cash fees.

Final locations and sizes of all sanitary sewer and watermain facilities will be reviewed by City staff with the final plat, building permit application and final construction plans.

UNDERGROUNDING

Overhead electric service lines and poles are located along the north side of 210th Street on the parent parcel. The Developer is required to remove the poles and place the service utilities underground with the final plat, consistent with the City's Public Ways and Property Ordinance. The developer shall provide a security with the final plat to ensure the work is completed and certified in accordance with all applicable codes and regulations.

DRAINAGE AND GRADING

EB Lakeville Development is located within subdistrict ML-085 of the Lake Marion District of the City's Comprehensive Water and Natural Resources Management Plan.

This development will convey stormwater runoff towards a filtration basin located within adjacent parcel to the east to be constructed in conjunction with Authentix Lakeville Second Addition Final Plat.

The final grading plan shall identify all fill lots in which the building footings will be placed on fill material. The grading specifications shall also indicate that all embankments meet FHA/HUD 79G specifications. The Developer shall certify to the City that all lots with footings placed on fill material are appropriately constructed. Building Certificates of Occupancy will not be issued until a soils report and an as-built certified grading plan have been submitted and approved by City staff.

EB First Addition Development contains more than one acre of site disturbance. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading. A copy of the Notice of Stormwater Permit Coverage must be submitted to the City upon receipt from the MPCA.

STORM SEWER

EB First Addition includes the construction of private storm sewer systems to be located within Lot 1, Block 1 and will collect and convey stormwater runoff generated from within the development off-site to adjacent parcel located within Authentix Second Addition Final Plat.

The Storm Sewer Charge has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

<u>Storm Sewer Charge Summary</u>		
Gross Area of EB Lakeville First Addition		432,853.00 s.f.
Less Area of CSAH 70 ROW Vacation		(-) 72,080.00 s.f.
Total Storm Sewer Charge Area (Multi-Family)		= 360,773.00 s.f.
360,773.00 s.f.	x \$0.198/s.f.	= \$71,433.05
Net Area	2026 Unit Rate	Storm Sewer Charge
EB First Addition		EB First Addition

Final locations and sizes of all storm sewer facilities will be reviewed by City staff with the building permit application and final construction plans.

FEMA FLOODPLAIN ANALYSIS

EB First Addition Development is shown on the Flood Insurance Rate Map (FIRM) as Zone X by the Federal Emergency Management Agency (FEMA). Based on this designation by FEMA, the plat is not located within a Special Flood Hazard Area (SFHA).

WETLANDS

A wetland delineation report was reviewed in the field and was approved September 4, 2024. One wetland was identified on the site. The project is proposing to impact 1,652 square feet of wetland. The project is eligible for the de minimis exemption based on the information provided and the wetland de minimis application for the areas outlined in the report have been determined to be acceptable for use in implementing the Wetland Conservation Act. The wetland and required buffer will be placed in a conservation easement to be dedicated with the final plat. Natural area signs will be placed along the easement that contains the wetland and wetland buffer. Final locations of signs will be determined with final plat. The plan must be revised to reduce impacts to the wetland buffer prior to final plat.

TREE PRESERVATION

The plan identifies 519 total trees on site and proposes to save 36 trees. Measures to protect significant trees as identified in the Tree Preservation ordinance including but not limited to tree protection fencing and erosion control measures, are to be installed prior to the start of tree removals or other site work and maintained throughout construction. Minor changes may result in additional removals or saves based on location or condition of the tree.

The tree preservation plan was approved following the previous Tree Preservation Ordinance, 10-4-11. All "save" trees that are damaged or removed will require replacement at a ratio of 2:1 as per the Lakeville Subdivision Ordinance.

EROSION CONTROL

The Developer is responsible for obtaining a MPCA Construction Permit for the site as well as maintaining the SWPPP for the site during construction. The permit requires that any changes made throughout construction must be documented in the SWPPP.

The developer is responsible for establishment of all slopes adjacent to the wetland and buffer. The area will be established with native vegetation. Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures required shall be installed and maintained by the developer.

The MS4 Administration Fee has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

\$506,350.00	x 2%	= \$10,127.00
Project Grading Cost EB First Addition	MS4 Admin Fee	MS4 Admin Fee Required EB First Addition

SECURITIES

The Developer shall provide a Letter of Credit as security for the Developer-installed improvements relating to Authentix Lakeville Second Addition. Construction costs are based upon estimates submitted by the Developer's engineer on July 15th, 2026.

CONSTRUCTION COSTS

Sanitary Sewer	\$108,930.00
Watermain	94,480.00
Storm Sewer	142,200.00
Grading, Drainage, Erosion Control and Restoration	521,300.00
SUBTOTAL - CONSTRUCTION COSTS	\$ 866,910.00

OTHER COSTS

Developer's Design (3.0%)	\$ 26,007.30
Developer's Construction Survey (2.5%)	21,672.75
City's Legal Expense (0.5%)	4,334.55
City Construction Observation (5.0%)	43,345.50
Developer's Record Drawing (0.5%)	4,334.55
Streetlights	1,400.00
Demolition, Well Sealing, Septic System Removal	50,000.00
Driveway Removal and Reestablishment	10,000.00
Undergrounding	163,520.16
Natural Area Signs	2,000.00
Landscaping	163,620.00
Lot Corners/Iron Monuments	100.00
SUBTOTAL - OTHER COSTS	\$490,334.81
TOTAL PROJECT SECURITY	\$1,357,244.81

The street light security totals \$1,400 which consists of one (1) mast-arm streetlight at \$1,400 each.

The Developer shall post a security to ensure the final placement of iron monuments at property corners with the final plat. The security is \$100.00 per lot and outlot for a total of \$100.00. The City shall hold this security until the Developer's Land Surveyor certifies that all irons have been placed following site grading, street and utility construction.

CASH FEES

A cash fee for one-year of streetlight operating expenses shall be paid at the time of final plat approval and is calculated as follows:

EB FIRST ADDITION FINAL PLAT REPORT
JUNE 24, 2026
PAGE 7 OF 8

655.01 ft.	x \$0.2974/front foot/qtr	x 4 qtrs/yr	= \$779.20
Front Footage	2026 Streetlight Operating Fee		Total
EB First Addition			EB First Addition

A cash fee for one-year of environmental resources management expenses shall be paid with the final plat and is calculated as follows:

24 unit	x \$64.00/unit	x 0.50	= \$768.00
Total Townhome Units	2026 Rate	Utility Factor	Environmental Resources Fee
EB First Addition			EB First Addition
			(Townhome)
142 unit	x \$64.00/unit	x 0.25	= \$2,272.00
Total Apartment Units	2026 Rate	Utility Factor	Environmental Resources Fee
EB First Addition			EB First Addition
			(Apartment)
\$768.00	+ \$2,272.00		= \$3,040.00
Environmental Resources Fee	Environmental Resources		Environmental Resources Fee
EB First Addition	Fee		EB First Addition
(Townhome)	EB First Addition		
	(Apartment)		

A cash fee for the preparation of addressing, property data, record construction drawings and for updating the City base map shall be paid at the time of final plat approval and is calculated as follows:

1 unit	x \$90.00/unit	= \$90.00
Lots/Outlots	Property Data & Asset/Infrastructure Mgmt Fee	Total

The Developer shall submit the final plat and construction drawings in an electronic format. The electronic format shall be in .pdf and either .dwg/.dxf or .shx format.

The Developer shall also pay a cash fee for City Engineering Administration. The fee for City Engineering Administration will be based on three percent (3.00%) of the estimated construction cost, or \$41,700.00.

CASH REQUIREMENTS

Park Dedication	\$520,078.00
Storm Sewer Charge	71,433.05
Streetlight Operating Fee	779.20
Environmental Resources Management Fee	3,040.00
MS4 Administration Fee	10,127.00
Property Data & Asset/Infrastructure Mgmt Fee	90.00
City Engineering Administration (3.00%)	26,007.30
SUBTOTAL - CASH REQUIREMENTS	\$631,554.55

CREDITS TO CASH REQUIREMENTS

Trunk Watermain Oversizing Credit	\$ 37,810.00
-----------------------------------	--------------

SUBTOTAL – CREDITS TO CASH REQUIREMENTS	37,810.00
TOTAL CASH REQUIREMENTS	<u>\$ 593,744.55</u>

RECOMMENDATION

Engineering recommends approval of the, site plan, grading and erosion control plan, and utility plan for EB First Addition, subject to the requirements and stipulations within this report.



Date: 7/20/2026

Authentix Lakeville Second Addition Final Plat

Proposed Action

Staff recommends adoption of the following motion: Move to approve a resolution approving the Authentix Lakeville Second Addition final plat.

Overview

EB Development has prepared plans for a final plat for Authentix Lakeville Second Addition, which proposes three outlots, one of which will include a stormwater pond for the EB First Addition development, directly west of Authentix Lakeville Second Addition plat. The property is located north of 210th Street (CSAH 70) and west of Keokuk Avenue. The City Council approved the preliminary plat on June 15, 2026. Aside from the stormwater pond, one outlot with wetlands will be deeded to the city and the third outlot will be retained by the property owner for future development.

City staff and the Developer are working through items and language within the development contract and stormwater maintenance agreement. The final plat approval is subject to those documents being approved by the City Council.

Supporting Information

1. Final Plat Resolution
2. June 18, 2026 Planning and Engineering reports

Financial Impact: \$0 Budgeted: No Source: Envision Lakeville Community Values: A Home for All Ages and Stages of Life Report Completed by: Kris Jenson, Planning Manager

**CITY OF LAKEVILLE
DAKOTA COUNTY, MINNESOTA**

RESOLUTION NO. 26-_____

**RESOLUTION APPROVING THE AUTHENTIX LAKEVILLE SECOND ADDITION
FINAL PLAT**

WHEREAS, the owner of the property described as **AUTHENTIX LAKEVILLE SECOND ADDITION** has requested final plat approval; and

WHEREAS, the preliminary plat was reviewed by the Planning Commission and approved by the City Council; and

WHEREAS, the final plat is consistent with the preliminary plat; and

WHEREAS, the final plat is acceptable to the City;

NOW THEREFORE BE IT RESOLVED by the Lakeville City Council:

1. The **AUTHENTIX LAKEVILLE SECOND ADDITION** final plat is approved subject to City Council approval of the development contract, stormwater maintenance agreement and security requirements.
2. The Mayor and City Clerk are hereby authorized to sign the final plat mylars.
3. The City Clerk is directed to file a certified copy of this resolution with the Dakota County Recorder.

ADOPTED by the Lakeville City Council this 20th day of July 2026.

CITY OF LAKEVILLE

John Bermel, Acting Mayor

ATTEST:

Taylor Snider, Deputy City Clerk

STATE OF MINNESOTA)

CITY OF LAKEVILLE)

I hereby certify that the foregoing Resolution No. 26-____ is a true and correct copy of the resolution presented to and adopted by the City Council of the City of Lakeville at a duly authorized meeting thereof held on the **20th** day of **July 2026** as shown by the minutes of said meeting in my possession.

Taylor Snider
Deputy City Clerk

(SEAL)

Drafted By:
City of Lakeville
20195 Holyoke Avenue
Lakeville, MN 55044



Memorandum

To: Tina Goodroad, Community Development Director
From: Kris Jenson, Planning Manager
Date: June 18, 2026
Subject: Authentix Lakeville Second Addition Final Plat
Action Deadline: July 20, 2026

BACKGROUND

EB Lakeville Development LLC has submitted an application and plans for a final plat to be known as Authentix Lakeville Second Addition. The plat consists of three outlots totaling 7.25 acres. The property is located north of 210th Street (CSAH 70) and west of Keokuk Avenue. The preliminary plat was approved by the City Council at the June 4, 2026 meeting. One of the outlots is proposed to be used as a stormwater pond for the adjoining EB First Addition development. The plans have been reviewed by the Engineering, Environmental Resources, Forestry, and Parks and Recreation staff.

EXHIBITS

- A. Location Map
- B. Final Plat
- C. Preliminary Plat
- D. April 9, 2026 Dakota County Plat Commission letter

PLANNING ANALYSIS

Existing Conditions. The site is primarily undeveloped; a private frontage road has been constructed along the south side of the property that will provide access for the EB First Addition plat to Keokuk Avenue upon completion of the remaining segment just east of the Authentix Lakeville Second Addition plat boundary.

Zoning. The zoning of the parcel is C-3, General Commercial District.

Outlots. The final plat of Authentix Lakeville Second Addition consists of three outlots.

Outlot A is 4.35 acres and will be retained by the property owner for future development. At the time of development, a preliminary plat will be required and the wetland and required buffers must be deeded to the City at the time the parcel is platted into lots and blocks.

Outlot B is 1.21 acres and will be used to provide storm water management for the EB First Addition development. A Stormwater Maintenance Agreement (SMA) is required to be approved by the City Council in conjunction with the final plat.

Outlot C is 1.7 acres and contains a wetland and required buffers and will be deeded to the City with the final plat.

Streets. The plat is directly adjacent to 210th Street (CSAH 70), though direct access to 210th Street from the parcels is restricted by Dakota County. A private frontage road was constructed in 2023 to provide access from this parcel to 210th Street and Keokuk Avenue.

The Dakota County Plat Commission reviewed and approved the preliminary and final plat at their April 8, 2026 meeting.

Grading, Drainage and Utilities. The final plat includes grading, drainage, and erosion control plans, which are reviewed in the engineering report prepared by Chloe Anderson, Project Engineer and Mac Cafferty, Environmental Resources Manager. See the June 18, 2026 Engineering memo for additional information.

Wetlands. A wetland delineation was previously approved for the site but expired in 2025. A new delineation, which shows one wetland on site, has been reviewed and approved for the site. The wetland and buffer will be placed in an outlot and deeded to the City with the final plat.

Tree Inventory/Landscape Plan. An inventory of the trees within Outlot B was completed and shows that there are 218 inches of significant trees, all of which is proposed to be removed. Per Section 11-21-11 of the Zoning Ordinance, the removal threshold is 70% or 152.6 inches due to the commercial zoning of the site. Per the calculation worksheet, 32.7 inches must be replaced on site. The landscape plan indicates that 14 Heritage Birch and Swamp White Oak trees will be planted around the perimeter of the stormwater pond, providing 35 inches (14 trees at 2.5 inches each), to meet the required tree replacement. A security of \$10,000 is required to be submitted with the final plat to guarantee installation of the landscaping. An as-planted landscape plan must be provided to the city prior to any landscape inspections taking place on site.

Park Dedication. The Authentix Lakeville Second Addition plat boundary is at the edge of a neighborhood park service area that is primarily located south of CSAH 70. Cash in lieu park dedication fees can only be collected

when a parcel is platted into lots and blocks and therefore will not be collected with the Authentix Lakeville Second Addition final plat.

RECOMMENDATION

Community Development staff recommends approval of the Authentix Lakeville Second Addition final plat, subject to the following stipulations:

1. Implementation of the recommendations listed in the Engineering report dated June 18, 2026.
2. A security of \$10,000 is required to be submitted with the final plat to guarantee installation of the landscaping.
3. An as-planted landscape plan must be submitted prior to any landscape inspections on site.
4. A storm water maintenance agreement for Outlot B shall be approved by the City Council in conjunction with the approval of the final plat.



City of Lakeville
Location Map
Authentix Lakeville
Second Addition

EXHIBIT A

AUTHENTIX LAKEVILLE SECOND ADDITION

KNOW ALL PERSONS BY THESE PRESENTS: That
, owner of the following described property:

Outlot A, AUTHENTIX LAKEVILLE, Dakota County, Minnesota.

Has caused the same to be surveyed and platted as AUTHENTIX LAKEVILLE SECOND ADDITION and does hereby dedicate to the public for public use the drainage and utility easements as created by this plat.

In witness whereof said
caused these presents to be signed by its proper officer this
day of , 20 .

Signed:

By:

Its:

STATE OF
COUNTY OF

This instrument was acknowledged before me on this day of
, 20 , by as
of
on behalf of the company.

Notary Public, County,

Notary Printed Name
My Commission Expires

I, Glen A. Mullenbach do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certification are shown and labeled on the plat; and all public ways are shown and labeled on this plat.

Dated this day of , 20 .

Glen A. Mullenbach, Licensed Land Surveyor,
Minnesota License No. 47470

STATE OF MINNESOTA
COUNTY OF

The foregoing instrument was acknowledged before me this day of
, 20 , by Glen A. Mullenbach.

Notary Public, County,

Notary Printed Name
My Commission Expires

CITY COUNCIL, CITY OF LAKEVILLE, STATE OF MINNESOTA

This plat of AUTHENTIX LAKEVILLE SECOND ADDITION was approved and accepted by the City Council of the City of Lakeville, Minnesota at a regular meeting thereof held this day of , 20 , and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

By: Mayor

By: Clerk

COUNTY SURVEYOR, COUNTY OF DAKOTA, STATE OF MINNESOTA

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this day of
, 20 .

By:
Todd B. Tollefson, Dakota County Surveyor

COUNTY BOARD, COUNTY OF DAKOTA, STATE OF MINNESOTA

We do hereby certify that on the 9th day of August, 2022, the Board of Commissioners of Dakota County, Minnesota approved this plat of AUTHENTIX LAKEVILLE SECOND ADDITION, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2 and pursuant to the Dakota County Contiguous Plat Ordinance.

Chair, County Board

County Treasurer-Auditor

DEPARTMENT OF PROPERTY TAXATION AND RECORDS, COUNTY OF DAKOTA, STATE OF MINNESOTA

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20 on the land hereinbefore described have been paid. Also, pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this day of , 20 .

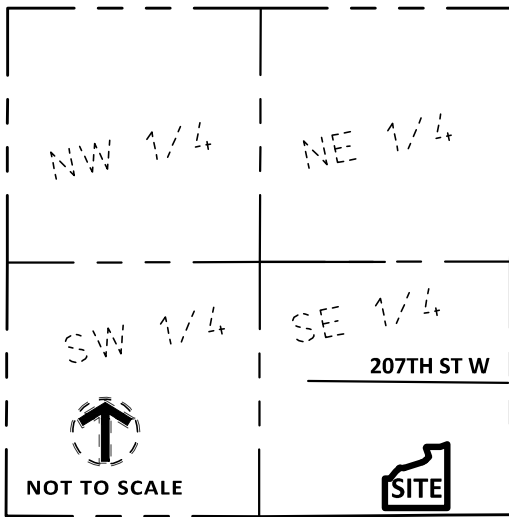
Amy A. Koethe, Director,
Department of Property Taxation and Records

COUNTY RECORDER, COUNTY OF DAKOTA, STATE OF MINNESOTA

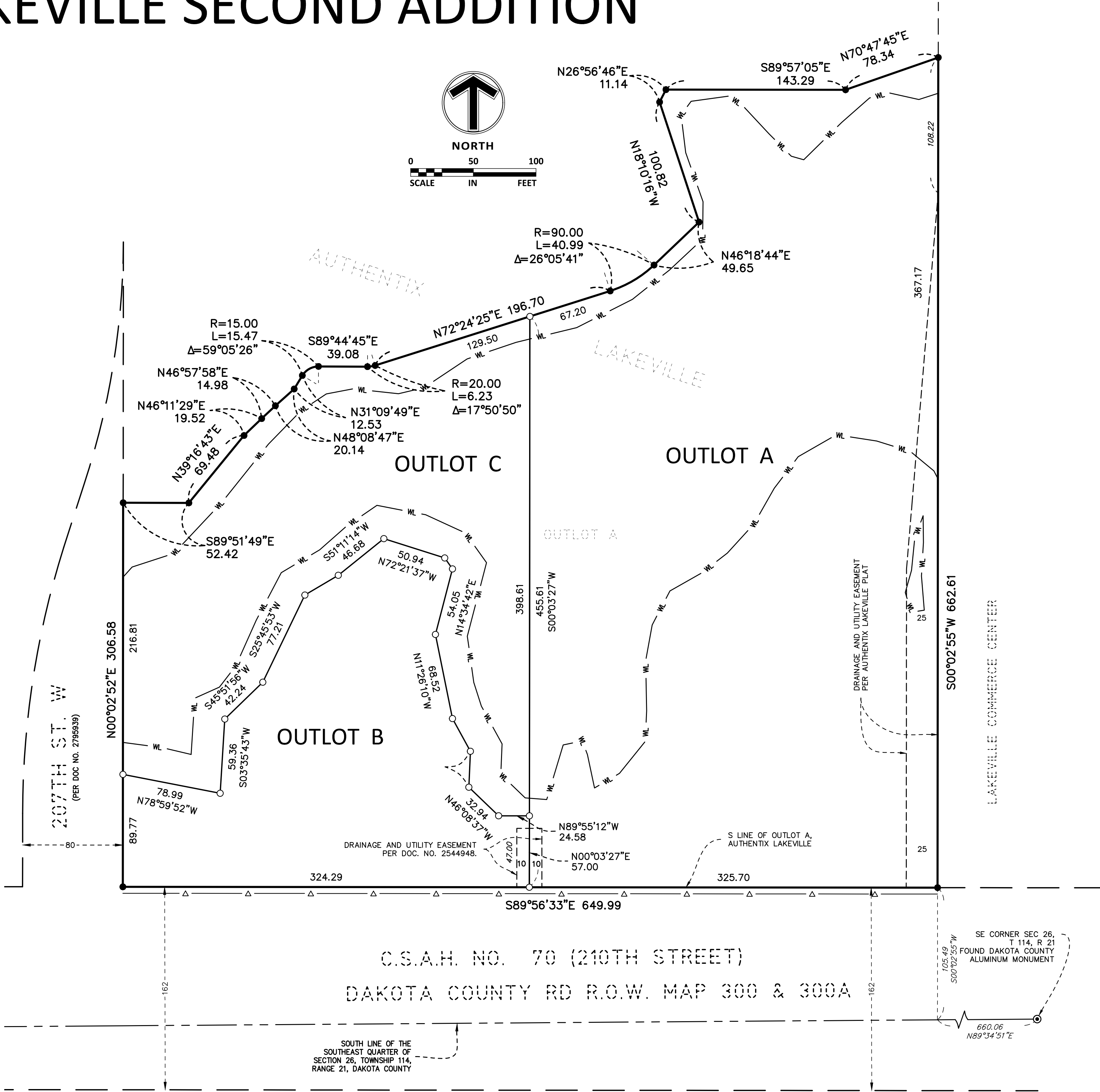
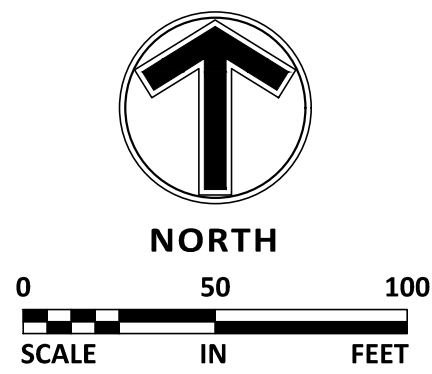
I hereby certify that this plat of AUTHENTIX LAKEVILLE SECOND ADDITION was filed in the office of the County Recorder for public record on this day of , 20 , at o'clock .M., and was duly filed in Book of Plats, Page as Document Number .

Amy A. Koethe, Dakota County Recorder

VICINITY MAP
SEC. 26, T. 114 N, R. 21 W



NOT TO SCALE



— Δ — DENOTES RIGHT OF ACCESS CONVEYED TO
DAKOTA COUNTY PER DOC. NO. 3565867

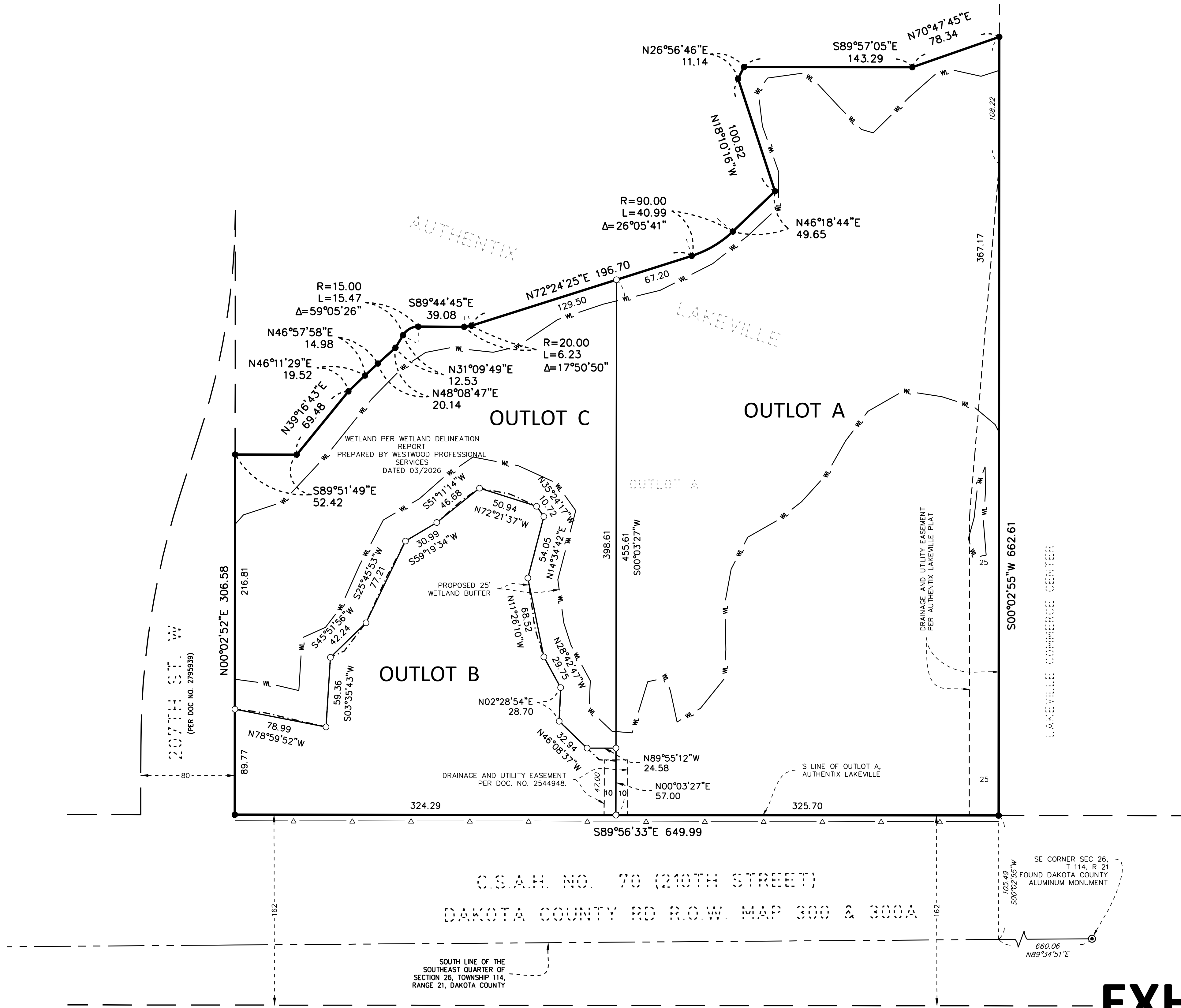
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT SET
AND MARKED BY LICENSE NO. 47470
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT
FOUND AND MARKED BY LICENSE NO. 43933

THE SOUTH LINE OF OUTLOT A, AUTHENTIX
LAKEVILLE IS ASSUMED TO HAVE A BEARING OF
SOUTH 89 DEGREES 56 MINUTES 33 SECONDS EAST.

SAMBATEK, INC.
ENGINEERING, PLANNING
AND LAND SURVEYING

EXHIBIT B

24.15 (LWS TECH) | CHANDLER CIBRIONE | 4/22/2026 5:01:13 PM
L:\PROJECTS\54149\CAD\SURVEY\54149-PP\AT (AUTHENTIX).DWG.C3.00 PRELIMINARY PLAT



LEGEND		
● FOUND MONUMENT	— BOUNDARY LINE	--- EASEMENT LINE
⊙ FOUND CAST IRON MONUMENT	--- RIGHT-OF-WAY LINE	--- SETBACK LINE
⊙ FOUND RIGHT-OF-WAY MONUMENT	--- UNDERLYING / ADJACENT LOT	--- RESTRICTED ACCESS
○ SET MONUMENT MARKED LS 43933	--- TIE LINE	--- TREE LINE
⊗ GATE VALVE / HYDRANT	--- SECTION LINE	--- CONCRETE CURB
⊙ SANITARY MANHOLE	(100.00) DEED DISTANCE	--- BUILDING LINE
○ CLEAN OUT	--- WATERMAIN	--- CONCRETE CANOPY
⊙ STORM MANHOLE	--- SANITARY SEWER	--- BITUMINOUS SURFACE
⊙ STORM CATCH BASIN	--- STORM SEWER	--- CONCRETE SURFACE
⊙ FLARED END SECTION	--- UNDERGROUND ELECTRIC	⊙ DECIDUOUS TREE
⊙ TRANSFORMER	--- UNDERGROUND TELEPHONE	⊙ CONIFEROUS TREE
⊙ LIGHT	--- UNDERGROUND GAS	⊙ SPOT ELEVATION
⊙ GUY ANCHOR	--- OVERHEAD ELECTRICAL WIRE	--- CONTOUR
⊙ UTILITY POLE	--- CHAIN LINK FENCE	⊙ SOIL BORING
⊙ GUARD POST	--- WOOD FENCE	⊙ REGULAR PARKING
⊙ SIGN	--- WIRE FENCE	⊙ STALL COUNT
⊙ GAS METER	--- WET LAND	⊙ TRAFFIC MARKERS
⊙ GAS MANHOLE	--- RETAINING WALL	
⊙ ELECTRIC MANHOLE	--- BLOCK RETAINING WALL	
⊙ ELECTRIC METER	--- STONE RETAINING WALL	
⊙ CABLE TV BOX	--- POND / WATER LINE	
⊙ COMMUNICATIONS MANHOLE	--- FEMA FLOOD ZONE LINE	

DESCRIPTION	
Outlot A, Authentix Lakeville, Dakota County, Minnesota.	

PROPERTY SUMMARY	
TOTAL SITE AREA:	315,849 SF (GROSS)
LESS OUTLOTS:	315,849 SF
LESS RIGHT-OF-WAY:	0 SF
	0 SF (NET)

LOT SUMMARY	
OUTLOT A:	189,442 SF (4.349 ACRES)
OUTLOT B:	52,501 SF (1.205 ACRES)
OUTLOT C:	73,906 SF (1.697 ACRES)

SITE DENSITY	
PROPOSED DENSITY:	N/A

SITE SETBACKS	
FRONT YARD:	N/A
REAR YARD:	N/A
SIDE YARD:	N/A

DEVELOPMENT NOTES	
1. ALL AREAS ARE ROUNDED TO THE NEAREST SQUARE FOOT.	
2. STREET NAMES ARE SUBJECT TO APPROVAL BY THE CITY.	
3. DRAINAGE AND UTILITY EASEMENTS SHALL BE PROVIDED AS REQUIRED. DRAINAGE AND UTILITY EASEMENTS WILL BE PROVIDED OVER ALL PUBLIC UTILITIES AND UP TO 1 FOOT ABOVE THE HIGH WATER LEVEL OF ALL PONDS.	

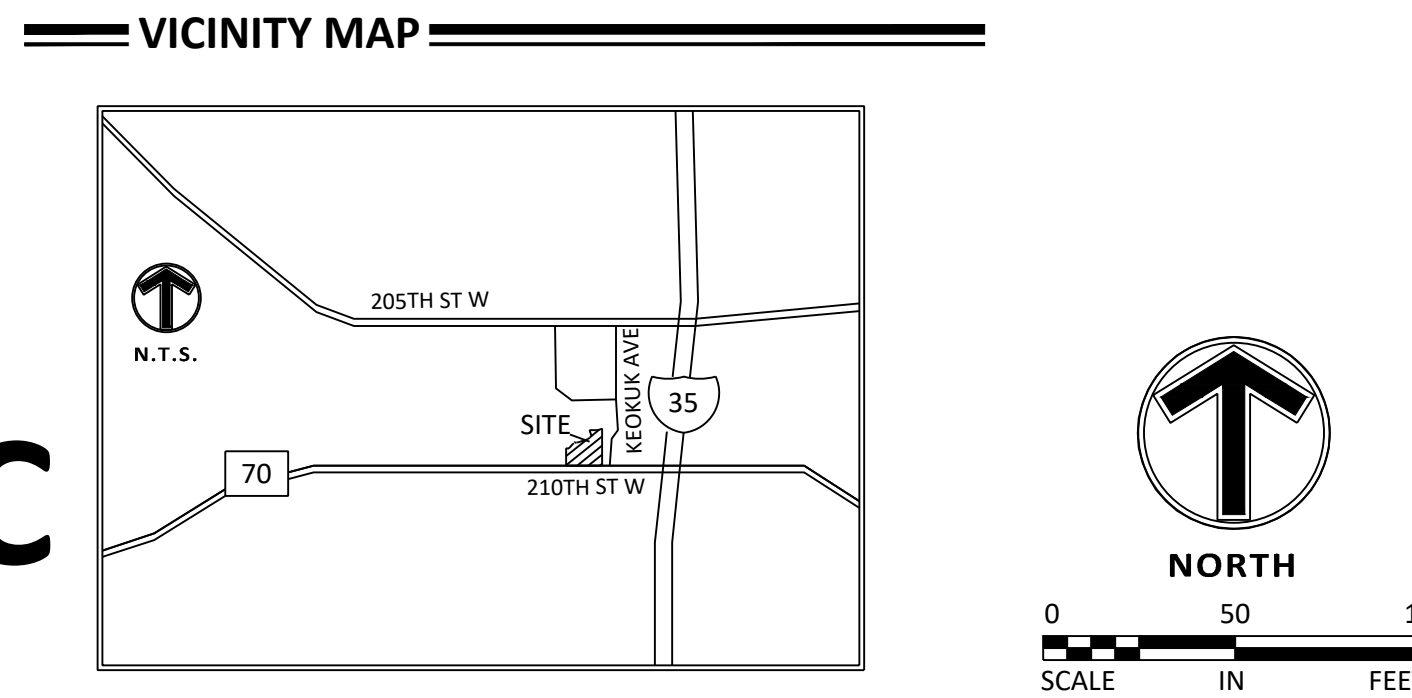


EXHIBIT C

NO	DATE	BY	CKD	APPR	COMMENT
4	04/23/2026	GAM	GAM	GAM	CITY RESUBMITTAL
© 2021 Sambatek					

I hereby certify that this plan, survey, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Glen A. Mullenbach

Glen A. Mullenbach

Date 02/06/2026 License # 47470

DATE ISSUED
02/06/2026

DRAWN BY
GAM

DESIGNED BY

CHECKED BY
GAM

PROJECT NO.
54149



PRELIMINARY PLAT

EB LAKEVILLE DEVELOPMENT, LLC

AUTHENTIX LAKEVILLE 2ND ADDITION

LAKEVILLE, MN

SHEET

C3.01

9 OF 30

REV. 4



Dakota County Surveyor's Office

Western Service Center • 14955 Galaxie Avenue • Apple Valley, MN 55124
952.891-7087 • Fax 952.891-7127 • www.co.dakota.mn.us

April 9, 2026

City of Lakeville
20195 Holyoke Ave.
Lakeville, MN 55044

Re: **AUTHENTIX LAKEVILLE SECOND ADDITION**

The Dakota County Plat Commission met on April 8, 2026, to consider the preliminary plat of the above referenced plat. The plat is adjacent to CSAH 70 (210th St. W.) and is therefore subject to the Dakota County Contiguous Plat Ordinance.

This is a replat of Outlot A, AUTHENTIX LAKEVILLE, splitting into three outlots. Restricted access is shown along CSAH 70 per document no. 3565867 and the right-of-way requirements have been met. As noted, the 207th Street/CSAH 70 intersection is planned to be restricted in the future.

The Plat Commission has approved the preliminary and final and will recommend approval to the County Board of Commissioners meeting on May 5, 2026.

Traffic volumes on CSAH 70 are 8,000 ADT and are anticipated to be 8,200 ADT by the year 2040. These traffic volumes indicate that current Minnesota noise standards for residential units could be exceeded for the proposed plat. Residential developments along County highways commonly result in noise complaints. In order for noise levels from the highway to meet acceptable levels for adjacent residential units, substantial building setbacks, buffer areas, and other noise mitigation elements should be incorporated into this development.

No work shall commence in the County right of way until a permit is obtained from the County Transportation Department and no permit will be issued until the plat has been filed with the County Recorder's Office. The Plat Commission does not review or approve the actual engineering design of proposed accesses or other improvements to be made in the right of way. Nothing herein is intended to restrict or limit Dakota County's rights with regards to Dakota County rights of way or property. The Plat Commission highly recommends early contact with the Transportation Department to discuss the permitting process which reviews the design and may require construction of highway improvements, including, but not limited to, turn lanes, drainage features, limitations on intersecting street widths, medians, etc.

Please contact TJ Bentley regarding permitting questions at (952) 891-7115 or Todd Tollefson regarding Plat Commission or Plat Ordinance questions at (952) 891-7070.

Sincerely,

A handwritten signature in black ink that reads "Todd B. Tollefson".

Todd B. Tollefson
Secretary, Plat Commission

c: Mark Anderson, Sambatek

EXHIBIT D



Memorandum

To: Kris Jenson, Planning Manager

From: Chloe Anderson, Civil Engineer
McKenzie L. Cafferty, Environmental Resources Manager
Joe Masiarchin, Parks and Recreation Director
Zach Jorgenson, City Forester

Copy: Zach Johnson, City Engineer
Jonathan Nelson, Assistant City Engineer
Julie Stahl, Finance Director
Dave Mathews, Building Official
Tina Goodroad, Community Development Director

Date: June 18, 2026

Subject: Authentix Lakeville Second Addition Final Plat Report

- Site Plan Review
- Grading and Erosion Control Plan Review
- Utility Plan Review

BACKGROUND

EB Lakeville Development, LLC has submitted a final plat named 'Authentix Lakeville Second Addition' and plans for the development of three outlots. The proposed development is located north of and adjacent to 210th Street (CSAH 70) and west of Keokuk Avenue. The parent parcel is Outlot A, Authentix Lakeville (PID No. 221197000010) and is zoned C-3, General Commercial District.

The final plat consists of three outlots on 7.25 acres.

The outlots created with the final plat shall have the following use:

Outlot A: Future development; to be retained by the current property owner (4.35 acres)

Outlot B: Stormwater management basin; to be retained by the current property owner (1.21 acres)

Outlot C: Wetland and buffer; to be deeded to the City (1.70 acres)

The proposed development will be completed by:

Developer:	EB Lakeville Development, LLC
Engineer/Surveyor:	Sambatek

SITE CONDITIONS

The Authentix Lakeville Second Addition site contains undeveloped land with a wetland complex throughout a majority of the property. The land generally slopes from the west to the east. An overhead utility line is located adjacent to the south property line of the parent parcel.

EASEMENTS

Multiple easements for drainage and utility purposes exist across the parent parcel and will remain with the development improvements.

STREET AND SUBDIVISION LAYOUT

210th Street (CSAH 70)

Authentix Lakeville Second Addition is located north of and adjacent to 210th Street, a Principal Arterial roadway as identified in the City's Comprehensive Transportation Plan. The Dakota County Plat Commission reviewed the proposed development at its April 8, 2026 meeting and recommended approval.

Dakota County controls the right-of-way requirements and access locations along 210th Street. The current Dakota County Plat Review Needs Map identifies 210th Street as a 4-lane divided roadway with a half right-of-way requirement of 75-feet adjacent to the development.

CONSTRUCTION ACCESS

Construction traffic access and egress for grading and utility construction shall be determined with the final construction plans.

UTILITIES

OVERHEAD LINES

An overhead electric transmission line and poles are located along the north side of 210th Street on the parent parcel. The Developer will be required to remove the poles and place the utilities underground with the final plat, consistent with the City's Public Ways and Property Ordinance. The developer shall provide a security for their share of the costs to bury the overhead utility adjacent to the plat.

DRAINAGE AND GRADING

Authentix Lakeville Second Addition is located within subdistrict ML-085 of the Lake Marion District of the City's Comprehensive Water and Natural Resources Management Plan.

This development will convey stormwater runoff generated from EB First Addition final plat towards a filtration basin located within the development.

The final grading plan shall identify all fill lots in which the building footings will be placed on fill material. The grading specifications shall also indicate that all embankments meet FHA/HUD 79G specifications. The Developer shall certify to the City that all lots with footings placed on fill material are appropriately constructed. Building Certificates of Occupancy will not be issued until a soils report and an as-built certified grading plan have been submitted and approved by City staff.

The site contains more than one acre of site disturbance. A National Pollution Discharge Elimination System General Stormwater Permit for construction activity is required from the Minnesota Pollution Control Agency for areas exceeding one acre being disturbed by grading. A copy of the Notice of Stormwater Permit Coverage must be submitted to the City upon receipt from the MPCA.

STORM SEWER

Authentix Lakeville Second Addition includes the construction of a filtration basin to be located within Outlot B and will collect and convey stormwater runoff generated from the off-site development to adjacent parcel to the west. An easement is required over the stormwater facilities within Outlot B for the benefit of Lot 1, Block 1, EB First Addition. A stormwater maintenance agreement is required for the stormwater facilities within Outlot B.

The Storm Sewer Area Charge has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

126,407.00 s.f.	x \$0.250/s.f.	= \$31,601.75
Net Area of Authentix Lakeville Second Addition, Outlots B and C	Area Charge	Storm Sewer Area Charge Required With Authentix Lakeville Second Addition, Outlots B and C

Final locations and sizes of all storm sewer facilities will be reviewed by City staff with the building permit application and final construction plans.

A Storm Sewer Area Charge for Outlot A will be collected with subsequent phases of the Authentix Lakeville preliminary plat at the time they are final platted into lots and blocks, at the rate in effect at the time of final plat approval.

Following completion of the site improvement and restoration, the Developer shall conduct two double ring infiltrometer tests per ASTM D3385 standard in the location of the infiltration basin to demonstrate that the design infiltration rates have been achieved. The developer shall provide a security of \$5,000 with the final plat to ensure that this testing is completed.

FEMA FLOODPLAIN ANALYSIS

Authentix Lakeville Second Addition is shown on the Flood Insurance Rate Map (FIRM) as Zone X by the Federal Emergency Management Agency (FEMA). Based on this designation by FEMA, the plat is not located within a Special Flood Hazard Area (SFHA).

WETLANDS

A wetland delineation report was reviewed in the field and was approved. One wetland was identified on the site. The project is not proposing to impact the wetland. The wetland and required buffer will be placed in an outlot dedicated to the City. Natural area signs will be placed along the easement that contains the wetland and wetland buffer. Final locations of signs will be reviewed by City staff prior to installation. A portion of the wetland buffer is being graded. The developer is responsible for the establishment of the wetland buffer to native vegetation. This will require a minimum of 3 years of active management.

TREE PRESERVATION

The Tree Preservation Plan submitted with the Authentix Lakeville 2nd Addition preliminary plat for Outlot B dated 4/23/2026 identifies 218 inches of significant trees located with the project boundaries. As a Mixed Use, Commercial, Industrial, or Special District, the tree removal threshold is 70%, or 152.6 inches. Plans propose to remove all 218 diameter inches, which is above the threshold, and requires the replacement of 32.7 diameter inches of new tree planting. The proposed landscape plan dated 4/23/2026 meets this requirement with 35 inches of new trees.

All trees identified for preservation shall be protected with appropriate tree protection fencing and measures installed prior to, and maintained throughout, construction. Any trees to be preserved that are damaged or removed during construction will require replacement in accordance with the Tree Preservation Ordinance (11-21-11).

EROSION CONTROL

The Developer is responsible for obtaining a MPCA Construction Permit for the site as well as maintaining the SWPPP for the site during construction. The SWPPP must be submitted and approved by the City prior any site work. The permit requires that any changes made throughout construction must be documented in the SWPPP.

The developer is responsible for establishment of all slopes adjacent to the wetland and buffer. The area will be established with native vegetation. Additional erosion control measures may be required during construction as deemed necessary by City staff. Any additional measures required shall be installed and maintained by the developer.

The MS4 Administration Fee has not been collected on the parent parcel and must be paid with the final plat, calculated as follows:

\$51,150.00	x 2%	= \$1,023.00
Project Grading Cost of Authentix Lakeville Second Addition	MS4 Admin Fee	MS4 Admin Fee Required With Authentix Lakeville Second Addition

SECURITIES

The Developer shall provide a Letter of Credit as security for the Developer-installed improvements relating to Authentix Lakeville Second Addition. Construction costs are based upon estimates submitted by the Developer's engineer on July 15th, 2026.

CONSTRUCTION COSTS

Storm Sewer	\$ 43,900.00
Grading, Drainage, Erosion Control and Restoration	55,830.00
SUBTOTAL - CONSTRUCTION COSTS	\$ 99,730.00

OTHER COSTS

Developer's Design (3.0%)	\$ 2,991.90
Developer's Construction Survey (2.5%)	2,493.25
City's Legal Expense (0.5%)	498.65
City Construction Observation (5.0%)	4,986.50
Developer's Record Drawing (0.5%)	498.65
Native Seeding in Outlot C and Wetland Buffers	30,000.00
Double Ring Testing in Filtration Basin	5,000.00
Undergrounding	18,395.24
Natural Area Signs	2,000.00
Landscaping	7,730.00
Lot Corners/Iron Monuments	300.00
SUBTOTAL - OTHER COSTS	\$74,894.19
TOTAL PROJECT SECURITY	\$174,624.19

The Developer shall post a security to ensure the final placement of iron monuments at property corners with the final plat. The security is \$100.00 per lot and outlot for a total of \$300.00. The City shall hold this security until the Developer's Land Surveyor certifies that all irons have been placed following site grading, street and utility construction.

CASH FEES

A cash fee for one-year of streetlight operating expenses shall be paid for Outlot A with subsequent phases of the plat area at the time it is final platted into lots and blocks, at the rate in effect at the time of final plat approval.

A cash fee for one-year of environmental resources management expenses shall be paid for Outlot A with subsequent phases of the plat area at the time it is final platted into lots and blocks, at the rate in effect at the time of final plat approval.

A cash fee for the preparation of addressing, property data, record construction drawings and for updating the City base map shall be paid at the time of final plat approval and is calculated as follows:

3 units	x \$90.00/unit	= \$270.00
Lots/Outlots	Property Data & Asset/Infrastructure Mgmt Fee	Total

The Developer shall submit the final plat and construction drawings in an electronic format. The electronic format shall be in .pdf and either .dwg/.dxf or .shx format.

The Developer shall also pay a cash fee for City Engineering Administration. The fee for City Engineering Administration will be based on three percent (3.00%) of the estimated construction cost, or \$2,991.90.

CASH REQUIREMENTS

Storm Sewer Area Charge	\$31,601.75
MS4 Administration Fee	1,023.00
Property Data & Asset/Infrastructure Mgmt Fee	270.00
City Engineering Administration (3.00%)	2,991.90
TOTAL - CASH REQUIREMENTS	\$35,886.65

RECOMMENDATION

Engineering recommends approval of the final plat, site plan, grading and erosion control plan, and utility plan for Authentix Lakeville Second Addition subject to the requirements and stipulations within this report.



Date: 7/20/2026

Acknowledge 2025 Annual Comprehensive Annual Report

Proposed Action

Staff recommends adoption of the following motion: Move to acknowledge receipt of City of Lakeville Annual Comprehensive Financial Report for the Year Ended December 31, 2025.

Overview

Final copies of the City of Lakeville Annual Comprehensive Financial Report (ACFR) for the Year Ended December 31, 2025 and auditor communications are attached for City Council review and formal approval. The certified public accounting firm of Abdo Solutions has audited the financial report. In their opinion, the financial statements fairly present the financial position of City of Lakeville as of December 31, 2025 and the results of its operations for the year then ended. Mr. Tyler See (Senior Audit Manager) will present an overview at the July 20th Council meeting.

An overview of the financial operations is provided in the Letter of Transmittal and Management's Discussion and Analysis.

The 2025 Annual Comprehensive Financial Report was submitted to both the Minnesota State Auditor's Office and the Government Finance Officers Association (for the Certificate of Achievement in Excellence in Financial Reporting Award) by the deadline of June 30, 2026. Following formal Council approval, the report will also be made available on the City website.

Supporting Information

1. 2025 Annual Comprehensive Financial Report
2. 2025 Executive Governance Summary
3. 2025 Other Required Reports

Financial Impact: \$ 0 Budgeted: No Source: Envision Lakeville Community Values: Good Value for Public Service Report Completed by: Julie Stahl, Finance Director



2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2025
CITY OF LAKEVILLE, MINNESOTA

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CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2025

PREPARED BY:

FINANCE DEPARTMENT

GFOA Member of U.S. and Canada
Published June 26, 2026

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City of Lakeville, Minnesota
Annual Comprehensive Financial Report
Table of Contents
For the Year Ended December 31, 2025

	<u>Page No.</u>
Introductory Section	
Letter of Transmittal	11
Elected and Appointed Officials	22
Organizational Chart	23
Certificate of Achievement for Excellence in Financial Reporting	24
Financial Section	
Independent Auditor's Report	27
Management's Discussion and Analysis	31
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	45
Statement of Activities	46
Fund Financial Statements	
Governmental Funds	
Balance Sheet	50
Reconciliation of the Balance Sheet to the Statement of Net Position	51
Statement of Revenues, Expenditures, and Changes in Fund Balances	52
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	53
Proprietary Funds	
Statement of Net Position	54
Statement of Revenues, Expenses, and Changes in Net Position	57
Statement of Cash Flows	58
Fiduciary Funds	
Statement of Fiduciary Net Position – Custodial Fund	60
Statement of Changes in Fiduciary Net Position – Custodial Fund	61
Notes to the Financial Statements	63
Required Supplementary Information	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	108
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	108
Notes to the Required Supplementary Information - General Employees Retirement Fund	109
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	111
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	111
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	112
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios	114
Notes to the Required Supplementary Information - Fire Relief Association	116
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	118
Budgetary Comparison Schedules	
General Fund	120
Notes to the Required Supplementary Information - Budgetary Reporting	121

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City of Lakeville, Minnesota
Annual Comprehensive Financial Report
Table of Contents (Continued)
For the Year Ended December 31, 2025

Combining and Individual Fund Financial Statements and Schedules

General Funds		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		126
Nonmajor Special Revenue Funds		
Combining Balance Sheet		132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		133
Proprietary Funds – Internal Service Funds		
Internal Service Funds - Combining Balance Sheet		136
Internal Service Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		137
Communications Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		138
Opioid Settlement Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		139
Debt Service Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		140
Capital Projects Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual		141

Statistical Section (Unaudited)

Financial Trends		
Net Position by Component	1	146
Changes in Net Position	2	148
Fund Balances of Governmental Funds	3	152
Changes in Fund Balances of Governmental Funds	4	154
Revenue Capacity		
Tax Capacity Valuation and Assessor's Taxable Market Value of Taxable Property	5	156
Property Tax Rates	6	158
Principal Property Taxpayers	7	160
Property Tax Levies and Tax Collections	8	161
Debt Capacity		
Ratios of Outstanding Debt by Type	9	162
Ratios of Net General Bonded Debt Outstanding	10	164
Computation of Direct and Overlapping Debt	11	165
Legal Debt Margin	12	166
Pledged Revenue Coverage	13	167
Demographic and Economic Information		
Demographic and Economic Statistics	14	168
Principal Employers	15	169
Operating Information		
Employees by Function/Program (Full-Time Equivalent)	16	170
Operating Indicators by Function	17	172
Capital Asset Statistics by Function	18	174

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INTRODUCTORY SECTION

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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City of Lakeville
Positioned to Thrive

June 26, 2026

The Honorable Mayor and Council Members
20195 Holyoke Avenue
Lakeville, Minnesota 55044

Honorable Mayor, Members of the City Council and Citizens of the City of Lakeville:

The Annual Comprehensive Financial Report is hereby presented for the purpose of providing you, the reader, with a thorough overview of the financial affairs of the City for the year ended December 31, 2025. The Report was prepared in accordance with Minnesota Statutes and Generally Accepted Accounting Principles (GAAP).

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

The City of Lakeville's financial statements have been audited by Abdo, a professional firm of certified public accountants. The independent auditor's report is included in the Financial Section of this report. The auditors have given this report an unmodified ("clean") opinion, meaning that the financial statements fairly present the City's financial position at December 31, 2025 and the changes in financial position for the year then ended.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

20195 Holyoke Avenue, Lakeville, MN 55044
952-985-4400 • 952-985-4499 fax
www.lakevillemn.gov

Profile of Government

The City of Lakeville is a suburban community located 20 miles south of downtown Minneapolis in the southeast corner of the Twin Cities metropolitan area within Dakota County. Lakeville enjoys an excellent location, with convenient access to the Minneapolis-Saint Paul metropolitan area via interstate highway I-35. The City is also just 25 minutes from the Minneapolis-Saint Paul International Airport. Lakeville continues to be one of the fastest growing cities in Minnesota with a population that has grown from 69,490 in 2020 to 78,810 in 2025.

The City of Lakeville operates under the Mayor-Council form of organization. The governing City Council consists of the Mayor and four other Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing members to the various committees and commissions, and hiring the City Administrator. The City Administrator is responsible for carrying out the policies, directions, and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Council is elected on a non-partisan at-large basis. The Mayor is elected to serve a four-year term, while Council Members serve four-year staggered terms, with two Council Members elected every two years.

The City provides its residents and businesses with a full range of municipal services consisting of public safety (police and fire), public works, parks and recreation, and general government administration. The City also operates two enterprises: utilities (public water, sanitary sewer, streetlights and environmental resources) and off-sale liquor stores. Sewage treatment and disposal is operated on a regional basis by the Metropolitan Council Environmental Services (MCES) and refuse collection and disposal are handled on a private basis through contractual arrangements by City residents with private haulers. Further information regarding city services can be obtained from the City's website at www.lakevillemn.gov

The City is financially accountable for the Housing and Redevelopment Authority (HRA), which is included in the City's financial statement. Additional information on the HRA can be found in Note 1A. – *Summary of Significant Accounting Policies* of the Notes to Basic Financial Statements.

The annual budget serves as the foundation for the City of Lakeville's financial planning and control. The budgetary process is outlined in the notes within the required supplementary information section of this report. The City applies budgetary controls to ensure compliance with legal provisions of the laws of Minnesota. Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the general fund and special revenue funds. The general fund budgetary comparison schedules are presented within the required supplementary information section and the special revenue funds budgetary comparison schedules are presented in the nonmajor governmental funds subsection of this report.

Factors Affecting Financial Condition

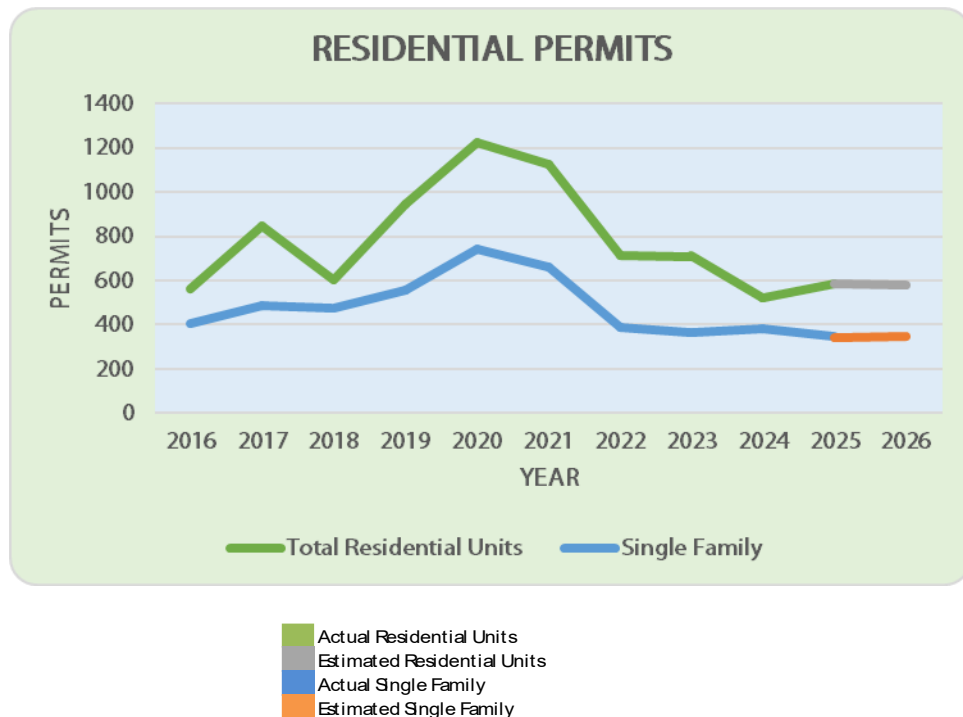
The City of Lakeville is committed to maintaining a strong financial condition, while continuing to provide quality public services to its residents and businesses. The City's financial position, as reflected in the financial statements presented in this report, is perhaps best understood when it is considered from the broader perspective of the environment within which the City operates.

Local Economy

The City's tax base is primarily residential and consists of mostly single-family homes. Commercial and industrial properties make up approximately eleven percent of the tax base. Following a post-2008 recession decline to a 2013 low of \$4.8B, the City's taxable valuation has steadily risen – reaching a new peak of \$13B – driven by new construction and rising property values. Since 2016, the population has grown by 17,006 (28%), while City staff has increased by 32%.

The City has a land area of 38 square miles with approximately 14% of its land available for development. In 2025, final plats were approved for 240 single-family units, 57 detached townhomes, 151 attached townhomes, 50 twin homes, 13 commercial, one industrial and 49-unit apartments.

The trend for building permit activity for single-family homes is steady with building permits for single family homes/detached townhomes increasing from 385 in 2024 to 347 in 2025. The 2026 budget is premised on conservative modest growth of new single-family homes in the coming year.



In 2025, the City issued \$111.3 million in private investment and commercial diversification and industrial park development strengthening the City's economic base, service capacity, and long-term growth trajectory.

Industrial development activity remained strong in 2025, highlighted by multiple large-scale projects and business expansions within Lakeville's industrial parks. The Lakeville 35 Logistics Center delivered a new 189,678-squarefoot warehouse facility, breaking ground in May and opening in December, with Pickle in the Middle secured as its first tenant. The Dakota Electric Association advanced construction of its 176,685-square-foot office and warehouse headquarters facility with outdoor storage, marking a significant long-term corporate investment. Additional industrial growth included an 11,500-square-foot expansion by NPL Construction, development of 98 flex garage condominium units through Midwest FlexSpace to support small businesses and storage demand, and approval of a new recycling and composting facility for Dakota Waste Solutions, expanding the city's environmental and industrial services capacity. Collectively, these projects reinforce Lakeville's position as a growing logistics, headquarters, and light industrial hub.

The City of Lakeville broke ground in March 2025 on the City's FiRST Center, a regional first responders training facility, and construction is currently underway. The approximately 40,000-square-foot facility is located at 7777 214th Street West on the former City Public Works site. The FiRST Center will serve public safety personnel from the south metro area and neighboring cities and counties. The City secured \$8.9 million in federal and state funding to support construction of the \$26 million project. The facility is expected to open in August 2026.

Lakeville experienced substantial growth in healthcare services, including new clinics, specialty medical providers, dental expansions, and veterinary facilities. Notable additions and expansions included: 1) Midwest Ear, Nose & Throat Specialists; 2) Midwest Facial Plastic Surgery; 3) Tareen Dermatology; 4) Grow Pediatrics; 5) Lakeville Family Pet Clinic; and 6) Children's Dental Care. The expansion of medical and wellness services increases professional employment, strengthens daytime population activity, and enhances Lakeville's role as a regional service hub.

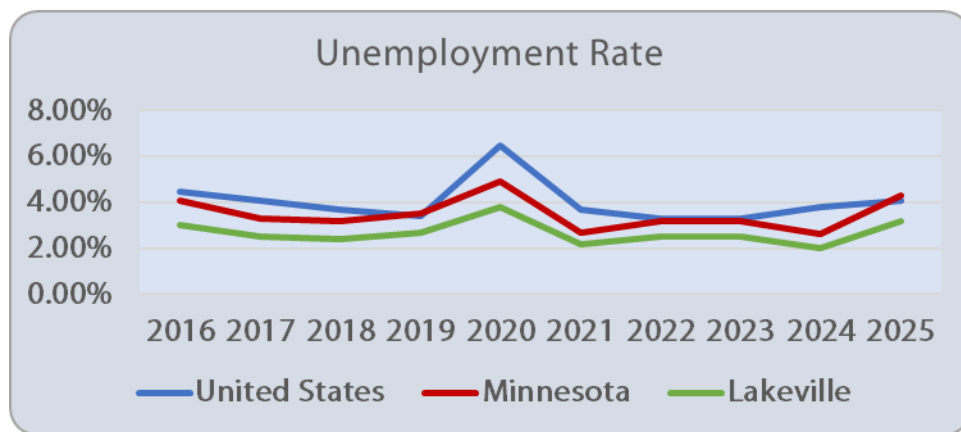
Several large indoor recreation and wellness facilities opened or expanded in 2025, including: 1) Pickle in the Middle (15 indoor courts, 24/7 access); 2) Lake Point Gymnastics; 3) Wild Things Indoor Playground; and 4) Charged Rehab + Fitness. These facilities enhance quality of life, attract regional visitors, and support Lakeville's family-oriented community profile.

Lakeville continued to see reinvestment along key commercial corridors through new restaurants, retail openings, and financial institution projects. Highlights include: 1) Sala Thai Kitchen; 2) Tropical Smoothie Café; 3) Frandsen Bank & Trust (remodel); and 4) Chase Bank (new construction). Ongoing reinvestment reflects corridor vitality, adaptive reuse of commercial spaces, and continued consumer demand. Lakeville began formal integration into Minnesota's regulated cannabis market with the opening of Green Box Cannabis and Legit Cannabis. Positioning within this emerging industry expands the City's retail tax base and diversifies commercial occupancy

Lakeville is served by Independent School District No. 192, Farmington, Independent School District No. 194, Lakeville, and Independent School District No. 196, Rosemount-Apple Valley-Eagan. Non-Public education is provided by All Saints Catholic School, Christian Heritage Academy, Southview Christian and Glory Academy.

According to the Dakota County Assessor's office, the estimated market value for the median value home increased by 3.73% as of March 2026 (for taxes payable 2026) to \$468,000. For taxes payable 2027, the median value home has increased by 1.73% to \$476,100.

According to the Bureau of Labor Statistics, Lakeville's unemployment rate is favorable compared to the State and National rates.



Source: <https://mn.gov/deed/data>

Major Initiatives

Pressures and issues confronting the City were considered with the 2025 adopted budget including community growth, aging infrastructure, inflationary pressures, innovation and efficiencies, entrepreneurial efforts and preparing for the future.

Community Growth. New residential housing construction continues to rise due in large part to improved economic conditions. The resumption of growth will result in increased demands for infrastructure enhancements as well as service delivery such as inspections, code enforcement, police, fire, streets, and parks.

Addressing Aging Infrastructure. Our City has more than \$400 million of investment in infrastructure such as roads, water mains, parks, trails, facilities, equipment, and other assets. The assets have maintenance, and in certain situations, replacement requirements. The 2025 budget addressed the short-term plan while the Capital Improvement Plan addressed the anticipated intermediate and long-term needs. The most significant 2025 projects included:

- Annual pavement maintenance program to improve city-wide pavement management index
- 2025 Street Reconstruction

- Collector Road Rehabilitation
- Lift Station #26 construction
- 185th St (CSAH 60) expansion (Kenwood Tr-Ipava Ave)
- North Creek Greenway phase 1 improvements
- Grand Prairie Park construction

Inflationary Pressures. As the economy improves there will be upward pressure on commodities, services, and personnel costs. Inflation has increased significantly recently due to supply chain disruptions, etc. The budget anticipated modest price increases in the near term.

Innovation and Efficiencies. Lakeville has a long-standing history of being fiscally conservative and prudent. Although the City of Lakeville receives no state aid for property tax relief, per capita current expenditures for operations are still amongst the lowest in the Twin Cities according to the Minnesota State Auditor's Office. The adopted budget included several initiatives which continued the focus on a commitment to cost effectiveness and efficiency. Effective application of technology is a major factor in optimizing organizational efficiencies.

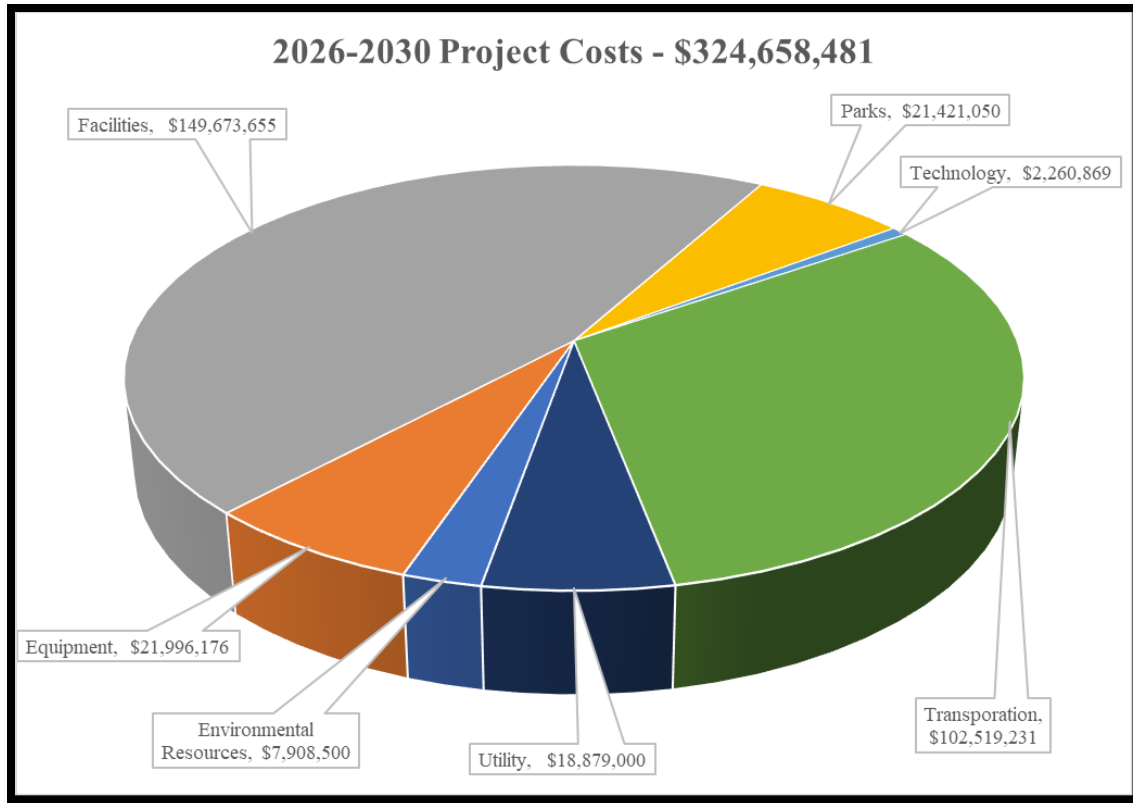
Entrepreneurial Efforts. Continued marketing initiatives are proposed to promote economic developments. Several years ago, property was acquired in southwestern Lakeville for what is now known as the Keokuk liquor store, the City's fourth liquor store. The excess land adjacent to the Keokuk liquor store is currently being marketed for sale for a complementary business to further improve revenues and sales opportunities.

Preparing for the Future. As a community that embraces a high quality of life and a pro-business attitude, Lakeville is "Positioned to Thrive." It is an objective that embraces a vision for the future and a commitment to preparing for it.

Long-term Financial Planning

There is an interrelationship between a community's physical development and its long-term financial plan. A comprehensive plan provides guidance for current and future land use and public infrastructure decisions to provide managed growth throughout the community. The City of Lakeville completes an update of its Comprehensive Plan every ten years.

The City prepares an annually updated Capital Improvement Plan (CIP) which is a flexible, five-year plan that identifies the City's infrastructure, development objectives and allocation of financial resources. The CIP identifies funding for the projects and provides policy makers and the community with a strategic (documented) approach to implementation and administration of improvement projects. The City will invest \$325 million in transportation, utility, equipment, technology, facilities, and parks over the next five years to achieve program objectives.



The City has also implemented long-term financial planning models for its governmental funds, utility funds and debt funds. This effort of forecasting operating and capital budgets has positioned the City to better handle the growing demand for City services, increased infrastructure, and the economic impact of unforeseen events. Moody's Investors Service maintains a Aaa rating, citing the City of Lakeville has a strong and growing local economy, ample reserves and modest leverage. The City has various capital projects over the next several years that will be financed through built-up reserves and further debt issuances, though the available fund balance ratio will remain strong and long-term liabilities will remain relatively low. This top rating from Moody's is shared by only 13 other Minnesota cities. There are 44 MN cities with either Moody's Aaa and/or S&P Global's AAA rating.

As of December 31, 2025, the City of Lakeville had approximately \$163.395 million of debt outstanding. The City will issue approximately \$115 million general obligation improvement bonds in the coming years to finance street reconstruction projects, and facility expansion.

Relevant Financial Policies

The City has multiple policies which are utilized in the management of its fiscal affairs. The primary policies include, but are not limited to, operating budget policy, budget amendment process, revenue, debt, investment, and fund balance. The City also adopted a Financial Sustainability and Resiliency policy in January 2020.

- ***Operating Budgets.*** The City's operating budget policy sets forth guidance with respect to balanced operating budgets, with an overriding goal of achieving structural balance over a longer-term period, while recognizing that in certain periods, revenues and expenditures may not be equal. A balanced budget for the General Fund is defined as revenues and other sources equal to or exceeding operating expenditures and other uses. Other sources can include that portion of General Fund balance that is allowed to be budgeted for use per the City's fund balance policy. The budget will provide for adequate maintenance of capital facilities and equipment and for their orderly replacement.

Balanced budgets for the proprietary enterprise funds are defined as providing sufficient revenues to support the operations of those funds, without subsidy from the General Fund or property taxes. Charges from the Proprietary Internal Service Funds shall be sufficient to support such activities, with no trend of operating deficits.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level for the General Fund and Special Revenue Funds. The City Administrator has authorization to expend funds in excess of the appropriation for each department and to approve budget amendments between departments within a budgeted fund pursuant to all adopted financial policies. Budgeted expenditure appropriations lapse at year-end. Supplementary appropriations can be carried forward to the following year if approved by the City Council.

- ***Revenue Policies.*** The City will project its annual revenues by a conservative objective and thorough analytical process. The City will endeavor to maintain a diversified and stable revenue system to shelter it from annual fluctuations in any one revenue source. All existing and potential revenue sources will be re-examined annually. New sources of non-property-tax revenue should always be actively explored. Where appropriate and not contrary to accepted public policy or statutes, emphasis will be directed toward full cost recovery through user fees. User fees and cost allocation formulas will be updated periodically (annually, if needed). Ongoing, the City will review the full cost of activities supported by user fees to identify the impact of inflation and other factors. The fees along with the resulting net property tax costs will be reviewed with the City Council during the budget process. Sensitivity to market rates will also be considered in setting fees. Intergovernmental grant requests are subject to fiscal review before the application is submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of grant proposals.

- ***Debt.*** The City’s debt policy provides guidance to ensure that long-term debt is utilized appropriately and in a fiscally prudent manner. Limiting long-term borrowing to capital improvements or other long-term projects which cannot, and appropriately should not, be financed from current revenues. Final maturity of bonds and notes should not exceed the expected useful life of the underlying project for which it is being issued. Where possible, the City will endeavor to pledge special assessments, State-aid or other non-tax revenues to debt service payments.
- ***Investments.*** The City’s policy is to invest all available monies at competitive interest rates, coordinated with projections of the City’s operating and program cash flow needs. Interest earnings will be allocated to each fund based on its average cash balance. Investments will take into consideration safety, liquidity and yield as well as complying with State regulations.
- ***Fund Balance.*** Fund balance or net position are terms used to define the difference between a fund’s assets, deferred outflows of financial resources, liabilities, and deferred inflows of financial resources. Fund balance is used in governmental fund types and net position is used in proprietary fund types and the government-wide financial statements.
- ***Financial Sustainability and Resiliency Policy.*** The City Council adopted this new policy in January 2020. The purpose of this policy is to establish strategic financial sustainability and resiliency principles for the City of Lakeville, which may be used when developing the annual budget, long-term financial plans, and when making critical financial, economic development and community development decisions.

Awards

Certificate of Achievement

The Government Finance Officers Association (GFOA) of the United States awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakeville, Minnesota, for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This is the thirty-seventh consecutive year that the City of Lakeville has received this prestigious award.

To be awarded a Certificate of Achievement for Excellence, a government must publish an easily readable and efficiently organized annual comprehensive financial report, and the contents must conform to the program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement for Excellence program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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Financial Policy Challenge

The City also earned recognition as a winner of the Financial Policy Challenge from the Government Finance Officers Association (GFOA) in 2021 for its Financial Sustainability and Resiliency Policy. The GFOA launched this Challenge as an opportunity for GFOA members to adopt and share financial policies that are essential to a strong financial foundation.

Acknowledgments

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department, with special recognition to Senior Financial Analysts Tom Nesseth, Laura Miller, and Julie Werner.

We would also like to express our sincere gratitude to the City Council for its sincere commitment and progressive leadership in the financial affairs of our community.

Respectfully submitted,



Justin Miller
City Administrator



Julie Stahl
Finance Director/Treasurer

City of Lakeville, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2025

CITY COUNCIL

Name	Title	Term Expires
Luke Hellier	Mayor	12/31/26
John Bermel	Council Member	12/31/28
Joshua Lee	Council Member	12/31/26
Michelle Volk	Council Member	12/31/26
Dan Wolter	Council Member	12/31/28

CITY OFFICIALS

Name	Title
Justin Miller	City Administrator
Julie Stahl	Finance Director/Treasurer
Ann Orlofsky	City Clerk

City of Lakeville, Minnesota

Organizational Structure





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lakeville
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lakeville, Minnesota

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 Lakeville, Minnesota (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 31 and the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedules of Employer's Contributions, the related note disclosures, the Schedule of Changes in the City's OPEB Liability and Related Ratios, and the respective budgetary comparison schedules and related note disclosures, starting on page 108 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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



Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
June 26, 2026



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Management's Discussion and Analysis

As management of the City of Lakeville, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

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

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Lakeville.

Figure 1
Required Components of the
City's Annual Financial Report

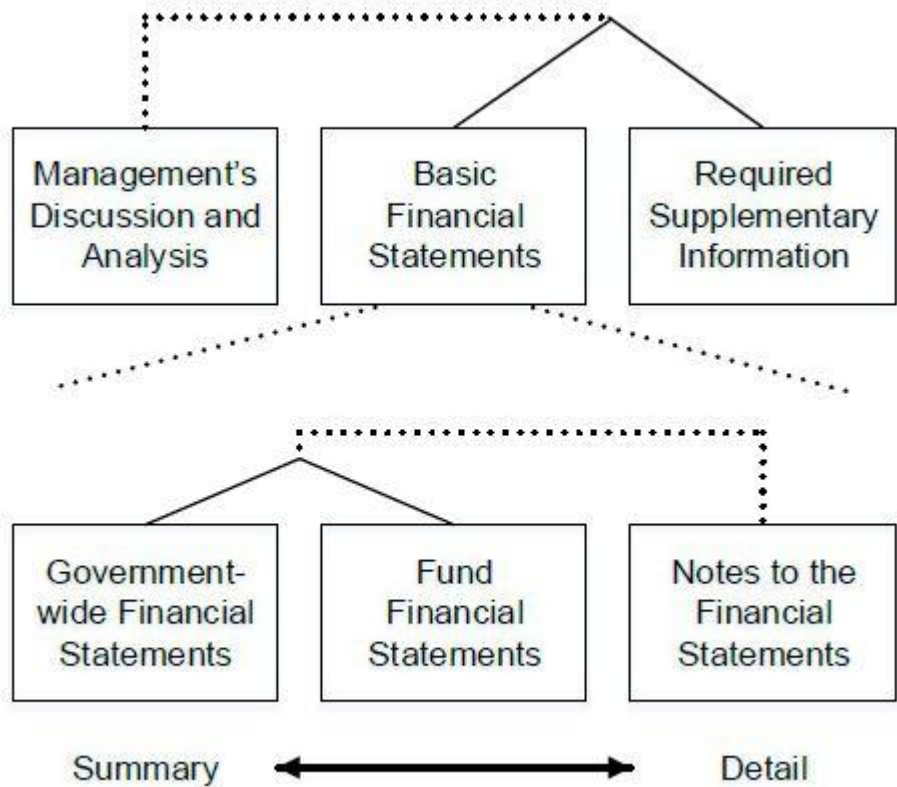


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

Figure 2
Major Features of the Government-wide and Fund Financial Statements

		Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system	Instances in which the City administers resources on behalf of someone else
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow of resources information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include Utility and Municipal Liquor.

The government-wide financial statements start on page 45 of this report.

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

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

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

The City maintains several individual governmental funds, many of which are debt service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund and Capital Projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules* elsewhere in this report.

The basic governmental fund financial statements start on page 50 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its liquor and utility operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for the funding of risk management and compensated leave to other functions of the City.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility (water/sanitary sewer/street lighting/environmental resources) and Municipal Liquor, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 54 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 60 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 63 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Lakeville's share of net pension liabilities for defined benefit plans, schedules of contributions, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 108 of this report.

Analysis of the City's Finances

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Assets						
Current and other assets	\$ 181,722,775	\$ 175,502,378	\$ 6,220,397	\$ 45,876,533	\$ 42,537,110	\$ 3,339,423
Capital assets	419,702,629	387,482,576	32,220,053	220,132,208	211,014,798	9,117,410
Total Assets	<u>601,425,404</u>	<u>562,984,954</u>	<u>38,440,450</u>	<u>266,008,741</u>	<u>253,551,908</u>	<u>12,456,833</u>
Deferred Outflows of Resources						
Deferred pension resources	13,169,843	14,817,186	(1,647,343)	393,348	437,963	(44,615)
Deferred other postemployment benefit resources	<u>1,048,042</u>	<u>255,376</u>	<u>792,666</u>	<u>79,831</u>	<u>52,990</u>	<u>26,841</u>
Total Deferred Outflows of Resources	<u>14,217,885</u>	<u>15,072,562</u>	<u>(854,677)</u>	<u>473,179</u>	<u>490,953</u>	<u>(17,774)</u>
Liabilities						
Long-term liabilities outstanding	197,862,401	181,819,713	16,042,688	12,525,871	14,548,818	(2,022,947)
Other liabilities	<u>18,860,548</u>	<u>16,320,363</u>	<u>2,540,185</u>	<u>1,696,601</u>	<u>1,650,902</u>	<u>45,699</u>
Total Liabilities	<u>216,722,949</u>	<u>198,140,076</u>	<u>18,582,873</u>	<u>14,222,472</u>	<u>16,199,720</u>	<u>(1,977,248)</u>
Deferred Inflows of Resources						
Deferred gain on refunding	680,891	844,291	(163,400)	-	-	-
Deferred pension resources	18,351,934	20,283,098	(1,931,164)	1,086,389	1,294,954	(208,565)
Deferred other postemployment benefit resources	391,945	411,731	(19,786)	29,856	85,434	(55,578)
Deferred lease resources	<u>8,056,350</u>	<u>8,124,692</u>	<u>(68,342)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>27,481,120</u>	<u>29,663,812</u>	<u>(2,182,692)</u>	<u>1,116,245</u>	<u>1,380,388</u>	<u>(264,143)</u>
Net Position						
Net investment in capital assets	243,091,334	259,538,899	(16,447,565)	210,016,244	199,011,990	11,004,254
Restricted	79,019,597	72,430,099	6,589,498	-	-	-
Unrestricted	<u>49,328,289</u>	<u>18,284,630</u>	<u>31,043,659</u>	<u>41,126,959</u>	<u>37,450,763</u>	<u>3,676,196</u>
Total Net Position	<u>\$ 371,439,220</u>	<u>\$ 350,253,628</u>	<u>\$ 21,185,592</u>	<u>\$ 251,143,203</u>	<u>\$ 236,462,753</u>	<u>\$ 14,680,450</u>
Net Position as a Percent of Total						
Net investment in capital assets	65.4 %	72.8 %		83.6 %	71.4 %	
Restricted	21.3	17.9		-	-	
Unrestricted	<u>13.3</u>	<u>9.3</u>		<u>16.4</u>	<u>28.6</u>	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

As shown in the table above, as of December 31, 2025, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources. The City's total net position increased as a result of the financial performance of the governmental and business-type activities. The following sections of the MD&A analyze the finances of the governmental and business-type activities separately.

Governmental Activities. Governmental activities increased the City's net position, as shown below.

City of Lakeville's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 19,779,007	\$ 18,843,137	\$ 935,870	\$ 44,624,101	\$ 43,934,809	\$ 689,292
Operating grants and contributions	10,919,893	2,368,016	8,551,877	1,057,093	217,437	839,656
Capital grants and contributions	15,287,779	19,478,574	(4,190,795)	9,304,958	9,866,907	(561,949)
General Revenues						
Property taxes/tax increments	49,472,323	44,289,880	5,182,443	-	-	-
Franchise taxes	4,311,494	531,252	3,780,242	-	-	-
Other taxes	21,503	-	21,503	-	-	-
Other general revenues	112,078	-	112,078	-	-	-
Gain (loss) on sale of capital assets	443,111	-	443,111	-	-	-
Unrestricted investment earnings	6,512,987	5,630,680	882,307	1,896,898	1,368,137	528,761
Total Revenues	<u>106,860,175</u>	<u>91,141,539</u>	<u>15,718,636</u>	<u>56,883,050</u>	<u>55,387,290</u>	<u>1,495,760</u>
Expenses						
General government	9,025,433	9,524,931	(499,498)	-	-	-
Public safety	25,614,766	21,818,556	3,796,210	-	-	-
Public works	34,288,620	27,274,347	7,014,273	-	-	-
Culture and recreation	12,426,288	11,644,154	782,134	-	-	-
Interest on long-term debt	2,655,538	3,535,602	(880,064)	-	-	-
Municipal liquor	-	-	-	20,782,362	21,357,518	(575,156)
Utility	-	-	-	23,084,176	22,236,710	847,466
Total Expenses	<u>84,010,645</u>	<u>73,797,590</u>	<u>10,213,055</u>	<u>43,866,538</u>	<u>43,594,228</u>	<u>272,310</u>
Increase (Decrease) in Net Position						
Before Transfers	22,849,530	17,343,949	5,505,581	13,016,512	11,793,062	1,223,450
Transfers	<u>(1,663,938)</u>	<u>892,503</u>	<u>(2,556,441)</u>	<u>1,663,938</u>	<u>(892,503)</u>	<u>2,556,441</u>
Change in Net Position	21,185,592	18,236,452	2,949,140	14,680,450	10,900,559	3,779,891
Net Position, January 1	<u>350,253,628</u>	<u>332,017,176</u>	<u>18,236,452</u>	<u>236,462,753</u>	<u>225,562,194</u>	<u>10,900,559</u>
Net Position, December 31	<u>\$ 371,439,220</u>	<u>\$ 350,253,628</u>	<u>\$ 21,185,592</u>	<u>\$ 251,143,203</u>	<u>\$ 236,462,753</u>	<u>\$ 14,680,450</u>

Key elements of this \$6.8 million increase in Net Position are as follows:

- Operating and capital grants and contributions increased \$4.6 million or 14.5%. Approximately \$1.4 million of this increase was the first ten months of the three-year SAFER grant for full-time firefighters.
- Increases in property tax revenues of \$5.2 million or 11.7%. Tax revenues for the year increased primarily due to a 2.5% tax rate increase and an average increase of approximately 3% in taxable property values, driven by local real estate values and growth. A higher collection rate also contributed to the increase.
- Increases in franchise tax revenues of \$3.8 million is due to the City's adoption of gas and electric franchise fee ordinances in December 2024. Collection commenced April 1, 2025, resulting in partial-year revenue. The fees were established to fund public safety infrastructure and services necessary to meet the demands of Lakeville's continued growth as the eighth largest city in Minnesota.

- These revenue increases - along with \$1.7 million in increased charges for services and \$1.4 million increased investment earnings - accounted for overall revenues increasing by \$17.3 million.
- Expenditure increases of \$11.6 million were driven primarily by capital infrastructure investments and service expansions across public safety, public works, and utility operations.

Increases in operating grants

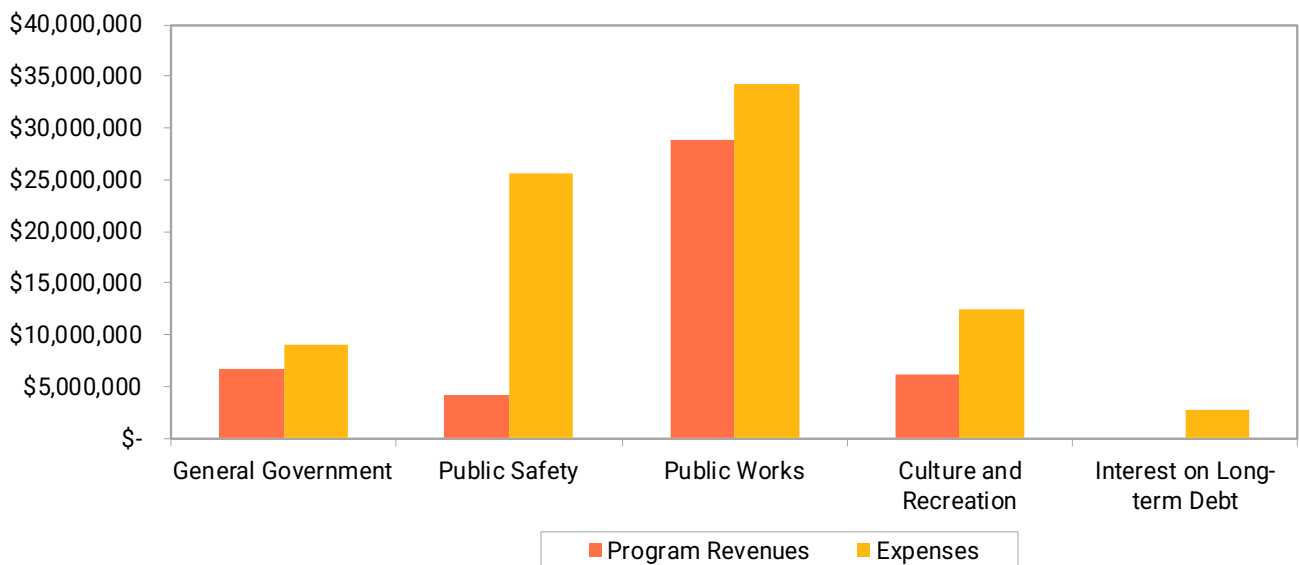
Increases in intergovernmental revenues from various sources including local housing aid, the SAFER grant and municipal state aids.

Increase in Franchise Taxes

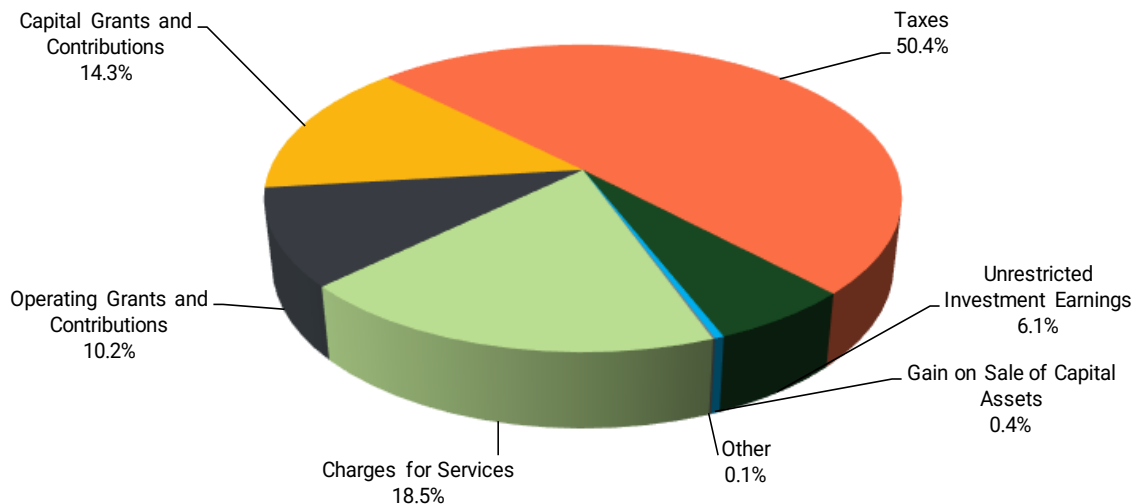
Due to new residential and commercial franchise fee agreements with electric and gas utilities.

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

Expenses and Program Revenues - Governmental Activities



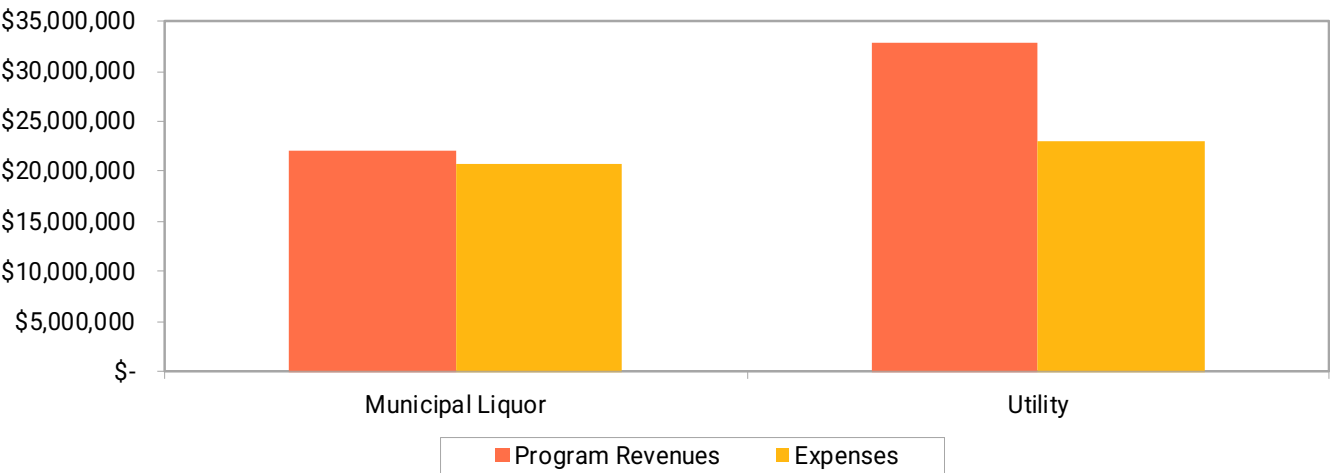
Revenues by Source - Governmental Activities



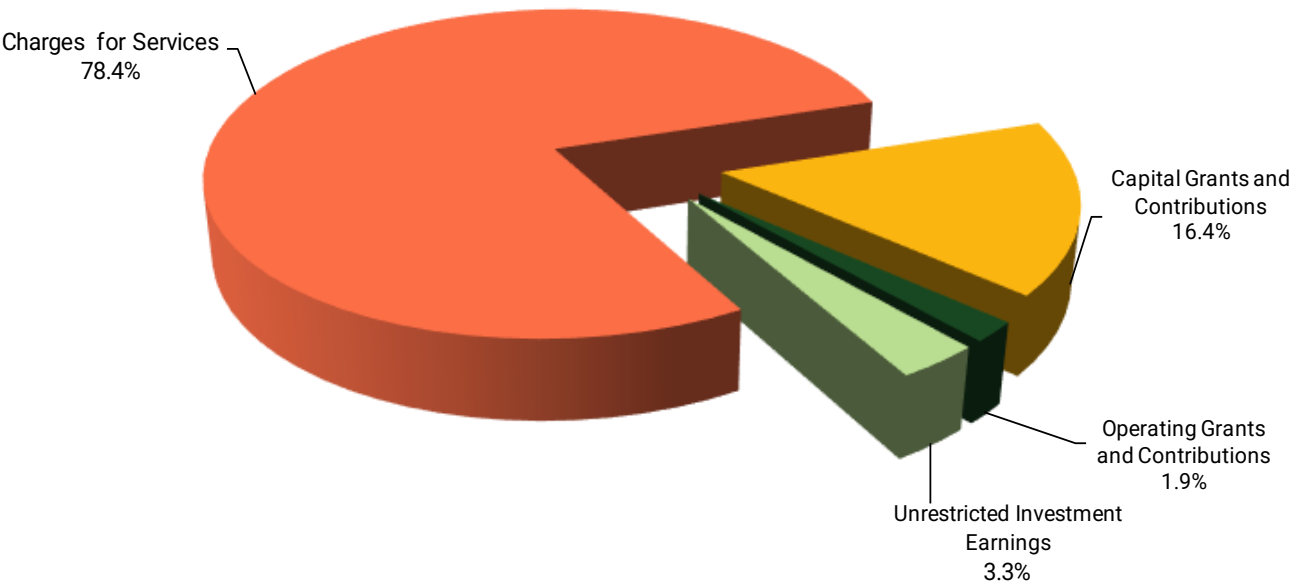
Business-type Activities. Business-type activities increased the City’s net position, as shown in the changes in net position table. Key elements of this increase are as follows:

- Total expenses for municipal liquor operations decreased primarily due to lower cost of goods sold, consistent with reduced sales volume (industry-wide phenomenon), and decreased personnel service costs.
- Transfers out for business-type activities increased to help meet debt obligations and capital costs, reducing the burden on the property tax levy.
- Utility charges for services increased due to growth within the city and increased rates.

Expenses and Program Revenues - Business - type Activities



Revenues by Source - Business - type Activities



Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2025.

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 202,134	\$ -	\$ -	\$ -	\$ 202,134	\$ 352,765	\$ (150,631)
Restricted	-	27,711,830	38,716,019	958,693	67,386,542	59,112,599	8,273,943
Committed	-	-	41,768,122	839,945	42,608,067	47,971,292	(5,363,225)
Assigned	775,000	-	-	-	775,000	-	775,000
Unassigned	24,453,214	-	-	-	24,453,214	20,668,085	3,785,129
Total	<u>\$ 25,430,348</u>	<u>\$ 27,711,830</u>	<u>\$ 80,484,141</u>	<u>\$ 1,798,638</u>	<u>\$ 135,424,957</u>	<u>\$ 128,104,741</u>	<u>\$ 7,320,216</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 72 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 202,134	\$ 352,765	\$ (150,631)
Restricted	-	1,850,000	(1,850,000)
Assigned	775,000	-	775,000
Unassigned	24,453,214	20,983,864	3,469,350
Total	<u>\$ 25,430,348</u>	<u>\$ 23,186,629</u>	<u>\$ 2,243,719</u>
General Fund expenditures	\$ 42,175,941	\$ 39,129,807	
Unassigned as a percent of expenditures	58.0%	53.6%	
Total Fund Balance as a percent of expenditures	60.3%	59.3%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to positive revenue and expenditure budget variances which are described further in the notes to the budgetary comparison schedules.

Other major governmental fund analysis is shown below:

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2025	2024	
Debt Service	\$ 27,711,830	\$ 23,590,844	\$ 4,120,986
The increase in fund balance of the Debt Service funds is due to tax and special assessment revenues in excess of scheduled debt service payments.			
Capital Projects	\$ 80,484,141	\$ 79,690,723	\$ 793,418
The fund balance increased due to bond issuances for the public safety building construction.			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Ending Net Position 2025	Ending Net Position 2024	Increase/ (Decrease)
Municipal Liquor	\$ 12,763,867	\$ 12,984,719	\$ (220,852)
The decrease primarily is attributed to a transfer out that occurred during the year that was in excess of the funds operating and nonoperating income.			
Utility	\$ 238,379,336	\$ 223,226,221	\$ 15,153,115
The increase primarily relates to capital contributions from governmental funds and developers.			

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, right of ways and easements, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year for governmental and business-type activities is due to asset additions in excess of depreciation expense.

Major capital asset events during the current fiscal year included:

- Land purchase for new Fire Station #2
- Grand Prairie Park Project
- Construction of the Public Safety Training Facility
- Various developer installed infrastructure additions
- County turn-back and construction for Dodd Blvd/179th St

Additional information on the City's capital assets can be found in Note 3C starting on page 77 of this report.

City of Lakeville's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
Land	\$ 43,381,242	\$ 37,683,547	\$ 5,697,695	\$ 3,674,193	\$ 3,672,969	\$ 1,224
Historical Treasures	218,700	218,700	-	-	-	-
Construction in Progress	33,594,336	14,128,422	19,465,914	123,477	37,894	85,583
Buildings and Improvements	50,885,857	52,830,582	(1,944,725)	20,627,976	21,301,379	(673,403)
Machinery and Equipment	12,190,066	11,252,370	937,696	5,611,212	5,670,692	(59,480)
Right-to-Use Assets	-	-	-	2,572,970	2,927,146	(354,176)
Other Improvements	15,622,021	15,082,142	539,879	-	-	-
Infrastructure						
Streets	128,325,147	126,258,240	2,066,907	-	-	-
Storm Sewer	109,263,871	105,300,683	3,963,188	-	-	-
Parks	26,221,389	24,727,890	1,493,499	-	-	-
Environmental Resources	-	-	-	761,753	508,501	253,252
Water	-	-	-	113,153,355	107,373,436	5,779,919
Sanitary Sewer	-	-	-	73,607,272	69,522,781	4,084,491
Total	<u>\$ 419,702,629</u>	<u>\$ 387,482,576</u>	<u>\$ 32,220,053</u>	<u>\$ 220,132,208</u>	<u>\$ 211,014,798</u>	<u>\$ 9,117,410</u>

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of special assessment debt, revenue related debt and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Lakeville's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)
General Obligation Bonds	\$ 88,565,000	\$ 71,030,000	\$ 17,535,000	\$ -	\$ -	\$ -
Bond Premium	8,107,865	8,707,324	(599,459)	399,192	555,730	(156,538)
General Obligation Water Revenue Bonds	4,635,000	5,125,000	(490,000)	-	-	-
Tax Abatement Bonds	15,245,000	16,290,000	(1,045,000)	-	-	-
State Aid Bonds	3,045,000	3,260,000	(215,000)	-	-	-
General Obligation Special						
Assessment Improvement Bonds	44,900,000	51,345,000	(6,445,000)	-	-	-
Met Council Loans	2,956,795	2,956,795	-	-	-	-
Dakota County Advances	12,643,562	5,174,149	7,469,413	-	-	-
General Obligation Utility Bonds	-	-	-	6,455,000	7,585,000	(1,130,000)
Total	<u>\$ 180,098,222</u>	<u>\$ 163,888,268</u>	<u>\$ 16,209,954</u>	<u>\$ 6,854,192</u>	<u>\$ 8,140,730</u>	<u>\$ (1,286,538)</u>

The City's total bonded long-term debt increased during the current fiscal year. The City issued one General Obligation bond. Offsetting this increase were regularly scheduled debt service principal payments.

The City obtained a "AAA" rating from Standard and Poor's for general obligation debt. Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. As of December 31, 2025, the City is under the legal debt margin.

Additional information on the City's long-term debt can be found in Note 3E starting on page 80 of this report.

Currently Known Facts, Decisions, or Conditions

The City of Lakeville experienced a busy year of development activity in 2025, issuing building permits with a total valuation of \$381,162,334 – a 47.9% increase over 2024. The City issued 551 residential permits this year and 229 of those were single-family homes. The average building permit value on a single-family home in 2025 was \$349,610. Lakeville ranked first in the Minneapolis-St. Paul metropolitan area for residential permits, followed by Rosemount, St. Michael and Shakopee. Lakeville ranked #1 in the metro from 2013-2022 and 2025, and #2 from 2023-2024.

The adopted 2026 budget meets the city's growing program and service levels, adding 3 new positions – an Information Technology Specialist, a Facilities Technician and a Park Maintenance II position. The 2026 budget has planned use of \$175,000 for the one-time expenditure of the 2050 Comprehensive Plan update. The 2026 budget still retains a 50% fund balance per the City's financial policy. The 2026 budget supports the Envision Lakeville Vision Plan by investing in technology, strategic partnerships, infrastructure, and staffing to enhance efficiency, foster development, and meet community expectations.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lakeville Finance Department at 20195 Holyoke Avenue, Lakeville, Minnesota 55044, (952) 985-440, or email request to jstahl@lakevillemn.gov.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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City of Lakeville, Minnesota
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 144,720,567	\$ 37,573,339	\$ 182,293,906
Receivables			
Accounts	8,651,325	4,831,413	13,482,738
Accrued interest	865,358	222,054	1,087,412
Taxes	2,633,603	-	2,633,603
Leases	8,616,868	-	8,616,868
Special assessments	11,591,080	844,522	12,435,602
Inventories	157,104	2,392,999	2,550,103
Prepaid items	45,030	12,206	57,236
Net pension asset	4,441,840	-	4,441,840
Capital assets			
Land and construction in progress	77,194,278	3,797,670	80,991,948
Lease building - net of amortization	-	2,572,970	2,572,970
Depreciable assets (net of accumulated depreciation)	342,508,351	213,761,568	556,269,919
Total Assets	<u>601,425,404</u>	<u>266,008,741</u>	<u>867,434,145</u>
Deferred Outflows of Resources			
Deferred pension resources	13,169,843	393,348	13,563,191
Deferred other postemployment benefit resources	1,048,042	79,831	1,127,873
Total Deferred Outflows of Resources	<u>14,217,885</u>	<u>473,179</u>	<u>14,691,064</u>
Liabilities			
Accounts and contracts payable	7,966,666	1,120,138	9,086,804
Accrued salaries and withholdings payable	828,335	137,282	965,617
Accrued interest payable	2,858,821	98,756	2,957,577
Due to other governments	737	93	830
Deposits payable	6,491,921	55,797	6,547,718
Unearned revenue	714,068	284,535	998,603
Noncurrent liabilities			
Due within one year			
Long-term liabilities	13,710,000	1,718,608	15,428,608
Other postemployment benefits liability	31,407	2,392	33,799
Due in more than one year			
Long-term liabilities	169,972,572	5,749,192	175,721,764
Lease payable	-	2,648,164	2,648,164
Compensated absences payable	-	687,565	687,565
Other postemployment benefits liability	2,087,507	159,011	2,246,518
Net pension liability	12,060,915	1,560,939	13,621,854
Total Liabilities	<u>216,722,949</u>	<u>14,222,472</u>	<u>230,945,421</u>
Deferred Inflows of Resources			
Deferred gain on refunding	680,891	-	680,891
Deferred pension resources	18,351,934	1,086,389	19,438,323
Deferred other postemployment benefit resources	391,945	29,856	421,801
Deferred lease resources	8,056,350	-	8,056,350
Total Deferred Inflows of Resources	<u>27,481,120</u>	<u>1,116,245</u>	<u>28,597,365</u>
Net Position			
Net investment in capital assets	243,091,334	210,016,244	453,107,578
Restricted for			
Special purposes	802,084	-	802,084
Debt service	34,903,045	-	34,903,045
Capital acquisition	38,716,019	-	38,716,019
Opioid remediation activities	156,609	-	156,609
Fire relief pensions	4,441,840	-	4,441,840
Unrestricted	49,328,289	41,126,959	90,455,248
Total Net Position	<u>\$ 371,439,220</u>	<u>\$ 251,143,203</u>	<u>\$ 622,582,423</u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 9,025,433	\$ 5,956,779	\$ 727,054	\$ -
Public safety	25,614,766	801,341	3,394,709	-
Public works	34,288,620	8,109,882	6,188,891	14,578,024
Parks and recreation	12,426,288	4,911,005	609,239	709,755
Interest on long term debt	2,655,538	-	-	-
Total Governmental Activities	<u>84,010,645</u>	<u>19,779,007</u>	<u>10,919,893</u>	<u>15,287,779</u>
Business-type Activities				
Liquor	20,782,362	22,002,600	90,431	-
Utility	23,084,176	22,621,501	966,662	9,304,958
Total Business-type Activities	<u>43,866,538</u>	<u>44,624,101</u>	<u>1,057,093</u>	<u>9,304,958</u>
Total Governmental and Business-type Activities	<u>\$ 127,877,183</u>	<u>\$ 64,403,108</u>	<u>\$ 11,976,986</u>	<u>\$ 24,592,737</u>

General Revenues
 Taxes
 Property taxes, levied for general purposes
 Property taxes, levied for debt service
 Tax increments
 Franchise taxes
 Other taxes
 Unrestricted investment earnings
 Other general revenues
 Gain on sale of capital assets
 Transfers - Internal Activities
 Total General Revenues and Transfers

Change in Net Position

Net Position - January 1

Net Position - December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,341,600)	\$ -	\$ (2,341,600)
(21,418,716)	-	(21,418,716)
(5,411,823)	-	(5,411,823)
(6,196,289)	-	(6,196,289)
(2,655,538)	-	(2,655,538)
(38,023,966)	-	(38,023,966)
-	1,310,669	1,310,669
-	9,808,945	9,808,945
-	11,119,614	11,119,614
(38,023,966)	11,119,614	(26,904,352)
36,067,649	-	36,067,649
12,773,050	-	12,773,050
631,624	-	631,624
4,311,494	-	4,311,494
21,503	-	21,503
6,512,987	1,896,898	8,409,885
112,078	-	112,078
443,111	-	443,111
(1,663,938)	1,663,938	-
59,209,558	3,560,836	62,770,394
21,185,592	14,680,450	35,866,042
350,253,628	236,462,753	586,716,381
\$ 371,439,220	\$ 251,143,203	\$ 622,582,423

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Lakeville, Minnesota

Balance Sheet
Governmental Funds
December 31, 2025

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 30,663,951	\$ 26,191,305	\$ 85,012,641	\$ 1,741,215	\$ 143,609,112
Receivables					
Accrued interest	152,738	157,086	541,939	7,380	859,143
Accounts	1,065,153	1,388,368	6,076,330	106,712	8,636,563
Taxes	2,633,603	-	-	-	2,633,603
Leases	27,743	550,000	8,039,125	-	8,616,868
Special assessments	19,597	10,093,518	1,477,965	-	11,591,080
Inventories	157,104	-	-	-	157,104
Prepaid items	45,030	-	-	-	45,030
Total Assets	\$ 34,764,919	\$ 38,380,277	\$ 101,148,000	\$ 1,855,307	\$ 176,148,503
Liabilities					
Accounts payable	\$ 981,825	\$ 7,839	\$ 4,893,340	\$ 1,315	\$ 5,884,319
Accrued salaries and withholdings payable	816,148	-	-	12,187	828,335
Contracts payable	-	-	2,072,881	-	2,072,881
Due to other governments	737	-	-	-	737
Deposits payable	6,334,479	-	157,442	-	6,491,921
Unearned revenue	711,547	-	2,521	-	714,068
Total Liabilities	8,844,736	7,839	7,126,184	13,502	15,992,261
Deferred Inflows of Resources					
Unavailable revenue - taxes	444,604	-	-	-	444,604
Unavailable revenue - special assessments	19,597	10,050,036	1,478,419	-	11,548,052
Deferred lease resources	25,634	550,000	7,437,549	43,167	8,056,350
Unavailable revenue - intergovernmental	-	60,572	4,621,707	-	4,682,279
Total Deferred Inflows of Resources	489,835	10,660,608	13,537,675	43,167	24,731,285
Fund Balances					
Nonspendable	202,134	-	-	-	202,134
Restricted	-	27,711,830	38,716,019	958,693	67,386,542
Committed	-	-	41,768,122	839,945	42,608,067
Assigned	775,000	-	-	-	775,000
Unassigned	24,453,214	-	-	-	24,453,214
Total Fund Balances	25,430,348	27,711,830	80,484,141	1,798,638	135,424,957
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,764,919	\$ 38,380,277	\$ 101,148,000	\$ 1,855,307	\$ 176,148,503

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2025

Amounts reported for governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 135,424,957
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	4,441,840
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	666,217,744
Less accumulated depreciation	(246,515,115)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Bonds payable	(156,390,000)
Unamortized bond premium and discount	(8,107,865)
Deferred gain on refunding	(680,891)
Loans and advances payable	(15,600,357)
OPEB liability	(2,118,914)
Net pension liability	(12,060,915)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Property taxes	444,604
Special assessments	11,548,052
Intergovernmental	4,682,279
Governmental funds do not report a liability for accrued interest until due and payable.	(2,858,821)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	13,169,843
Deferred inflows of pension resources	(18,351,934)
Governmental funds do not report long-term amounts related to other post-employment benefits.	
Deferred outflows of OPEB resources	1,048,042
Deferred inflows of OPEB resources	(391,945)
Internal service funds are used by management to charge the cost of services to individual funds.	
The assets and liabilities are included in the governmental statement of net position.	(2,461,384)
Total Net Position - Governmental Activities	<u>\$ 371,439,220</u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 33,115,094	\$ 12,773,050	\$ 3,100,000	\$ -	\$ 48,988,144
Tax increment	-	-	487,297	-	487,297
Franchise taxes	-	3,826,574	-	450,722	4,277,296
Licenses and permits	3,661,713	-	-	-	3,661,713
Intergovernmental	3,641,318	615,966	11,013,428	635,458	15,906,170
Charges for services	4,245,472	306,205	9,740,473	36,223	14,328,373
Fines and forfeits	196,228	-	-	-	196,228
Special assessments	83,355	2,473,017	565,568	-	3,121,940
Investment income	1,006,832	847,192	4,541,764	71,577	6,467,365
Miscellaneous	250,251	-	923,845	64,539	1,238,635
Total Revenues	46,200,263	20,842,004	30,372,375	1,258,519	98,673,161
Expenditures					
Current					
General government	7,442,509	-	-	1,019,071	8,461,580
Public safety	22,317,292	-	-	-	22,317,292
Public works	6,189,705	-	-	-	6,189,705
Culture and recreation	5,964,679	-	-	-	5,964,679
Capital outlay					
General government	67,238	-	836,314	48,700	952,252
Public safety	43,446	-	18,212,836	-	18,256,282
Public works	130,857	-	28,924,671	-	29,055,528
Culture and recreation	20,215	-	16,660,943	-	16,681,158
Debt service					
Principal	-	12,910,000	-	-	12,910,000
Interest and other charges	-	5,503,356	-	-	5,503,356
Total Expenditures	42,175,941	18,413,356	64,634,764	1,067,771	126,291,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,024,322	2,428,648	(34,262,389)	190,748	(27,618,671)
Other Financing Sources (Uses)					
Sale of capital assets	14,897	-	428,214	-	443,111
Transfers in	54,500	1,954,691	3,906,004	-	5,915,195
Issuance of bonds and other debt	-	791,245	30,375,658	-	31,166,903
Premiums on bonds issued	-	-	1,031,777	-	1,031,777
Transfers out	(1,850,000)	(1,053,598)	(685,846)	(28,655)	(3,618,099)
Total Other Financing Sources (Uses)	(1,780,603)	1,692,338	35,055,807	(28,655)	34,938,887
Net Changes in Fund Balances	2,243,719	4,120,986	793,418	162,093	7,320,216
Fund Balances, January 1	23,186,629	23,590,844	79,690,723	1,636,545	128,104,741
Fund Balances, December 31	\$ 25,430,348	\$ 27,711,830	\$ 80,484,141	\$ 1,798,638	\$ 135,424,957

The notes to the financial statements are an integral part of this statement.

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

Amounts reported for governmental activities in the statement of activities are different because

Net Changes in Fund Balances - Total Governmental Funds	\$ 7,320,216
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Depreciation	(24,270,053)
Capital outlay	56,131,388
Developer contributions	10,149,465
Governmental funds report projects in capital project funds. Some of the capital assets constructed in the project will be maintained in business-type activity funds. The assets are reported as a transfer from the governmental activities to the business-type activities	(3,961,034)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Loss on disposal of assets	(5,829,713)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities.	
Investment earnings	25,490
Consolidation of internal service fund activities with governmental activities	473,791
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Taxes, assessments and intergovernmental revenues	(3,449,129)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities.	
Debt issued	(31,166,903)
Bond repayments	12,910,000
Note repayments	1,447,489
Amortization of deferred charges on refunding	163,400
Premium on bonds issued	(1,031,777)
Long-term pension activity is not reported in governmental funds.	
Pension expense	1,236,753
Pension revenue from state contributions	112,078
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,236,929
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Other postemployment benefits	(312,798)
Change in Net Position - Governmental Activities	<u>\$ 21,185,592</u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Net Position (Continued on the Following Page)
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Liquor	Utility	Totals	
Assets				
Current Assets				
Cash and investments	\$ 3,287,886	\$ 34,285,453	\$ 37,573,339	\$ 1,111,455
Receivables				
Accrued interest	18,532	203,522	222,054	6,215
Accounts	-	4,831,413	4,831,413	14,762
Special assessments - delinquent	-	114,863	114,863	-
Special assessments - deferred	-	729,659	729,659	-
Inventories	1,982,106	410,893	2,392,999	-
Prepaid items	-	12,206	12,206	-
Total Current Assets	5,288,524	40,588,009	45,876,533	1,132,432
Noncurrent Assets				
Capital assets				
Land	3,087,882	586,311	3,674,193	-
Construction in progress	-	123,477	123,477	-
Buildings and improvements	8,289,039	26,324,089	34,613,128	-
Machinery and equipment	800,192	8,834,912	9,635,104	-
Infrastructure	-	279,633,108	279,633,108	-
Right-to-use lease asset	3,989,676	-	3,989,676	-
Total Capital Assets	16,166,789	315,501,897	331,668,686	-
Less Accumulated Depreciation and Amortization	(3,160,216)	(108,376,262)	(111,536,478)	-
Net Capital Assets	13,006,573	207,125,635	220,132,208	-
Total Noncurrent Assets	13,006,573	207,125,635	220,132,208	-
Total Assets	18,295,097	247,713,644	266,008,741	1,132,432
Deferred Outflows of Resources				
Deferred pension resources	189,708	203,640	393,348	-
Deferred other postemployment benefit resources	47,001	32,830	79,831	-
Total Deferred Outflows of Resources	236,709	236,470	473,179	-

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Liquor	Utility	Totals	
Liabilities				
Current Liabilities				
Accounts payable	\$ 733,808	\$ 382,077	\$ 1,115,885	\$ 9,466
Accrued salaries and withholdings payable	68,690	68,592	137,282	-
Contracts payable	-	4,253	4,253	-
Due to other governments	-	93	93	-
Accrued interest payable	2,669	96,087	98,756	-
Deposits payable	45,097	10,700	55,797	-
Unearned revenue	760	283,775	284,535	-
Bonds payable - current	-	1,105,000	1,105,000	-
Lease and financed purchase payable - current	613,608	-	613,608	-
Other postemployment benefits payable - current	1,408	984	2,392	-
Total Current Liabilities	<u>1,466,040</u>	<u>1,951,561</u>	<u>3,417,601</u>	<u>9,466</u>
Noncurrent Liabilities				
Bonds payable	-	5,749,192	5,749,192	-
Compensated absences payable	265,755	421,810	687,565	3,584,350
Leases and financed purchases payable	2,648,164	-	2,648,164	-
Net pension liability	752,827	808,112	1,560,939	-
Other postemployment benefits payable	93,619	65,392	159,011	-
Total Noncurrent Liabilities	<u>3,760,365</u>	<u>7,044,506</u>	<u>10,804,871</u>	<u>3,584,350</u>
Total Liabilities	<u>5,226,405</u>	<u>8,996,067</u>	<u>14,222,472</u>	<u>3,593,816</u>
Deferred Inflows of Resources				
Deferred pension resources	523,956	562,433	1,086,389	-
Deferred other postemployment benefit resources	17,578	12,278	29,856	-
Total Deferred Inflows of Pension Resources	<u>541,534</u>	<u>574,711</u>	<u>1,116,245</u>	<u>-</u>
Net Position				
Net investment in capital assets	9,744,801	200,271,443	210,016,244	-
Unrestricted	3,019,066	38,107,893	41,126,959	(2,461,384)
Total Net Position	<u>\$ 12,763,867</u>	<u>\$ 238,379,336</u>	<u>\$ 251,143,203</u>	<u>\$ (2,461,384)</u>

The notes to the financial statements are an integral part of this statement.

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City of Lakeville, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Liquor	Utility	Totals	
Operating Revenues				
Sales	\$ 21,989,939	\$ -	\$ 21,989,939	\$ -
Cost of sales	(15,737,400)	-	(15,737,400)	-
Gross Profit	6,252,539	-	6,252,539	-
Charges for services	-	22,477,357	22,477,357	604,121
Special assessments	-	144,144	144,144	-
Other revenue	-	-	-	281,746
Total Operating Revenues	6,252,539	22,621,501	28,874,040	885,867
Operating Expenses				
Personnel services	2,861,390	3,667,550	6,528,940	(22,589)
Materials and supplies	79,707	757,893	837,600	-
Other charges and services	1,341,047	11,080,825	12,421,872	706,610
Depreciation and amortization	701,377	7,020,415	7,721,792	-
Total Operating Expenses	4,983,521	22,526,683	27,510,204	684,021
Operating Income (Loss)	1,269,018	94,818	1,363,836	201,846
Nonoperating Revenues (Expenses)				
Intergovernmental	-	226,981	226,981	-
Investment income				
Interest earnings	99,565	970,887	1,070,452	25,490
Increase (decrease) in fair market value	81,565	744,881	826,446	20,132
Interest and other charges	(33,468)	(79,236)	(112,704)	-
Gain (loss) on disposal of capital assets	(27,973)	(226,444)	(254,417)	-
Miscellaneous revenue	103,092	739,681	842,773	-
Total Nonoperating Revenues (Expenses)	222,781	2,376,750	2,599,531	45,622
Income (Loss) Before Contributions and Transfers	1,491,799	2,471,568	3,963,367	247,468
Capital Contributions - from developers	-	9,304,958	9,304,958	-
Capital Contributions - from Governmental Funds	-	3,961,034	3,961,034	-
Transfers Out	(1,712,651)	(584,445)	(2,297,096)	-
Change in Net Position	(220,852)	15,153,115	14,932,263	247,468
Net Position, January 1	12,984,719	223,226,221	236,210,940	(2,708,852)
Net Position, December 31	<u>\$ 12,763,867</u>	<u>\$ 238,379,336</u>	<u>\$ 251,143,203</u>	<u>\$ (2,461,384)</u>
			\$ 14,932,263	
Change in net position as shown above				
Adjustment to reflect the consolidation of activities to the enterprise funds.			(251,813)	
			<u>\$ 14,680,450</u>	
Change in net position - business-type activities				

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Cash Flows (Continued on the Following Page)
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Liquor	Utility	Totals	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 22,091,876	\$ 23,264,507	\$ 45,356,383	\$ -
Receipts from interfund services provided	-	-	-	885,867
Payments to suppliers	(17,184,039)	(12,016,752)	(29,200,791)	(701,352)
Payments to employees	(2,950,303)	(3,838,345)	(6,788,648)	(244,452)
Net Cash Provided (Used) by Operating Activities	<u>1,957,534</u>	<u>7,409,410</u>	<u>9,366,944</u>	<u>(59,937)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental receipts	-	226,981	226,981	-
Other nonoperating receipts	-	739,681	739,681	-
Transfers out	(1,712,651)	(584,445)	(2,297,096)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,712,651)</u>	<u>382,217</u>	<u>(1,330,434)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(129,348)	(3,705,089)	(3,834,437)	-
Proceeds from the sale of assets	-	6,815	6,815	-
Principal paid on debt	(600,306)	(1,130,000)	(1,730,306)	-
Interest paid on debt	(33,729)	(258,787)	(292,516)	-
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(763,383)</u>	<u>(5,087,061)</u>	<u>(5,850,444)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment interest	<u>179,321</u>	<u>1,676,518</u>	<u>1,855,839</u>	<u>45,786</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(339,179)	4,381,084	4,041,905	(14,151)
Cash and Cash Equivalents, January 1	<u>3,627,065</u>	<u>29,904,369</u>	<u>33,531,434</u>	<u>1,125,606</u>
Cash and Cash Equivalents, December 31	<u>\$ 3,287,886</u>	<u>\$ 34,285,453</u>	<u>\$ 37,573,339</u>	<u>\$ 1,111,455</u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Liquor	Utility	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income	\$ 1,269,018	\$ 94,818	\$ 1,363,836	\$ 201,846
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Miscellaneous revenues	103,092	-	103,092	-
Depreciation and amortization	701,377	7,020,415	7,721,792	-
(Increase) decrease in assets and deferred outflows of resources				
Accounts receivable	-	473,097	473,097	-
Special assessments receivable	-	(6,066)	(6,066)	-
Prepaid items	-	2,208	2,208	-
Inventories	103,044	(80,556)	22,488	-
Deferred pension resources	52,477	45,127	97,604	-
Deferred other postemployment benefit resources	(47,001)	(32,830)	(79,831)	-
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable	(28,187)	(15,162)	(43,349)	5,258
Accrued salaries and withholdings payable	10,002	9,721	19,723	-
Compensated absences payable	26,640	27,249	53,889	(267,041)
Deposits payable	2,302	800	3,102	-
Unearned revenue	(1,155)	175,975	174,820	-
Net pension liability	(86,423)	(58,788)	(145,211)	-
Other postemployment benefits payable	(9,069)	(35,712)	(44,781)	-
Contracts payable	-	(85,371)	(85,371)	-
Deferred pension resources	(156,161)	(137,840)	(294,001)	-
Deferred other postemployment benefit resources	17,578	12,278	29,856	-
Due to other governments	-	47	47	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,957,534</u>	<u>\$ 7,409,410</u>	<u>\$ 9,366,944</u>	<u>\$ (59,937)</u>
Supplemental Schedule of Noncash Capital and Related Financing Activities				
Amortization of discounts / (premiums) on bonds	\$ -	\$ 156,538	\$ 156,538	\$ -
Disposal of capital assets	\$ (61,971)	\$ (787,682)	\$ (849,653)	\$ -
Disposal of related accumulated depreciation	\$ 34,000	\$ 554,423	\$ 588,423	\$ -
Capital contributions from other funds	\$ -	\$ 3,961,034	\$ 3,961,034	\$ -
Capital contributions from developers	\$ -	\$ 9,304,958	\$ 9,304,958	\$ -

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2025

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 20,555
Accounts receivable	<u>758</u>
Total Assets	<u><u>\$ 21,313</u></u>
Liabilities	
Accounts payable	<u>2,248</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	<u><u>\$ 19,065</u></u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2025

	<u>Custodial Funds</u>
Additions	
Contributions	\$ 22,776
Deductions	
Payments to vendors	<u>(23,613)</u>
Net Increase (Decrease) in Fiduciary Net Position	(837)
Net Position, January 1	<u>19,902</u>
Net Position, December 31	<u><u>\$ 19,065</u></u>

The notes to the financial statements are an integral part of this statement.

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City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lakeville (the City) is a municipal corporation of the "Optional Plan A" form of government defined in *Minnesota Statutes*. The City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The criterion that results in the HRA being reported as a blended component unit include 1) the board members are members of the City Council and 2) the operational responsibility of the HRA rests with the management of the City. The HRA does not issue separate financial statements so they are included in the financial section of this report.

As a result of applying the component unit definition criteria above, a certain organization has been defined and is presented in this report as follows:

Blended Component Units - Reported as if they were part of the City.

For the category above, the specific entity is identified as follows:

1. Blended Component Unit

The Housing and Redevelopment Authority (HRA) of Lakeville, Minnesota was created by the City to provide housing and redevelopment assistance to its citizens. The HRA provides this assistance through the administration of various programs. The HRA is governed by a five-member Board of Commissioners comprised of the City of Lakeville Council in accordance with Minnesota Statutes 469.003, Subdivision 6. Although it is legally separate from the City, the HRA is reported as if it were a part of the City (blended) because the City Council is also the HRA governing board. The Commissioners' terms of office coincide with those of the City Council members. The City Administrator serves as the HRA Executive Director. The operational responsibility for the HRA rests with management of the City.

During fiscal year 2006, the HRA issued \$9,230,000 in Ice Arena Lease Revenue Bonds, Series 2006, to finance the construction of the single sheet Hasse ice arena facility. The Ice Arena Lease Revenue Bonds, Series 2006 were subsequently refunded in 2016. Debt service will be payable from equal lease payments to be made by the City pursuant to the lease agreement between the HRA and the City, and in conjunction with the joint powers agreement between the City and Independent School District No. 194. In 2017, the HRA issued \$2,255,000 in Lease Revenue Liquor Enterprise Refunding Bonds, Series 2017A, to refund the existing liquor revenue bonds through a purchase (and subsequent lease-back) of the liquor store land and building. Debt service will be payable from lease payments made by the City's liquor enterprise fund.

These HRA bond obligations are combined and presented separately in the debt service funds as debt supported by HRA lease revenue.

The HRA has not issued separate financial statements for the period ending December 31, 2025. Information on nonfinancial matters regarding the HRA can be obtained at the City's Finance offices.

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type; pension (or other benefit) trust, and custodial.

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

The Internal Service fund is presented in the proprietary fund financial statements. Because the principal user of internal services is the City's governmental activities, the financial statements of the Internal Service Fund are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

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

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

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It is used to account for all financial resources except for those required to be accounted for in another fund. This fund records revenues such as property taxes, licenses, and permits, intergovernmental revenues, charges for services, fines, and investment income. Most of the day-to-day operations of the City are financed from this fund.

The *Debt Service fund* is used to account for the accumulation of resources that are restricted for the payment of principal, interest, and related costs on long-term debt of the governmental funds.

The *Capital Projects fund* is used to account for the accumulation and disbursement of funds for major capital projects and facilities including the construction or improvement of public buildings, Minnesota Municipal State-aid funded street construction, and complex construction contracts that involve multiple financing resources from the City and other government entities.

The City reports the following major proprietary funds:

The *Liquor fund* accounts for the retail operations of four off-sale liquor stores.

The *Utility fund* accounts for water, sanitary sewer, street lighting, and environmental resources services provided to City customers.

Nonmajor Governmental Funds

Special Revenue funds account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes. For additional information on specific Special Revenue funds, refer to the Special Revenue fund statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Internal Service funds account for the City's property, liability, worker's compensation and the governmental portion of compensated absences provided to other departments within the City.

Fiduciary Funds:

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City's Custodial funds account for the receipt and remittance of monies held by the City on behalf of legally separate entities.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

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

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and having received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and having a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligations of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks, corporations, or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

- U.S. Treasury Securities of \$5,241,420 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposit of \$4,158,511 are valued using a matrix pricing model (Level 2 inputs)
- Government Agency Securities and Municipal Securities of \$133,668,140 are valued using a matrix pricing model (Level 2 inputs)

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days' interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting the League of Minnesota Cities Finance Department at 145 University Avenue West, St. Paul, Minnesota, 55103-2044 or by calling (651) 281-1200.

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes and the City's investment policy limit the City's investments to the list above.
- *Custodial Credit Risk.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy states all deposits must be collateralized in compliance with Minnesota Statutes 118A with all deposits being collateralized at 110% of deposits in excess of FDIC insurance.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy states the City will attempt to diversify its investments according to type, maturity, and institution. The policy states the portfolio shall not contain more than 50% of the portfolio value in any one institution.

At December 31, 2025, the City's Investment portfolio includes the following securities of single issuers exceeding 5%:

4M Fund – 22%
Federal Home Loan Bank – 7.1%

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the policy states the City will limit the portion of the portfolio with maturities greater than five years to 75% of the portfolio.

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents.

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Dakota County provides settlements to cities and other taxing districts three times a year.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Delinquent taxes receivable includes the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year-end in the governmental fund financial statements.

Accounts Receivable

When necessary, the City utilizes an allowance for uncollectible accounts to value its receivables. However, the City considers all of its current receivables to be collectible. Delinquent utility charges are annually certified to the county for collection. As a result, there is no allowance for uncollectible amounts in the other enterprise funds.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items

Inventories of materials and supplies are recorded at cost, which approximates market, using the first-in, first out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City uses the consumption method to account for all prepaid items.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. This includes infrastructure acquired prior to the implementation of GASB Statement No. 34.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such purchased assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50 to 75
Machinery and equipment	3 to 20
Other improvements	10 to 50
Infrastructure	20 to 50

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods 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. These items, deferred pension resources and deferred other postemployment benefit resources are reported only in the statements of net position. The items result from actuarial calculations and current year pension contributions and Other Post-Employment Benefit contributions made subsequent to the measurement date.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused leave benefits as either paid-time-off (PTO), or vacation and sick leave. Under the City's personnel policies and collective bargaining contracts, City employees are granted leave benefits in varying amounts based on length of service. PTO accrual vary from 18 to 30 days per year, vacation accruals vary from 10 to 20 days per year, and sick leave accrues at a rate of 12 days per year.

As benefits accrue to the employees, the accumulated PTO, vacation and vested sick leave is reported as an expense and liability in the government-wide and proprietary fund financial statements. Accrued PTO, vacation and a percentage of sick leave is paid to employees upon termination (severance) only if they have vested and is reported as an expenditure in the governmental fund that will pay for it. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulated and is more likely than not to be used for time off or otherwise paid in cash. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Postemployment Benefits other than Pensions

Under *Minnesota statute* 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at January 1, 2025 valuation date. The measurement date is January 1, 2025. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

In the government-wide financial statements and the 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. The recognition of bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Pensions

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

The total pension expense for the General Employees Retirement Plan (GERP), Public Employee Police & Fire Plan (PEPFP), Defined Contribution Plan (DCP) and Lakeville Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERP	PEPFP	DCP		
City's proportionate share	\$ (134,282)	\$ 1,929,994	\$ 2,787	\$ 1,142,752	\$ 2,941,251
Proportionate share of State's contribution	(22,081)	128,383	-	-	106,302
Total pension expense	<u>\$ (156,363)</u>	<u>\$ 2,058,377</u>	<u>\$ 2,787</u>	<u>\$ 1,142,752</u>	<u>\$ 3,047,553</u>

Unearned Revenue

The City's unearned revenue consists of grant revenue, administrative costs related to the administration and tracking of special assessments, and shared space rentals.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items listed below reported in the statement of net position and governmental funds balance sheet.

- *Unavailable revenues* are presented in the governmental funds from four sources: grants, property taxes, interest and special assessments. These arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and result from actuarial calculations.
- *Deferred other postemployment benefit resources* are reported only in the statements of net position and result from actuarial calculations.
- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.
- *Deferred gain on refunding* is reported only in the statements of net position and is amortized over the life of the related bonds.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

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

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

Unassigned - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain an unrestricted (committed, assigned and unassigned) fund balance of an amount not less than 40 percent and not greater than 50 percent of the subsequent year's budgeted operating expenditures of the General Fund. For 2025, the unrestricted fund balance of the General Fund was 54.1% of the subsequent year's budgeted expenditures.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and amortization reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. The City adopts an annual budget for the General fund, Communications and Opioid Settlement special revenue funds, Debt Service fund, and Capital Projects fund. Budget amounts are presented as originally adopted or amended. The City has established budgetary control at the department level in the General fund. Management may amend the line items within the departments in the General fund without seeking approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Deficit Net Position

As of December 31, 2025, the following funds reported deficit net position:

Fund	Amount
Governmental - Internal Service funds	\$ 2,461,384

The net position deficits are expected to be eliminated with future internal revenues or transfers from other funds.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which are rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which are rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

At year end, the City's carrying amount of deposits and bank balance were \$0. All of the City's available funds are swept into various investment accounts. Of the bank balance, \$500,000 was covered by federal deposit insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the City's name.

Investments

As of December 31, 2025, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	less than 1 year	\$ 39,213,690	\$ -	\$ -	\$ -
Broker Money Market Funds	N/A	less than 1 year	14,950	-	-	-
Total Pooled Investments			39,228,640	-	-	-
Non-pooled Investments at Amortized Costs						
U.S. Treasury Securities	AA+	less than 1 year	1,486,260	1,486,260	-	-
U.S. Treasury Securities	AA+	1 to 5 years	3,755,160	3,755,160	-	-
Negotiable certificates of deposit	NA	less than 1 year	1,693,156	-	1,693,156	-
Negotiable certificates of deposit	NA	1 to 5 years	2,465,355	-	2,465,355	-
Government Agency Securities	AA+	less than 1 year	25,916,107	-	25,916,107	-
Government Agency Securities	AA+	1 to 5 years	60,053,541	-	60,053,541	-
Government Agency Securities	AA+	more than 5 years	12,565,295	-	12,565,295	-
Municipal Securities	A+	more than 5 years	377,693	-	377,693	-
Municipal Securities	AA	less than 1 year	1,887,524	-	1,887,524	-
Municipal Securities	AA	1 to 5 years	6,781,109	-	6,781,109	-
Municipal Securities	AA	more than 5 years	1,359,172	-	1,359,172	-
Municipal Securities	AA-	less than 1 year	1,235,383	-	1,235,383	-
Municipal Securities	AA-	1 to 5 years	3,079,276	-	3,079,276	-
Municipal Securities	AA+	less than 1 year	1,994,250	-	1,994,250	-
Municipal Securities	AA+	1 to 5 years	5,862,905	-	5,862,905	-
Municipal Securities	AA+	more than 5 years	2,135,652	-	2,135,652	-
Municipal Securities	AAA	less than 1 year	2,242,827	-	2,242,827	-
Municipal Securities	AAA	1 to 5 years	6,171,349	-	6,171,349	-
Municipal Securities	AAA	more than 5 years	2,006,057	-	2,006,057	-
Total Investments			\$ 182,296,711	\$ 5,241,420	\$ 137,826,651	\$ -

Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(1) Ratings are provided by Standard & Poor's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

The City has no level 3 investments.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

A reconciliation of cash and investments as shown on the statement of net position for the City follows:

Investments	\$ 182,296,711
Petty Cash	400
Change Funds	<u>17,350</u>
Total	<u><u>\$ 182,314,461</u></u>
Primary Government	
Governmental activities	\$ 144,720,567
Business-type activities	37,573,339
Fiduciary activities	<u>20,555</u>
Total	<u><u>\$ 182,314,461</u></u>

B. Lease Receivable

The City, acting as lessor, leases land and water tower space for cellular services as well as ice arena space under long-term, non-cancelable lease agreements. The leases expire at various dates through 2056. During the year ended December 31, 2025, the City recognized \$616,399 and \$132,416 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

The lease receivable balances are summarized as follows:

Description	Beginning Balance	Current Year Inflow of Resources	Balance at Year End
Antenna Leases	\$ 37,979	\$ 12,506	\$ 27,743
Liquor Capital Lease	815,000	-	550,000
Antenna Leases	6,394,766	487,786	6,044,069
Hockey/Figure Skating Leases	1,660,446	85,816	1,583,720
Ground Lease	436,455	30,232	<u>411,336</u>
Total			<u><u>\$ 8,616,868</u></u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 37,683,547	\$ 5,697,695	\$ -	\$ 43,381,242
Historical treasures	218,700	-	-	218,700
Construction in progress	14,128,422	22,070,187	(2,604,273)	33,594,336
Total Capital Assets not Being Depreciated	<u>52,030,669</u>	<u>27,767,882</u>	<u>(2,604,273)</u>	<u>77,194,278</u>
Capital Assets Being Depreciated				
Buildings and improvements	77,751,280	446,530	(609,516)	77,588,294
Machinery and equipment	31,499,293	4,652,587	(1,646,390)	34,505,490
Other improvements	22,782,454	1,838,081	(210,487)	24,410,048
Infrastructure				
Streets	240,482,212	17,311,451	(6,375,050)	251,418,613
Storm sewer	144,176,648	9,309,962	(1,289,639)	152,196,971
Parks	45,799,613	3,597,599	(493,162)	48,904,050
Total Capital Assets Being Depreciated	<u>562,491,500</u>	<u>37,156,210</u>	<u>(10,624,244)</u>	<u>589,023,466</u>
Less Accumulated Depreciation for				
Buildings and improvements	(24,920,698)	(2,250,341)	468,602	(26,702,437)
Machinery and equipment	(20,246,923)	(3,707,949)	1,639,448	(22,315,424)
Other improvements	(7,700,312)	(1,277,799)	190,084	(8,788,027)
Infrastructure				
Streets	(114,223,972)	(10,785,778)	1,916,284	(123,093,466)
Storm sewer	(38,875,965)	(4,282,550)	225,415	(42,933,100)
Parks	(21,071,723)	(1,965,636)	354,698	(22,682,661)
Total Accumulated Depreciation	<u>(227,039,593)</u>	<u>(24,270,053)</u>	<u>4,794,531</u>	<u>(246,515,115)</u>
Total Capital Assets Being Depreciated, Net	<u>335,451,907</u>	<u>12,886,157</u>	<u>(5,829,713)</u>	<u>342,508,351</u>
Governmental Activities Capital Assets, Net	<u>\$ 387,482,576</u>	<u>\$ 40,654,039</u>	<u>\$ (8,433,986)</u>	<u>\$ 419,702,629</u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated/Amortized				
Land	\$ 3,672,969	\$ 1,224	\$ -	\$ 3,674,193
Construction in progress	37,894	94,380	(8,797)	123,477
Total Capital Assets not Being Depreciated	<u>3,710,863</u>	<u>95,604</u>	<u>(8,797)</u>	<u>3,797,670</u>
Capital Assets Being Depreciated/Amortized				
Buildings and improvements	34,490,655	208,374	(85,901)	34,613,128
Machinery and equipment	9,071,740	751,390	(188,026)	9,635,104
Right-to-use assets	3,989,676	-	-	3,989,676
Infrastructure				
Environmental resources	563,963	286,004	-	849,967
Water	156,657,556	9,377,241	(362,281)	165,672,516
Sanitary sewer	106,933,457	6,390,616	(213,448)	113,110,625
Total Capital Assets Being Depreciated/Amortized	<u>311,707,047</u>	<u>17,013,625</u>	<u>(849,656)</u>	<u>327,871,016</u>
Less Accumulated Depreciation/Amortization for				
Buildings and improvements	(13,189,276)	(835,467)	39,591	(13,985,152)
Machinery and equipment	(3,401,048)	(723,213)	100,369	(4,023,892)
Right-to-use assets	(1,062,530)	(354,176)	-	(1,416,706)
Infrastructure				
Environmental resources	(55,462)	(32,752)	-	(88,214)
Water	(49,284,120)	(3,520,117)	285,076	(52,519,161)
Sanitary sewer	(37,410,676)	(2,256,067)	163,390	(39,503,353)
Total Accumulated Depreciation/Amortization	<u>(104,403,112)</u>	<u>(7,721,792)</u>	<u>588,426</u>	<u>(111,536,478)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>207,303,935</u>	<u>9,291,833</u>	<u>(261,230)</u>	<u>216,334,538</u>
Business-type Activities Capital Assets, Net	<u>\$ 211,014,798</u>	<u>\$ 9,387,437</u>	<u>\$ (270,027)</u>	<u>\$ 220,132,208</u>

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

Governmental Activities	
General government	\$ 473,636
Public safety	2,118,521
Public works	16,606,279
Parks and recreation	<u>5,071,617</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 24,270,053</u>
Business-type Activities	
Liquor fund	\$ 701,377
Utility fund	<u>7,020,415</u>
Total Depreciation/Amortization Expense - Business-type Activities	<u>\$ 7,721,792</u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include various street and road improvements and public facilities projects. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
First Center	\$ 9,548,997	\$ 13,625,699
Grand Prairie Park	17,865,871	1,971,221
Total	<u>\$ 27,414,868</u>	<u>\$ 15,596,920</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund transfers for the year ended December 31, 2025 is as follows:

Fund	Transfers In			
	General	Debt Service	Capital Projects	Total
Transfer Out				
General	\$ -	\$ -	\$ 1,850,000	\$ 1,850,000
Debt Service	-	-	1,053,598	1,053,598
Capital Projects	-	685,846	-	685,846
Nonmajor governmental	24,500	-	4,155	28,655
Utility	-	522,045	62,400	584,445
Liquor	30,000	746,800	935,851	1,712,651
Total Transfers	<u>\$ 54,500</u>	<u>\$ 1,954,691</u>	<u>\$ 3,906,004</u>	<u>\$ 5,915,195</u>

The city annually budgets transfers for specific purposes. Annual transfers include transfers designated as a percentage of annual revenues, transfers made to cover funds annual operations, transfers for debt service payments, transfers made as part of capital improvement plans and other transfers made for various reasons.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

E. Components of Long-term Debt

The City had the following long-term liabilities outstanding at December 31, 2025:

Description	Maturities	Interest Rate	Balance at Year End
Governmental Activities			
General Obligation Bonds	2026-2046	1.75%-5.00%	\$ 88,565,000
General Obligation Improvement Bonds	2029-2038	0.50%-5.00%	44,900,000
State-Aid Bonds	2036	1.75%-5.00%	3,045,000
G.O. Water Revenue Bonds	2034	2.00%-5.00%	4,635,000
Tax Abatement Bonds	2031-2042	1.00%-5.00%	15,245,000
Met Council Loans	-	-	2,956,795
Dakota County Advances	-	-	12,643,563
Total Governmental-type debt			<u>\$ 171,990,358</u>
Business-Type Activities			
Water Revenue Bonds	2028-2034	1.50%-5.00%	6,405,000
Street Light Revenue Bonds	2026	5.00%	50,000
Financed Purchase	2027	2.00-3.00%	550,000
Lease Liability	2038	1.24%	2,711,772
Total Business-type debt			<u>\$ 9,716,772</u>

General Obligation Bonds

The City's general obligation bonds are supported primarily from revenues derived from property tax levies, special assessment levies, tax increment levies, state-aid street revenue, water connection revenue charges, ice arena operations, and contributions by an organization conducting lawful gaming at approved locations. These bonds are backed by the full-faith and credit of the City.

The annual service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 5,950,000	\$ 3,916,170	\$ 9,866,170
2027	5,970,000	3,362,358	9,332,358
2028	6,265,000	3,093,186	9,358,186
2029	6,380,000	2,816,764	9,196,764
2030	6,715,000	2,532,049	9,247,049
2031-2035	23,965,000	9,113,533	33,078,533
2036-2040	16,190,000	4,961,170	21,151,170
2041-2045	15,825,000	1,721,341	17,546,341
2046	1,305,000	26,916	1,331,916
Total	<u>\$ 88,565,000</u>	<u>\$ 31,543,487</u>	<u>\$ 120,108,487</u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

The annual service requirements to maturity for the General Obligation Tax Abatement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,080,000	\$ 319,110	\$ 1,399,110
2027	1,120,000	286,920	1,406,920
2028	1,145,000	253,356	1,398,356
2029	1,185,000	218,403	1,403,403
2030	1,230,000	185,154	1,415,154
2031-2035	4,580,000	613,988	5,193,988
2036-2040	3,765,000	284,191	4,049,191
2041-2042	1,140,000	17,731	1,157,731
Total	<u>\$ 15,245,000</u>	<u>\$ 2,178,853</u>	<u>\$ 17,423,853</u>

The annual service requirements to maturity for the General Obligation State Aid bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 230,000	\$ 104,644	\$ 334,644
2027	240,000	94,094	334,094
2028	250,000	84,294	334,294
2029	260,000	75,394	335,394
2030	265,000	67,353	332,353
2031-2035	1,475,000	195,763	1,670,763
2036	325,000	6,500	331,500
Total	<u>\$ 3,045,000</u>	<u>\$ 628,042</u>	<u>\$ 3,673,042</u>

General Obligation Special Assessment Improvement Bonds

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

The annual service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 5,955,000	\$ 1,641,988	\$ 7,596,988
2027	6,125,000	1,379,093	7,504,093
2028	6,290,000	1,131,698	7,421,698
2029	5,800,000	896,113	6,696,113
2030	5,090,000	677,169	5,767,169
2031-2035	14,140,000	1,238,003	15,378,003
2036-2038	1,500,000	43,341	1,543,341
Total	<u>\$ 44,900,000</u>	<u>\$ 7,007,405</u>	<u>\$ 51,907,405</u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

Revenue Bonds

Revenue bonds are not general obligations of the City and accordingly are not backed by the full-faith and credit of the City.

The annual service requirements to maturity for the revenue bonds are as follows:

Governmental Activities

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 495,000	\$ 120,200	\$ 615,200
2027	475,000	110,500	585,500
2028	480,000	100,650	580,650
2029	495,000	88,125	583,125
2030	505,000	73,125	578,125
2031-2033	2,185,000	133,575	2,318,575
Total	<u>\$ 4,635,000</u>	<u>\$ 626,175</u>	<u>\$ 5,261,175</u>

Metropolitan Council Loan Agreements

On February 21, 2006, the City entered into a loan agreement with the Metropolitan Council for the purpose of acquiring property for a commuter vehicle park and pool lot located within a proposed state trunk highway right-of-way. The Metropolitan Council provided a loan to the City in the amount of \$1,466,300 to finance the acquisition of the property. In 2025, the City made no payments on the loan. As of December 31, 2025, the balance of the loan is \$1,159,843. On January 3, 2017, the City entered into another loan agreement with the Metropolitan Council for the purpose of acquiring property within a proposed state trunk highway right-of-way. The amount of the loan was \$737,171, and the city made no payments on the loan in 2025. In December of 2021, the City entered into another loan agreement with the Metropolitan Council for the purpose of acquiring property within a proposed state trunk highway right-of-way. The amount of the loan was \$950,000, with subsequent additions of \$51,842 in 2022 and \$57,939 in 2023, for a total loan of \$1,059,781. The City made no payments on the loan in 2025.

No Specific assets are pledged as collateral for the debt, but there are restrictions on the related properties acquired with the loan proceeds.

The loans (all free of interest charge) will be discharged by the Metropolitan Council upon the conveyance of the properties to the highway authority at an undetermined future date.

If the City determined it would not use the land for the highway project and wanted to sell it, it would owe the Met council the fair market value of the property and, once paid, the loan would be forgiven. If the city breached the contract, essentially using the land for something other than was detailed in the agreements use of funds, the City would owe the Met Council the purchase price of the property (which is equal to the loan amount), and the loan would be forgiven.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

Dakota County Loans Payable

During 2020, the City entered into two new agreements with Dakota County, where as Dakota County delayed repayment of project costs. One agreement related to the construction on 179th Street between CSAH 23 and CSAH 31, with the City's total share to date of \$2,854,377 being recorded as a new loan in 2020. Additions of \$27,923 were made to this loan in 2021, bringing the total balance payable to \$2,882,300, payment of \$2,526,000 was made in 2023 and additions to the loan of \$4,449 in 2023 bringing the balance to \$360,748. This loan requires the City to pay the County for the City's share of the project's costs after May 1, 2023. There was a payment made on this loan in 2025 for 360,748, fully paying off the loan as of December 31, 2025.

During 2021, the City entered into a third agreement with Dakota County related to 179th Street Reconstruction, with the City's total share to date of \$224,009 being recorded as a new loan in 2021. Additions in the amount of \$68,018 were made to this loan in 2022, additions in the amount of \$41,346 were made to this loan in 2023, there were no additions or payments in 2024, and additions in the amount of \$6,017,594 were made to this loan in 2025. The balance as of December 31, 2025 is \$6,351,057.

During 2023, the city entered into agreements for three more projects with Dakota County. The first of these agreements related to reconstruction on 185th Street between Dodd Boulevard and Highview Avenue, with the City's total to date of \$2,982,455 as a new loan in 2023. There were no additions or payments in 2024. In 2025, there were additions in the amount of \$111,198 and payments in the amount of \$547,001. This loan is not payable to the County until 2026. The total amount to date for this loan as of December 31, 2025, is \$2,546,642.

During 2023, the city entered into another agreement related to the 210th Street and Lakeville Boulevard reconstruction project, with the City's total to date of \$524,000 as a new loan in 2023. An addition of \$438,190 was added to this loan in 2024, and additions of \$2,788,111 were added to this loan in 2025. The total amount to date for this loan as of December 31, 2025, is \$3,434,001.

During 2024, the city entered into another agreement related to the 179th St. and County Road 31 traffic signal construction project, with the city's total share to date of \$327,602 recorded as a new loan as of December 31, 2024. A payment of \$15,740 was made in 2025, bringing the total to date of this loan as of December 31, 2025 to \$311,863.

Business-type Activities

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2026	\$ 1,105,000	\$ 208,588	\$ 1,313,588
2027	950,000	168,588	1,118,588
2028	980,000	133,538	1,113,538
2029	915,000	97,988	1,012,988
2030	895,000	62,838	957,838
2031-2034	1,610,000	81,818	1,691,818
Total	<u>\$ 6,455,000</u>	<u>\$ 753,358</u>	<u>\$ 7,208,358</u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

Future revenue pledged for the payment of long-term debt related to the Utility – Water, Utility – Sewer, Utility – Street Lights, and Water Connection revenue bonds is noted in the table below.

	Utility
Operating Revenues	\$ 22,621,501
Principal and Interest	1,388,787
Percentage of Revenues	1,629 %

Leases Payable

The City also leases liquor store space, as a lease, as well as certain operations under long-term, non-cancelable lease agreements. The Heritage Liquor Store lease (located in Heritage Shopping Center) consists of 8,859 square feet of space and expires on June 30, 2027. This lease was discounted at a rate of 0.636%. The Kenrick Liquor Store lease (located on Kenrick Avenue) consists of 9,705 square feet of space and expires on April 30, 2028. This lease was discounted at a rate of 1.24%. The City also has an internal lease between the HRA and the Liquor fund for space that was funded by the 2017A lease revenue refunding bonds.

Description	Interest Rates	Issue Date	Payment Terms	Balance at Year End
Liquor Store Building leases	0.636 - 1.24 %	01/01/22	66 Months	<u>\$ 2,711,772</u>

The annual service requirements to maturity for the leases payable are as follows:

Year Ending June 30,	Lease Payable		
	Principal	Interest	Total
2026	\$ 343,608	\$ 30,564	\$ 374,172
2027	259,588	27,457	287,045
2028	181,353	25,137	206,490
2029	188,254	22,830	211,084
2030	190,601	20,482	211,083
2031-2035	1,029,233	65,523	1,094,756
2036-2038	519,135	7,814	526,949
Total	<u>\$ 2,711,772</u>	<u>\$ 199,807</u>	<u>\$ 2,911,579</u>

Financed Purchase Agreements

On October 25, 2017, the city issued \$2,255,000 in HRA Lease Revenue Liquor Enterprise Refunding Bonds, Series 2017A. The proceeds of this issue were deposited with the Trustee in order to call and prepay the outstanding liquor revenue bonds of 2007. In exchange for the refunding of the existing liquor revenue bonds, the liquor fund conveyed related capital assets consisting of land and building to the HRA fund. The HRA then leased the building back to the liquor fund under a financed purchase agreement, resulting in the capital assets being reported back to the liquor fund and the long-term debt being shown in the liquor fund as a financed purchase. The financed purchase terms include interest of between 2.0%-3.0% with payments totaling \$2,255,000 through 2027. Per governmental accounting standards the related long-term debt is not shown in both the governmental and business-type activities, therefore the long-term liability is included in business-type activities as a financed purchase.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

The annual service requirements to maturity for financed purchase agreements are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2026	\$ 270,000	\$ 12,450	\$ 282,450
2027	280,000	4,200	284,200
Total	<u>\$ 550,000</u>	<u>\$ 16,650</u>	<u>\$ 566,650</u>

Changes in Long-term Liabilities

During the year ended December 31, 2025, the following changes occurred in non-current liabilities reported on the government-wide statements.

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable						
G.O. Bonds	\$ 64,575,000	\$ 6,455,000	\$ 22,250,000	\$ (4,715,000)	\$ 88,565,000	\$ 5,950,000
Tax Abatement	16,290,000	-	-	(1,045,000)	15,245,000	1,080,000
Special Assessment	57,800,000	(6,455,000)	-	(6,445,000)	44,900,000	5,955,000
State Aid Bonds	3,260,000	-	-	(215,000)	3,045,000	230,000
G.O. Water Revenue	5,125,000	-	-	(490,000)	4,635,000	495,000
Total Bonds Payable - Net	<u>147,050,000</u>	<u>-</u>	<u>22,250,000</u>	<u>(12,910,000)</u>	<u>156,390,000</u>	<u>13,710,000</u>
Met Council Loans	2,956,795	-	-	-	2,956,795	-
Dakota County Advances	5,174,149	-	8,916,903	(1,447,490)	12,643,562	-
Bond Premium	8,707,324	-	1,031,777	(1,631,236)	8,107,865	-
Compensated Absences Payable*	<u>3,851,391</u>	<u>-</u>	<u>-</u>	<u>(267,041)</u>	<u>3,584,350</u>	<u>-</u>
Governmental Activity Long-term Liabilities	<u>\$ 167,739,659</u>	<u>\$ -</u>	<u>\$ 32,198,680</u>	<u>\$ (16,255,767)</u>	<u>\$ 183,682,572</u>	<u>\$ 13,710,000</u>
Business-type Activities						
Bonds Payable						
G.O. Utility Bonds	\$ 7,585,000	\$ -	\$ -	\$ (1,130,000)	\$ 6,455,000	\$ 1,105,000
Unamortized discount and premium	555,730	-	-	(156,538)	399,192	-
Total Bonds Payable - Net	<u>8,140,730</u>	<u>-</u>	<u>-</u>	<u>(1,286,538)</u>	<u>6,854,192</u>	<u>1,105,000</u>
Financed Purchase Agreement	815,000	-	-	(265,000)	550,000	270,000
Lease Liability	3,047,078	-	-	(335,306)	2,711,772	343,608
Compensated Absences Payable*	<u>633,676</u>	<u>-</u>	<u>53,889</u>	<u>-</u>	<u>687,565</u>	<u>-</u>
Business-type Activity Long-term Liabilities	<u>\$ 12,636,484</u>	<u>\$ -</u>	<u>\$ 53,889</u>	<u>\$ (1,886,844)</u>	<u>\$ 10,803,529</u>	<u>\$ 1,718,608</u>

*The change in the compensated absences liability is presented as a net change under GASB 101.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2025, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 45,030	\$ -	\$ -	\$ -	\$ 45,030
Inventory	157,104	-	-	-	157,104
Total Nonspendable	\$ 202,134	\$ -	\$ -	\$ -	\$ 202,134
Restricted for					
Debt service	\$ -	\$ 27,711,830	\$ -	\$ -	\$ 27,711,830
Public buildings	-	-	8,556,165	-	8,556,165
Public improvements	-	-	6,517,834	-	6,517,834
Street construction	-	-	11,489,783	-	11,489,783
Park development	-	-	9,520,727	-	9,520,727
Tax increment	-	-	136,463	-	136,463
Parks bond referendum	-	-	2,495,047	-	2,495,047
Public communications	-	-	-	156,032	156,032
Local Affordable Housing Aid	-	-	-	635,458	635,458
Opioid remediation activities	-	-	-	156,609	156,609
Downtown Special Service District	-	-	-	10,594	10,594
Total Restricted	\$ -	\$ 27,711,830	\$ 38,716,019	\$ 958,693	\$ 67,386,542
Committed for					
Public improvements	\$ -	\$ -	\$ 209,672	\$ -	\$ 209,672
Public buildings	-	-	1,339,025	-	1,339,025
Pavement management	-	-	775,514	-	775,514
Storm sewer trunk system	-	-	7,117,551	-	7,117,551
Water trunk system	-	-	15,085,161	-	15,085,161
Sanitary sewer trunk system	-	-	14,202,324	-	14,202,324
Trail improvement	-	-	792,760	-	792,760
Park improvement	-	-	723,558	-	723,558
Capital acquisitions	-	-	758,896	-	758,896
Technology equipment	-	-	478,840	-	478,840
Arenas improvement projects	-	-	284,821	-	284,821
Public communications	-	-	-	839,945	839,945
Total Committed	\$ -	\$ -	\$ 41,768,122	\$ 839,945	\$ 42,608,067
Assigned to					
SAFER Grant/Comp Plan 2050	\$ 775,000	\$ -	\$ -	\$ -	\$ 775,000

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan (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.

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

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

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

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 Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (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.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

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

C. Contributions

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were \$1,254,741. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were \$1,874,535. The City's contributions were equal to the required contributions as set by state statute.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$5,967,502 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 \$143,955.

City's proportionate share of the net pension liability	\$ 5,967,502
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>143,955</u>
Total	<u><u>\$ 6,111,457</u></u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1801% at the end of the measurement period and 0.1802% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of negative \$134,282 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional negative \$22,081 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2025, the City reported 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	\$ 568,572	\$ -
Changes in actuarial assumptions	143,782	1,373,102
Net difference between projected and actual investment earnings	-	2,374,526
Changes in proportion	162,524	405,665
Employer contributions subsequent to the measurement date	<u>628,897</u>	<u>-</u>
Total	<u><u>\$ 1,503,775</u></u>	<u><u>\$ 4,153,293</u></u>

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The \$628,897 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ (709,282)
2027	(1,325,352)
2028	(819,604)
2029	(424,177)

Police and Fire Fund Pension Costs

At December 31, 2025, the City reported a liability of \$7,654,352 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.6533% at the end of the measurement period and 0.6181% 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 \$265,338.

City's proportionate share of the net pension liability	\$ 7,654,352
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>265,338</u>
Total	<u><u>\$ 7,919,690</u></u>

For the year ended December 31, 2025, the City recognized pension expense of \$1,929,994 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$128,383 as grant revenue and pension expense for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire special funding situation.

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 \$58,796 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,536,554	\$ -
Changes in actuarial assumptions	5,804,454	9,590,584
Net difference between projected and actual earnings on investments	-	3,416,244
Changes in proportion	808,141	-
Employer contributions subsequent to the measurement date	979,038	-
	<u>\$ 11,128,187</u>	<u>\$ 13,006,828</u>
Total		

The \$979,038 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:

2026	\$ 2,025,507
2027	(1,509,585)
2028	(3,595,647)
2029	(79,288)
2030	301,334

E. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	<u>100.0 %</u>	
Total		

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial Methods and Assumptions

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

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

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service.

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

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

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

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 Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (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 age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2024 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

G. Discount Rate

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

H. Pension Liability Sensitivity

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

	1 Percent Decrease (6.00%)	Current (7.00%)	1 Percent Increase (8.00%)
General Employees Fund	\$ 14,494,127	\$ 5,967,502	\$ (949,509)
Police and Fire Fund	20,056,026	7,654,352	(2,529,378)

I. Pension Plan Fiduciary Net Position

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

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 5: Defined Contribution Plan

The City has City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses.

Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City During the fiscal year 2025 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 2,787	\$ 2,787	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2025, 2024 and 2023 were \$2,787, \$2,795, and \$2,759, respectively.

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association

A. Plan Description

Volunteer firefighters of the City of Lakeville Fire Department (the Department) are members of the Lakeville Fire Relief Association (the Association), which administers a single-employer defined benefit plan established to provide benefits for its members. The plan is established and administered in accordance with Minnesota Statute, Chapters 69 and 424, as amended. The Association is governed by a board of six members elected by the members of the Association for three-year terms. One City Council member, Finance Director and Fire Chief are ex officio, nonvoting members of the Board of Trustees. As of December 31, 2025, the plan covered 75 active firefighters and 24 vested terminated firefighters whose pension benefits are deferred.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980). Funds are also derived from investment income.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with seven years of service, shall be equal to 48% of the pension as described by the bylaws. This percentage increases 4% per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least seven years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable nonforfeitable percentage of pension.

C. Contributions

Minnesota Statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes* and voluntary City contributions (if applicable). The firefighters have no obligation to contribute to the plan. Nonemployer pension contributions include state aid from the state of Minnesota and municipal contributions from the City. On-behalf of the state payments from the State of Minnesota are received initially by the City and subsequently remitted to the Association. These on-behalf of the state aid payments in addition to the City's municipal contribution payments to the Association plan are recognized as revenues and expenditures in the City's General fund during the period received.

The City contributed State of Minnesota fire aid of \$781,775 to the plan on behalf of the Department for the year ended December 31, 2025, which was recorded as revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily required contributions to the plan for the year ended December 31, 2025 were \$-0-. The City's contributions were equal to the required contributions as set by State Statute. The City made no voluntary contributions to the plan.

D. Pension Costs

At December 31, 2025, the City reported a net pension liability (asset) of \$(4,441,840) for the plan. The net pension liability (asset) was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB Statement No. 68 was determined by Van Iwaarden Associates, applying an actuarial formula to specific census data certified by the Department as of December 31, 2025.

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

The following table presents the changes in the net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Beginning Balance January 1, 2025	<u>\$ 9,022,412</u>	<u>\$ 13,424,719</u>	<u>\$ (4,402,307)</u>
Changes for the Year			
Service cost	587,351	-	587,351
Interest cost	554,630	-	554,630
Plan changes	1,410,184	-	1,410,184
Projected investment return	-	1,835,433	(1,835,433)
Nonemployer contributions	-	787,775	(787,775)
Benefit payments	(1,471,368)	(1,471,368)	-
Administrative expenses	-	(31,510)	31,510
Total Net Changes	<u>1,080,797</u>	<u>1,120,330</u>	<u>(39,533)</u>
Ending Balance December 31, 2025	<u>\$ 10,103,209</u>	<u>\$ 14,545,049</u>	<u>\$ (4,441,840)</u>

For the year ended December 31, 2025, the City recognized pension expense of \$1,142,752.

At December 31, 2025, the City reported deferred outflows of resources, including its contributions subsequent to the measurement date, related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 80,204	\$ 578,512
Changes in Actuarial Assumptions	69,250	109,757
Net Difference Between Projected and Actual Earnings on Plan Investments	<u>-</u>	<u>1,589,933</u>
Total	<u>\$ 149,454</u>	<u>\$ 2,278,202</u>

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

2026	\$ (299,723)
2027	(902,403)
2028	(598,993)
2029	(239,602)
2030	(37,833)
Thereafter	(50,194)

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

E. Actuarial Assumptions

The total pension liability at December 31, 2025 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 100% service pension at age 50 with 20 years of service, early vested retirement at age 50 with seven years of service vested at 48% and increased by 4% for each additional year of service up to 20 and eligibility for deferred service pension payable at age 50 and based on the lump sum pension formula and service at date of termination reduced for less than 20 years of service.

Salary Increases	2.50% per year
Cost of Living Increases	2.50%
Investment Rate of Return	6.25%
20-Year Municipal Bond Yield	6.25%

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
Cash and Equivalents	60.00 %	0.99 %
Fixed Income	35.00	2.44
Equities	5.00	4.52
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the 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.

G. Pension Liability Sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (5.25%)	Current (6.25%)	1 Percent Increase (7.25%)
Defined Benefit Plan	\$ (4,155,921)	\$ (4,441,840)	\$ (4,717,016)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Lakeville Firefighters' Relief Association, 20195 Holyoke Avenue, Lakeville, Minnesota, 55044 or by calling (952) 985-4480.

City of Lakeville
Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Postemployment Benefits Other than Pensions

A. Plan Description

The City provides a single employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by Benefits Extra, Inc. It is the City's policy to periodically review its medical coverage and to obtain request for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The plan includes no assets accumulated in a GASB-compliant trust.

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	10
Active Plan Members	<u>231</u>
Total Plan Members	<u><u>241</u></u>

B. Funding Policy

Contribution requirements are also negotiated between the City and union representatives. The City contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement. For the year ended December 31, 2025, the City's average contribution rate was 8 percent of covered-employee payroll. For the year 2025, the City directly contributed \$38,441 to the Plan, while implicit contributions totaled \$29,766.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$2,280,317 was measured as of January 1, 2025, and the OPEB liability was determined by an actuarial valuation as of January 1, 2025.

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

Discount Rate	4.28%
20-Year Municipal Bond Yield	4.28%
Salary Increases	3.50%
Medical Trend Rate	6.20% in 2025 grading to 5.20% over 4 years and then to 4.10% over the next 44 years

The discount rate used to measure the total OPEB liability was 4.28 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

The actuarial assumptions used in the valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2024	\$ 1,199,847
Changes for the Year	
Service Costs	102,553
Interest Costs	51,209
Assumption Changes	638,974
Differences between expected and actual experience	332,516
Benefit Payment	(44,782)
Net Changes	<u>1,080,470</u>
Balances at December 31, 2025	<u><u>\$ 2,280,317</u></u>

Note 7: Postemployment Benefits Other than Pensions (Continued)

Since the prior measurement date, the following assumptions changed:

2025

Changes in Actuarial Assumptions:

Discount rate of 4.00% was updated to 4.28%

Medical trend was updated to 2025 Getzen Model

Retirement rates, withdrawal rates and disability rates were updated and consistent with rates disclosed in 2025 MNPERA plan ACFR report.

Mortality tables were updated to relevant Pub-2010 General and Safety mortality tables with improvement scale MP-2021.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

Since the prior measurement date, the following plan provisions changed:

• None

Since the prior measurement date, the following benefit terms changed:

• None

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

1 Percent Decrease 3.28%	Discount Rate Current 4.28%	1 Percent Increase 5.28%
\$ 2,475,200	\$ 2,280,317	\$ 2,099,088

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 5.20% Decreasing to 3.70%	Healthcare Cost Trend Rates 6.20% Decreasing to 4.70%	1 Percent Increase 7.20% Decreasing to 5.70%
\$ 1,987,804	\$ 2,280,317	\$ 2,631,880

City of Lakeville
Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Postemployment Benefits Other than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of \$218,040. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 428,390	\$ 295,346
Changes in Actuarial Assumptions	665,684	126,455
Contributions Paid to OPEB Subsequent to the Measurement Date	33,799	-
Total	<u>\$ 1,127,873</u>	<u>\$ 421,801</u>

Deferred outflows of resources totaling \$33,799 resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	\$ 65,633
2027	65,633
2028	65,633
2029	65,633
2030	54,469
Thereafter	355,272

City of Lakeville
Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Postemployment Benefits Other than Pensions

A. Plan Description

The City provides a single employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by Benefits Extra, Inc. It is the City's policy to periodically review its medical coverage and to obtain request for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The plan includes no assets accumulated in a GASB-compliant trust.

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	10
Active Plan Members	<u>231</u>
Total Plan Members	<u><u>241</u></u>

B. Funding Policy

Contribution requirements are also negotiated between the City and union representatives. The City contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement. For the year ended December 31, 2025, the City's average contribution rate was 8 percent of covered-employee payroll. For the year 2025, the City directly contributed \$38,441 to the Plan, while implicit contributions totaled \$29,766.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$2,280,317 was measured as of January 1, 2025, and the OPEB liability was determined by an actuarial valuation as of January 1, 2025.

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

Discount Rate	4.28%
20-Year Municipal Bond Yield	4.28%
Salary Increases	3.50%
Medical Trend Rate	6.20% in 2025 grading to 5.20% over 4 years and then to 4.10% over the next 44 years

The discount rate used to measure the total OPEB liability was 4.28 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

The actuarial assumptions used in the valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2024	\$ 1,199,847
Changes for the Year	
Service Costs	102,553
Interest Costs	51,209
Assumption Changes	638,974
Differences between expected and actual experience	332,516
Benefit Payment	(44,782)
Net Changes	<u>1,080,470</u>
Balances at December 31, 2025	<u><u>\$ 2,280,317</u></u>

City of Lakeville
Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Postemployment Benefits Other than Pensions (Continued)

Since the prior measurement date, the following assumptions changed:

2025

Changes in Actuarial Assumptions:

Discount rate of 4.00% was updated to 4.28%

Medical trend was updated to 2025 Getzen Model

Retirement rates, withdrawal rates and disability rates were updated and consistent with rates disclosed in 2025 MNPERA plan ACFR report.

Mortality tables were updated to relevant Pub-2010 General and Safety mortality tables with improvement scale MP-2021.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

Since the prior measurement date, the following plan provisions changed:

• None

Since the prior measurement date, the following benefit terms changed:

• None

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

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The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 5.20% Decreasing to 3.70%	Healthcare Cost Trend Rates 6.20% Decreasing to 4.70%	1 Percent Increase 7.20% Decreasing to 5.70%
\$ 1,987,804	\$ 2,280,317	\$ 2,631,880

City of Lakeville
Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7: Postemployment Benefits Other than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 428,390	\$ 295,346
Changes in Actuarial Assumptions	665,684	126,455
Contributions Paid to OPEB Subsequent to the Measurement Date	33,799	-
Total	<u>\$ 1,127,873</u>	<u>\$ 421,801</u>

Deferred outflows of resources totaling \$33,799 resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	\$ 65,633
2027	65,633
2028	65,633
2029	65,633
2030	54,469
Thereafter	355,272

City of Lakeville, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 8: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation and other miscellaneous insurance coverage. LMCIT operates as a common risk management and insurance program for member cities. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that LMCIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each insured event.

The City also carries commercial insurance for certain other risks of loss, including liquor liability and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in insurance coverage during 2025.

B. Legal Claims

The City has usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

C. Tax Abatement

The City has five pay-as-you-go tax increment financing districts with local businesses to promote economic development within the City. The City agrees pursuant to the authority granted in the TIF Act to abate real estate taxes based on the increased property value from improvements on the owned property. The three of the five agreements call for 95% of the property tax increments collected to be returned to the developers. The City will retain 5% for administrative fees for the periods of time specified in each agreement. One of the agreements calls for 90% of the property tax increments collected to be returned to the developers. The City will retain 10% for administrative fees for the periods of time specified in the agreement. One of the agreements calls for 80% of the property tax increments collected to be returned to the developers. The City will retain 20% for administrative fees for the periods of time specified in the agreement.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Lakeville, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.1801 %	\$ 5,967,502	\$ 143,955	\$ 6,111,457	\$ 16,295,528	36.6 %	90.8 %
6/30/2024	0.1802	6,660,502	172,227	6,832,729	15,019,453	44.3	89.1
6/30/2023	0.1929	10,786,752	297,327	11,084,079	15,468,304	69.7	83.1
6/30/2022	0.1821	14,422,380	1,139,864	15,562,244	13,640,721	105.7	76.7
6/30/2021	0.1758	7,507,448	229,302	7,736,750	12,645,032	59.4	87.0
6/30/2020	0.1701	10,198,272	314,577	10,512,849	12,134,069	84.0	79.1
6/30/2019	0.1633	9,028,491	280,654	9,309,145	11,645,116	77.5	80.2
6/30/2018	0.1632	9,053,667	297,059	9,350,726	10,971,998	82.5	79.5
6/30/2017	0.1585	10,118,535	127,203	10,245,738	10,213,446	99.1	75.9
6/30/2016	0.1544	12,536,514	-	12,536,514	9,572,229	131.0	68.9

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	\$ 1,254,741	\$ 1,254,741	\$ -	\$ 16,729,883	7.50 %
12/31/2024	1,126,459	1,126,459	-	15,019,453	7.50
12/31/2023	1,065,020	1,065,020	-	14,200,267	7.50
12/31/2022	1,065,020	1,065,020	-	14,200,267	7.50
12/31/2021	987,086	987,086	-	13,161,147	7.50
12/31/2020	990,259	990,259	-	13,203,453	7.50
12/31/2019	896,894	896,894	-	11,958,587	7.50
12/31/2018	847,485	847,485	-	11,299,800	7.50
12/31/2017	791,612	791,612	-	10,554,827	7.50
12/31/2016	741,919	741,919	-	9,892,253	7.50

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2025 - The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members. The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2025 - The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%. The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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

2016 - There were no changes in plan provisions since the previous valuation.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2025	0.6533 %	\$ 7,654,352	\$ 265,338	\$ 7,919,690	\$ 9,918,945	77.2 %	91.8 %
6/30/2024	0.6181	8,132,040	309,990	8,442,030	8,801,559	92.4	90.2
6/30/2023	0.6080	10,499,370	422,928	10,922,298	7,903,580	132.8	86.5
6/30/2022	0.5996	26,092,224	1,139,864	27,232,088	7,255,546	359.6	70.5
6/30/2021	0.5818	4,490,879	201,912	4,692,791	6,888,492	65.2	93.7
6/30/2020	0.5668	7,471,030	175,988	7,647,018	6,400,325	116.7	87.2
6/30/2019	0.5900	6,281,146	-	6,281,146	6,241,714	100.6	89.3
6/30/2018	0.5693	6,068,152	-	6,068,152	6,004,172	101.1	88.8
6/30/2017	0.5490	7,412,153	-	7,412,153	5,635,205	131.5	85.4
6/30/2016	0.5620	22,554,038	-	22,554,038	5,423,663	415.8	63.9

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2025	\$ 1,874,535	\$ 1,874,535	\$ -	\$ 10,590,595	17.70 %
12/31/2024	1,557,875	1,557,875	-	8,801,556	17.70
12/31/2023	1,403,842	1,403,842	-	7,931,311	17.70
12/31/2022	1,316,993	1,316,993	-	7,440,638	17.70
12/31/2021	1,172,597	1,172,597	-	6,624,842	17.70
12/31/2020	1,173,052	1,173,052	-	6,627,412	17.70
12/31/2019	1,066,319	1,066,319	-	6,290,968	16.95
12/31/2018	999,032	999,032	-	6,166,864	16.20
12/31/2017	942,349	942,349	-	5,816,969	16.20
12/31/2016	904,571	904,571	-	5,583,772	16.20

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2025 - Assumed rates of salary increases were reduced slightly. Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements. Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment. Assumed rates of disabled retirement were significantly increased, especially for ages over age 30. Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience. Percent married assumption for female retirees lowered from 70% to 65%. Minor changes were made to form of payment assumptions for retirees. Minor changes were made to assumptions made with respect to missing participant data. The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability 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 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

- 2025 - The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase). The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%. The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis). The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 20248 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048. Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.
- 2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).
- 2023 - An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023. The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years. A one-time non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability was increased, effective July 1, 2023.
- 2022 - There were no changes in plan provisions since the previous valuation.
- 2021 - There were no changes in plan provisions since the previous valuation.
- 2020 - There were no changes in plan provisions since the previous valuation.
- 2019 - There were no changes in plan provisions since the previous valuation.
- 2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9 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 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.
- 2017- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.0 percent to 60.0 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.
- 2016 - There were no changes in plan provisions since the previous valuation.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 587,351	\$ 501,314	\$ 489,087	\$ 438,526
Interest on pension liability (asset)	554,630	432,398	479,407	443,842
Changes of benefit terms	1,410,184	1,847,064	-	1,212,453
Differences between expected and actual experience	-	(255,200)	-	148,756
Changes of assumptions	-	(126,493)	-	(27,176)
Benefit payments	(1,471,368)	(790,653)	(2,805,883)	(491,000)
Net Change in Total Pension Liability	<u>1,080,797</u>	<u>1,608,430</u>	<u>(1,837,389)</u>	<u>1,725,401</u>
Total Pension Liability - January 1	<u>9,022,412</u>	<u>7,413,982</u>	<u>9,251,371</u>	<u>7,525,970</u>
Total Pension Liability - December 31 (a)	<u><u>\$ 10,103,209</u></u>	<u><u>\$ 9,022,412</u></u>	<u><u>\$ 7,413,982</u></u>	<u><u>\$ 9,251,371</u></u>
Plan Fiduciary Net Position				
Nonemployer contributions	\$ 787,775	\$ 672,405	\$ 588,879	\$ 510,676
Projected investment return	1,835,433	1,978,419	2,044,048	(2,204,039)
Benefit payments	(1,471,368)	(790,653)	(2,805,883)	(491,000)
Administrative expenses	(31,510)	(21,094)	(19,686)	(10,098)
Net Change in Plan Fiduciary Net Position	<u>1,120,330</u>	<u>1,839,077</u>	<u>(192,642)</u>	<u>(2,194,461)</u>
Plan Fiduciary Net Position - January 1	<u>13,424,719</u>	<u>11,585,642</u>	<u>11,778,284</u>	<u>13,972,745</u>
Plan Fiduciary Net Position - December 31 (b)	<u><u>\$ 14,545,049</u></u>	<u><u>\$ 13,424,719</u></u>	<u><u>\$ 11,585,642</u></u>	<u><u>\$ 11,778,284</u></u>
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	<u><u>\$ (4,441,840)</u></u>	<u><u>\$ (4,402,307)</u></u>	<u><u>\$ (4,171,660)</u></u>	<u><u>\$ (2,526,913)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	143.96%	148.79%	156.27%	127.31%
Covered Payroll	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Notes to the Schedule:

The expected long-term investment return and GASB discounting rate were increased from 5.25% to 6.25%.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

2021	2020	2019	2018	2017	2016
\$ 428,876	\$ 356,038	\$ 319,546	\$ 255,975	\$ 231,712	\$ 270,846
429,588	434,535	376,417	358,835	345,935	301,640
-	1,435,979	388,025	352,464	154,012	186,369
-	(1,177,043)	-	(57,139)	-	(201,242)
-	163,176	-	94,736	38,230	(161,264)
(749,411)	(249,778)	(203,935)	(602,296)	(276,622)	(547,241)
109,053	962,907	880,053	402,575	493,267	(150,892)
7,416,917	6,454,010	5,573,957	5,171,382	4,678,115	4,829,007
<u>\$ 7,525,970</u>	<u>\$ 7,416,917</u>	<u>\$ 6,454,010</u>	<u>\$ 5,573,957</u>	<u>\$ 5,171,382</u>	<u>\$ 4,678,115</u>
\$ 434,690	\$ 409,568	\$ 379,598	\$ 367,701	\$ 351,635	\$ 348,276
1,871,403	1,715,829	1,904,143	(314,875)	1,175,892	551,474
(749,411)	(249,778)	(203,935)	(602,296)	(276,622)	(547,241)
(15,719)	(10,634)	(12,474)	(12,042)	(11,579)	(9,817)
1,540,963	1,864,985	2,067,332	(561,512)	1,239,326	342,692
12,431,782	10,566,797	8,499,465	9,060,977	7,821,651	7,478,959
<u>\$ 13,972,745</u>	<u>\$ 12,431,782</u>	<u>\$ 10,566,797</u>	<u>\$ 8,499,465</u>	<u>\$ 9,060,977</u>	<u>\$ 7,821,651</u>
<u>\$ (6,446,775)</u>	<u>\$ (5,014,865)</u>	<u>\$ (4,112,787)</u>	<u>\$ (2,925,508)</u>	<u>\$ (3,889,595)</u>	<u>\$ (3,143,536)</u>
185.66%	167.61%	163.72%	152.49%	175.21%	167.20%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2025 - There were no changes in plan provisions since the previous valuation.

2024 - There were no changes in plan provisions since the previous valuation.

2023 - There were no changes in plan provisions since the previous valuation.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in actuarial assumptions since the previous valuation.

2020 - The mortality improvement scale changed from MP-2018 to MP-2019. The expected long-term investment return and GASB discount rate were lowered from 6.00% to 5.75%. The 20-Year municipal bond rate assumption was lowered from 3.50% to 3.00%

2019 - The health care trend rates were changed to better anticipate short term and long-term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated. The discount rate was changed from 3.30% to 3.80%. The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.

2018 - The mortality improvement scale changed from MP-2016 to MP-2017. The assumed annual increase to the benefit level changed from 1.50% to 2.00%.

2017 - The mortality improvement scale changed from MP-2015 to MP-2016.

2016 - The mortality improvement scale changed from MP-2014 to MP-2015. The disability decrement assumption was eliminated.

2015 - No changes in actuarial assumptions.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Fire Relief Association (Continued)

Changes in Plan Provisions

2025 - There were no changes in plan provisions since the previous valuation.

2024 - The benefit rate increased from \$44.03 to \$45.35. The lump sum rate increased from \$8,240.00 to \$8,487.20. The increase was 3.0% compared to 2.5% expected.

2023 - There were no changes in plan provisions since the previous valuation.

2022 - There were no changes in plan provisions since the previous valuation

2021 - There were no changes in plan provisions since the previous valuation.

2020 - The monthly benefit level increased from \$39.71 to \$40.89. The lump sum benefit level increased from \$6,073.73 to \$6,255.94.

2019 - The monthly benefit level increased from \$38.55 to \$39.71 The lump sum benefit level increased from \$5,896.83 to \$6,073.73.

2018 - The monthly benefit level increased from \$37.43 to \$38.55 The lump sum benefit level increased from \$5,725.08 to \$5,896.83.

2015 - The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2014.

City of Lakeville
Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Schedule of Changes in the City's OPEB Liability and Related Ratios

	2025	2024	2023	2022
Total OPEB Liability				
Service Costs	102,553	94,527	77,941	80,068
Interest Costs	51,209	49,386	26,086	21,882
Assumption Changes	638,974	28,776	(157,857)	(28,591)
Differences between expected and actual experience	332,516	-	69,035	(3,399)
Benefit Payment	(44,782)	(47,802)	(43,080)	(41,533)
Net Change in Total OPEB Liability	1,080,470	124,887	(27,875)	28,427
Total OPEB Liability - Beginning	1,199,847	1,074,960	1,102,835	1,074,408
Total OPEB Liability - Ending	<u>\$ 2,280,317</u>	<u>\$ 1,199,847</u>	<u>\$ 1,074,960</u>	<u>\$ 1,102,835</u>
Covered - Employee Payroll	\$ 23,254,642	\$ 20,237,799	\$ 20,991,155	\$ 18,582,335
City's total OPEB liability as a percentage of covered employee payroll	9.81 %	5.93 %	5.12 %	5.93 %

Changes in assumptions:

2025

Changes in Actuarial Assumptions:

Discount rate of 4.00% was updated to 4.28%

Medical trend was updated to 2025 Getzen Model

Retirement rates, withdrawal rates, and disability rates were updated and consistent with rates disclosed in 2025 MNPERA plan ACFR report.

Mortality tables were updated to relevant Pub-2010 General and Safety mortality tables with improvement scale MP-2021.

Changes in Plan Provisions:

There have been no changes since the prior valuation.

Changes in benefits:

• None

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
92,424	90,590	89,732	-
49,766	46,760	48,182	-
135,361	-	-	-
(459,716)	-	87,715	-
<u>(66,232)</u>	<u>(51,097)</u>	<u>(50,869)</u>	<u>-</u>
(248,397)	86,253	174,760	-
<u>1,322,805</u>	<u>1,236,552</u>	<u>1,061,792</u>	<u>1,061,792</u>
<u>\$ 1,074,408</u>	<u>\$ 1,322,805</u>	<u>\$ 1,236,552</u>	<u>\$ 1,061,792</u>
\$ 17,204,233	\$ 14,711,089	\$ 14,711,089	\$ 15,084,789
6.25 %	8.99 %	8.41 %	7.04 %

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
Budgetary Comparison Schedule
Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget	Actual	Variance with
	Original	Final	Amounts	Amounts	Final Budget
Revenues					
Taxes	\$ 33,300,000	\$ 33,300,000	\$ -	\$ 33,115,094	\$ (184,906)
Licenses and permits	3,259,689	3,387,799	128,110	3,661,713	273,914
Intergovernmental	3,478,938	3,674,484	195,546	3,641,318	(33,166)
Charges for services	3,101,894	3,904,238	802,344	4,245,472	341,234
Fines and forfeits	240,000	240,000	-	196,228	(43,772)
Special assessments	-	67,000	67,000	83,355	16,355
Investment earnings	500,000	500,000	-	1,006,832	506,832
Miscellaneous	118,517	174,353	55,836	250,251	75,898
Total Revenues	<u>43,999,038</u>	<u>45,247,874</u>	<u>1,248,836</u>	<u>46,200,263</u>	<u>952,389</u>
Expenditures					
Current					
General government	8,010,447	7,981,297	(29,150)	7,442,509	538,788
Public safety	22,801,251	22,799,650	(1,601)	22,317,292	482,358
Public works	6,618,383	6,704,427	86,044	6,189,705	514,722
Culture and recreation	5,917,704	5,965,269	47,565	5,964,679	590
Capital outlay					
General government	-	59,977	59,977	67,238	(7,261)
Public safety	15,000	43,400	28,400	43,446	(46)
Public works	119,539	128,147	8,608	130,857	(2,710)
Culture and recreation	11,100	18,600	7,500	20,215	(1,615)
Total Expenditures	<u>43,493,424</u>	<u>43,700,767</u>	<u>207,343</u>	<u>42,175,941</u>	<u>1,524,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>505,614</u>	<u>1,547,107</u>	<u>1,041,493</u>	<u>4,024,322</u>	<u>2,477,215</u>
Other Financing Sources (Uses)					
Sale of capital assets	7,479	9,979	2,500	14,897	4,918
Transfers in	170,000	54,500	(115,500)	54,500	-
Transfers out	-	(1,850,000)	(1,850,000)	(1,850,000)	-
Total Other Financing Sources (Uses)	<u>177,479</u>	<u>(1,785,521)</u>	<u>(1,963,000)</u>	<u>(1,780,603)</u>	<u>4,918</u>
Net Change in Fund Balances	683,093	(238,414)	(921,507)	2,243,719	2,482,133
Fund Balances, January 1	<u>23,186,629</u>	<u>23,186,629</u>	<u>-</u>	<u>23,186,629</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 23,869,722</u>	<u>\$ 22,948,215</u>	<u>\$ (921,507)</u>	<u>\$ 25,430,348</u>	<u>\$ 2,482,133</u>

The notes to the financial statements are an integral part of this statement.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Budgetary Reporting

A. Budgetary Comparison Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Budget Amendments

In accordance with state statutes governing municipal financial management and compliance with GASB Statement No. 103, the City's budget amendments were processed and approved through established legal and procedural frameworks. The City Council exercised its authority as delineated in Minnesota Statutes Section 471.6965, ensuring that all modifications to the budget were deliberated and approved in public meetings, adhering to principles of transparency and accountability. Each amendment or group of amendments were documented and justified based on emergent fiscal requirements or reallocation of resources, following criteria that align with GASB 103 guidelines. This process underscores the City's commitment to maintaining financial integrity and regulatory compliance, providing a clear audit trail for citizens and auditors alike.

C. Summary of Significant Budget Amendments

Significant amendments to the original General fund budget were approved as noted below:

Expenditures

- Approved an increase to public works charges for services for increased engineering administrative fees.

Other Financing Uses

- Approved a decrease to transfers out to other funds, reflecting a personnel transition within the drug task force. The assigned officer retired during the fiscal year, with the position anticipated to be backfilled in 2026. The remaining transfer balance continues to be designated for remediation activities in accordance with their approved purpose.

Significant amendments to the original Opioid Settlement fund budget were approved as noted below:

Other Financing Uses

- Approved an decrease to transfers out to other funds as funds are still required to be used for remediation activities.

Significant amendments to the original Debt Service fund budget were approved as noted below:

Other Financing Uses

- Approved an increase to transfers out to other funds to apply franchise fee revenues designated for public safety capital projects, reducing the amount of bonds issued for the public safety training center.

Significant amendments to the original Capital Projects fund budget were approved as noted below:

Revenues

- Approved an increase to intergovernmental revenues to account for MSA allocations.
- Approved an increase to interest earnings based on project investment earnings.

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Budgetary Reporting (Continued)

Expenditures

- Approved an increase to capital outlay expenditures to account for ongoing construction projects.

Other Financing Sources and Uses

- Approved an increase to bond issuances to account for the public safety training facility construction.
- Approved an increase to premiums on bonds issued as the bond premium were realized.
- Approved an increase to transfers in to account for other fund shares of project costs.
- Approved an increase to transfers out to account for the capital project funds share of debt obligations.

D. Summary of Significant Budget Variances

The General fund revenues and expenditures varied significantly from final budget amounts as noted below:

Revenues

- Fair market value exceeded final budgeted amounts as this was not budgeted for due to the uncertain nature of the fair value of investments. The City generally holds investments until maturity; therefore, any temporary market value adjustments are expected to be recovered in future periods.

The Debt Service fund revenues and expenditures varied significantly from final budget amounts as noted below:

Revenues

- Franchise taxes exceeded final budgeted amounts as this was not budgeted for.
- Charges for services were under final budgeted amounts as a result of lower-than-expected service charges collected.
- Fair market value exceeded final budgeted amounts as this was not budgeted for due to the uncertain nature of the fair value of investments.

Other Financing Sources

- Bond issuances exceeded final budgeted amounts and consists of capitalized interest on the bond issuance to be utilized for the first interest installment.

The Capital Projects fund revenues and expenditures varied significantly from final budget amounts as noted below:

City of Lakeville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplementary Information - Budgetary Reporting (Continued)

Revenues

- Intergovernmental revenues were under final budgeted amounts as an increase in state revenues was expected but not received. The City expects to receive approximately \$7 million in state aid in 2026, representing the first time this type of funding has been allocated to the City; delays in the awards and reimbursement process resulted in the revenue falling outside of the current fiscal year.
- Charges for services exceeded final budgeted amounts as engineering fees on projects were higher than expected.
- Interest earnings exceeded final budgeted amounts reflecting more favorable market conditions than originally projected. Consistent with the City's investment practice of holding securities to maturity, any temporary adjustments to market value are expected to be recovered prior to settlement.
- Fair market value exceeded final budgeted amounts as this was not budgeted for due to the uncertain nature of the fair value of investments.

Expenditures

- Capital outlay expenditures were under final budgeted amounts as capital project costs were lower than anticipated.

Other Financing Sources

- Bond issuance and other sources exceeded final budgeted amounts as the timing of realizing Dakota County portion of shared projects changed.

E. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2025.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Lakeville, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued on the Follow Pages)
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget	Actual	Variance with
	Original	Final	Amendments	Amounts	Final Budget
Revenues					
Taxes					
General property taxes					
Current	\$ 29,048,623	\$ 29,048,623	\$ -	\$ 28,914,698	\$ (133,925)
Delinquent	242,000	242,000	-	216,749	(25,251)
Fiscal disparities	3,928,377	3,928,377	-	3,892,236	(36,141)
Mobile home tax	70,000	70,000	-	88,293	18,293
Gravel tax	11,000	11,000	-	3,118	(7,882)
Total taxes	33,300,000	33,300,000	-	33,115,094	(184,906)
Licenses and permits	3,259,689	3,387,799	128,110	3,661,713	273,914
Intergovernmental					
Federal					
Grants	1,603,936	1,603,936	-	1,501,886	(102,050)
State					
Market value homestead credit	3,000	3,000	-	2,230	(770)
Fire aid	682,405	781,775	99,370	784,775	3,000
Police aid	797,698	893,874	96,176	893,874	-
Police and fire grants	108,750	108,750	-	121,058	12,308
Other state aid	283,149	170,149	(113,000)	227,121	56,972
Local					
Miscellaneous	-	113,000	113,000	110,374	(2,626)
Total intergovernmental	3,478,938	3,674,484	195,546	3,641,318	(33,166)
Charges for services					
General government	458,973	536,443	77,470	558,686	22,243
Public safety	618,340	618,340	-	590,432	(27,908)
Public works	753,755	1,432,829	679,074	1,718,134	285,305
Culture and recreation	1,270,826	1,316,626	45,800	1,378,220	61,594
Total charges for services	3,101,894	3,904,238	802,344	4,245,472	341,234
Fines and forfeitures	240,000	240,000	-	196,228	(43,772)
Special assessments	-	67,000	67,000	83,355	16,355
Investment income					
Interest earnings	500,000	500,000	-	560,232	60,232
Increase (decrease) in fair market value	-	-	-	446,600	446,600
Total investment income	500,000	500,000	-	1,006,832	506,832
Miscellaneous revenues					
Contributions and donations	34,500	121,336	86,836	124,852	3,516
Other	84,017	53,017	(31,000)	125,399	72,382
Total miscellaneous	118,517	174,353	55,836	250,251	75,898
Total Revenues	43,999,038	45,247,874	1,248,836	46,200,263	952,389

City of Lakeville, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget	Actual	Variance with
	Original	Final	Amendments	Amounts	Final Budget
Expenditures					
Current					
General government					
Mayor and council					
Personnel services	\$ 53,290	\$ 53,290	\$ -	\$ 53,848	\$ (558)
Other services and charges	73,031	73,031	-	79,388	(6,357)
Total mayor and council	126,321	126,321	-	133,236	(6,915)
City administration					
Personnel services	525,849	525,744	(105)	536,994	(11,250)
Supplies	2,295	2,295	-	(153)	2,448
Other services and charges	58,945	58,945	-	56,719	2,226
Total city administration	587,089	586,984	(105)	593,560	(6,576)
Committees/commissions					
Personnel services	80,297	46,400	(33,897)	44,555	1,845
Supplies	25	200	175	180	20
Other services and charges	63,100	60,800	(2,300)	57,104	3,696
Total committees/commissions	143,422	107,400	(36,022)	101,839	5,561
City clerk					
Personnel services	159,290	159,255	(35)	159,867	(612)
Supplies	920	920	-	219	701
Other services and charges	65,369	65,369	-	50,596	14,773
Total city clerk	225,579	225,544	(35)	210,682	14,862
Human resources					
Personnel services	512,536	512,361	(175)	482,643	29,718
Supplies	1,110	1,110	-	560	550
Other services and charges	174,843	179,831	4,988	120,818	59,013
Total human resources	688,489	693,302	4,813	604,021	89,281
General government facilities					
Personnel services	416,566	416,461	(105)	399,317	17,144
Supplies	24,467	24,467	-	21,901	2,566
Other services and charges	228,958	228,958	-	197,582	31,376
Total general government facilities	669,991	669,886	(105)	618,800	51,086
Legal counsel					
Other services and charges	87,000	88,500	1,500	112,590	(24,090)
Finance					
Personnel services	1,065,537	1,065,257	(280)	997,729	67,528
Supplies	3,550	3,550	-	1,299	2,251
Other services and charges	166,552	166,552	-	155,329	11,223
Total finance	1,235,639	1,235,359	(280)	1,154,357	81,002
Insurance coverage					
Other services and charges	250,000	250,000	-	250,000	-
Community and economic development					
Personnel services	949,914	949,704	(210)	928,198	21,506
Supplies	2,566	2,566	-	1,812	754
Other services and charges	137,169	139,011	1,842	133,123	5,888
Total community and economic development	1,089,649	1,091,281	1,632	1,063,133	28,148
Inspections					
Personnel services	1,553,563	1,553,155	(408)	1,431,925	121,230
Supplies	21,102	21,102	-	11,539	9,563
Other services and charges	343,457	343,457	-	291,916	51,541
Total inspections	1,918,122	1,917,714	(408)	1,735,380	182,334
Information technology					
Personnel services	433,635	433,495	(140)	429,209	4,286
Supplies	4,070	4,070	-	852	3,218
Other services and charges	551,441	551,441	-	434,850	116,591
Total information technology	989,146	989,006	(140)	864,911	124,095
Total general government	8,010,447	7,981,297	(29,150)	7,442,509	538,788

City of Lakeville, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget Amendments	Actual Amounts	Variance with Final Budget
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personnel services	\$ 13,852,542	\$ 13,736,447	\$ (116,095)	\$ 13,530,529	\$ 205,918
Supplies	543,256	543,256	-	559,283	(16,027)
Other services and charges	2,817,154	2,817,154	-	2,697,556	119,598
Total police	17,212,952	17,096,857	(116,095)	16,787,368	309,489
Fire protection					
Personnel services	4,819,340	4,932,434	113,094	4,757,192	175,242
Supplies	381,796	381,796	-	341,631	40,165
Other services and charges	387,163	388,563	1,400	431,101	(42,538)
Total fire protection	5,588,299	5,702,793	114,494	5,529,924	172,869
Total public safety	22,801,251	22,799,650	(1,601)	22,317,292	482,358
Public works					
Engineering					
Personnel services	797,262	796,982	(280)	744,778	52,204
Supplies	6,725	6,725	-	4,207	2,518
Other services and charges	142,735	146,975	4,240	86,894	60,081
Total engineering	946,722	950,682	3,960	835,879	114,803
Forestry					
Personnel services	264,962	264,892	(70)	248,774	16,118
Supplies	8,058	8,058	-	8,388	(330)
Other services and charges	353,090	483,686	130,596	471,987	11,699
Total forestry	626,110	756,636	130,526	729,149	27,487
Construction services					
Personnel services	603,504	555,825	(47,679)	486,045	69,780
Supplies	11,789	11,889	100	9,398	2,491
Other services and charges	20,540	20,540	-	14,426	6,114
Total construction services	635,833	588,254	(47,579)	509,869	78,385
Street maintenance					
Personnel services	\$ 2,887,534	\$ 2,886,671	\$ (863)	\$ 2,660,946	\$ 225,725
Supplies	858,422	858,422	-	825,395	33,027
Other services and charges	663,762	663,762	-	628,467	35,295
Total street maintenance	4,409,718	4,408,855	(863)	4,114,808	294,047
Total public works	6,618,383	6,704,427	86,044	6,189,705	514,722
Culture and recreation					
Park maintenance					
Personnel services	2,789,797	2,789,167	(630)	2,877,683	(88,516)
Supplies	432,424	432,424	-	347,955	84,469
Other services and charges	546,431	546,431	-	502,283	44,148
Total park maintenance	3,768,652	3,768,022	(630)	3,727,921	40,101
Recreation					
Personnel services	670,398	695,093	24,695	658,170	36,923
Supplies	52,080	52,080	-	61,582	(9,502)
Other services and charges	403,940	403,940	-	427,366	(23,426)
Total recreation	1,126,418	1,151,113	24,695	1,147,118	3,995

City of Lakeville, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget	Actual	Variance with
	Original	Final	Amendments	Amounts	Final Budget
Expenditures (Continued)					
Arts center					
Personnel services	611,882	635,382	23,500	661,032	(25,650)
Supplies	87,191	87,191	-	88,757	(1,566)
Other services and charges	323,561	323,561	-	339,851	(16,290)
Total arts center	<u>1,022,634</u>	<u>1,046,134</u>	<u>23,500</u>	<u>1,089,640</u>	<u>(43,506)</u>
Total culture and recreation	<u>5,917,704</u>	<u>5,965,269</u>	<u>47,565</u>	<u>5,964,679</u>	<u>590</u>
Total current	<u>43,347,785</u>	<u>43,450,643</u>	<u>102,858</u>	<u>41,914,185</u>	<u>1,536,458</u>
Capital outlay					
General government	-	59,977	59,977	67,238	(7,261)
Public safety	15,000	43,400	28,400	43,446	(46)
Public works	119,539	128,147	8,608	130,857	(2,710)
Culture and recreation	11,100	18,600	7,500	20,215	(1,615)
Total capital outlay	<u>145,639</u>	<u>250,124</u>	<u>104,485</u>	<u>261,756</u>	<u>(11,632)</u>
Total Expenditures	<u>43,493,424</u>	<u>43,700,767</u>	<u>207,343</u>	<u>42,175,941</u>	<u>1,524,826</u>
Excess (Deficiency) of Revenues					
Over(Under) Expenditures	<u>505,614</u>	<u>1,547,107</u>	<u>1,041,493</u>	<u>4,024,322</u>	<u>2,477,215</u>
Other Financing Sources (Uses)					
Sale of capital assets	7,479	9,979	2,500	14,897	4,918
Transfers in	170,000	54,500	(115,500)	54,500	-
Transfers out	-	(1,850,000)	(1,850,000)	(1,850,000)	-
Total Other Financing Sources (Uses)	<u>177,479</u>	<u>(1,785,521)</u>	<u>(1,963,000)</u>	<u>(1,780,603)</u>	<u>4,918</u>
Net Change in Fund Balances	683,093	(238,414)	(921,507)	2,243,719	2,482,133
Fund Balances, January 1	<u>23,186,629</u>	<u>23,186,629</u>	<u>-</u>	<u>23,186,629</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 23,869,722</u>	<u>\$ 22,948,215</u>	<u>\$ (921,507)</u>	<u>\$ 25,430,348</u>	<u>\$ 2,482,133</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service, capital projects, or activities as required by deferral regulations, Minnesota Statutes, City Charter provisions, local ordinances, or specific grant agreements. Most of the special revenue funds are related to specific Federal and State housing programs or grants for specific activities.

Nonmajor special revenue funds presently established are as follows:

Communications Fund - This fund accounts for franchise fees from cable TV provider operations. Expenditures and other financing uses are used to finance the City's cable TV channels and public communications, including long-term replacement of equipment.

Downtown Special Service District Fund - This fund was created in 1998 pursuant to Minnesota Statute 428A. A service charge, payable with property taxes, is levied against the commercial properties in the Downtown Business District for the purpose of financing budgeted programs and activities within the District.

Opioid Settlement Fund - This fund is used to account for opioid settlement revenues and the related expenditures restricted to opioid remediation activities.

Local Affordable Housing Fund – This fund is used to account for local affordable housing aid revenues and the related expenditures restricted to local affordable housing activities.

City of Lakeville, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2025

	Communications	Downtown Special Service District	Opioid Settlement	Local Affordable Housing Aid	Total
Assets					
Cash and investments	\$ 939,710	\$ 10,534	\$ 155,513	\$ 635,458	\$ 1,741,215
Receivables					
Accrued interest	6,224	60	1,096	-	7,380
Accounts	106,712	-	-	-	106,712
Total Assets	\$ 1,052,646	\$ 10,594	\$ 156,609	\$ 635,458	\$ 1,855,307
Liabilities					
Accounts payable	\$ 1,315	\$ -	\$ -	\$ -	\$ 1,315
Accrued salaries and withholdings payable	12,187	-	-	-	12,187
Total Liabilities	13,502	-	-	-	13,502
Deferred Inflows of Resources					
Deferred lease resources	43,167	-	-	-	43,167
Fund Balances					
Restricted	156,032	10,594	156,609	635,458	958,693
Committed	839,945	-	-	-	839,945
Total Fund Balances	995,977	10,594	156,609	635,458	1,798,638
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,052,646	\$ 10,594	\$ 156,609	\$ 635,458	\$ 1,855,307

City of Lakeville, Minnesota
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2025

	Communications	Downtown Special Service District	Opioid Settlement	Local Affordable Housing Aid	Total
Revenues					
Franchise taxes	\$ 450,722	\$ -	\$ -	\$ -	\$ 450,722
Intergovernmental	-	-	-	635,458	635,458
Charges for services	36,223	-	-	-	36,223
Investment income					
Interest earnings	35,343	370	4,419	-	40,132
Increase in fair market value	27,905	297	3,243	-	31,445
Miscellaneous revenues					
Refunds and reimbursements	-	-	62,539	-	62,539
Rents	2,000	-	-	-	2,000
Total Revenues	<u>552,193</u>	<u>667</u>	<u>70,201</u>	<u>635,458</u>	<u>1,258,519</u>
Expenditures					
Current					
General government	786,126	3,480	-	229,465	1,019,071
Capital outlay					
General government	48,700	-	-	-	48,700
Total Expenditures	<u>834,826</u>	<u>3,480</u>	<u>-</u>	<u>229,465</u>	<u>1,067,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(282,633)	(2,813)	70,201	405,993	190,748
Other Financing Sources (Uses)					
Transfers out	<u>(4,155)</u>	<u>-</u>	<u>(24,500)</u>	<u>-</u>	<u>(28,655)</u>
Net Change in Fund Balances	(286,788)	(2,813)	45,701	405,993	162,093
Fund Balances, January 1	<u>1,282,765</u>	<u>13,407</u>	<u>110,908</u>	<u>229,465</u>	<u>1,636,545</u>
Fund Balances, December 31	<u>\$ 995,977</u>	<u>\$ 10,594</u>	<u>\$ 156,609</u>	<u>\$ 635,458</u>	<u>\$ 1,798,638</u>

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PROPRIETARY FUNDS

Internal Service Funds – These funds are used as an accounting device to accumulate and allocate costs internally amongst the City's various functions.

Municipal Reserve Fund - This fund accounts for the City's risk management program relating to general liability, excess liability, property, workers compensation, and casualty insurance costs which are charged to other City departments on a cost reimbursement basis.

Compensated Leave Fund - This fund accounts for the accrued liability of employee benefits attributed to compensated leave. Funding was initially provided by transfers from the General Fund. Future revenue sources are charged to benefited programs and departments. Benefits paid to Enterprise Fund employees are accounted for in their respective funds.

City of Lakeville, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2025

	Governmental Activities - Internal Service Funds		
	Municipal Reserves	Compensated Leave	Total
Assets			
Cash and investments	\$ 473,159	\$ 638,296	\$ 1,111,455
Receivables			
Accrued interest	2,303	3,912	6,215
Accounts	14,762	-	14,762
Total Assets	<u>\$ 490,224</u>	<u>\$ 642,208</u>	<u>\$ 1,132,432</u>
Liabilities			
Accounts payable	\$ 9,466	\$ -	\$ 9,466
Compensated absences payable	-	3,584,350	3,584,350
Total Liabilities	<u>9,466</u>	<u>3,584,350</u>	<u>3,593,816</u>
Net Position			
Unrestricted	<u>480,758</u>	<u>(2,942,142)</u>	<u>(2,461,384)</u>
Total Liabilities and Net Position	<u>\$ 490,224</u>	<u>\$ 642,208</u>	<u>\$ 1,132,432</u>

City of Lakeville, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Position
For the Year Ended December 31, 2025

	Governmental Activities - Internal Service Funds		
	Municipal Reserves	Compensated Leave	Totals
Operating Revenues			
User charges	\$ 369,992	\$ 234,129	\$ 604,121
Other revenue	281,746	-	281,746
Total Operating Revenues	<u>651,738</u>	<u>234,129</u>	<u>885,867</u>
Operating Expenses			
Personnel services	-	(22,589)	(22,589)
Professional services	706,610	-	706,610
Total Operating Expenses	<u>706,610</u>	<u>(22,589)</u>	<u>684,021</u>
Operating Income (Loss)	(54,872)	256,718	201,846
Nonoperating Revenues (Expenses)			
Investment income			
Interest earnings	3,692	21,798	25,490
Increase (decrease) in fair market value	3,471	16,661	20,132
Total Nonoperating Revenues (Expenses)	<u>7,163</u>	<u>38,459</u>	<u>45,622</u>
Change in Net Position	(47,709)	295,177	247,468
Net Position, January 1	<u>528,467</u>	<u>(3,237,319)</u>	<u>(2,708,852)</u>
Net Position, December 31	<u>\$ 480,758</u>	<u>\$ (2,942,142)</u>	<u>\$ (2,461,384)</u>

City of Lakeville, Minnesota
Communications Fund
Budgeted Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Franchise taxes	\$ 489,685	\$ 450,722	\$ (38,963)
Charges for services	34,116	36,223	2,107
Investment income			
Interest earnings	6,052	35,343	29,291
Increase (decrease) in fair market value	2,000	27,905	25,905
Miscellaneous revenues			
Rents	-	2,000	2,000
Total Revenues	<u>531,853</u>	<u>552,193</u>	<u>20,340</u>
Expenditures			
Current			
General government	805,067	786,126	(18,941)
Capital outlay			
General government	33,000	48,700	15,700
Total Expenditures	<u>838,067</u>	<u>834,826</u>	<u>(3,241)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(306,214)	(282,633)	23,581
Other Financing Sources (Uses)			
Transfers out	<u>(4,155)</u>	<u>(4,155)</u>	<u>-</u>
Net Change in Fund Balances	(310,369)	(286,788)	23,581
Fund Balances, January 1	<u>1,282,765</u>	<u>1,282,765</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 972,396</u>	<u>\$ 995,977</u>	<u>\$ 23,581</u>

City of Lakeville, Minnesota
Opioid Settlement Fund
Budgeted Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget Amendments	Actual Amounts	Variance with Final Budget
	Original	Final			
Revenues					
Investment income					
Interest earnings	\$ 3,027	\$ 3,027	\$ -	\$ 4,419	\$ 1,392
Increase (decrease) in fair market value	-	-	-	3,243	3,243
Miscellaneous revenues					
Refunds and reimbursements	62,539	62,539	-	62,539	-
Total Revenues	65,566	65,566	-	70,201	4,635
Other Financing Sources (Uses)					
Transfers out	(140,000)	(24,500)	115,500	(24,500)	-
Net Change in Fund Balances	(74,434)	41,066	115,500	45,701	4,635
Fund Balances, January 1	110,908	110,908	-	110,908	-
Fund Balances, December 31	\$ 36,474	\$ 151,974	\$ 115,500	\$ 156,609	\$ 4,635

City of Lakeville, Minnesota
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget	Actual	Variance with
	Original	Final	Amendments	Amounts	Final Budget
Revenues					
Taxes	\$ 12,773,049	\$ 12,773,049	\$ -	\$ 12,773,050	\$ 1
Franchise taxes	-	-	-	3,826,574	3,826,574
Intergovernmental	326,560	326,560	-	615,966	289,406
Charges for services	801,672	801,672	-	306,205	(495,467)
Special assessments	2,283,934	2,283,934	-	2,473,017	189,083
Investment income					
Interest earnings	464,882	464,882	-	487,163	22,281
Increase (decrease) in fair market value	-	-	-	360,029	360,029
Total Revenues	<u>16,650,097</u>	<u>16,650,097</u>	<u>-</u>	<u>20,842,004</u>	<u>4,191,907</u>
Expenditures					
Debt service					
Principal	13,175,000	13,175,000	-	12,910,000	(265,000)
Interest and other charges	5,474,738	5,474,738	-	5,503,356	28,618
Total Expenditures	<u>18,649,738</u>	<u>18,649,738</u>	<u>-</u>	<u>18,413,356</u>	<u>(236,382)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,999,641)</u>	<u>(1,999,641)</u>	<u>-</u>	<u>2,428,648</u>	<u>4,428,289</u>
Other Financing Sources (Uses)					
Transfers in	1,954,691	1,954,691	-	1,954,691	-
Issuance of bonds	-	-	-	791,245	791,245
Transfers out	-	(1,053,598)	(1,053,598)	(1,053,598)	-
Total Other Financing Sources (Uses)	<u>1,954,691</u>	<u>901,093</u>	<u>(1,053,598)</u>	<u>1,692,338</u>	<u>791,245</u>
Net Change in Fund Balances	(44,950)	(1,098,548)	(1,053,598)	4,120,986	5,219,534
Fund Balances, January 1	<u>23,590,844</u>	<u>23,590,844</u>	<u>-</u>	<u>23,590,844</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 23,545,894</u>	<u>\$ 22,492,296</u>	<u>\$ (1,053,598)</u>	<u>\$ 27,711,830</u>	<u>\$ 5,219,534</u>

City of Lakeville, Minnesota
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2025

	Budgeted Amounts		Budget Amendments	Actual Amounts	Variance with Final Budget
	Original	Final			
Revenues					
Taxes	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000	\$ -
Tax increment	435,382	463,857	28,475	487,297	23,440
Intergovernmental	13,516,840	21,630,948	8,114,108	11,013,428	(10,617,520)
Charges for services	4,795,046	9,117,945	4,322,899	9,740,473	622,528
Special assessments	10,180	11,687	1,507	565,568	553,881
Investment income					
Interest earnings	422,772	1,158,572	735,800	3,002,946	1,844,374
Increase (decrease) in fair market value	-	-	-	1,538,818	1,538,818
Miscellaneous revenues					
Contributions and donations	100,000	368,967	268,967	368,446	(521)
Rents	512,757	512,757	-	555,399	42,642
Total Revenues	<u>22,892,977</u>	<u>36,364,733</u>	<u>13,471,756</u>	<u>30,372,375</u>	<u>(5,992,358)</u>
Expenditures					
Capital outlay					
General government	597,693	991,101	393,408	836,314	154,787
Public safety	25,663,250	49,110,929	23,447,679	18,212,836	30,898,093
Public works	32,063,960	33,728,820	1,664,860	28,924,671	4,804,149
Culture and recreation	15,586,596	17,332,777	1,746,181	16,660,943	671,834
Total Expenditures	<u>73,911,499</u>	<u>101,163,627</u>	<u>27,252,128</u>	<u>64,634,764</u>	<u>36,528,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(51,018,522)</u>	<u>(64,798,894)</u>	<u>(13,780,372)</u>	<u>(34,262,389)</u>	<u>30,536,505</u>
Other Financing Sources (Uses)					
Sale of capital assets	300,000	300,000	-	428,214	128,214
Transfers in	1,100,779	3,906,004	2,805,225	3,906,004	-
Issuance of bonds and other debt	7,449,317	24,709,143	17,259,826	30,375,658	5,666,515
Premiums on bonds issued	-	1,031,777	1,031,777	1,031,777	-
Transfers out	(685,846)	(685,846)	-	(685,846)	-
Total Other Financing Sources (Uses)	<u>8,164,250</u>	<u>29,261,078</u>	<u>21,096,828</u>	<u>35,055,807</u>	<u>5,794,729</u>
Net Change in Fund Balances	(42,854,272)	(35,537,816)	7,316,456	793,418	36,331,234
Fund Balances, January 1	<u>79,690,723</u>	<u>79,690,723</u>	<u>-</u>	<u>79,690,723</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 36,836,451</u>	<u>\$ 44,152,907</u>	<u>\$ 7,316,456</u>	<u>\$ 80,484,141</u>	<u>\$ 36,331,234</u>

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STATISTICAL SECTION (UNAUDITED)

CITY OF LAKEVILLE
LAKEVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

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STATISTICAL SECTION (UNAUDITED)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Lakeville, Minnesota
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	\$ 149,196,480	\$ 144,581,700	\$ 142,300,205	\$ 154,468,792
Restricted	35,860,604	46,683,603	45,267,313	56,356,434
Unrestricted	4,277,626	6,036,382	15,427,439	24,178,084
Total Governmental Activities				
Net Position	<u>\$ 189,334,710</u>	<u>\$ 197,301,685</u>	<u>\$ 202,994,957</u>	<u>\$ 235,003,310</u>
Business-type Activities				
Net investment in capital assets	\$ 129,086,090	\$ 135,324,120	\$ 138,725,763	\$ 143,501,608
Restricted	323,875	323,875	-	-
Unrestricted	9,757,400	10,791,344	13,878,208	15,142,309
Total Business-type Activities				
Net Position	<u>\$ 139,167,365</u>	<u>\$ 146,439,339</u>	<u>\$ 152,603,971</u>	<u>\$ 158,643,917</u>
Primary Government				
Net investment in capital assets	\$ 278,282,570	\$ 279,905,820	\$ 281,025,968	\$ 297,970,400
Restricted	36,184,479	47,007,478	45,267,313	56,356,434
Unrestricted	14,035,026	16,827,726	29,305,647	39,320,393
Total Primary Government				
Net Position	<u>\$ 328,502,075</u>	<u>\$ 343,741,024</u>	<u>\$ 355,598,928</u>	<u>\$ 393,647,227</u>
			(1)	(2)

Notes:

- (1) The City implemented GASB Statement No. 75 in 2018, recording a change in accounting principle that decreased unrestricted net position. Prior year balances were not restated.
- (2) The City implemented GASB Statement No. 84 in 2019, recording a change in accounting principle that increased restricted net position. Prior year balances were not restated.

Table 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 167,619,658	\$ 183,876,386	\$ 218,867,352	\$ 240,987,608	\$ 259,538,899	\$ 243,091,334
69,458,557	69,329,217	82,302,974	73,224,358	72,430,099	79,019,597
32,249,615	39,709,366	16,378,884	17,814,210	18,284,630	49,328,289
<u>\$ 269,327,830</u>	<u>\$ 292,914,969</u>	<u>\$ 317,549,210</u>	<u>\$ 332,026,176</u>	<u>\$ 350,253,628</u>	<u>\$ 371,439,220</u>
\$ 151,132,001	\$ 170,514,908	\$ 180,563,445	\$ 188,259,693	\$ 199,011,990	\$ 210,016,244
-	-	-	-	-	-
18,258,536	25,479,132	28,938,525	32,950,342	37,450,763	41,126,959
<u>\$ 169,390,537</u>	<u>\$ 195,994,040</u>	<u>\$ 209,501,970</u>	<u>\$ 221,210,035</u>	<u>\$ 236,462,753</u>	<u>\$ 251,143,203</u>
\$ 318,751,659	\$ 354,391,294	\$ 399,430,797	\$ 429,238,301	\$ 458,550,889	\$ 453,107,578
69,458,557	69,329,217	82,302,974	73,224,358	72,430,099	79,019,597
50,508,151	65,188,498	45,317,409	50,764,552	55,735,393	90,455,248
<u>\$ 438,718,367</u>	<u>\$ 488,909,009</u>	<u>\$ 527,051,180</u>	<u>\$ 553,227,211</u>	<u>\$ 586,716,381</u>	<u>\$ 622,582,423</u>

City of Lakeville, Minnesota
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities				
General government	\$ 8,028,316	\$ 4,579,478	\$ 7,203,308	\$ 7,902,490
Public safety	16,369,670	14,250,572	14,141,045	14,927,426
Public works	17,711,240	18,944,454	22,336,416	21,015,480
Culture and recreation	5,626,149	6,645,057	6,661,852	7,178,164
Interest on long-term debt	3,930,168	3,268,426	3,468,814	3,332,465
Total Governmental Activities Expenses	<u>51,665,543</u>	<u>47,687,987</u>	<u>53,811,435</u>	<u>54,356,025</u>
Business-type Activities				
Liquor	13,268,419	13,638,043	14,234,337	15,267,133
Utility	13,558,839	14,138,885	14,815,914	16,386,516
Total Business-type Activities Expenses	<u>26,827,258</u>	<u>27,776,928</u>	<u>29,050,251</u>	<u>31,653,649</u>
Total Primary Government Expenses	<u>\$ 78,492,801</u>	<u>\$ 75,464,915</u>	<u>\$ 82,861,686</u>	<u>\$ 86,009,674</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 4,094,298	\$ 4,348,910	\$ 5,584,036	\$ 6,506,302
Public safety	954,395	934,444	1,059,236	838,664
Public works	8,401,512	7,081,317	6,792,249	9,166,886
Culture and recreation	3,685,202	2,369,615	2,455,851	4,098,580
Operating grants and contributions				
General government	772,998	68,095	23,772	97,964
Public safety	989,342	1,061,252	1,149,691	1,168,857
Public works	4,942,834	1,382,380	4,313,934	3,142,430
Culture and recreation	91,869	55,300	11,422	204,737
Capital grants and contributions				
General government	138,593	62,101	61,193	116,750
Public safety	8,500	-	-	-
Public works	23,604,519	13,018,689	9,183,039	21,234,628
Culture and recreation	2,932,612	182,387	194,327	112,725
Total Governmental Activities Program Revenues	<u>50,616,674</u>	<u>30,564,490</u>	<u>30,828,750</u>	<u>46,688,523</u>
Business-type Activities				
Charges for services				
Liquor	14,130,830	14,583,514	1,527,643	16,288,986
Utility	10,692,185	12,585,450	13,613,145	14,215,952
Operating grants and contributions				
Liquor	3,762	6,716	13,421	6,453
Utility	111,572	166,227	51,035	643,919
Capital grants and contributions				
Utility	8,973,280	4,791,313	4,075,854	7,240,758
Total Business-type Activities Program Revenues	<u>33,911,629</u>	<u>32,133,220</u>	<u>19,281,098</u>	<u>38,396,068</u>
Total Primary Government Program Revenues	<u>\$ 84,528,303</u>	<u>\$ 62,697,710</u>	<u>\$ 50,109,848</u>	<u>\$ 85,084,591</u>

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 8,994,404	\$ 8,966,246	\$ 9,999,721	\$ 9,899,710	\$ 9,524,931	\$ 9,025,433
16,063,433	14,226,059	19,313,383	20,139,088	21,818,556	25,614,766
22,623,378	21,462,578	25,477,542	29,136,552	27,274,347	34,288,620
6,578,004	7,791,954	7,762,349	10,117,834	11,644,154	12,426,288
3,147,896	1,199,275	3,966,703	2,903,304	3,535,602	2,655,538
57,407,115	53,646,112	66,519,698	72,196,488	73,797,590	84,010,645
16,735,031	18,069,171	20,652,588	21,726,194	21,357,518	20,782,362
17,518,091	17,512,988	20,307,370	22,854,878	22,236,710	23,084,176
34,253,122	35,582,159	40,959,958	44,581,072	43,594,228	43,866,538
<u>\$ 91,660,237</u>	<u>\$ 89,228,271</u>	<u>\$ 107,479,656</u>	<u>\$ 116,777,560</u>	<u>\$ 117,391,818</u>	<u>\$ 127,877,183</u>
\$ 6,573,673	\$ 6,303,733	\$ 7,064,177	\$ 6,587,921	\$ 7,452,928	\$ 5,956,779
638,887	817,539	810,708	835,053	819,342	801,341
11,300,325	10,569,326	9,903,121	6,620,758	5,774,455	8,109,882
3,071,803	5,501,844	5,568,006	2,506,421	4,796,412	4,911,005
917,379	156,783	206,244	76,861	175,668	727,054
5,100,592	1,270,607	6,425,656	4,655,977	1,823,715	3,394,709
3,461,526	547,841	7,056,438	3,681,717	249,629	6,188,891
316,067	89,442	668,708	978,532	119,004	609,239
149,610	79,173	55,044	304,539	380,326	-
-	-	-	-	-	-
23,710,868	24,529,021	22,352,046	16,919,544	18,802,885	14,578,024
180,924	195,025	165,277	205,018	295,363	709,755
55,421,654	50,060,334	60,275,425	43,372,341	40,689,727	45,986,679
18,262,397	19,683,002	21,894,980	22,692,555	22,647,127	22,002,600
17,308,481	21,235,961	22,031,929	22,715,704	21,287,682	22,621,501
76,810	5,445	8,778	163	38,882	90,431
85,499	489,647	786,804	1,028,276	178,555	966,662
10,045,894	14,094,676	11,492,752	5,739,878	9,866,907	9,304,958
45,779,081	55,508,731	56,215,243	52,176,576	54,019,153	54,986,152
<u>\$ 101,200,735</u>	<u>\$ 105,569,065</u>	<u>\$ 116,490,668</u>	<u>\$ 95,548,917</u>	<u>\$ 94,708,880</u>	<u>\$ 100,972,831</u>

City of Lakeville, Minnesota
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Net (Expense)/Revenue				
Governmental activities	\$ (1,048,869)	\$ (17,123,497)	\$ (22,982,685)	\$ (7,667,502)
Business-type activities	7,084,371	4,356,292	(9,769,153)	6,742,419
Total Primary Government				
Net Expense	<u>\$ 6,035,502</u>	<u>\$ (12,767,205)</u>	<u>\$ (32,751,838)</u>	<u>\$ (925,083)</u>
General Revenues and other Changes in Net Position				
Governmental Activities				
Property taxes	\$ 26,173,822	\$ 27,317,169	\$ 28,641,302	\$ 30,897,445
Franchise taxes	-	-	-	-
Unrestricted investment earnings (loss)	388,672	597,513	907,138	2,769,074
Transfers	(6,978,829)	(2,824,210)	(492,418)	1,162,124
Other general revenues	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Total Governmental Activities	<u>19,583,665</u>	<u>25,090,472</u>	<u>29,056,022</u>	<u>34,828,643</u>
Business-type Activities				
Unrestricted investment earnings (loss)	71,109	91,472	160,165	459,651
Gain on sale of capital assets	-	-	1,601,334	-
Transfers	6,978,829	2,824,210	492,418	(1,162,124)
Total Business-type Activities	<u>7,049,938</u>	<u>2,915,682</u>	<u>2,253,917</u>	<u>(702,473)</u>
Total Primary Government	<u>\$ 26,633,603</u>	<u>\$ 28,006,154</u>	<u>\$ 31,309,939</u>	<u>\$ 34,126,170</u>
Change in Net Position				
Governmental activities	\$ 18,534,796	\$ 7,966,975	\$ 6,073,337	\$ 27,161,141
Business-type activities	14,134,309	7,271,974	(7,515,236)	6,039,946
Total Primary Government	<u>\$ 32,669,105</u>	<u>\$ 15,238,949</u>	<u>\$ (1,441,899)</u>	<u>\$ 33,201,087</u>
			(1)	(2)

Notes:

- (1) The City implemented GASB Statement No. 75 in 2018, recording a change in accounting principle that decreased unrestricted net position. Prior year balances were not restated.
- (2) The City implemented GASB Statement No. 84 in 2019, recording a change in accounting principle that increased restricted net position. Prior year balances were not restated.

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (1,985,461)	\$ (3,585,778)	\$ (6,244,273)	\$ (28,824,147)	\$ (33,107,863)	\$ (38,023,966)
11,525,959	19,926,572	15,255,285	7,595,504	10,424,925	11,119,614
<u>\$ 9,540,498</u>	<u>\$ 16,340,794</u>	<u>\$ 9,011,012</u>	<u>\$ (21,228,643)</u>	<u>\$ (22,682,938)</u>	<u>\$ (26,904,352)</u>
\$ 33,033,079	\$ 35,051,089	\$ 36,822,483	\$ 40,247,761	\$ 44,289,880	\$ 49,493,826
-	-	-	-	531,252	4,311,494
2,144,654	(1,003,311)	(6,316,145)	5,834,294	5,630,680	6,512,987
1,132,248	(6,874,861)	372,176	(2,789,942)	892,503	(1,663,938)
-	-	-	-	-	112,078
-	-	-	-	-	443,111
<u>36,309,981</u>	<u>27,172,917</u>	<u>30,878,514</u>	<u>43,292,113</u>	<u>51,344,315</u>	<u>59,209,558</u>
352,909	(197,930)	(1,375,179)	1,322,619	1,368,137	1,896,898
-	-	-	-	-	-
(1,132,248)	6,874,861	(372,176)	2,789,942	(892,503)	1,663,938
<u>(779,339)</u>	<u>6,676,931</u>	<u>(1,747,355)</u>	<u>4,112,561</u>	<u>475,634</u>	<u>3,560,836</u>
<u>\$ 35,530,642</u>	<u>\$ 33,849,848</u>	<u>\$ 29,131,159</u>	<u>\$ 47,404,674</u>	<u>\$ 51,819,949</u>	<u>\$ 62,770,394</u>
\$ 34,324,520	\$ 23,587,139	\$ 24,634,241	\$ 2,063,815	\$ 2,448,342	\$ 21,185,592
10,746,620	26,603,503	13,507,930	3,023,528	1,165,191	14,680,450
<u>\$ 45,071,140</u>	<u>\$ 50,190,642</u>	<u>\$ 38,142,171</u>	<u>\$ 5,087,343</u>	<u>\$ 3,613,533</u>	<u>\$ 35,866,042</u>

City of Lakeville, Minnesota
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 695,830	\$ 914,375	\$ 876,394	\$ 748,231
Restricted	-	-	-	175,590
Committed	-	-	-	100,000
Assigned	1,478,522	741,864	705,500	749,675
Unassigned	12,902,148	13,613,203	14,011,567	15,429,752
Total General Fund	<u>\$ 15,076,500</u>	<u>\$ 15,269,442</u>	<u>\$ 15,593,461</u>	<u>\$ 17,203,248</u>
All other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 11,630	\$ -
Restricted	37,947,697	29,887,820	25,773,762	36,333,665
Committed	21,651,118	26,519,559	30,327,238	36,071,889
Unassigned	(726,681)	(876,594)	(415,577)	(428,702)
Total All Other Governmental Funds	<u>\$ 58,872,134</u>	<u>\$ 55,530,785</u>	<u>\$ 55,697,053</u>	<u>\$ 71,976,852</u>
Total Governmental Funds				
Nonspendable	\$ 695,830	\$ 914,375	\$ 888,024	\$ 748,231
Restricted	37,947,697	29,887,820	25,773,762	36,509,255
Committed	21,651,118	26,519,559	30,327,238	36,171,889
Assigned	1,478,522	741,864	705,500	749,675
Unassigned	12,175,467	12,736,609	13,595,990	15,001,050
Total Governmental Funds	<u>\$ 73,948,634</u>	<u>\$ 70,800,227</u>	<u>\$ 71,290,514</u>	<u>\$ 89,180,100</u>
All governmental funds percentage change	18.4%	-4.3%	70.0%	25.1%

Table 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 811,338	\$ 666,451	\$ 254,180	\$ 279,568	\$ 352,765	\$ 202,134
-	5,000	-	1,850,000	1,850,000	-
200,000	-	-	-	-	-
1,675,125	2,493,300	2,711,000	1,528,414	-	775,000
22,053,166	20,821,071	19,042,227	18,715,015	20,983,864	24,453,214
<u>\$ 24,739,629</u>	<u>\$ 23,985,822</u>	<u>\$ 22,007,407</u>	<u>\$ 22,372,997</u>	<u>\$ 23,186,629</u>	<u>\$ 25,430,348</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41,694,538	46,337,784	63,559,319	51,346,145	57,262,599	67,386,542
40,241,806	44,233,989	44,954,814	48,514,099	47,971,292	42,608,067
(1,084,565)	(993,783)	(622,177)	(30,377)	(315,779)	-
<u>\$ 80,851,779</u>	<u>\$ 89,577,990</u>	<u>\$ 107,891,956</u>	<u>\$ 99,829,867</u>	<u>\$ 104,918,112</u>	<u>\$ 109,994,609</u>
\$ 811,338	\$ 666,451	\$ 254,180	\$ 279,568	\$ 352,765	\$ 202,134
41,694,538	46,342,784	63,559,319	53,196,145	59,112,599	67,386,542
40,441,806	44,233,989	44,954,814	48,514,099	47,971,292	42,608,067
1,675,125	2,493,300	2,711,000	1,528,414	-	775,000
20,968,601	19,827,288	18,420,050	18,684,638	20,668,085	24,453,214
<u>\$ 105,591,408</u>	<u>\$ 113,563,812</u>	<u>\$ 129,899,363</u>	<u>\$ 122,202,864</u>	<u>\$ 128,104,741</u>	<u>\$ 135,424,957</u>
18.4%	7.6%	14.4%	-5.9%	4.8%	5.7%

City of Lakeville, Minnesota
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Property taxes and tax increment	\$ 26,131,569	\$ 27,401,195	\$ 28,612,384	\$ 30,855,832
Licenses and permits	3,706,567	3,988,189	3,899,604	4,492,109
Intergovernmental	9,043,356	3,771,886	5,090,762	8,901,495
Charges for services	13,289,708	10,016,017	11,828,549	15,046,177
Special assessments	2,308,223	2,812,587	3,139,103	3,683,354
Investment earnings (loss)	387,604	597,513	907,138	2,769,074
Donations	550,255	238,383	309,970	211,969
Miscellaneous	2,828,177	846,035	835,986	861,800
Total Revenues	<u>58,245,459</u>	<u>49,671,805</u>	<u>54,623,496</u>	<u>66,821,810</u>
Expenditures				
General government	5,783,013	6,424,260	6,656,824	7,028,626
Public safety	11,513,170	12,775,807	13,061,572	13,496,719
Public works	4,245,072	9,786,321	4,741,200	4,802,149
Culture and recreation	3,497,041	5,222,503	3,998,735	4,178,410
Capital outlay	37,938,823	11,995,449	25,065,276	20,906,745
Debt service				
Principal	5,935,000	6,885,000	10,420,000	8,920,000
Interest and other	3,970,010	3,881,179	3,948,999	3,877,764
Other charges	327,052	129,158	96,729	44,429
Total Expenditures	<u>73,209,181</u>	<u>57,099,677</u>	<u>67,989,335</u>	<u>63,254,842</u>
Deficiency of Revenues				
Under Expenditures	<u>(14,963,722)</u>	<u>(7,427,872)</u>	<u>(13,365,839)</u>	<u>3,566,968</u>
Other Financing Sources (Uses)				
Transfers in	5,179,668	8,355,474	6,038,479	5,120,699
Transfers out	(3,222,237)	(6,661,840)	(4,167,132)	(2,980,605)
Issuance of bonds	31,075,000	11,987,171	13,805,000	6,295,000
Premium/discount on debt issued	(9,535,000)	(11,368,146)	(3,320,000)	-
Payment on refunded bonds called	2,626,731	1,309,907	1,005,336	1,065,624
Sale of capital assets	-	516,380	530,734	107,645
Total Other Financing Sources (Uses)	<u>26,124,162</u>	<u>4,138,946</u>	<u>13,892,417</u>	<u>9,608,363</u>
Net Change in Fund Balances	<u>\$ 11,160,440</u>	<u>\$ (3,288,926)</u>	<u>\$ 526,578</u>	<u>\$ 13,175,331</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>19.6 %</u>	<u>22.6 %</u>	<u>26.9 %</u>	<u>25.7 %</u>

Note: The City has no taxes other than property taxes and tax increment.

Table 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 32,983,369	\$ 35,146,364	\$ 36,815,539	\$ 40,226,889	\$ 44,329,727	\$ 53,752,737
5,600,853	5,081,480	4,490,895	4,091,103	3,052,954	3,661,713
14,571,858	3,813,869	17,279,101	15,259,457	3,985,196	15,906,170
15,239,684	17,343,792	17,586,719	11,096,772	14,461,853	14,328,373
3,953,438	3,023,130	3,478,667	7,934,564	2,945,985	3,121,940
2,144,654	(1,003,311)	(6,316,145)	5,834,294	5,630,680	6,467,365
232,689	268,898	200,642	309,521	333,933	493,298
800,067	775,140	1,310,631	953,242	1,059,472	941,565
<u>75,526,612</u>	<u>64,449,362</u>	<u>74,846,049</u>	<u>85,705,842</u>	<u>75,799,800</u>	<u>98,673,161</u>
8,061,485	7,950,888	8,377,090	8,238,696	8,583,505	8,461,580
14,251,367	15,283,047	15,836,333	17,432,946	19,567,238	22,317,292
4,692,478	4,987,928	5,139,700	5,844,020	5,611,535	6,189,705
3,888,960	4,486,389	4,863,528	5,407,841	5,995,649	5,964,679
34,788,668	32,856,512	42,577,218	54,049,585	34,781,975	64,945,220
9,715,000	9,160,000	7,861,201	13,161,000	17,164,120	12,910,000
3,871,110	4,064,943	4,179,644	5,006,042	4,936,874	5,423,205
38,098	82,573	324,787	42,577	109,177	80,151
<u>79,307,166</u>	<u>78,872,280</u>	<u>89,159,501</u>	<u>109,182,707</u>	<u>96,750,073</u>	<u>126,291,832</u>
<u>(3,780,554)</u>	<u>(14,422,918)</u>	<u>(14,313,452)</u>	<u>(23,476,865)</u>	<u>(20,950,273)</u>	<u>(27,618,671)</u>
6,522,720	9,636,510	15,996,085	8,829,311	3,254,905	5,915,195
(4,180,711)	(7,736,781)	(14,621,216)	(6,576,539)	(1,097,886)	(3,618,099)
15,164,036	19,294,225	47,874,860	12,361,337	22,295,792	31,166,903
-	-	(23,540,000)	-	-	1,031,777
2,391,960	1,090,191	4,115,966	779,235	1,389,304	-
249,015	258,880	868,415	307,368	414,647	443,111
<u>20,147,020</u>	<u>22,543,025</u>	<u>30,694,110</u>	<u>15,700,712</u>	<u>26,256,762</u>	<u>34,938,887</u>
<u>\$ 16,366,466</u>	<u>\$ 8,120,107</u>	<u>\$ 16,380,658</u>	<u>\$ (7,776,153)</u>	<u>\$ 5,306,489</u>	<u>\$ 7,320,216</u>
<u>25.8 %</u>	<u>24.5 %</u>	<u>22.0 %</u>	<u>22.0 %</u>	<u>31.1 %</u>	<u>26.1 %</u>

City of Lakeville, Minnesota
Tax Capacity Valuation and Assessor's Taxable Market Value of Taxable Property
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
<u>Taxable Net Tax Capacity Valuation of Taxable Property</u>				
Tax capacity value	\$ 65,634,896	\$ 69,887,094	\$ 75,422,344	\$ 82,737,259
Less:				
Captured tax increment tax capacity	(497,171)	(596,348)	(609,048)	(774,382)
Contributions to fiscal disparities pool	(5,411,614)	(5,524,685)	(5,828,030)	(6,190,357)
Plus:				
Distribution from fiscal disparities pool	6,635,572	7,139,972	7,672,379	8,151,580
Total taxable net tax capacity	<u>\$ 66,361,683</u>	<u>\$ 70,906,033</u>	<u>\$ 76,657,645</u>	<u>\$ 83,924,100</u>
<u>Taxable Net Tax Capacity Valuation by Class of Property</u>				
Homestead residential	49,048,168	52,427,026	57,017,144	63,032,149
Commercial/industrial, public utility, and personal property	14,754,095	15,842,447	16,870,980	17,893,911
Non-homestead residential/apartments	1,656,581	1,736,856	1,938,329	2,206,240
Agriculture and seasonal/recreational	902,839	899,704	831,192	791,800
Total taxable net tax capacity	<u>\$ 66,361,683</u>	<u>\$ 70,906,033</u>	<u>\$ 76,657,645</u>	<u>\$ 83,924,100</u>
Assessor's taxable market valuation	<u>\$ 5,825,279,418</u>	<u>\$ 6,201,221,856</u>	<u>\$ 6,702,242,762</u>	<u>\$ 7,374,033,988</u>
Taxable net tax capacity as a percentage of assessor's taxable market value	1.139%	1.143%	1.144%	1.138%
Direct tax capacity rate	38.669%	37.510%	36.419%	35.607%

Notes:

Taxes are determined by multiplying the taxable net tax capacity by the direct tax capacity rate as expressed as a percentage.

The foregoing direct tax capacity rates do not reflect reductions for state property tax credits.

Source: Dakota County Auditor and Treasurer's Office.

Table 5

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 90,729,405	\$ 97,138,303	\$ 106,343,200	\$ 130,077,811	\$ 142,366,672	\$ 148,106,050
(856,909)	(1,085,470)	(1,084,201)	(647,312)	(854,791)	(551,072)
(6,645,636)	(6,925,361)	(7,645,703)	(7,858,132)	(8,872,466)	(10,309,804)
9,049,794	9,522,500	10,270,657	11,246,438	11,867,551	13,002,066
<u>\$ 92,276,654</u>	<u>\$ 98,649,972</u>	<u>\$ 107,883,953</u>	<u>\$ 132,818,805</u>	<u>\$ 144,506,966</u>	<u>\$ 150,247,240</u>
69,577,579	73,762,668	81,813,145	101,495,866	108,705,378	110,544,418
19,164,426	20,997,684	21,583,053	25,302,537	28,643,461	32,009,505
2,738,491	3,143,112	3,810,748	5,256,004	6,594,941	7,165,658
796,158	746,508	677,007	764,398	563,186	527,659
<u>\$ 92,276,654</u>	<u>\$ 98,649,972</u>	<u>\$ 107,883,953</u>	<u>\$ 132,818,805</u>	<u>\$ 144,506,966</u>	<u>\$ 150,247,240</u>
<u>\$ 8,106,672,140</u>	<u>\$ 8,636,691,303</u>	<u>\$ 9,503,255,659</u>	<u>\$ 11,592,195,438</u>	<u>\$ 12,546,610,519</u>	<u>\$ 12,932,974,002</u>
1.138%	1.142%	1.135%	1.146%	1.152%	1.162%
34.615%	34.351%	32.846%	29.676%	30.213%	32.731%

City of Lakeville, Minnesota
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Lakeville						Overlapping Rates			
	Direct Rates						Dakota County	School District		
	General Levy (Tax Capacity-Based)						General Levy	Ind. School District	General Levy	Referendum
	Operating	Debt Service	Total				(Tax Capacity- based)		(Tax Capacity- based)	Levy (Market Value-based)
2016	30.455 %	8.214 %	38.669 %				28.570 %	192	57.584 %	0.19065 %
								194	35.319	0.27898
								196	24.317	0.26999
2017	29.342	8.168	37.510				28.004	192	54.269	0.18481
								194	32.914	0.25441
								196	23.336	0.27380
2018	29.305	7.114	36.419				26.580	192	52.825	0.18495
								194	32.992	0.26835
								196	21.352	0.26715
2019	27.192	8.415	35.607				25.386	192	51.401	0.18968
								194	32.535	0.26992
								196	20.613	0.26162
2020	26.682	7.933	34.615				24.133	192	53.105	0.18904
								194	34.851	0.31225
								196	19.860	0.34367
2021	26.281	8.070	34.351				22.716	192	50.805	0.18392
								194	33.894	0.27269
								196	20.046	0.32712
2022	25.755	7.091	32.846				21.630	192	49.481	0.18244
								194	33.983	0.25582
								196	19.971	0.31336
2023	22.485	7.191	29.676				18.816	192	38.497	0.18725
								194	29.473	0.26581
								196	17.904	0.29771
2024	22.476	7.737	30.213				18.323	192	36.439	0.19446
								194	29.650	0.27666
								196	23.624	0.30078
2025	24.424	8.307	32.731				19.948	192	37.634	0.15974
								194	29.927	0.24436
								196	22.968	0.28528

Notes:

Taxes are determined by multiplying the taxable net tax capacity by the tax capacity rate and market value based rate expressed as a percentage. The foregoing tax capacity rates do not reflect reductions for state property tax credits.

Special Districts include: Metropolitan Mosquito Control, Metropolitan Council, Metropolitan Transit District, Dakota County Community Development Agency, Light Rail Authority, and Vermillion River Watershed District.

Source: Dakota County Auditor and Treasurer's Office.

Per Dakota County - Final Tax Rates Pay 2025 table

Table 6

Special Districts	Total Direct and Overlapping Rates	
	Tax Capacity- based	Market Value- based
5.063 %	129.886 % 107.621 96.619	0.19065 % 0.27898 0.26999
4.907	124.690 103.335 93.757	0.18481 0.25441 0.27380
4.307	120.131 100.298 88.658	0.18495 0.26835 0.26715
4.227	116.621 97.755 85.833	0.18968 0.26992 0.26162
4.030	115.883 97.629 82.638	0.18904 0.31225 0.34367
3.802	111.674 94.763 80.915	0.18392 0.27269 0.32712
3.729	107.686 92.188 78.176	0.18244 0.25582 0.31336
3.201	90.190 81.166 69.597	0.18725 0.26581 0.29771
3.264	88.239 81.450 75.424	0.19446 0.27666 0.30078
3.325	93.638 85.931 78.972	0.15974 0.24436 0.28528

City of Lakeville, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 7

Principal Property Taxpayer	Type of Business	2025		2016	
		Taxable Tax Capacity Value	Rank	Taxable Assessed Value	Rank
SP Lakeville Development LLC	Industrial	\$ 1,187,256	1		
IRET Southfork Apartments LLC	Apartments	690,794	2	\$ 330,854	3
Continental 476 Fund LLC	Apartment	662,500	3		
Fulford Group, LLC	Industrial	563,594	4		
Minnegasco/Centerpoint	Utility	551,256	5	291,298	6
Echelon Lakeville LLC	Apartments	547,501	6		
NLL LLC	Apartments	534,160	7		
Lakeville MOB Partners LLC	Commercial	522,312	8		
First Industrial LP	Industrial	521,250	9		
STAG Industrial Holdings LLC	Industrial	504,370	10		
Lakeville 2004, LLC	Commercial			328,838	1
EREP Heritage Commons, LLC	Retail			325,364	2
Inland Argonne Village, LLC	Retail			267,020	4
Dakota Electric Association	Utility			285,868	5
Walker Highview Hills, LLC	Apartments			259,216	7
Target Corporation	Retail			255,234	8
AGNL Exercise LLC	Commercial			240,066	9
Xcel Energy	Utility			226,854	10
Total principal taxpayers		6,284,993		2,810,612	
All other taxpayers		143,962,247		63,551,071	
Total City of Lakeville taxpayers		\$ 150,247,240		\$ 66,361,683	

Source: Dakota County Auditor and Treasurer's Office.

Note: Due to a shift in value in 2022 from local base to countywide - Dakota Electric Association is no longer included in the listing of largest taxpayers.

City of Lakeville, Minnesota
Property Tax Levies and Tax Collections
Last Ten Fiscal Years

Table 8

Fiscal Year Ended December 31,	Total Tax Levy ⁽¹⁾	Collection of Current Year's Levy		Collection of Prior Year Levy ⁽³⁾	Total Collections	Percent of Levy
		Amount ⁽²⁾	Percent			
2016	25,679,619	25,566,236	99.56 %	113,383	25,679,619	100.00 %
2017	26,679,614	26,534,636	99.46	144,978	26,679,614	100.00
2018	28,001,550	27,857,045	99.48	144,505	28,001,550	100.00
2019	29,948,890	29,815,159	99.55	133,731	29,948,890	100.00
2020	32,031,000	31,840,067	99.40	190,933	32,031,000	100.00
2021	33,911,570	33,753,733	99.53	157,278	33,911,011	100.00
2022	35,590,000	35,485,096	99.71	104,904	35,590,000	100.00
2023	39,771,000	39,513,394	99.35	257,606	39,771,000	100.00
2024	43,596,800	43,351,372	99.44	191,376	43,542,748	99.88
2025	48,850,050	48,535,971	99.36	-	48,535,971	99.36

Notes:

(1) Total levy is net of current year cancellations and abatements.

(2) Total tax levy and current tax collections include state paid credits.

(3) Includes county adjustments for prior year over collections, cancellations, and abatements.

City of Lakeville, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Other Bonds	Loans and Notes Payable	Financed Purchase	Lease Liability	Revenue Bond
2016	\$ 121,958,354	\$ 7,781,645	\$ 1,159,843	\$ -	\$ -	\$ 9,952,577
2017	113,666,228	7,417,448	1,897,014	-	-	8,258,468
2018	112,553,287	7,018,251	3,897,014	-	-	8,571,877
2019	111,718,611	6,614,054	2,897,014	-	-	8,876,565
2020	115,000,111	6,199,857	7,071,050	1,810,000	-	11,566,742
2021	124,710,301	5,685,403	12,945,275	1,570,000	-	11,729,716
2022	148,534,254	-	12,408,934	1,325,000	3,689,281	10,605,601
2023	146,062,184	-	13,024,271	1,075,000	3,374,280	9,386,085
2024	155,757,324	-	8,130,944	815,000	3,047,078	8,140,730
2025	164,497,865	-	15,600,357	550,000	2,711,772	6,854,192

N/A = Not Available

Source:

(1) Metropolitan Council as of April 1 (except for 2020 Federal Census).

(2) See Demographic and Economic Statistics page.

Table 9

Total Outstanding Debt	Population ⁽¹⁾	Percentage of Personal Income ⁽²⁾	Per Capita
\$ 140,852,419	60,965	4.2 %	\$ 2,310
131,239,158	61,993	3.7	2,117
132,040,429	64,334	3.4	2,052
130,106,244	65,831	3.2	1,976
141,647,760	69,490	3.0	2,038
156,640,695	72,135	3.2	2,171
176,563,070	73,828	3.4	2,392
172,921,820	75,217	3.1	2,299
175,891,076	76,746	2.9	2,292
190,214,186	78,810	N/A	2,414

City of Lakeville, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 10

Fiscal Year	Gross Bonded Debt	Debt Payable from Other Sources ⁽¹⁾	Debt Service Monies Available ⁽²⁾	Net Bonded Debt	Taxable Net Tax Capacity	Percentage of Total Estimated Taxable Market Value of Property	Population ⁽³⁾	Net Bonded Debt per Capita
2016	\$ 121,958,354	\$ 64,845,000	\$ 15,928,687	\$ 41,184,667	\$ 66,361,683	62.06 %	60,965	\$ 676
2017	123,338,676	67,940,000	6,261,464	49,137,212	70,906,033	69.30	61,993	793
2018	121,826,538	70,660,000	4,128,788	47,037,750	76,657,645	61.36	64,334	731
2019	120,372,665	71,840,000	4,239,541	44,293,124	83,924,100	52.78	65,831	673
2020	124,906,982	75,440,000	4,355,292	45,111,690	92,276,654	48.89	69,490	649
2021	124,710,301	69,405,000	4,373,669	50,931,632	98,649,972	51.63	72,135	706
2022	148,534,254	73,205,000	1,648,727	73,680,527	107,883,953	68.30	73,828	998
2023	146,062,184	66,690,000	5,664,382	73,707,802	132,818,805	55.50	75,217	980
2024	155,757,324	66,185,000	7,316,263	82,256,061	144,506,966	56.92	76,746	1,072
2025	164,497,865	52,580,000	9,037,939	102,879,926	150,247,240	68.47	78,810	1,305

Source:

(1) G.O. Improvement bonds, tax increment bonds, State-aid street revenue bonds, water connection revenue bonds, and arena revenue bonds.

(2) Debt service monies available include amounts restricted in the debt service funds repaying the related debt. We believe this is the most accurate and consistent representation of the resources restricted for debt service when crossover refunding bonds are being held in escrow, as those resources are not included in the governmental activities net position restricted for debt service due to conversion for full accrual accounting.

(3) Metropolitan Council as of April 1 (except for 2020 Federal Census).

City of Lakeville, Minnesota
Computation of Direct and Overlapping Debt
December 31, 2025

Table 11

	Debt Outstanding ⁽¹⁾	Debt Applicable to Taxable Net Tax Capacity of the City	
		Percentage ⁽²⁾	Amount
Direct Debt			
City of Lakeville	\$ 180,098,222	100.00 %	\$ 180,098,222
Overlapping Debt			
School District No. 191	167,015,000	75.20	125,595,280
School District No. 271	82,410,000	22.82	18,805,962
School District No. 719	358,710,000	8.07	28,947,897
<u>Special District</u>			
Metropolitan Council	178,505,000	2.39	4,266,270
Total Overlapping Debt	786,640,000		177,615,409
Total Direct and Overlapping Debt	\$ 966,738,222		\$ 357,713,631

Source: Debt figures and applicable percentages for other than the City of Lakeville are provided by the City's fiscal consultant Northland Securities.

- (1) Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the governments ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) The percentage of overlapping debt applicable is estimated using taxable property market values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

City of Lakeville, Minnesota
Legal Debt Margin
Last Ten Fiscal Years

Table 12

Fiscal Year	Assessor's Taxable Market Valuation	Legal Debt Limit	Net Bonded Debt Applicable to Debt Limit	Legal Debt Margin	Net Bonded Debt Applicable to Debt Limit as a Percentage of Legal Debt Limit
2016	5,825,279,418	174,758,383	34,776,313	139,982,070	19.90%
2017	6,201,221,856	186,036,656	32,593,536	153,443,120	17.52%
2018	6,702,242,762	201,067,283	32,676,212	168,391,071	16.25%
2019	7,374,033,988	221,221,020	30,120,459	191,100,561	13.62%
2020	8,106,672,140	243,200,164	25,799,708	217,400,456	10.61%
2021	8,636,691,303	259,100,739	42,081,331	217,019,408	16.24%
2022	9,503,255,659	285,097,670	63,586,273	221,511,397	22.30%
2023	11,592,195,438	347,765,863	64,670,618	283,095,245	18.60%
2024	12,546,610,519	376,398,316	73,548,737	302,849,579	19.54%
2025	12,932,974,002	387,989,220	94,772,061	293,217,159	24.43%

<u>Legal Debt Margin Calculation:</u>			<u>Fiscal Year 2025</u>	
Assessor's taxable market valuation			<u>\$ 12,932,974,002</u>	
Legal debt limit:				
3% of Assessor's taxable market valuation			\$ 387,989,220	
Amount of debt applicable to legal debt limit:				
Gross bonded debt			\$ 163,395,000	
Less debt payable from sources other than taxes:				
G.O. Improvement bonds	\$	44,900,000		
State-aid street revenue bonds		3,045,000		
Water connection revenue bonds		4,635,000		
HRA lease revenue		550,000		
Water revenue bonds		6,405,000		
Street Light revenue bonds		50,000	(59,585,000)	
Debt payable from taxes			103,810,000	
Less debt service monies available to pay principal and interest			(9,037,939)	
Net bonded debt applicable to debt limit			94,772,061	94,772,061
Legal debt margin				<u>\$ 293,217,159</u>

Note:

Minnesota Statutes § 475.53, Subdivision 1, No municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the taxable market value of taxable property in the municipality for years 2008 and beyond.

Source: Dakota County Auditor and Treasurer's Office.

City of Lakeville, Minnesota
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 13

Fiscal Year	Enterprise Funds Revenue Bonds						
	Gross Revenues ⁽¹⁾	Operating Expenses	Net Revenue Available for Debt Service	Requirements ⁽²⁾		Total	Times Coverage
				Principal	Interest		
2016	\$ 10,530,436	\$ 5,389,869	\$ 5,140,567	\$ 595,000	\$ 652,577	\$ 1,247,577	4.12 %
2017	12,234,365	5,193,095	7,041,270	1,005,000	690,010	1,695,010	4.15
2018	8,361,880	3,099,485	5,262,395	865,000	513,715	1,378,715	3.82
2019	8,610,576	3,156,154	5,454,422	895,000	478,105	1,373,105	3.97
2020	11,989,250	6,222,639	5,766,611	750,000	439,350	1,189,350	4.85
2021	14,204,060	3,975,650	10,228,410	785,000	408,525	1,193,525	8.57
2022	13,233,699	5,077,177	8,156,522	420,000	368,110	788,110	10.35
2023	13,654,066	7,104,056	6,550,010	645,000	312,600	957,600	6.84
2024	10,737,574	5,817,588	4,919,986	680,000	281,575	961,575	5.12
2025	11,867,948	4,696,095	7,171,853	710,000	256,350	966,350	7.42

Notes:

(1) The primary revenue source for debt service includes water system connection charges, water system user fees, ice arena net operating revenue and contributions from one organization conducting lawful gambling at approved locations, and liquor fund gross profits.

(2) Revenue bonds include water connection revenue, arena revenue, and liquor revenue.

City of Lakeville, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Year	Population ⁽¹⁾	Percentage Increase from Previous Year	Personal Income ⁽²⁾ <i>(in thousands)</i>	Per Capita Personal Income	Building Permits Issued			Housing units Valuation
					Family Dwellings ⁽³⁾		Total	
					Single	Multiple		
2016	60,965	1.62%	3,351,551	54,975	403	62	465	139,008,000
2017	61,993	1.69%	3,573,153	57,638	487	44	531	160,520,000
2018	64,334	3.78%	3,901,921	60,651	478	49	527	159,251,000
2019	65,831	2.33%	4,075,861	61,914	556	64	620	180,622,000
2020	69,490	5.56%	4,499,339	64,748	742	73	815	223,050,000
2021	72,135	3.81%	4,899,914	67,927	663	73	736	205,419,000
2022	73,828	2.35%	5,166,779	69,984	387	160	547	139,685,000
2023	75,217	1.88%	5,642,704	75,019	367	94	461	123,241,000
2024	76,746	2.03%	5,977,439	77,886	385	49	434	123,839,003
2025	78,810	2.69%	N/A	N/A	347	201	548	161,041,465

Annual percentage
increase average last
ten fiscal years

<u>2.77%</u>	<u>129.27%</u>	17,845
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Labor Force and Unemployment Rate (not seasonally adjusted) ⁽²⁾

Year	City of Lakeville		Dakota County		Rates	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	State of Minnesota	United States
2016	33,793	3.0%	232,091	3.4%	4.1%	4.5%
2017	34,911	2.5%	239,356	2.7%	3.3%	4.1%
2018	35,758	2.4%	240,195	2.7%	3.2%	3.7%
2019	36,610	2.7%	242,855	2.9%	3.5%	3.4%
2020	36,025	3.8%	233,902	4.3%	4.9%	6.5%
2021	37,007	2.2%	236,441	2.4%	2.7%	3.7%
2022	38,904	2.5%	241,966	2.7%	3.2%	3.3%
2023	38,692	2.5%	240,731	2.7%	3.2%	3.3%
2024	43,071	2.0%	249,642	2.2%	2.6%	3.8%
2025	43,924	3.2%	253,014	3.8%	4.3%	4.1%

Source:

(1) Metropolitan Council as of April 1 (except for 2020 Federal Census).

(2) U.S. Department of Commerce Bureau of Economic Analysis as of December 31, 2024, not seasonally adjusted.

(3) City of Lakeville Inspections Department.

N/A - Not available.

City of Lakeville, Minnesota
Principal Employers
Fiscal Years Ended December 31, 2025 and December 31, 2026

Table 15

Principal Employer ⁽¹⁾	Product/Service	2025			2016		
		Employees	Rank	%	Employees	Rank	%
Independent School District #194	Elementary & secondary schools	1,334	1	3.0%	1,370	1	4.0%
Hy-Vee	Grocery	800	2	1.8%	-		
Hearthside Food Solutions	Food service contractors	707	3	1.6%	630	2	2.1%
Treehouse Brands	Breakfast cereal products	500	4	1.1%	515	3	1.5%
Amazon XL Fulfillment Center	Warehouse & distribution	450	5	1.0%	-		
Post Consumer Brands	Cereal production	415	6	0.9%	327	5	0.7%
City of Lakeville ⁽²⁾	City government	285	7	0.6%	216	8	0.6%
BTD Manufacturing	Metal manufacturing	390	8	0.9%	210	9	0.6%
Menasha Corporation	Corrugated & solid fiber box mfg.	286	9	0.7%	237	6	0.7%
Schmitt & Sons Bus Company	Transportation	270	10	0.6%	-		
Imperial Plastics, Inc	Plastics material & resin mfg.	-			450	4	
Despatch Industries, Inc.	Industrial furnace & oven mfg.	-			230	7	0.7%
Jeff Belzer's Chevy-Dodge-KIA	New & used auto dealership	-			200	10	0.6%
Total principal employers		5,437		12.4%	4,385		13.0%
All other employers		38,487		87.6%	29,408		87.0%
Total City of Lakeville civilian labor force ⁽³⁾		43,924		100.0%	33,793		100.0%

Source:

(1) Reference USA.

(2) As of December 31, 2025 (full-time equivalent).

(3) MN Department of Employment and Economic Development (DEED) as of December 31, 2025.

City of Lakeville, Minnesota
Employees by Function/Program (Full-Time Equivalent)
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
General government				
City administration	3.0	3.0	3.0	3.0
Communications	3.9	4.5	5.2	5.2
City clerk	1.0	1.0	1.0	1.0
Finance	6.7	7.0	7.0	6.7
Information Technology	3.1	3.8	4.0	4.0
Human resources	4.0	4.0	4.0	4.0
Planning	3.5	4.2	4.5	4.5
Community and economic development	2.5	2.4	2.5	2.5
Protective inspection	8.0	8.4	9.0	9.1
General government buildings	4.6	5.5	6.0	6.2
Total general government	40.3	43.8	46.2	46.2
Public safety				
Police officers (sworn)	54.7	54.6	57.0	61.0
Police dispatchers	-			
Police administration	13.4	14.8	13.1	13.6
Fire (excluding volunteer firefighters)	5.5	5.4	5.4	5.4
Total public safety	73.6	74.8	75.5	80.0
Public works				
Engineering	6.6	7.6	7.3	7.5
Forestry	N/A	N/A	N/A	N/A
Construction Services	3.7	3.3	4.0	4.7
Street maintenance	21.6	21.7	21.9	22.7
Total public works	31.9	32.6	33.2	34.9
Parks and recreation				
Park maintenance	14.0	15.1	16.4	16.6
Recreation	5.8	6.5	6.4	6.5
Arts center	3.7	3.6	3.8	3.7
Total parks and recreation	23.5	25.2	26.6	26.8
Total governmental activities	169.3	176.4	181.5	187.9
Liquor	25.3	26.1	26.0	26.3
Utility	21.3	23.1	24.3	24.6
Total business-type activities	46.6	49.2	50.3	50.9
Total employees	215.9	225.6	231.8	238.8

Source: City of Lakeville Human Resources Department.

Note: Includes full-time equivalent for both full and part-time employees and accounts for overtime.

Seasonal employees are not included for purposes of this report.

Table 16

2020	2021	2022	2023	2024	2025
3.0	3.0	2.6	3.0	2.9	3.0
5.0	5.2	5.2	4.9	4.2	4.5
1.0	1.0	1.6	1.0	1.0	1.0
6.7	6.7	7.1	8.5	7.8	7.9
4.0	4.0	4.0	3.6	4.0	4.0
4.0	4.0	4.0	5.0	5.2	5.0
4.5	4.2	4.8	3.5	-	-
2.5	2.5	3.3	2.5	5.8	6.0
9.8	10.3	10.5	10.2	9.9	9.8
6.5	5.7	5.3	5.4	5.4	5.5
47.0	46.6	48.4	47.6	46.2	46.7
61.7	61.0	66.4	65.5	67.0	69.7
14.5	13.7	12.1	13.8	14.0	13.7
5.4	5.4	6.0	6.3	13.0	27.7
81.6	80.1	84.5	85.6	94.0	111.1
7.3	8.3	7.3	7.3	7.9	7.0
N/A	N/A	N/A	2.0	1.8	2.0
4.9	5.3	4.1	4.5	3.2	4.3
23.0	22.2	22.9	22.1	20.7	24.1
35.2	35.8	34.3	35.9	33.6	37.4
16.3	15.4	16.5	18.2	18.4	19.2
6.3	7.8	7.5	6.5	6.5	6.4
3.2	4.3	4.5	4.0	4.0	6.1
25.8	27.5	28.5	28.7	28.9	31.7
189.6	190.0	195.7	197.8	202.7	226.9
26.5	29.9	36.6	36.6	38.4	37.5
24.0	24.0	25.8	23.1	23.4	20.6
50.5	53.9	62.4	59.7	61.8	58.1
240.1	243.9	258.1	257.5	264.5	285.0

City of Lakeville, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019
General government				
Number of registered voters	41,124	N/A	41,693	N/A
Number of final plats approved	19	20	25	16
Number of building permits issued	6,522	6,931	7,303	10,065
Valuation of building permits issued (in millions)	\$ 238	\$ 271	\$ 250	\$ 301
Public safety				
Total calls for service	47,724	38,036	43,268	46,006
Traffic stops	18,239	15,680	18,412	18,700
Non-traffic related calls	29,485	22,356	24,856	27,306
Number of volunteer firefighters	85	86	82	88
Number of full-time firefighters	-	-	-	-
Number of annual fire calls	1,347	1,477	1,500	1,694
Public works				
City street miles added	17.0	3.1	3.6	7.5
Parks and recreation				
Park acres mowed	430	430	430	430
Park building reservations taken	79	90	118	147
Shelter reservations taken	382	453	458	465
Recreation participants registered	2,692	3,434	3,473	3,909
Recreation league teams	129	142	149	154
Heritage Center reservations	275	308	340	367
Heritage Center active adult membership	941	1,089	1,112	1,194
Art Center registrations	N/A	N/A	N/A	N/A
Liquor				
Annual sales (in millions)	\$ 14.1	\$ 14.6	\$ 16.9	\$ 16.4
Utility (in millions of gallons)				
Water (average daily consumption)	5.5	5.8	5.8	5.2
Sanitary sewer (1) (average daily treatment)	3.4	3.4	3.5	3.5

Notes:

(1) Sewage is treated by the Metropolitan Council Environmental Services.

N/A - Indicates information is not available for this period at the printing of this report.

Source: Various City of Lakeville Departments.

Table 17

2020	2021	2022	2023	2024	2025
44,511	N/A	48,064	N/A	49,723	N/A
20	20	22	8	16	19
10,609	10,313	10,342	10,554	7,992	7,923
\$ 442	\$ 371	\$ 321	\$ 257	\$ 258	\$ 331
32,327	35,784	42,258	51,565	53,165	47,033
8,024	6,214	9,605	12,143	11,795	10,961
24,303	27,783	32,653	39,422	41,370	36,072
85	90	90	70	65	65
-	-	-	-	6	21
1,998	2,794	3,114	3,266	3,593	4,162
7.0	10.8	5.4	4.7	5.3	5.1
430	430	450	455	455	462
61	98	124	157	410	380
277	542	507	322	576	628
1,517	3,647	4,104	4,835	4,494	5,348
78	98	114	150	305	479
145	201	267	337	352	304
1,205	1,134	1,143	1,490	1,607	1,666
N/A	N/A	1,376	1,543	2,155	2,188
\$ 18.3	\$ 19.6	\$ 21.7	\$ 22.6	\$ 22.6	\$ 22.2
6.3	7.5	7.4	7.8	6.2	6.7
3.6	3.8	3.8	4.0	3.9	4.3

City of Lakeville, Minnesota
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function ⁽¹⁾	2016	2017	2018	2019
Public safety				
Police station	1	1	1	1
Fire stations	4	4	4	4
Public works				
City streets (miles)	288.3	291.4	295.0	302.5
Parks and recreation				
Acres of parks, conservation areas, and greenways	1,600	1,600	1,600	1,677
Parks	60	60	61	61
Conservation areas	20	20	20	20
Trails and sidewalks - paved (miles)	110	111	117	118
Ice rinks - outdoor (fully boarded)	11	11	11	11
Ice rinks - indoor	3	3	3	3
Fields (softball, soccer, baseball, football, lacrosse)	96	96	97	97
Courts (basketball, volleyball, tennis, pickleball)	38	43	43	43
Playgrounds	44	44	46	46
Swimming beaches	3	3	3	2
Liquor				
Number of on-sale stores owned	2	2	1	1
Number of on-sale stores leased	1	1	2	2
Utility				
Water				
Water mains (miles)	321	346	350	358
Fire hydrants	3,572	3,818	3,885	3,969
Wells	18	18	19	19
Water towers	5	6	6	6
Sanitary sewer				
Sanitary sewer mains (miles)	261	261	264	270
Sanitary sewer lift stations	20	20	20	20

Notes:

(1) Indicators for general government functions are not available.

Source: Various City of Lakeville Departments.

Table 18

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
4	4	4	4	4	4
309.5	320.3	325.7	330.4	335.7	340.8
1,677	1,677	1,706	1,706	1,706	1,843
61	61	65	67	67	68
20	20	20	20	20	20
120	120	130	142	142	142
11	11	11	11	11	11
3	3	3	3	3	3
97	97	98	101	101	92
43	47	47	56	56	68
46	47	47	50	50	51
2	2	2	2	2	2
1	2	2	2	2	2
2	2	2	2	2	2
367	380	387	396	396	401
4,080	4,374	4,494	4,595	4,595	4,686
19	19	19	19	19	20
6	6	6	6	6	6
278	288	295	303	303	306
20	20	20	19	19	19



Executive Governance Summary

City of Lakeville

Lakeville, Minnesota

For the year ended December 31, 2025



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

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

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

June 26, 2026

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

We have audited the financial statements the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lakeville, Minnesota (the City) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and *Uniform Guidance* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 3, 2025. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Findings

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported.

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major Federal programs for the purpose of expressing an opinion on the City's compliance with those requirements and for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period

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

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent serving in the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectance, turnover, and healthcare cost trend rates.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.
- Management's estimate of future paid sick time usage is based on historical usage data.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.



Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the Schedule of Changes in the City's OPEB Liability and Related Ratios, and the respective budgetary comparison schedules and related note disclosures), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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



Future Accounting Standard Changes

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

GASB Statement No. 103 – *Financial Reporting Model Improvements*

Effective: 12/31/2026

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

Effective: 12/31/2026

Further information on upcoming [GASB pronouncements](#).

* * * * *

Restriction on Use

This communication is intended solely for the information and use of the City Council, management and the Minnesota Office of the State Auditor and is not intended and should not be used by anyone other than those specified parties.

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

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



Abdo
Minneapolis, Minnesota
June 26, 2026





Other Required Reports

City of Lakeville

Lakeville, Minnesota

For the year ended December 31, 2025



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

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

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

City of Lakeville, Minnesota
Other Required Reports
Table of Contents
For the Year Ended December 31, 2025

	<u>Page No.</u>
Single Audit and Other Required Reports	
Independent Auditor's Report on Minnesota Legal Compliance	3
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 <i>Government Auditing Standards</i>	4
Independent Auditor's Report on Compliance For Each Major Program and Report on Internal Control over Compliance Required By the Uniform Guidance	6
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Lakeville, 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Lakeville as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to 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.

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



Abdo
Minneapolis, Minnesota
June 26, 2026

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

Honorable Mayor and City Council
City of Lakeville, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lakeville, Minnesota (the City), as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Abdo
Minneapolis, Minnesota
June 26, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM ON INTERNAL CONTROL OVER
COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF AWARDS REQUIRED BY *THE UNIFORM GRANT GUIDANCE***

Honorable Mayor and City Council
City of Lakeville, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lakeville, Minnesota (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 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. We issued our report thereon dated June 26, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
June 26, 2026



City of Lakeville, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Administering Department	Clusters	Federal Expenditures
U.S. Department of Transportation				
State and Community Highway Safety	20.600	Minnesota Department Revenue	<u>\$ 18,634</u>	
Total Highway Safety Cluster				<u>\$ 18,634</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	Minnesota Department Revenue		78,596
Economic Development Initiative - Community Project Funding	14.251	Minnesota Department Revenue		<u>800,000</u>
Total U.S. Department of Housing and Urban Development				<u>878,596</u>
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	Minnesota Department Revenue		<u>18,403</u>
U.S. Department of Homeland Security				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Direct		<u>1,386,252</u>
Total Federal Awards				<u><u>\$ 2,301,885</u></u>

City of Lakeville, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Lakeville, Minnesota (the City) under programs of the federal government for the year ended December 31, 2025. The City's reporting entity is defined in Note 1A to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122 or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

4. Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

5. Indirect Cost Rate

During the year ended December 31, 2025, the City did not elect to use the 15 percent de minimis indirect cost rate.

City of Lakeville, Minnesota
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a).	No

Identification of Major Programs/Projects

	<u>ALN</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 1,000,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.



Date: 7/20/2026

Next City Council Meeting August 3, 2026

Proposed Action

Staff recommends adoption of the following motion:

Overview

Supporting Information

None

Financial Impact: \$ Budgeted: No Source: Envision Lakeville Community Values: Report Completed by:
