

City of Loretto
Regular City Council Meeting
Tuesday, December 9, 2025 – 7 p.m.
Agenda

1. CALL TO ORDER 7:00 PM
2. PLEDGE OF ALLEGIANCE
3. SET AGENDA
4. MEDINA PUBLIC SAFETY REPORT 7:05
5. OPEN FORUM 7:10
*Anyone wishing to address the Council during Open Forum should complete an **Open Forum Comment Form** and present it to the Clerk **prior to the meeting**. Forms can be found on the city website and at the entrance to the Council Chambers. Open Forum is for issues not on this current agenda.*
6. CONSENT AGENDA 7:15
All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
 - a. Resolution 2025-36, Interfund Loan Repayment to Water Capital Fund for Lions Park Improvements
 - b. Chicken License, Hatcher
 - c. Chicken License, Stross
 - d. Chicken License, Checkal
 - e. Audit Engagement Agreement
 - f. City Council Minutes of November 18, 2025 Regular Meeting
 - g. December Bills
 - h. Monthly Balance Sheet
 - i. Storage Sense Rental Agreement
7. ACTION/PLANNING ITEMS 7:20
 - a. Resolution 2025-37, Final Levy and Budget Truth in Taxation Public Hearing
 - b. Ordinance 2025-05, Amending Fee Schedule
 - c. 2023 Street Project Closeout – Change Order No. 3, Pay Request No. 8 (FINAL)
8. INFORMATIONAL ITEMS 7:40
 - a. Holiday Train Report
 - b. Hennepin County Tree Grants
 - c. 2025 Tax Rate
9. MONTHLY STAFF REPORTS 7:45
 - a. City Hall
 - 1) Met Council Response to System Statement Comments
 - b. Streets
 - c. Water
 - 1) Water Infrastructure Senate Bonding Tour
 - d. Wastewater
 - 1) Sewer Blockage Repair Costs
 - e. Parks
 - 1) Grants
 - 2) LCAA Operation and Maintenance Annual Statement
 - f. Stormwater
10. MAYOR AND COUNCIL REPORTS 7:55
11. ADJOURN 8:00 P.M.

This is a preliminary agenda and subject to change. The Council will set a final agenda at the meeting. Most current meeting agendas can be viewed at City Hall or on the City of Loretto website: www.ci.loretto.mn.us

MEMO

TO: Honorable Mayor and Members of the Loretto City Council
FROM: Mary Schneider, City Clerk Treasurer
CC: Jake Leuer, Public Works Director
DATE: Friday, December 5th, 2025
RE: Council Meeting of Tuesday, December 9th, 2025

1. CALL TO ORDER
The full council should be present. Nick Wyers will also be present.
2. PLEDGE OF ALLEGIANCE
3. SET AGENDA
If there are any items to add or subtract from the agenda, this would be the time to do so.
4. MEDINA PUBLIC SAFETY REPORT
The November police report is included in the packet. A Medina Police representative should be present to give the monthly report.
5. OPEN FORUM
*Anyone wishing to address the Council during Open Forum should complete an **Open Forum Comment Form** and present it to the Clerk **prior to the meeting**. Forms can be found on the city website and at the entrance to the Council Chambers. Open Forum is for issues not on this current agenda and no action will be taken during this meeting.*
6. CONSENT AGENDA
*All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. **If discussion is desired, that item should be removed from the Consent Agenda and added to ACTION PLANNING to be considered separately.***
 - a. Resolution 2025-36, Interfund Loan Repayment to Water Capital Fund for Lions Park Improvements
This is the fourth and final repayment of \$10,000 for the Lions Park Improvements, paid back to the Water Capital Fund (611).
 - b. Chicken License, Hatcher
This is an annual chicken license renewal. Approval is contingent on the applicant submitting the paperwork and paying the \$25 renewal fee. **There haven't been any complaints against the chicken license holders.**
 - c. Chicken License, Stross
This is an annual chicken license renewal. Approval is contingent on the applicant submitting the paperwork and paying the \$25 renewal fee. **There haven't been any complaints against the chicken license holders.**
 - d. Chicken License, Checkal
This is an annual chicken license renewal. Approval is contingent on the applicant submitting the paperwork and paying the \$25 renewal fee. **There haven't been any complaints against the chicken license holders.**
 - e. Audit Engagement Agreement
Included in your packet is the engagement letter from Abdo for the 2025 audit. The cost of the audit will be \$18,450. There could be additional costs if new auditing regulations need to be implemented. **We've budgeted \$20,000 for this purpose.**
 - f. City Council Minutes of November 18, 2025 Regular Meeting
The minutes of the November 18th Regular Meeting are included in your packet for review and approval.

g. December Bills

Electronic checks #5374E – 5393E totaling \$22,510.84

Payments over \$1,000 include:

- one payroll - \$8,839.60
- one PERA payment - \$1,791.14 (retirement contributions)
- one EFTPS payment - \$3,352.03 (bi-weekly federal payroll tax deposits)
- MN Dept of Revenue - \$1,210.38 (monthly payroll state tax deposit)
- Xcel Energy - \$4,600.03 (November electric services)

Paper checks #26557 - 26592 totaling \$49,305.79

Payments over \$1,000 include:

- Quality Flow Systems - \$9,190.80 (lift station pump repairs)
- Lano Equipment - \$1,125.00 (excavator rental)
- Bullseye Property Management - \$1,571.30 (Office lease and CAM fees)
- CDW Government LLC - \$1,031.12 (adobe licenses – AcrobatPro and InDesign for newsletters)
- City of Medina - \$5,911.98 (monthly police services)
- Guidance Point Technologies - **\$2,257.49 (Mary's desktop replacement per schedule)**
- Metropolitan Council - \$6,799.70 (January 2026 MWC)
- Council Members - \$15,089.99 (2025 council compensation)

h. Monthly Balance Sheet

The monthly balance sheet is included in your packet for review.

i. Storage Sense Rental Agreement

Included in your packet is a rental agreement for the city's storage space in Hamel. We've been renting the space for many years, but they contacted me that there's no agreement on file and there must be one per state law.

RECOMMENDATION: Motion to approve the CONSENT AGENDA as submitted.

7. ACTION/PLANNING ITEMS

a. Resolution 2025-37, Final Levy and Budget Truth in Taxation Public Hearing

The Truth in Taxation hearing is for public input on the budget and levy and time for council to decide on the final 2026 Budget. Please read through the reference materials for a complete **description of staff's final budget proposal.**

The following reference materials are included in your packet:

- Resolution 2025-37, setting the Final 2026 Levy and General Fund Budget.
- Final Levy Certification Form, this shows the General Revenue Levy, currently set at 5.5% increase, and the Bonded Indebtedness Levy. The General Revenue Levy can be lowered, but the Bonded Indebtedness Levy cannot. That levy is collected for debt service payments on the bonds the city issued to pay for the street projects (Albert/Elsen and Meadow/Hillview projects.)
- Budget Summary Memo, this shows the General Revenue levy and budget as directed by council, and giving a summary of each fund. The General Revenue Levy is at 5.5% increase and the Enterprise Funds (Water, Wastewater, and Stormwater) are each at a 5% increase.
- Budget Proposal Detail Any line items that have changed since the September council meeting are highlighted in gray. The only changes are in the Water Fund, due to the MN Dept of Health water connection fee being increased. The increase is matched in revenues and expenditures, so there is no change to the overall Fund.

- Proposed Dues and Subscriptions This is included due to the same increase to the water connection fee from the Mn Dept of Health.

PUBLIC HEARING PROCEDURE

- The Mayor announces the purpose of the Public Hearing – Truth in Taxation, for public input on the 2025 Levy and Budget
- Staff presents the matter being considered (Mary Schneider will present)
- Public testimony - Mayor OPENS the public hearing
 - ✓ Those who wish to speak must step up to the podium, then state their name and address before giving comment.
 - ✓ Residents are asked not to repeat previous comments.
 - ✓ Any question raised will be recorded and answered by staff/consultants following the conclusion of public testimony.
- MOTION to close the public hearing when public comment is complete.
- Once the public portion of the hearing is closed, no more public testimony is taken.
- The Council may make a decision or defer action to another time.

Recommendation: Motion to approve Resolution 2025-37, A RESOLUTION SETTING THE 2026 PROPERTY TAX LEVY AND APPROVING THE 2026 GENERAL FUND BUDGET.

b. Ordinance 2025-05, Amending Fee Schedule

The ordinance to amend the fee schedule is included in your packet. Changes to the fee schedule are in red and are based on a combination of need due to debt service requirements (Water Fund), Municipal Wastewater Fees and capacity increases in the shared sewer line (Wastewater Fund), and stormwater pond cleanout needs (Stormwater Fund), recommendations from the Long-term Financial Plan (LTFP) and need to cover operating costs. The changes include:

- 5% increase to park field use rental fees
- Increase to SAC (5%) and WAC (5%)
- 5% increase in Water Minimum rate
- 5% increase in water rate per 1,000 gallons over minimum
- 5% increase to Bulk water rate from city hydrant
- 5% increase to the Depreciation Fee
- 5% increase in the Sewer Minimum rate
- 5% increase in sewer rate per 1,000 gallons over minimum
- 5% increase to the Stormwater Base Rate

WHEN MAKING THE MOTION FOR APPROVAL, BE SURE TO INCLUDE SUMMARY PUBLICATION APPROVAL. **This saves on publishing costs. A four/fifth's vote is required when approving summary publication.**

RECOMMENDATION: Motion to approve Ordinance 2025-05, AN ORDINANCE OF THE CITY OF LORETTO, MINNESOTA AMENDING FEES FOR CITY LICENSES, PERMITS AND SERVICES AND APPROVE SUMMARY PUBLICATION OF THE ORDINANCE AS SUBMITTED IN THE PACKET.

c. 2023 Street Project Closeout

Included in your packet are the following:

- Engineering memo
- Change Order No. 3
- Pay Request No. 8 – FINAL

Nick will be present at the meeting to present this item.

RECOMMENDATION: Motion to approve Change Order No. 3 and Pay Request No. 8 to Omann Contracting Companies in the amount of \$27,132.71 closing out the 2023 Street Improvement Project contingent on the City receiving the required project closeout documents.

8. INFORMATIONAL ITEMS

a. Holiday Train Report

I will give a verbal report at the meeting.

b. Hennepin County Tree Grants

Included in your packet is a fact sheet for the Hennepin County Tree Grant program.

c. Proposed 2026 Tax Rate

Included in your packet is a report showing the proposed 2026 tax rate on the first page, the final 2025 tax rate on the second page.

9. MONTHLY REPORTS

a. City Hall

1) Met Council Response to System Statement Comments

Included in your packet is an email exchange between city staff and the Met Council staff. The **Met Council reviewed Loretto's comments on the employment projections in the 2050 System Statement** and agreed to reduce them from 540 down to 300 by 2050. City Planner Nate Sparks responded that this is a reasonable number for Loretto.

b. Streets

There are no items in this section of the agenda.

c. Water

1) Water Infrastructure Senate Bonding Tour

Kent will give an update at the meeting. The slides from his presentation to the Senate Capital Investment Committee are included in the packet.

d. Wastewater

1) Sewer Blockage Repair Costs

There are no additional costs to report.

e. Parks

1) Grants

There are no items in this section of the agenda.

2) LCAA Operation and Maintenance Annual Statement

This is the annual statement for the LCAA. The city and the LCAA entered into an operation and maintenance agreement in 2014. Per the agreement, the LCAA does all the scheduling and **"runs" the baseball field. They collect all revenues for field use and are** responsible for maintenance of the field including a portion of the electric and water fees. The city purchases materials for the field and the LCAA reimburses the city for these routine maintenance purchases. Any capital improvements, infrastructure maintenance, or repairs needed due to **storm damage is the city's responsibility. The annual statement was sent to them on 12/01.**

f. Stormwater

There are no items in this section of the agenda.

10. MAYOR AND COUNCIL REPORTS

11. ADJOURN

RESOLUTION NO. 2025-36

**MOTION BY MEMBER:
SECONDED BY MEMBER:**

**A RESOLUTION AUTHORIZING 2025 SCHEDULED PAYMENT ON INTERFUND
LOAN FROM THE WATER CAPITAL FUND FOR THE LIONS PARK SHELTER
IMPROVEMENT PROJECT**

WHEREAS, the City of Loretto (“City”) approved an interfund loan from the Water Capital Fund (Fund 611) to the Capital Fund (Fund 225) through Resolution 2021-13 (“Interfund Loan”); and

WHEREAS, the principal amount of the Interfund Loan is \$40,000; and

WHEREAS, no interest was charged on the Interfund Loan; and

WHEREAS, the Interfund Loan will be repaid through the General Fund Levy by annual payments of \$10,000 in 2022, 2023, 2024 and 2025.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Loretto hereby approves the \$10,000 2025 scheduled payment of the Interfund Loan and directs the City Clerk to complete the transfer of \$10,000 from the General Fund (101) to the Water Capital Fund (611).

PASSED AND ADOPTED THIS 9th DAY OF DECEMBER 2025.

VOTING AYE

__Daniels, Brenda
__Koch, Kent
__Leuer, Jeff
__Markham, Melissa
__Scanlon, Ben

VOTING NAY

Daniels, Brenda__
Koch, Kent__
Leuer, Jeff__
Markham, Melissa__
Scanlon, Ben__

Kent Koch, Mayor

ATTEST:

Mary K. Schneider, City Clerk Treasurer

December 02, 2025

Management, Honorable Mayor and City Council
City of Loretto
Loretto, Minnesota

We are pleased to confirm our understanding of the services we are to provide the City of Loretto (the City) for the year ended December 31, 2025.

Audit Scope and Objectives

We will audit the financial statements of each major fund of the governmental and proprietary funds, and the aggregate remaining fund information, including the disclosures (collectively the “financial statements”) as of and for the year ended December 31, 2025. The financial statements will be prepared under the regulatory basis of accounting under the reporting provisions of the Minnesota Office of the State Auditor.

We have also been engaged to report on supplementary information that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Combining and Individual Fund Financial Statements and Schedules
- General Fund - Budgetary Comparison Schedule - Regulatory Basis

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

- Schedule of Accounts Receivable
- Schedule of Accounts Payable and Contingent Liabilities
- Schedule of Indebtedness

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- Introductory Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented in all material respects, in conformity with the regulatory basis of accounting under the reporting provisions of the Minnesota Office of the State Auditor (and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of the audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, Government Auditing Standards do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of certain assets, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.



Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and Government Auditing Standards.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements that we report.



With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Abdo, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the regulatory basis of accounting under the reporting provisions of the Minnesota Office of the State Auditor. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You are responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. You are also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. We will also use the financial statements to complete the Office of the State Auditors' Reporting Forms. We will also accumulate capital asset information and calculate the depreciation based on lives and methods determined by management. We will also assist with year end accrual entries and related schedules for the enterprise funds from information provided by management.

These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide referenced in the Other Services paragraph above. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the results of the services, the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide electronic copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.



The audit documentation for this engagement is the property of Abdo and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Abdo personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Bonnie K. Schwieger, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in January 2026, and to issue our reports no later than March 31, 2026.

Our fee for these services will be as follows:

Audit	\$17,500.00
2025 Office of the State Auditor's Reporting Form	<u>\$950.00</u>
Total	<u><u>\$18,450.00</u></u>

Our invoices for these fees will be rendered as follows: 25% at engagement letter signing, 50% once fieldwork is complete and 25% at Report Delivery.

There have been several new accounting standards issued in recent years which will begin taking effect in the current and following years. These new standards may require substantial changes to your financial statements. We will review with you during the planning stage and if changes are substantial and you would like our firm to complete this work we will agree at that time to a separate fee and engagement to complete that work.

To assist with the post-implementation accounting for GASB statement numbers 87 - Leases and 96 - Subscription Based Information Technology Agreements (SBITA's), Abdo has partnered with an accounting software known as Crunhafafi (formerly known as LeaseCrunch) to ensure you are in compliance with the standards. The cost of this service is a discounted price of \$81.90 per lease/SBITA that is in the Crunhafafi system and is billed directly to Abdo from Crunhafafi on an annual basis. Abdo will bill you the same amount charged from Crunhafafi based on the number of leases/SBITA's in your account. Abdo plans to utilize this software as part of our procedures and Abdo can either enter information into the system for you to review or we can give you access to the system to input your own data for which we will review and ensure it is correct. We will discuss this with you as part of our planning procedures.

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report. To receive one (1) paper report, you will be charged \$150 for a set-up fee. Additional paper copies will be charged at the rate of \$50 per report.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.



You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will utilize a portal which is a collaborative, virtual workspace in a protected, online environment. The portal permits real-time collaboration across geographic boundaries and time zones and allows us and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use the portal, you may be required by the provider of the portal to execute a client portal agreement and agree to be bound by the terms, conditions, and limitations of such agreement. You agree that we have no responsibility for the activities of the portal and agree to indemnify and hold us harmless with respect to any and all claims arising from your misuse of the portal.

We are not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by us.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.



State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the sale of our accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.

Abdo, LLP and its subsidiary companies are committed to providing equal employment opportunities to all employees and applicants for employment without regard to any legally-recognized basis "protected class" including but not limited to: veteran status, uniform service member status, race, color, religion, sex, national origin, age, physical or mental disability, sexual orientation or marital preference, genetic information or any other protected class under federal, state, or local law.

Reporting

We will issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the Management, Honorable Mayor and City Council of the City. We cannot provide assurance that an unmodified opinion will be rendered. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement. You agree to include our audit report in any document containing financial statements that indicate that such financial statements have been audited by us and, prior to inclusion of our audit report, to ask our permission to do so.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with the regulatory basis of accounting under the reporting provisions of the Minnesota Office of the State Auditor and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2023 Peer Review Report accompanies this letter.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please electronically sign this letter.

Sincerely,



Abdo

Abdo





REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 6, 2023

To the Partners of
Abdo, LLP
and the Peer Review Committee of the Minnesota Society
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, LLP (the firm) in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Abdo, LLP in effect for the year ended May 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Abdo, LLP has received a peer review rating of *pass*.



Brady Martz and Associates, P.C.
Grand Forks, North Dakota



RESPONSE:

This letter correctly sets forth the understanding of the City of Loretto.

Signature and Title: _____



City of Loretto
Minutes of Regular City Council Meeting
279 N. Medina Street, Council Chambers
November 18, 2025

1. CALL TO ORDER

Mayor Koch called the meeting to order at 7:00 p.m.

Members present: Mayor Kent Koch, Council Members Brenda Daniels, Melissa Markham, and Ben Scanlon.

Members absent: Council Member Jeff Leuer

Also present: City Engineer Nick Wyers, Medina Public Safety Officer Levi Stumo, Public Works Director Jake Leuer, and City Clerk Treasurer Mary Schneider.

There were no people in the audience.

2. PLEDGE OF ALLEGIANCE

3. SET AGENDA

The agenda was approved as submitted.

4. MEDINA PUBLIC SAFETY REPORT

Officer Stumo presented the October report, noting one hundred seventy-seven total calls for service, of which one hundred forty-eight were general patrols.

5. OPEN FORUM

No one came forward to speak during the Open Forum.

6. CONSENT AGENDA

- a. Resolution 2025-32, Designating 2026 Polling Place
- b. Resolution 2025-33, **Renewing Mayor's Monarch Pledge for 2026**
- c. Resolution 2025-34, Amending Premium Conversion Plan
- d. Resolution 2025-35, Accepting Lions Club Donation, Lions Park Playground Improvements
- e. Siren Maintenance Agreement Renewal, Embedded Systems
- f. 2026 Employee Benefits Summary Amendment
- g. City Council Minutes of October 14, 2025 Regular Meeting
- h. November Bills, consisting of electronic check numbers 5340E through 5373E and paper check numbers 26505 through 26556 totaling \$106,771.29.
- i. Monthly Balance Sheet

On a motion by Daniels, seconded by Markham, to approve the CONSENT AGENDA as submitted. Motion carried unanimously.

7. ACTION/PLANNING

a. 2023 Street Improvement Project ROW Restoration

Stantec Engineer Nick Wyers reported that restoration of the last stretch of right of way on the north end of Hillview Lane South will be pursued next spring. Wyers stated the cost of the **materials to sod the site, along with the contractor's share of the** reclamite treatment, will be **subtracted from the contractor's final payment and the project will be** brought to the Council to be closed out in December. Wyers stated the plan is for Public Works staff to grade and install the sod.

- b. GIS Proposal
On a motion by Markham, seconded by Daniels, to approve Phase two of the Stantec GIS Proposal in the amount of \$10,000.
Motion carried unanimously.
- c. 2050 Comp Plan System Statement
On a motion by Daniels, seconded by Markham, to approve the proposed comments letter and authorize the city clerk to submit the letter to the Metropolitan Council.
Motion carried unanimously.
- d. Prosecuting Attorney
Council reviewed a memo from Prosecuting Attorney Steve Tallen regarding his plans to retire at the end of the first quarter of 2026 and discussed whether Loretto should go out for its own request for proposals (RFPs) or would it be in the best interest of Loretto to go with the same prosecuting attorney that Medina chooses through its RFP.

Council consensus was that because Loretto contracts with Medina for police services, it makes the most sense and would likely be a cost saving measure to engage the same prosecuting attorney.

8. INFORMATIONAL ITEMS

- a. Holiday Train Report
Council reviewed. No action was taken.
- b. Fire Department Third Quarter Report
Council reviewed. No action was taken.
- c. LMCC Staff Changes
Council reviewed. No action was taken.

9. MONTHLY STAFF REPORTS

- a. City Hall
 - 1) 2026 Meeting Schedule
Council reviewed a proposed 2026 meeting schedule. Consensus for the April regular meeting date was Thursday, April 23rd.

Clerk Treasurer Schneider stated the meeting schedule would be adopted at the January meeting.

Schneider also requested additional meeting logs be submitted by the first day of December.
- b. Streets
 - 1) Town Line Road Quiet Zone Update
Mayor Koch reported that a diagnostic meeting was held for the Townline Road quiet zone. Koch stated that, eventually, the quiet zones at County Road 19 and Townline Road would be packaged as one large quiet zone covering both crossings. A memorandum of understanding (MOA) would need to be established between the three cities involved: Loretto, Independence, and Medina. This MOA would set forth the responsibilities for renewals, among other details. Koch also stated that it was determined that the snowmobile crossing between Loretto and the Townline Road crossing would not need to be removed.

c. Water

1) Water Infrastructure House Bonding Tour

Koch reported he gave a presentation to the House Capital Investment Committee for the water infrastructure bonding request. Council reviewed the presentation slides and thanked Koch for his work.

d. Wastewater

1) Sewer Blockage Repair Costs, Sewer Pump Failure, November 1, 2025

Public Works Director Leuer reported there was a sewer pump failure on November 1st. When the pumps were pulled, they were found to be plugged with rags and wipes. It was also found that the bowls had holes in them. The cost of repair was \$9,190.80. Leuer stated the damage to the bowls comes from sand, grit, and rocks. Council reviewed images of the pumps and bowls.

2) Decommission Sewer Ponds update

Leuer reported that discussions have begun with the Metropolitan Council about decommissioning the sewer ponds. Leuer stated there are two questions: whether the ponds can be decommissioned considering the limited flow rates and what would need to be done to decommission.

e. Parks

1) Grants

No items were brought forward.

f. Stormwater

No items were brought forward.

10. MAYOR AND COUNCIL REPORTS

Koch reported he attended a meeting of the Northwest Hennepin League of Municipalities where a representative from the County Land and Water Unit talked about tree grants. Koch stated the grant program pays for a tree inventory as step one, then replacing diseased trees as step two. Koch stated he asked if Loretto could bypass step one since we already completed a tree inventory for the Met Council tree grant and move right into step two. Koch also stated the County grows their own trees and offers them for sale.

11. ADJOURN

On a motion by Markham, seconded by Daniels, to adjourn at 7:55 p.m.
Motion carried unanimously.

ATTEST:

Mary K. Schneider, City Clerk Treasurer

Kent Koch, Mayor

CITY OF LORETTO

***Check Summary Register©**

Checks 26557-26592

Name	Check Date	Check Amt	
10100 Checking Account			
26557	GRAINGER, Inc.	11/21/2025	\$121.82 No Trucks street sign
26558	OXYGEN SERVICE COMPANY	11/21/2025	\$240.00 cylinder lease 5yr.welding tanks
26559	QUALITY FLOW SYSTEMS, INC	11/21/2025	\$9,190.80 lift station pump repairs
26560	KD & COMPANY RECYCLING	12/1/2025	\$750.00 clay compactable fill
26561	LANO EQUIPMENT	12/1/2025	\$1,125.00 excavator rental
26562	BULLSEYE PROPERTY MANAGE	12/9/2025	\$1,571.30 monthly office lease CAM fees
26563	CDW Government LLC	12/9/2025	\$1,031.12 Adobe Licenses
26564	CINTAS CORP #470	12/9/2025	\$280.85 uniforms and rr supplies
26565	CITY OF MEDINA	12/9/2025	\$5,911.98 Monthly Police per contract
26566	COORDINATED BUSINESS SYST	12/9/2025	\$131.61 VOIP monthly charges
26567	COYLE, BECKY	12/9/2025	\$10.50 mileage Holiday Train posters
26568	WANDERSEE, DARCY	12/9/2025	\$325.00 gator plow
26569	GOPHER ACE HARDWARE	12/9/2025	\$96.13 Traps/supplies
26570	GOPHER STATE ONE-CALL	12/9/2025	\$4.05 3 locates
26571	GREGERSON, ROSOW, JOHN SO	12/9/2025	\$470.57 criminal legal
26572	Guidance Point Tech.	12/9/2025	\$2,257.49 Mary's desktop replacement
26573	HENNEPIN COUNTY TREASURE	12/9/2025	\$527.48 solid waste management
26574	HOMESERVE USA	12/9/2025	\$218.00 monthly leak protection
26575	LANO EQUIPMENT	12/9/2025	\$27.82 excavator rental
26576	US Postal Service	12/9/2025	\$100.00 replenish Indicia
26577	MENARDS	12/9/2025	\$96.94 Tables/water
26578	METRO WEST INSPECTION SER	12/9/2025	\$948.16 Building Inspections
26579	METROPOLITAN COUNCIL	12/9/2025	\$6,799.70 METC MWC monthly fees
26580	MINNESOTA DEPARTMENT OF H	12/9/2025	\$626.00 Service Connection Fee
26581	NAPA OF CORCORAN	12/9/2025	\$8.18 Bulbs
26582	SCHNEIDER, MARY K	12/9/2025	\$14.07 Mileage for senate bonding supplies
26583	TRACTOR SUPPLY CREDIT PLA	12/9/2025	\$167.21 Streets
26584	VISA	12/9/2025	\$217.10 Lunds&Byerlys, Kleenex
26585	WESTERN ELECTRIC	12/9/2025	\$145.00 Electric Service
26586	WSB & ASSOCIATES, INC	12/9/2025	\$150.00 general planning assistance
26587	GRAINGER, Inc.	12/9/2025	\$651.92 heater
26588	DANIELS, BRENDA	12/9/2025	\$4,617.50 2025 council compensation
26589	KOCH, KENT M	12/9/2025	\$4,617.50 2025 council compensation
26590	LEUER, JEFFREY	12/9/2025	\$1,939.35 2025 council compensation
26591	MARKHAM, MELISSA	12/9/2025	\$1,939.35 2025 council compensation
26592	SCANLON, BEN	12/9/2025	\$1,976.29 2025 council compensation
Total Checks			\$49,305.79

Council payroll \$15,089.99

FILTER: [Check Nbr] between 26557 and 26592 and [Cash Act]='10100'

***Check Summary Register©**

November to December 2025

Name	Check Date	Check Amt
10100 Checking Account		
Paid Chk# 5374e MN DEPT. OF REVENUE	17-Nov-25	\$868.00 October sales tax
Paid Chk# 5375e WH SECURITY	15-Nov-25	\$33.95 wellhead security Lorenz
Paid Chk# 5376e WH SECURITY	15-Nov-25	\$33.95 wellhead security Edgewood
Paid Chk# 5377e MEDIACOM BUSINESS	25-Nov-25	\$256.94 internet services
Paid Chk# 5378e EMPLOYEE 121	27-Nov-25	\$463.49 payroll 112725
Paid Chk# 5379e EMPLOYEE 111	27-Nov-25	\$1,987.12 payroll 112725
Paid Chk# 5380e EMPLOYEE 120	27-Nov-25	\$1,534.41 payroll 112725
Paid Chk# 5381e EMPLOYEE 110	27-Nov-25	\$2,309.60 payroll 112725
Paid Chk# 5382e EMPLOYEE 108	27-Nov-25	\$2,544.98 payroll 112725
Paid Chk# 5383e PERA	27-Nov-25	\$1,791.14 payroll retirement 112725
Paid Chk# 5384e EFTPS	27-Nov-25	\$3,352.03 payroll fed tax dep 112725
Paid Chk# 5385e AFLAC	27-Nov-25	\$283.44 payroll contributions 112725
Paid Chk# 5386e MN DEPT. OF REVENUE	27-Nov-25	\$1,210.38 payroll state tax deposit 112725
Paid Chk# 5387e 21st Century Bank	31-Dec-25	\$25.00 cash management fee
Paid Chk# 5388e STORAGE SENSE-HAMEL	01-Jan-26	\$858.00 PW storage unit B55
Paid Chk# 5389e CENTERPOINT ENERGY	19-Dec-25	\$48.29 City Garage utility
Paid Chk# 5390e CENTERPOINT ENERGY	19-Dec-25	\$160.30 Wellhouse utility
Paid Chk# 5391e CENTERPOINT ENERGY	19-Dec-25	\$83.17 Lift Station utility
Paid Chk# 5392e VERIZON WIRELESS	13-Dec-25	\$66.62 PW tablet data plan
Paid Chk# 5393e XCEL ENERGY	12-Dec-25	\$4,600.03 electric utility
		\$22,510.84

Paper check total	\$49,305.79
Electronic check total	<u>\$22,510.84</u>
Grand Total:	\$71,816.63

CITY OF LORETTO
Monthly Balance Sheet
Current Period: December 2025

Account Descr	Begin Yr	MTD Debit	MTD Credit	YTD Debit	YTD Credit	Current Balance
101 GENERAL FUND						
G 101-10100 Cash	\$554,664.75	\$280,128.14	\$16,161.38	\$770,206.67	\$676,608.07	\$648,263.35
G 101-10200 Petty Cash	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00
G 101-25300 Unreserved Fund Balance	-\$554,714.75	\$16,161.38	\$280,128.14	\$679,660.02	\$773,258.62	-\$648,313.35
101 GENERAL FUND	\$0.00	\$296,289.52	\$296,289.52	\$1,449,866.69	\$1,449,866.69	\$0.00
225 CAPITAL IMPROVEMENT FUND						
G 225-10100 Cash	\$283,785.66	\$726.17	\$0.00	\$10,168.79	\$32,116.10	\$261,838.35
G 225-20711 Due to Water Capital Fund	-\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$10,000.00
G 225-25300 Unreserved Fund Balance	-\$273,785.66	\$0.00	\$726.17	\$32,116.10	\$10,168.79	-\$251,838.35
225 CAPITAL IMPROVEMENT FUND	\$0.00	\$726.17	\$726.17	\$42,284.89	\$42,284.89	\$0.00
227 2021 ST IMP PROJECT FUND						
G 227-10100 Cash	\$0.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.45
G 227-25300 Unreserved Fund Balance	-\$0.45	\$0.00	\$0.00	\$0.00	\$0.00	-\$0.45
227 2021 ST IMP PROJECT FUND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
228 2023 ST IMP PROJECT FUND						
G 228-10100 Cash	\$164,738.90	\$244.48	\$0.00	\$4,200.44	\$80,784.51	\$88,154.83
G 228-25300 Unreserved Fund Balance	-\$164,738.90	\$0.00	\$244.48	\$80,784.51	\$4,200.44	-\$88,154.83
228 2023 ST IMP PROJECT FUND	\$0.00	\$244.48	\$244.48	\$84,984.95	\$84,984.95	\$0.00
352 2021 ST PROJECT BOND FUND						
G 352-10100 Cash	\$132,767.70	\$8,626.26	\$0.00	\$81,102.19	\$69,256.50	\$144,613.39
G 352-25300 Unreserved Fund Balance	-\$132,767.70	\$0.00	\$8,626.26	\$69,256.50	\$81,102.19	-\$144,613.39
352 2021 ST PROJECT BOND FUND	\$0.00	\$8,626.26	\$8,626.26	\$150,358.69	\$150,358.69	\$0.00
353 2023 ST PROJECT BOND FUND						
G 353-10100 Cash	\$38,999.43	\$82,822.24	\$0.00	\$137,179.52	\$68,991.81	\$107,187.14
G 353-25300 Unreserved Fund Balance	-\$38,999.43	\$0.00	\$82,822.24	\$68,991.81	\$137,179.52	-\$107,187.14
353 2023 ST PROJECT BOND FUND	\$0.00	\$82,822.24	\$82,822.24	\$206,171.33	\$206,171.33	\$0.00
601 WATER FUND						
G 601-10100 Cash	\$132,088.42	\$336.58	\$2,689.22	\$289,308.71	\$302,721.44	\$118,675.69
G 601-11500 Accounts Receivable	\$24,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,900.00
G 601-12200 Special Assess Rec-Delinquent	\$734.00	\$0.00	\$0.00	\$0.00	\$0.00	\$734.00
G 601-12300 Special Assess Rec-Deferred	\$33,215.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,215.00
G 601-15699 Deferred Outflows of Pension R	\$3,764.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,764.00
G 601-16300 Improvements Other Than Bldg	\$2,169,526.73	\$0.00	\$0.00	\$0.00	\$0.00	\$2,169,526.73
G 601-16400 Fixed Asset-Equip/Machinery	\$73,409.00	\$0.00	\$0.00	\$0.00	\$0.00	\$73,409.00

CITY OF LORETTO
Monthly Balance Sheet
Current Period: December 2025

Account Descr	Begin Yr	MTD Debit	MTD Credit	YTD Debit	YTD Credit	Current Balance
G 601-16410 Fixed Asset-Equip Depreciation	-\$466,736.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$466,736.00
G 601-20200 Accounts Payable	-\$1,773.00	\$0.00	\$0.00	\$1,773.00	\$0.00	\$0.00
G 601-21500 Accrued Interest Payable	-\$26,332.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$26,332.00
G 601-21600 Accrued Wages & Salaries Paya	-\$1,381.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,381.00
G 601-21650 Compensated Absences-Curren	-\$3,183.00	\$0.00	\$0.00	\$1,102.00	\$0.00	-\$2,081.00
G 601-21800 Water State Sales Tax	\$202.65	\$0.00	\$0.00	\$3,797.00	\$4,225.49	-\$225.84
G 601-22299 Deferred Inflows of Pension Re	-\$13,654.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$13,654.00
G 601-22400 Unamortized Premium Bonds S	-\$45,584.20	\$0.00	\$0.00	\$0.00	\$0.00	-\$45,584.20
G 601-22520 Special Assess Bonds Payable	-\$65,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$65,000.00
G 601-22530 Revenue Bonds Payable	-\$1,235,000.00	\$0.00	\$0.00	\$50,000.00	\$0.00	-\$1,185,000.00
G 601-23999 Pension Liability	-\$17,708.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$17,708.00
G 601-25300 Unreserved Fund Balance	-\$561,496.60	\$2,689.22	\$336.58	\$248,924.44	\$287,958.22	-\$600,530.38
G 601-33439 PERA Pension Other Revenue	\$8.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.00
601 WATER FUND	\$0.00	\$3,025.80	\$3,025.80	\$594,905.15	\$594,905.15	\$0.00
602 WASTEWATER FUND						
G 602-10100 Cash	\$98,585.54	\$2,299.26	\$11,019.00	\$240,232.19	\$222,104.60	\$116,713.13
G 602-11500 Accounts Receivable	\$19,327.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,327.00
G 602-12200 Special Assess Rec-Delinquent	\$546.00	\$0.00	\$0.00	\$0.00	\$0.00	\$546.00
G 602-12300 Special Assess Rec-Deferred	\$23,866.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,866.00
G 602-15699 Deferred Outflows of Pension R	\$4,070.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,070.00
G 602-16300 Improvements Other Than Bldg	\$210,301.00	\$0.00	\$0.00	\$0.00	\$0.00	\$210,301.00
G 602-16400 Fixed Asset-Equip/Machinery	\$85,978.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,978.00
G 602-16410 Fixed Asset-Equip Depreciation	-\$237,735.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$237,735.00
G 602-20200 Accounts Payable	-\$1,035.00	\$0.00	\$0.00	\$1,035.00	\$0.00	\$0.00
G 602-21500 Accrued Interest Payable	-\$1,283.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,283.00
G 602-21600 Accrued Wages & Salaries Paya	-\$1,436.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$1,436.00
G 602-21650 Compensated Absences-Curren	-\$3,339.00	\$0.00	\$0.00	\$404.00	\$0.00	-\$2,935.00
G 602-22299 Deferred Inflows of Pension Re	-\$14,764.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$14,764.00
G 602-22400 Unamortized Premium Bonds S	-\$2,424.05	\$0.00	\$0.00	\$0.00	\$0.00	-\$2,424.05
G 602-22520 Special Assess Bonds Payable	-\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$5,000.00
G 602-22530 Revenue Bonds Payable	-\$170,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$170,000.00
G 602-23999 Pension Liability	-\$19,149.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$19,149.00
G 602-25300 Unreserved Fund Balance	\$13,482.51	\$11,019.00	\$2,299.26	\$228,095.16	\$247,661.75	-\$6,084.08
G 602-33439 PERA Pension Other Revenue	\$9.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9.00
602 WASTEWATER FUND	\$0.00	\$13,318.26	\$13,318.26	\$469,766.35	\$469,766.35	\$0.00
603 GARBAGE/RECYCLING FUND						
G 603-10100 Cash	\$1,467.61	\$875.33	\$529.23	\$71,347.09	\$72,379.02	\$435.68
G 603-11500 Accounts Receivable	\$6,196.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,196.00

CITY OF LORETTO
Monthly Balance Sheet
Current Period: December 2025

Account Descr	Begin Yr	MTD Debit	MTD Credit	YTD Debit	YTD Credit	Current Balance
G 603-15699 Deferred Outflows of Pension R	\$656.00	\$0.00	\$0.00	\$0.00	\$0.00	\$656.00
G 603-20200 Accounts Payable	-\$5,563.00	\$0.00	\$0.00	\$5,563.00	\$0.00	\$0.00
G 603-21600 Accrued Wages & Salaries Paya	-\$265.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$265.00
G 603-21650 Compensated Absences-Curren	-\$523.00	\$0.00	\$0.00	\$20.00	\$0.00	-\$503.00
G 603-21820 Garbage State Sales Tax	\$18.25	\$0.00	\$0.00	\$3,935.10	\$4,269.23	-\$315.88
G 603-21830 County SWM Fee	\$842.00	\$527.48	\$0.00	\$6,714.73	\$6,776.51	\$780.22
G 603-22299 Deferred Inflows of Pension Re	-\$2,383.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$2,383.00
G 603-23999 Pension Liability	-\$3,090.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$3,090.00
G 603-25300 Unreserved Fund Balance	\$2,642.14	\$1.75	\$875.33	\$61,729.19	\$65,884.35	-\$1,513.02
G 603-33439 PERA Pension Other Revenue	\$2.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00
603 GARBAGE/RECYCLING FUND	\$0.00	\$1,404.56	\$1,404.56	\$149,309.11	\$149,309.11	\$0.00
604 STORM WATER FUND						
G 604-10100 Cash	\$34,016.01	\$739.69	\$105.76	\$85,512.78	\$34,354.86	\$85,173.93
G 604-11500 Accounts Receivable	\$9,870.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,870.00
G 604-15699 Deferred Outflows of Pension R	\$1,108.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,108.00
G 604-16400 Fixed Asset-Equip/Machinery	\$15,488.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,488.00
G 604-16410 Fixed Asset-Equip Depreciation	-\$37,358.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$37,358.00
G 604-20200 Accounts Payable	-\$13.00	\$0.00	\$0.00	\$13.00	\$0.00	\$0.00
G 604-21600 Accrued Wages & Salaries Paya	-\$402.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$402.00
G 604-21650 Compensated Absences-Curren	-\$920.00	\$0.00	\$0.00	\$171.00	\$0.00	-\$749.00
G 604-22299 Deferred Inflows of Pension Re	-\$4,018.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$4,018.00
G 604-23999 Pension Liability	-\$5,212.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$5,212.00
G 604-25300 Unreserved Fund Balance	-\$12,561.01	\$105.76	\$739.69	\$34,354.86	\$85,696.78	-\$63,902.93
G 604-33439 PERA Pension Other Revenue	\$2.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00
604 STORM WATER FUND	\$0.00	\$845.45	\$845.45	\$120,051.64	\$120,051.64	\$0.00
611 WATER CAPITAL FUND						
G 611-10100 Cash	\$78,021.11	\$223.97	\$0.00	\$2,801.42	\$62.00	\$80,760.53
G 611-13101 Due from other funds	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00
G 611-16400 Fixed Asset-Equip/Machinery	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00
G 611-25300 Unreserved Fund Balance	-\$94,021.11	\$0.00	\$223.97	\$62.00	\$2,801.42	-\$96,760.53
611 WATER CAPITAL FUND	\$0.00	\$223.97	\$223.97	\$2,863.42	\$2,863.42	\$0.00
612 SEWER CAPITAL FUND						
G 612-10100 Cash	\$130,895.93	\$375.76	\$0.00	\$4,939.82	\$345.00	\$135,490.75
G 612-16300 Improvements Other Than Bldg	\$1,107,288.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,107,288.00
G 612-16400 Fixed Asset-Equip/Machinery	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00
G 612-25300 Unreserved Fund Balance	-\$1,244,183.93	\$0.00	\$375.76	\$345.00	\$4,939.82	-\$1,248,778.75
612 SEWER CAPITAL FUND	\$0.00	\$375.76	\$375.76	\$5,284.82	\$5,284.82	\$0.00

CITY OF LORETTO
Monthly Balance Sheet
Current Period: December 2025

Account Descr	Begin Yr	MTD Debit	MTD Credit	YTD Debit	YTD Credit	Current Balance
614 STORMWATER CAPITAL FUND						
G 614-10100 Cash	\$86,607.29	\$247.94	\$0.00	\$3,211.49	\$431.00	\$89,387.78
G 614-16300 Improvements Other Than Bldg	\$222,049.00	\$0.00	\$0.00	\$0.00	\$0.00	\$222,049.00
G 614-16400 Fixed Asset-Equip/Machinery	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00
G 614-20200 Accounts Payable	-\$254.00	\$0.00	\$0.00	\$254.00	\$0.00	\$0.00
G 614-25300 Unreserved Fund Balance	-\$314,402.29	\$0.00	\$247.94	\$431.00	\$3,465.49	-\$317,436.78
614 STORMWATER CAPITAL FUND	\$0.00	\$247.94	\$247.94	\$3,896.49	\$3,896.49	\$0.00
	\$0.00	\$408,150.41	\$408,150.41	\$3,279,743.53	\$3,279,743.53	\$0.00

(((Not [Begin Yr]=0))) OR ((Not [YTD Debit]=0)) OR ((Not [YTD Credit]=0)) OR ((Not [Current Balance]=0))

Storage Sense - Hamel Rental Agreement

4790 Rolling Hills, Hamel, MN 55340

Phone: 612-284-1115 Email: hamel@storagesense.com Website: www.storagesense.com

SECTION 1

Transaction Date: April 1, 2020 between Storage Sense - Hamel, hereinafter called the OWNER, and the OCCUPANT whose name is: City of Loretto,

Address: PO Box 207 City: Loretto State: MN Zip: 55357

763-479-4305 Home Phone 763-479-4305 Cell Phone Work Phone

E-Mail Address: mschneider@ci.loretto.mn.us

By choosing the option to receive e-mail communication in this agreement, the owner will provide you notices and other information regarding your account through the e-mail reflected in our records, or in a subsequent written change of e-mail address that has been given according to the facility's procedures. To indicate that you understand and accept the contents of this notice and agree to the option to receive electronic communication, you must check the box that appears next to this paragraph.

Yes [checked] No

Dr. Lic. # SSN/Federal ID#

Please state whether you or your spouse is a member of the "Uniformed Services" of the United States; meaning a member of the armed forces; the commissioned corps of the National Oceanic and Atmospheric Administration; or the commissioned corps of the Public Health Service; or a member of the National Guard or a reserve component under United States Code, title 32 section 101.

Yes No [checked]

If so, Branch: Commanding Officer #:

SECTION 2

This is a monthly lease for storage. Rent is due in advance on day 1 of each month for the entire month until terminated by either OWNER or OCCUPANT in writing. NO RENT REFUNDS

Monthly Rental Rate: \$858.00+tax Protection Premium: \$ 0.00+tax Space Number: Approx. Size 20.0Ft X 40.0Ft Access Code: Total Monthly Cost \$858.00

The above information is correct. Written notice is needed for changes. MKS

SECTION 3

Would you prefer Automatic Credit Card Billing? No

Visa MasterCard American Express Discover

Last 4 Digits of Card No. Exp. Date

Name on card

I hereby authorize Storage Sense - Hamel to charge the above referenced amount automatically each month & to apply said charge towards the payment of my monthly rent for the space number stated above. Said charge authorization is to be in an amount equal to my monthly rent in effect at that time. I understand that it is my obligation to notify Storage Sense - Hamel in writing 10 days in advance of my intent to terminate my tenancy and to pay my tenancy to the end of the month.

Authorized Signature:

Monthly Late Only

SECTION 4

ALTERNATE CONTACT PERSON

Please provide the name and address of another person to whom notices may be sent. Adding an alternate contact does not give

that contact an interest in the contents of the storage space. If you decline to provide one, PLEASE INITIAL HERE MKS.

SECTION 5
PROPERTY TO BE STORED

Household Goods _____ Business Goods X Other _____

TITLED PROPERTY TO BE STORED

Motor Vehicle _____ Watercraft _____ Trailer _____ Other _____

Make _____ Model _____

V.I.N.# _____ License # _____ State _____

Length _____ Color(s) _____

Description: _____

OCCUPANT AGREES THAT THE STORED PROPERTY IS OWNED SOLELY BY THE OCCUPANT AND IS FREE AND CLEAR OF ALL PRIOR LIENS EXCEPT FOR:

Description: _____

Lienholder or Secured Party: _____ Phone Number: _____

Address: _____

SECTION 6
LATE CHARGES

Late Payment Charge	\$20.00 or 20% , whichever is greater
Administrative Fee	\$20.00
Certified Lien Notice	\$70.00
Lock Cut Charge	\$35.00
Returned Check Charge	\$30.00
Invoice Fee (paper)	\$3.00
Phone Payment	up to \$10.00
Auction Cancellation Charge	\$25.00
Lien Advertising Charge	\$50.00
Disposal of Items/Cleaning Charge	\$50.00 minimum
Door Alarm Charge	\$TBD*
Food Storage Charge	\$TBD*

*TBD = to be determined

NOTICE OF LIEN: THESE FACILITIES ARE OPERATED IN ACCORDANCE WITH THE MINNESOTA LIENS ON PERSONAL PROPERTY IN SELF-SERVICE STORAGE ACT (MINN. STAT. ANN. §§ 514.970-514.979). THE OWNER HAS A LIEN FOR RENT, LABOR, AND OTHER CHARGES AGAINST THE OCCUPANT ON THE PERSONAL PROPERTY STORED UNDER THIS AGREEMENT IN A STORAGE SPACE AT THE SELF-SERVICE STORAGE FACILITY, OR ON THE PROCEEDS OF THE PERSONAL PROPERTY SUBJECT TO THE DEFAULTING OCCUPANT'S RENTAL AGREEMENT IN THE OWNER'S POSSESSION. IF RENT, LABOR, AND OTHER CHARGES REMAIN UNPAID FOR 15 OR MORE DAYS, OWNER HAS THE RIGHT TO DENY OCCUPANT ACCESS TO CERTAIN PERSONAL PROPERTY CONTAINED IN THE SELF-STORAGE FACILITY AND, FOLLOWING NOTICE, SELL OCCUPANT'S PROPERTY.

OWNER hereby leases to OCCUPANT, and OCCUPANT rents from OWNER, on the terms and conditions herein set forth, space(s) at the self-storage facility described above, or the vehicle space described above, herein called the premises or the Space. The premises shall be used solely for the purpose of storage pursuant to the terms and conditions of this Rental Agreement and for no other purposes whatsoever.

- 1. TERM:** The term of the tenancy shall commence on the date indicated above and shall continue until terminated on a month-to-month basis. The minimum rental term is one month. All terms and conditions of this Rental Agreement shall continue so long as Occupant retains possession of the Space.
- 2. RENT:** The rent shall be the amount stated above and made payable to: Storage Sense - Hamel at the address stated above. Rent can also be paid through credit/debit autopay or on-line. Rent is due each month on the 1 of the month, in advance and without demand. Owner reserves the right to require that rent and other charges be paid in cash, certified check, cashier's check or money order. Owner, at Owner's

sole discretion, may accept or reject partial rent payments. Acceptance of partial payments of rent by Owner shall not constitute a waiver of Owner's rights and Occupant understands and agrees that acceptance of a partial rent payment made to cure a default for non-payment of rent shall not delay or stop foreclosure on Occupant's stored property. **Only full payment on the Tenant's account prior to the published auction date will stop a scheduled sale of the property.**

3. ADDITIONAL RENTAL CHARGES AND FEES: Concurrently with the execution of this Rental Agreement, Occupant shall pay a nonrefundable Administration Fee as set forth above. Late payments or rent checks that are dishonored cause Owner to incur damages which are extremely difficult to measure and are not contemplated by this Rental Agreement. Rent is due on the date specified in Section 2 and is delinquent on the day immediately following the due date. If rent is not received by owner by the 5th day following the due date or if Occupant's check is dishonored and returned, Occupant agrees to pay Owner, as additional rent, administrative charges and late fees. The receipt of a check shall not be considered payment to Owner if the check is dishonored or not paid for any reason. In addition, Occupant agrees to reimburse Owner for all costs incurred by Owner in enforcing the lien, including but not limited to, costs of removing locks, inventory of stored property, and reasonable storage costs as may be provided for by law. In the event of satisfaction of the lien prior to sale, Owner shall have three (3) days thereafter in which to release lien property, which may have been removed or re-secured during the lien enforcement. If Occupant has failed to pay the rent within 30 days of the due date or if Occupant is in lien status, ALL PAYMENTS MADE TO SATISFY OUTSTANDING AMOUNTS AND CHARGES SHALL BE PAID BY CERTIFIED CHECK, CASHIERS CHECK, MONEY ORDER OR CASH. If Occupant's checks are dishonored more than once, occupant will be required to pay all future rent by certified check, money order, cashier check or cash. Other fees charged to Occupant may be contained in Addendums to this Rental Agreement. All service charges, administrative fees, default notice fees, late fees, court costs and attorneys' fees together with all other fees and charges set forth in this Rental Agreement incurred by Owner in connection with the enforcement of the Agreement shall be deemed "additional rent" payable by Occupant to Owner as provided in the Agreement.

4. INSURANCE OBLIGATION: THE OWNER DOES NOT PROVIDE ANY TYPE OF INSURANCE WHICH WOULD PROTECT THE OCCUPANT'S PERSONAL PROPERTY FROM LOSS BY FIRE, THEFT, OR ANY OTHER TYPE OF CASUALTY LOSS. IT IS THE OCCUPANT'S RESPONSIBILITY TO OBTAIN SUCH INSURANCE. OCCUPANT, AT OCCUPANT'S EXPENSE, SHALL MAINTAIN A POLICY OF FIRE, EXTENDED COVERAGE ENDORSEMENT, BURGLARY, VANDALISM AND MALICIOUS MISCHIEF INSURANCE FOR THE ACTUAL CASH VALUE OF STORED PROPERTY. INSURANCE ON OCCUPANT'S PROPERTY IS A MATERIAL CONDITION OF THIS RENTAL AGREEMENT AND IS FOR THE BENEFIT OF BOTH OCCUPANT AND OWNER. FAILURE TO CARRY THE REQUIRED INSURANCE IS A BREACH OF THIS RENTAL AGREEMENT AND OCCUPANT ASSUMES ALL THE RISK OF LOSS TO STORED PROPERTY THAT WOULD BE COVERED BY SUCH INSURANCE. OCCUPANT EXPRESSLY AGREES THAT THE CARRIER OF SUCH INSURANCE SHALL NOT BE SUBROGATED TO ANY CLAIM OF OCCUPANT AGAINST OWNER, OWNER'S AGENTS OR EMPLOYEES.

5. RELEASE OF OWNER'S LIABILITY: Property is stored under the supervision and control of Occupant. Owner exercises neither care, custody, nor control over Occupant's stored property. No bailment is created by this Rental Agreement. Owner is not a warehouseman engaged in the business of storing goods for hire. **The exclusive care, custody, and control of any and all personal property stored in the Space shall remain vested in the Occupant,** and all property stored within or on the Space by Occupant or located at the facility by anyone shall be stored at Occupant's sole risk. AS A FURTHER CONSIDERATION FOR THE USE AND OCCUPANCY OF THE SPACE, OCCUPANT AGREES THAT OWNER, ITS AGENTS, EMPLOYEES, AND ASSIGNS SHALL NOT BE LIABLE TO OCCUPANT, HIS/HER AGENTS, GUESTS, LICENSEES, OR INVITEES FOR ANY LOSS OR DAMAGE TO THEM OR TO THEIR PROPERTY AS THE RESULT OF THE USE AND OCCUPANCY OF THE SPACE OR STORAGE FACILITIES. IT IS FURTHER AGREED THAT ANY STORED PROPERTY IS PLACED IN THIS SPACE AT OCCUPANT'S SOLE RISK. THE OWNER, OWNER'S AGENTS, EMPLOYEES, AND ASSIGNS SHALL HAVE NO RESPONSIBILITY OR LIABILITY FOR ANY LOSS OR DAMAGE TO SAID PROPERTY FROM ANY CAUSE WHATSOEVER, INCLUDING THE ACTIVE OR PASSIVE ACTS, OMISSIONS, OR NEGLIGENCE OF OWNER OR OWNER'S AGENTS, EMPLOYEES OR ASSIGNS. OCCUPANT ACKNOWLEDGES THAT OWNER DOES NOT WARRANT OR REPRESENT THAT STORED PROPERTY WILL BE SAFELY KEPT, NOR THAT IT WILL BE SECURE AGAINST HAZARDS CAUSED BY RODENTS, INSECTS, WATER, FIRE, MOLD, MILDEW, OR THE ELEMENTS OF WEATHER OR EARTHQUAKE. IT IS AGREED BY OCCUPANT THAT THIS RELEASE OF OWNER'S LIABILITY IS A BARGAINED FOR CONDITION OF THE RENT SET FORTH HEREIN AND THAT WERE OWNER NOT RELEASED FROM LIABILITY AS SET FORTH HERE, A MUCH HIGHER RENT WOULD HAVE TO BE AGREED UPON.

6. PERMITTED AND PROHIBITED USE OF SPACE: Occupant agrees to use Space only for the storage of property wholly owned by Occupant. Occupant shall not store any motor vehicle in the Space without the prior written consent of Owner. Occupant shall not conduct any activity in or around nor store any property in the Space which would result in violation of any ordinance, statute, or regulation of any governmental agency having jurisdiction or permit such actions to occur. **Occupant is strictly prohibited from storing or using materials on the premises which are classified as hazardous or toxic under any local, state or federal law or regulation and from engaging in any activity on site which produces such materials.** Occupant's obligations of indemnity as set forth in section 10 herein specifically includes any costs, expenses, fines or penalties imposed against the Owner arising out of storage or use of any hazardous or toxic material by Occupant, Occupant's agents, employees, invitees or guests. Occupant shall not use the premises for the storage of illegal substances, perishable or food items, explosives, paint, varnish, thinner, gasoline and/or other highly flammable materials. The rented premises shall not be used for the operation of any business, for manufacturing or production, or for human or animal occupancy. Pets shall not be brought on the premises or the surrounding property. Occupant shall not do or permit to be done any act which creates or may create a nuisance in connection with Occupant's use of the Space. Trash or other materials shall not be left in or near the space. Occupant shall not make use of any electricity in the Space for refrigeration, heating or any other purpose whatsoever other than the single lighting fixture that may or may not be provided in the Space, which shall be used only for the purpose of lighting the Space when Occupant enters the Space, and Occupant shall turn off the light when leaving the Space.

7. NOTICE OF LIEN: UNDER MINNESOTA LIENS ON PERSONAL PROPERTY IN SELF-SERVICE STORAGE ACT (MINN. STAT. ANN. §§ 514.970-514.979), THE OWNER OF A SELF SERVICE STORAGE FACILITY HAS A LIEN AGAINST THE OCCUPANT ON THE PERSONAL PROPERTY STORED UNDER A RENTAL AGREEMENT IN A STORAGE SPACE AT A SELF SERVICE STORAGE

FACILITY, OR ON THE PROCEEDS OF THE PERSONAL PROPERTY SUBJECT TO THE DEFAULTING OCCUPANT; S RENTAL AGREEMENT IN THE OWNER'S POSSESSION. THE LIEN IS FOR RENT, LABOR, AND OTHER CHARGES IN RELATION TO THE PERSONAL PROPERTY SPECIFIED IN THE RENTAL AGREEMENT THAT HAVE BECOME DUE AND FOR EXPENSES NECESSARY FOR THE PRESERVATION OF THE PERSONAL PROPERTY OR EXPENSES REASONABLY INCURRED IN THE SALE OR OTHER DISPOSITION OF THE PERSONAL PROPERTY UNDER LAW. THE LIEN PROVIDED FOR IN THIS SECTION IS SUPERIOR TO OTHER SECURITY INTERESTS EXCEPT THOSE PERFECTED BEFORE THE DATE THE LIEN ATTACHES. THE LIEN ATTACHES AS OF THE DATE THE OCCUPANT IS IN DEFAULT UNLESS THE OCCUPANT OBTAINS A COURT ORDER TO RECOVER POSSESSION OF PERSONAL PROPERTY IN THE SELF SERVICE STORAGE FACILITY.

ANY OWNER SHALL NOT BE LIABLE TO AN OCCUPANT OR THIRD PARTY FOR THE REMOVAL OR SALE OF PERSONAL PROPERTY WHICH IS NOT THE PROPERTY OF THE OCCUPANT OR UPON WHICH A PRIOR LIEN HAS ATTACHED, UNLESS NOTICE SHALL HAVE BEEN GIVEN TO THE OWNER BY THE OCCUPANT THAT THE PROPERTY PLACED IN THE SPACE WAS NOT THAT OF THE OCCUPANT. PRIOR TO PLACING ANY PERSONAL PROPERTY IN THE SPACE WHICH IS NOT THE PROPERTY OF THE OCCUPANT OR UPON WHICH A PRIOR LIEN IS ATTACHED, THE OCCUPANT IS REQUIRED TO NOTIFY THE OWNER, IN WRITING, OF THE NATURE AND IDENTITY OF ANY SUCH PROPERTY PLACED IN THE SPACE AND NAME, ADDRESS, PHONE, AND E-MAIL OF LIEN HOLDER. For the purpose of OWNER'S LIEN: "personal property" means movable property, not affixed to land, and includes, but is not limited to, goods, merchandise, household items, motor vehicles or other property with or without a certificate of title. The OWNER'S lien is superior to any other lien or security interest, except those which are perfected and recorded prior to date of this rental agreement whether within this state and county or not, except any tax lien as provided by law. It is the OCCUPANT'S sole responsibility to disclose the existence of any lien on any stored item(s). "Last known address," means that address provided by the OCCUPANT in the latest Rental Agreement or the address provided by the OCCUPANT in a subsequent written notice of change of address. IF THE PROPERTY UPON WHICH THE LIEN IS CLAIMED IS A MOTOR VEHICLE OR WATERCRAFT AND RENT AND OTHER CHARGES RELATED TO THE PROPERTY REMAIN UNPAID OR UNSATISFIED FOR SIXTY (60) DAYS, THE OWNER MAY HAVE THE VEHICLE OR WATERCRAFT TOWED OR MAY SELL SUCH PROPERTY VIA PUBLIC AUCTION. OWNER SHALL NOT BE LIABLE FOR SUCH PROPERTY OR ANY DAMAGES TO SUCH PROPERTY ONCE THE TOWING SERVICE TAKES POSSESSION OF THE PROPERTY. Owner reserves the right to utilize on-line auction services to manage the sale of Occupant's property as a result of Occupant's default and the foreclosure of Owner's lien. Occupant consents to the use of on-line auction services.

8. LIMITATION OF VALUE: Occupant specifically agrees that, with the exception of property prohibited by this Rental Agreement, Owner is not concerned with the kind, quality, or value of the goods stored. Occupant agrees not to store property with a total value in excess of \$5,000.00 without prior written consent of Owner, which consent may reasonably be withheld in Owner's sole discretion and if such consent is not obtained, the total value of Occupant's property shall be deemed not to exceed \$5,000.00. Nothing herein shall constitute any agreement or admission by Owner or Owner's Representative that Occupant's stored property has any value, nor shall anything alter the release of Owner's liability set forth below.

9. PERSONAL INJURY: OWNER AND OWNER'S AGENT SHALL NOT BE LIABLE TO OCCUPANT FOR INJURY OR DEATH SUFFERED BY ANY PERSON, INCLUDING OCCUPANT'S GUESTS OR INVITEES OCCURRING IN OR ABOUT THE PREMISES OR SPACE, OR ARISING OUT OF OCCUPANT'S USE OF THE PREMISES OR SPACE, FROM ANY CAUSE WHATSOEVER, EVEN IF SUCH INJURY OR DEATH IS CAUSED BY THE ACTIVE OR PASSIVE ACTS OR OMISSIONS, OR ACTIVE OR PASSIVE NEGLIGENCE OF OWNER, OR OWNER'S AGENTS OR EMPLOYEES. THIS RELEASE OF LIABILITY SPECIFICALLY EXTENDS TO ANY LOSSES OR INJURY RESULTING FROM ANY FAILURE IN ANY SECURITY SYSTEMS OR SECURITY PROCEDURES EMPLOYED AT THE PREMISES FROM ANY CAUSE WHATSOEVER.

10. INDEMNIFICATION: Occupant will indemnify, hold harmless, and defend Owner from all claims, demands, actions, or causes of actions (including attorney's fees and all costs whatsoever) that are hereafter made or brought as a result of, or arising out of, Occupant's use of the Space and storage facility. This indemnity specifically includes, but is not limited to, all liabilities released by Occupant in this Rental Agreement.

11. CONDUCT: Should Occupant appoint another person(s) or organization(s) to enter the storage Space, Occupant shall be responsible for the conduct of such person(s) or organization(s). Owner shall assume that possession of a key and gate code is evidence of authority to enter Occupant's Space. All information provided by Occupant on this Rental Agreement is confidential and will not knowingly be disclosed to anyone without Occupant's prior consent, except for law enforcement purposes.

12. CONDITION OF SPACE / REPAIRS - COMMENCEMENT AND TERMINATION: Occupant acknowledges that Occupant has inspected the Space and found the Space to be in good repair and in clean and sanitary condition. Occupant understands that all unit sizes are approximate and enters into this Rental Agreement without reliance on the estimated size of the Space. Occupant agrees to maintain the Space in the same condition throughout the term of this Rental Agreement. Occupant will immediately notify Owner of any defect in the Space. Occupant shall not build on nor attach anything to the inside or outside walls, ceiling, or floors of the Space. Upon termination of this Rental Agreement, Occupant shall remove all Occupant's property from the Space and shall immediately deliver possession of the Space to Owner in the same condition as delivered to Occupant on the commencement date of this Rental Agreement, reasonable wear and tear excepted. Occupant agrees to leave said Space broom clean and damage free. Occupant further agrees to remove all items from the Space and agrees to reimburse Owner for any/all costs of emptying or repairing Space, which includes but is not limited to dump fees, labor, materials, and transportation. Occupant agrees to reimburse Owner within 5 days of receipt of an itemized statement of all labor and other expenses incurred to dispose of said items. The costs of any repairs made necessary by Occupant, Occupant's guests or agents or any wear and tear in excess of normal use during the term of the Lease shall be paid by Occupant. Owner may require Occupant to pay the estimated costs of any repairs to be made at Occupant's expense prior to the work being done, and Occupant shall pay such expense whether estimated or actual within ten (10) days of being billed, and such costs shall be additional rent for the purposes of Owner's remedies of default.

13. ACCESS: If rent is not paid within fifteen (15) days following the monthly due date, Owner may deny the Occupant access to Occupant's

property located in the Space or otherwise at the Facility. Additionally, if Occupant is renting more than one Space at any given time, default on one rented Space shall constitute default on all rented Spaces, entitling Owner and/or Manager to deny access to Occupant to all rented Spaces. Occupant's access may be conditioned in any manner deemed necessary by Owner or Manager to maintain order and protect the Space and the Facility. Such measures may include, but are not limited to, limiting hours of operation, requiring verification of Occupant's identity and searching vehicles and contents. Neither Owner, Manager nor any of their respective agents, employees or affiliates shall in any event be liable for any damages or injury caused by Occupant's inability to move between floors or to gain access to, or exit from the Space or the Facility, whether because of mechanical or other electrical failure of the elevators, automatic access doors or electronic entry devices, or for any other reason. Access will be denied to any party other than the Occupant, unless said party retains gate code and key to lock on the Space or has supplied Owner or Manager with written authorization from the Occupant to enter the Space.

14. OWNERS RIGHT TO ENTER OR INSPECT: Occupant grants Owner, Owner's agents or representatives or any governmental authority, including, but not limited to, police, fire, health or emergency response officials, access to the premises upon three (3) days prior written notice to Occupant. In the event of an emergency, Owner, Owner's agents or representatives or any governmental authority, including, but not limited to, police, fire, health, or emergency response officials shall have the right to remove Occupant's lock and enter the premises without notice to Occupant and take such action as may be necessary or appropriate to preserve the premises, to comply with applicable law, or enforce any of Owner's rights. In the event Occupant's lock is destroyed in the course of such inspection, Owner shall provide, and Occupant agrees to accept as Occupant's sole remedy, therefore, a replacement lock of similar kind and quality. Owner shall not be responsible for any loss occasioned by Occupant as a result of entry authorized under this Section.

15. RULES: Owner shall have the right to establish or change hours of operation, tenant access, or to promulgate rules and amendments, or amend existing rules and regulations for the safety, care, and cleanliness of the premises, or the preservation of good order on the facility. Occupant agrees that such rules are made a part of this Rental Agreement and agrees to follow all of Owner's Rules now in effect, or that may be put into effect from time to time. Except in emergency situations, all changes of Rules and/or facility hours will be conspicuously posted at least seven (7) days prior to the effective date of such change. Hours of Operation and Access shall be posted at the entrance to the Storage Facility. Current Rules will be posted in the Rental Office.

16. OCCUPANT'S LIABILITY: In the event of default or foreclosure, it is understood and agreed that the liability of Occupant for the rents, charges, costs, and expenses provided for in this Rental Agreement shall not be relinquished, diminished or extinguished prior to payment in full. It is further agreed that Occupant shall be personally liable for all rents, charges, costs and expenses, including those incurred in the sale and/or disposition of the Occupant's property as provided for above. Owner may use a collection agency thereafter to secure any remaining balance owed by Occupant after the application of sale proceeds if any and Occupant shall be liable for all fees and costs for said collection. If any property remains unsold after foreclosure and sale, Owner may dispose of said property in any manner considered appropriate by Owner.

17. ASSIGNMENT: Occupant shall not sublet or assign the Space nor store property owned by others.

18. SECURITY OF SPACE/LOCKS: Occupant agrees to be solely responsible for providing such locks, as Occupant desires for securing access to the Space. In the event that such locks or security devices are rendered ineffectual for their intended purpose from any cause, or the Space is rendered insecure in any manner, Owner may at his/her sole option take whatever measures are deemed reasonably necessary by Owner to re-secure the access to Occupant's Space. Owner is not responsible for taking any measures whatsoever, nor for notifying Occupant that access to the Space has become insecure. The fact that Owner has taken measures to re-secure the access to Occupant's Space under this paragraph shall not alter the release of Owner's liability set forth in this Rental Agreement, nor shall such measures be deemed conversion of Occupant's stored property.

19. NO ORAL AGREEMENTS: This Rental Agreement contains the entire agreement between Owner and Occupant, and no oral agreements shall be of any effect whatsoever. Occupant agrees that he/she is not relying and will not rely on any oral representations made by Owner, or by any of Owner's agents or employees purporting to modify or add to this Rental Agreement in any way whatsoever. Occupant agrees that this Rental Agreement may be modified only in writing, signed by both parties, for such modification to have any effect whatsoever. Owner's employees have been forbidden from providing any service on behalf of Owner. Should employees of Owner provide service at Occupant's request such employee shall be deemed to be the agent of Occupant regardless of whether payment for such service is made or not, and Occupant agrees to hold Owner harmless from all liability in connection with or arising from directly or indirectly such services performed by employee of Owner.

20. MILITARY: In order to comply with SERVICE MEMBERS CIVIL RELIEF ACT, it is Occupant's obligation to notify the Manager in writing that Occupant and any Occupant family member storing goods at the Facility are in active military service, in order to determine Occupant's qualifications under this Act. If Occupant's military status or Occupant's family member's military status changes, Occupant is required to notify the Manager in writing of this change immediately.

21. NOTICES FROM OWNER: All notices from Owner or Manager shall be sent by first class mail postage prepaid to Occupant's last known address or to the electronic mail address provided by the Occupant in this Rental Agreement. Notices shall be deemed given when deposited with the U. S. Postal Service or when sent by electronic mail. All statutory notices shall be sent as required by law.

22. NOTICES FROM OCCUPANT: Occupant represents and warrants that the information Occupant has supplied in this Rental Agreement is true, accurate and correct and Occupant understands that Owner and Manager are relying on Occupant's representations. Occupant agrees to give written notice to Manager of any change in Occupant's address, any change in the liens and secured interest on Occupant's property in the Space and any removal or addition of property to or out of the Space within ten (10) days of the change. Occupant understands he must personally deliver such notice to Manager or mail the notice by certified mail, return receipt requested, with postage prepaid to Manager at the Facility address set forth above or by e-mail only if e-mail is acknowledged by Manager.

23. CHANGES: All terms of this Rental Agreement, including but without limitation, monthly rental rate, conditions of occupancy and other charges, are subject to change upon thirty (30) days prior written notice to Occupant. If materially changed, the Occupant may terminate this Rental Agreement on the effective date of the change by giving Manager ten (10) days prior written notice to terminate after receiving notice of the change. If the Occupant does not give such notice, this Rental Agreement shall be thereby amended, and the change shall become

effective and apply to his or her occupancy.

24. NO WARRANTIES: No expressed or implied warranties are given by Owner or any of its respective agents, employees or affiliates as to the suitability of the Space for Occupant's intended use. Owner disclaims and Occupant waives any implied warranties of suitability or fitness for a particular use.

25. SUCCESSION: All provisions of this Rental Agreement shall apply to and be binding upon all successors in interest, assigns or representatives of the parties hereto.

26. WAIVER OF JURY TRIAL: Owner, Manager and Occupant waive their respective rights to trial by jury of any cause of action, claim, counterclaim, or cross complaint, in any action brought by either Owner or Manager against Occupant, or Occupant against Owner or Manager or any of their respective agents, employees or affiliates, on any matter arising out of, or in any way connected with this Rental Agreement, Occupant's use of the Space or the Facility or any claim of bodily injury or property loss or damage, or the enforcement of any remedy under any law, statute or regulation. This jury trial waiver is also made by Occupant on behalf of any of Occupant's agents, guests or invitees.

27. TERMINATION: Ten (10) days advance written notice given by Owner or Occupant to the other party will terminate this tenancy. Owner does not prorate rent; only full months' prepaid rent shall be returned to Occupant within thirty (30) days of vacating the Space. Occupant must leave the Space broom clean and in good condition. Occupant is responsible for all damages. If Occupant fails to fully remove its property from the Space within the time required, Owner or Manager, at their option, may without further notice or demand, either directly or through legal process, reenter the Space and remove all property therefrom without being deemed guilty in any manner of trespassing or conversion. This Rental Agreement shall automatically terminate if Occupant abandons the Space. Occupant shall be deemed to have abandoned the Space if Occupant has removed the contents of the Space, and/or has removed Occupant's lock from the Space and IS NOT current in Occupant's obligations hereunder.

28. PROPERTY LEFT IN THE STORAGE SPACE: Owner or Manager may dispose of any property left in the Space or in the Facility by Occupant after Occupant has terminated his or her tenancy. Occupant shall be responsible for paying all costs incurred by Owner or Manager in disposing of such property, including but not limited to a minimum **CLEANING FEE** as set forth above.

29. ATTORNEY'S FEES: In the event the Owner or Manager retains the services of an attorney to recover any sums due under this Rental Agreement for any unlawful detainer, for the breach of any covenant or conditions hereof, or in defense of any demand claim or action brought by the Occupant, the Occupant agrees to pay to the Owner or Manager the reasonable costs, expenses, and attorney's fees incurred in any such action.

30. FINANCIAL INFORMATION: Neither Owner nor Manager warrants or guarantees that any of Occupant's financial information, including, without limitation, credit card and bank account information, will not be stolen or otherwise compromised. Occupant waives and releases any and all claims or actions against Owner or its respective agents, employees and affiliates for damages arising from the use of said information by others.

31. TEMPERATURE CONTROLLED: The temperature-controlled Spaces are heated or cooled depending on outside temperature. These Spaces do not provide constant internal temperature or humidity control and Owner does not guarantee that temperature and humidity will not fluctuate. Occupant releases Owner and its respective agents, employees and affiliates from all liability for damage to stored property from fluctuations in temperature or humidity from any cause including the negligence of Owner or its respective agents, employees or affiliates.

32. PERMISSION TO COMMUNICATE: Occupant recognizes Owner and Occupant are entering a business relationship as Owner and Occupant. As such, Occupant hereby consents to Owner phoning, faxing, e-mailing, texting and using social media to communicate with Occupant (including automated calls and texts) with marketing and/or other business-related communications, including collection notices.

33. STORAGE OF MOTOR VEHICLES: In the event that any motor vehicle remains stored in the Space after termination of the Rental Agreement or upon Occupant's default for sixty (60) days, and in addition to all other rights and remedies available to Owner, Owner is authorized to cause such vehicle to be removed by a person regularly engaged in the business of towing vehicles, without liability for the costs of removal, transportation or storage or damages caused by such removal, transportation or storage. Occupant acknowledges that he or she has personally been given notice that the vehicle is subject to removal at the Occupant's expense. Owner shall incur no liability to Occupant for causing the vehicle to be removed pursuant to this paragraph.

34. MISCELLANEOUS: Time is of the essence of this Rental Agreement. Words used in the singular shall include the plural where the context requires. All rights, powers, options or remedies given or granted to Owner by law are cumulative and no one of them is exclusive of another. If any provision of this Rental Agreement is held by a Court to be void or unenforceable, the other provisions shall remain in full force and effect.

AGREEMENT READ, COPY RECEIVED AND INCORPORATION OF PROVISIONS ON ALL PAGES: OCCUPANT acknowledges that he/she has read, is familiar with, and agrees to (a) all of the terms and conditions of this Rental Agreement, and (b) the provisions printed on all pages of this Rental Agreement, and OWNER and OCCUPANT agree that all such provisions constitute a material part of this Rental Agreement and are hereby incorporated by reference, including the reviewing of all bold faced items. OCCUPANT acknowledges receipt of a true and exact copy of this Rental Agreement and of the rules and regulations of this facility.

WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT THE DAY AND YEAR FIRST WRITTEN ABOVE. If there are special exceptions or conditions to this Rental Agreement, they have been written in the space that follows:

"Agent" for Storage Sense - Hamel

"Occupant"

If a Business, give your title City Clerk Treasurer

Mary K. Schneider is authorized to manage the facility, is authorized to accept service of process and receive and give receipt for notices and demands. The address for service is: 279 Medina Street North, Suite 260, Loretto, MN 55357
mschneider@ci.loretto.mn.us

RESOLUTION 2025-37

MOTION BY:
SECONDED BY:

**A RESOLUTION SETTING THE 2026 PROPERTY TAX LEVY AND
APPROVING THE 2026 GENERAL FUND BUDGET**

Whereas, the City staff has presented to the City Council the 2026 General Fund Budget and the 2026 property tax levy; and

Whereas, the City Council has met to review the budget and property tax levy; and

Whereas, the City Council must approve and certify its 2026 budget and property tax levy, collectible in 2026, to the County Auditor each year.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Loretto that:

1. The 2026 General Fund budget for expenditures is hereby set at \$759,920.
2. The following sums be levied, collectible in 2026, upon taxable property in the City of Loretto, for the following purposes:

General Fund Levy	\$ 610,520.00
Debt Levy	\$ 173,984.73
Special Levy (Market Value)	\$ -
Total Tax Capacity Based Levy, Collectible 2026:	\$ 784,504.73

3. That the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Hennepin County, Minnesota.

PASSED AND ADOPTED THIS 9th DAY OF DECEMBER 2025.

VOTING AYE

Daniels, Brenda
 Koch, Kent
 Leuer, Jeff
 Markham, Melissa
 Scanlon, Ben

VOTING NAY

Daniels, Brenda___
 Koch, Kent___
 Leuer, Jeff___
 Markham, Melissa___
 Scanlon, Ben___

Kent Koch, Mayor

ATTEST:

Mary K. Schneider, City Clerk Treasurer

State of Minnesota
County of Hennepin

HENNEPIN COUNTY
MINNESOTA

Taxing Jurisdiction of City of Loretto

2026 FINAL LEVY CERTIFICATION

I, Mary K. Schneider Clerk of City of Loretto hereby certify that a resolution establishing the levy upon taxable property in said Taxing Jurisdiction was passed by the governing body at a duly convened meeting held on December 9, 2025.

On motion it was resolved that the following sums of money be raised by tax upon the taxable property in said Taxing Jurisdiction for the following purposes for the current year:

LEVY ITEM	CERTIFIED LEVY*
1. General Revenue	610,520.00
2. Bonded Indebtedness**	173,984.73
A. TOTAL TAX CAPACITY BASED LEVY	784,504.73
B. MARKET VALUE BASED REFERENDUM LEVY***	
TOTAL TAX CAPACITY AND MARKET VALUE BASED LEVIES	\$ 784,504.73

* The levy amount by line item should already be reduced by Local Government Aid (LGA) and other resources used to finance your taxing jurisdiction's budget.

** Provide a breakdown of the certified levy by individual bond on page 2.

*** Per M.S. 275.61, Levies for the payment of debt obligations that are approved by voters after June 30, 2008 must be levied on net tax capacity.

I further certify that I have compared the foregoing with the original entry of the minutes of the meeting so held on December 9, 2025 as the same are recorded in the Book of Records of said Taxing Jurisdiction, and that the same is a correct transcript therefrom.

Given under my hand on this 10th day of December, 2025.

Taxing Jurisdiction Clerk

TO: HONORABLE MAYOR AND MEMBERS OF THE LORETTO CITY COUNCIL
 CC: PUBLIC WORKS DIRECTOR JAKE LEUER
 FROM: CITY CLERK TREASURER MARY SCHNEIDER
 DATE: Friday, December 5, 2025
 RE: 2026 PROPOSED BUDGET SUMMARY MEMO for the December 9th Council Meeting

The following is a summary of the overall budget proposal by FUND. Detailed explanations of each Fund can be found in the **2026 Budget Proposal Explanation** document.

Reminder - the levy increase only applies to the GENERAL FUND (101). Revenues for the enterprise funds (Water, Wastewater, Garbage/Recycling and Stormwater) are increased through user rates.

GENERAL FUND (101)	2026 Budget	
General Fund Revenues	759,920	5.5% General Revenue levy increase
General Fund Expenditures	759,920	
Difference		-

2021 STREET PROJECT BOND FUND (352)		
2021 Street Project Bond Fund Revenues	75,022	105% Debt levy + special assessments
2021 Street Project Bond Fund Expenditures	73,120	
Difference		1,902

2023 STREET PROJECT BOND FUND (353)		
2023 Street Project Bond Fund Revenues	114,345	105% Debt levy + special assessments
2023 Street Project Bond Fund Expenditures	107,900	
Difference		6,445

ENTERPRISE FUNDS

WATER FUND (601)		
Water Fund Revenues	311,970	5% rate increase
Water Fund Expenditures	312,320	5% recommended in Long Term Financial Plan
Difference		(350)

WASTEWATER FUND (602)		
Wastewater Fund Revenues	277,000	5% rate increase
Wastewater Fund Expenditures	276,330	15% recommended in Long Term Financial Plan
Difference		670

GARBAGE/RECYCLING FUND (603)		
Garbage/Recycling Fund Revenues	62,900	no change in fees
Garbage/Recycling Fund Expenditures	62,680	
Difference		220

STORMWATER FUND (604)		
Stormwater Fund Revenues	95,600	5% rate increase
Stormwater Fund Expenditures	95,620	15% recommended in Long Term Financial Plan
Difference		(20)

ENTERPRISE CAPITAL FUNDS	CURRENT BALANCE	as of 9/03/25
WATER CAPITAL FUND (611)	80,761	
WASTEWATER CAPITAL FUND (612)	135,491	
STORMWATER CAPITAL FUND (614)	89,388	

2026 BUDGET PROPOSAL DETAIL

for 12.09.25 Council Meeting

This document shows each account line item by Fund on both the Revenue and Expenditure side of the budget. Each line item shows an account description, the previous year's amount, this year's proposed amount, the net increase or (decrease), and a detailed description. At the end of each Fund, the totals for Revenue and Expenditure are summarized and highlighted.

GENERAL FUND (101)

General Fund Revenue

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Ad Valorem Taxes	578,700	610,520	31,820	This is the LEVY amount that will be collected from Loretto residents and business owners through property taxes collected by Hennepin County and remitted to the city in the months of July, October and December. Lowered from 6.4% to 5.5% increase over last year's final levy, by lowering expenditure items as directed by Council at the budget workshop.
Liquor License	15,800	15,600	(200)	This is the amount that we take in from our liquor licensing fees.
Tobacco Licenses	101-41000-32130		-	There are no establishments in Loretto that sell tobacco products at this time.
Building Permits	10,000	10,000	-	The city keeps 60% of building permit fees and pays the building inspector (Metro West Inspections) 40% of permit fees.
State Grants and Aids	19,000	15,000	(4,000)	small city assistance for streets. This is a new dedicated funding the city can expect from year to year. This is the amount Loretto is projected to receive in 2026.
Local Government Aid	55,100	55,300	200	This is the certified LGA number provided by MN Department of Revenue.
State Fire Aid	-		-	State Fire Aid for the West Suburban Fire District is no longer run through the city.
County Grants/Aid for HWY	1,500	3,200	1,700	This is grant money the city is eligible to apply for/receive from the county for street improvements (CAM). I apply for these each year, after I receive notification that the funds are available. Increased based on actuals.
Charges for Services	1,000	1,000	-	Fees we collect from various permits (driveway, right-of-way, etc.)
Zoning & Subdivision Fees	300	300	-	Fees for zoning applications.
Park Fees	13,000	13,000	-	Fees for use of the athletic complex fields and the Lions Park rentals. No change based on actuals. See 2026 PROPOSED FEE SCHEDULES for details.
Other Revenues	9,000	9,000	-	Revenue that comes in through the LCAA Operations and Maintenance Agreement, such as park supplies and electric utilities reimbursed to the city by the LCAA. This varies greatly year to year, but balances out on the expenditure side.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Court Fines	3,000	3,000	-	This amount is generated from the Medina Police Dept stopping/charging people while in the city of Loretto.
Interest Earnings	15,000	12,000	(3,000)	Earned interest. Decreased based on projected interest rates.
Refunds/Reimbursements	-		-	None are anticipated.
Insurance Dividends	2,000	2,000	-	Dividends received from the League of MN Cities in December.
Fun Fest Fireworks Donation	10,000	10,000	-	The Fun Fest Committee asks for donations from community members and businesses to help offset the cost of the Fun Fest city celebration. There is an expenditure side of \$13,000, so the city is actually budgeting to spend \$3,000 on the event.
Interfund Operating Transfer	14,000		(14,000)	
Revenue Totals:	747,400	759,920	12,520	

General Fund Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Council				
Wages	17,000	17,000	-	Council compensation.
Benefits	2,150	2,220	70	Council benefits. Includes Social Security, Medicare and PERA.
Workers Comp	200	100	(100)	
Training and Instruction	500	500	-	This is for any training that the council may want to attend and for any mayor/staff meetings during the year.
Open Meeting Law Ins.	-		-	This is now included in our liability insurance.
Administration/General Government				
Legal Notices Publishing	600	800	200	Public notice publishing requirements for public hearings. Increased due to higher rates.
Wages	69,130	71,220	2,090	Admin department wages allocated across all funds. 3% wage increase as planned in the Pay Grade/Step Structure and adding health insurance benefits. See Proposed 2026 Wages for more details and the Budget Workshop Memo for more details.
Benefits	10,480	11,100	620	PERA, SS & Medicare
Workers Comp	1,000	700	(300)	
Training and Instruction	1,000	1,000	-	For clerk/treasurer/utility clerk training classes

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Mileage Reimbursement	200	300	100	Reimbursement for admin dept for driving to meetings/training/errands etc.
Elections	1,500	4,600	3,100	increased for 2026 election cycle.
Auditing	10,000	11,000	1,000	Cost of the annual audit split with the Water Fund. Increased based on expected increase in service contract.
Prof. Services - assessing	-	-	-	In 2024, the city entered into an agreement with Hennepin County for assessing services at no cost to the city. This is a new policy for HC, to offer this service at no cost to smaller cities.
Office Supplies	2,700	2,700	-	Split across all funds with General Fund covering larger percentage.
Computer Software/Hardware	7,700	8,640	940	Split across all funds with General Fund covering larger percentage.
Telephone	1,200	1,200	-	Split across all funds with General Fund covering larger percentage.
Postage	2,300	2,500	200	Split across all funds with General Fund covering larger percentage.
Repairs & Maintenance	1,800	1,000	(800)	Copy machine lease and the cost of copies. Split across all funds with General Fund covering larger percentage. We're saving quite a bit with the new copy machine/lease.
Capital Outlay	3,000	3,000	-	For computer replacements.
Legal Fees (Civil)	8,000	8,000	-	For civil attorney fees (Campbell Knutson).
Capital Outlay	-	-	-	
Legal Fees (Criminal)	8,700	10,000	1,300	This is for criminal attorney fees (Steve Tallen). Increased based on actuals.
Insurance	10,000	10,000	-	Property/casualty insurance split across funds.
Dues and Subscriptions	4,900	5,250	350	This is for Delano Senior Center, NW League of Municipalities, League of MN Cities, HWY 55 Corridor, Association of Small Cities, and subscriptions to newspaper for council and office. See Proposed 2026 Dues and Subscriptions spreadsheet for details, the last page of the CIP Packet.
Prof. Services (Planner)	2,500	8,000	5,500	This is for planning services. Increased based on projected need for the start of work on the 2050 Comp Plan. There is some hope that Loretto will qualify for a new program that would alleviate some of the high costs of this planning process. I'm in communication with the Met Council on this. Lowered from \$13,000 to \$8,000 as directed at the budget workshop.
Rentals	32,400	33,800	1,400	\$19,000 is for office/council chamber/storage space rental (lease agreement runs till 03/31/2027); \$10,300 is for Public Works storage space rented from Storage Sense Hamel and \$4,500 for PW office space rental from the FD.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Government Buildings Capital Outlay	6,000	10,000	4,000	Saving up for Public Works Building. See PROPOSED 2026 CIP for details.
Prof. Services (Police)	71,000	73,130	2,130	This is for contracted services of the Medina Police. Increased 3% based on current estimated CPI.
Fire				
Fire Contract	67,400	85,200	17,800	Loretto's 2026 FD contract amount. Increase due to the volume of calls, market value, and increased Fire Department budget. This is a 26.5% increase over last year's amount.
Fire Aid	-	-	-	This is no longer run through the city. It used to be a pass-through that the city received from the state then passed on to the fire department.
Building Inspection				
Prof. Services (Building Inspector)	3,000	3,000	-	This is the amount to be paid out to the Building Inspector. They receive 40% of the fees we take in from building permits.
Building Permit Surcharges	500	500	-	This surcharge is set by the state - \$1/fixed fee permit. Permits based on value are also figured into this number. Whatever we collect goes to the state.
Prof. Services (Code Enforcement)	200	200	-	For Code Enforcement services. Mike Rosenau with Metro West is our code enforcement officer.
Civil Defense				
Capital Outlay	-	-	-	Siren purchase and installation completed in 2023/2024.
Streets				
Wages	81,770	86,750	4,980	Reflects PW 3% wage increases, adding health insurance benefits, removal of Public Works Assistant, and an adjustment to the wage allocations among funds based on actuals. See Proposed 2026 Wages spreadsheet and the Budget Workshop Memo for more details. Increased due to adding the temporary public works employee, as directed at the budget workshop.
Benefits	11,850	11,230	(620)	PERA, SS & Medicare. Increased due to adding the temp public works employee.
Workers Comp	6,500	5,000	(1,500)	decreased based on actuals (overcompensated last year.)
Training and Instruction	700	700	-	Safety training split across funds.
Motor Fuels	3,000	3,000	-	Fuel - split across funds.
Engineering	15,000	12,000	(3,000)	General Fund and/or streets engineering needs. Decreased from \$15,000 to \$12,000 as directed at the budget workshop.
Utility Services	20,000	20,000	-	Street lights as billed by Xcel.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Repairs & Maintenance	43,700	45,000	1,300	All repairs/maintenance for streets will go into this category. See Proposed 2026 Maintenance and Repairs spreadsheet for details.
Capital Outlay	14,700	15,700	1,000	See Proposed 2026 CIP spreadsheet for details. Reduced by removing \$2,000 from the Solar Speed Sign line item as directed at the budget workshop.
Street Maintenance Material	10,000	10,000	-	For snowplowing/salt/sand.
Civic Events				
Miscellaneous (Fun Fest)	13,000	13,000	-	For Loretto Fun Fest civic event. There is a revenue line item of \$10,000 in anticipation that the financial obligation for the city will be \$3,000.
Miscellaneous (Holiday Train	1,500	1,500	-	For the Holiday Train civic event. Sponsored by the city, Loretto community members, Canadian Pacific Railway, Loram, Doboszanski & Sons, Lions Club and 21st Century Bank
Parks				
Wages	60,020	77,610	17,590	Reflects PW 3% wage increases, adding health insurance benefits, removal of Public Works Assistant, and an adjustment to the wage allocations among funds based on actuals. See Proposed 2026 Wages spreadsheet and the Budget Workshop Memo for more details. Increased due to adding the temporary public works employee, as directed at the budget workshop.
Benefits	8,830	9,900	1,070	PERA, SS & Medicare. Increased due to adding the temp public works employee.
Workers Comp	4,000	4,000	-	
Training and Instruction	700	700	-	For safety training
Motor Fuels	3,000	2,000	(1,000)	Fuel - split across funds. Decreased based on actuals and projected need.
Other Operating Supplies	3,000	3,000	-	For supplies purchased for baseball field - per LCAA Operations and Maint. agreement, these expenditures are reimbursed by the LCAA at year-end. Part of the reimbursement is covered in the electric utility and water sales line items.
Utility Services	10,000	10,000	-	Electric utilities for parks premises.
Repairs & Maintenance	20,000	20,000	-	See Proposed 2026 Repairs & Maintenance spreadsheet for details.
Capital Outlay	28,800	21,200	(7,600)	See Proposed 2026 CIP spreadsheet for details. Reduced by removing \$2,500 for half court/pickleball .
Miscellaneous				
Miscellaneous	2,270	970	(1,300)	This is kept for unexpected expenses that may come up over the year that don't fit into another category. Increased by \$400 to balance expenditures and revenues in the General Fund.

2026 BUDGET PROPOSAL DETAIL

for 12.09.25 Council Meeting

Account Description	This year's proposed amount	This year's proposed amount	Increase or (decrease)	Explanation
Operating Transfers	38,000		(38,000)	
Expenditure totals:	747,400	759,920	12,520	

2026 Gen Fund Rev	759,920
2026 Gen Fund Exp	759,920
	-

CAPITAL IMPROVEMENT FUND (FUND 225)

The practice of past councils has been to capture any unused Capital Outlay funds and move them to this fund in December (by city council motion.) The philosophy has been to save the money and use it for future capital needs. There are various projects that the city has been saving for that are tracked year to year.

	Last year-end balance	Current Balance	Notes
Administrative	2,803	2,803	for admin capital projects including computer replacements.
Elections	1,400	1,400	for election related capital expenditures.
Attorney	13,098	13,098	for future code book overhaul.
Planning	16,886	2,818	used \$14,068 for the park capital plan.
Civil Defense	-	-	Purchased siren and installed siren in 2023.
Streets	82,701	96,978	95,477.85 is available for street projects. The current balance includes the receipt of 2024 small city transportation aid of \$14,277.
Fun Fest/Beautification	1,000	1,000	saved as a reserve for Fun Fest and/or city beautification expenses.
Holiday Train	1,763	1,763	Saved as a reserve for Holiday Train and/or city beautification expenses.
Parks	97,610	93,413	saved up for park capital projects. There is a detailed allocation breakdown available.
Lions	629	629	Remaining proceeds from old Lions electronic sign sale.
Interest	37,524	48,770	This includes interest earned as of 12/01/25 (November and December interest earnings not included.)
Total:	255,414	262,672	MORE DETAIL ON EACH CAPITAL ACCOUNT AVAILABLE UPON REQUEST

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

2021 STREET PROJECT BOND FUND (352)

2021 Street Project Bond Fund Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Current Ad Valorem Taxes	60,175	59,640	(535)	Certified debt levy amount to be collected through property taxes. Calculated at 105% of the principal and interest due during the next fiscal period. Can only be changed by resolution. This would be a rare occasion in the future if the fund ever had enough to pay the next fiscal year's amount due.
Special Assessments	16,611	15,382	(1,229)	Special assessment amounts to be collected by the county as property tax.
Revenue totals:	76,786	75,022	(1,764)	

2021 Street Project Bond Fund Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Debt Service Principal	55,000	60,000	5,000	Amount of principal due on the bonds during the next fiscal period (for the street portion of the project.)
Interest	13,270	12,620	(650)	Amount of interest due on the bonds during the next fiscal period (for the street portion of the project.).
Fiscal Agent's Fees		500		
Expenditure totals:	68,270	73,120	4,850	

2026 '21 St Proj Bond Fund Rev	75,022
2026 '21 St Proj Bond Fund Exp	73,120
	1,902

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

2023 STREET PROJECT BOND FUND (353)

2023 Street Project Bond Fund Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Current Ad Valorem Taxes	111,983	114,345	2,362	Certified debt levy amount to be collected through property taxes. Calculated at 105% of the principal and interest due during the next fiscal period. Can only be changed by resolution. This would be a rare occasion in the future if the fund ever had enough to pay the next fiscal year's amount due.
Special Assessments			-	Special assessment amounts to be collected by the county as property tax. I am working with our city attorney and engineers to get the process moving to have first year collectable in 2026.
Revenue totals:	111,983	114,345	2,362	

2023 Street Project Bond Fund Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Debt Service Principal		60,000	60,000	Amount of principal due on the bonds during the next fiscal period (for the street portion of the project.)
Interest	63,560	47,400	(16,160)	Amount of interest due on the bonds during the next fiscal period (for the street portion of the project.).
Fiscal Agent's Fees		500		
Expenditure totals:	63,560	107,900	44,340	

2026 '23 St Proj Bond Fund Rev	114,345
2026 '23 St Proj Bond Fund Exp	107,900
	6,445

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

WATER FUND (FUND 601)

Water Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Depreciation Fee	33,810	35,500	1,690	5% increase. This is the increase recommended in the Long Term Financial Plan.
Interest Earnings	5,000	3,000	(2,000)	Earned interest. Decreased based on projected interest rates.
Water Sales	253,050	265,700	12,650	Rate increase of 5% to support debt service and operating expenses. See Proposed 2026 Fee Schedule and expenditure details below for more information.
MN Dept. of Health Annual Fees	2,530	3,930	1,400	This is a pass through we pay to the state for connection fees for all properties in the city. Loretto accounts are billed in January each year, then we pay the state on a quarterly basis. The legislature increased the annual per connection fee from \$9.72 to \$15.22 effective 1/1/26.
Water Leak Protection	2,640	2,640	-	Leak protection insurance program. There is an equal line item on the expenditure side.
Water Penalty	1,200	1,200	-	Penalty fees collected on delinquent accounts.
Interfund Operating Transfer	38,000			In 2024, this was budgeted as one-time revenue transfer from the General Fund.
Water Revenue Totals:	336,230	311,970	(24,260)	

Water Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Wages	16,130	16,620	490	Admin department wages allocated across all funds. 3% wage increase as planned in the Pay Grade/Step Structure and adding health insurance benefits. See Proposed 2026 Wages for more details and the Budget Workshop Memo for more details.
Benefits	2,440	2,590	150	PERA, Medicare and SS.
Auditing & Accounting	8,000	9,000	1,000	This is the water portion of what we pay for the annual audit - the other portion is covered in the General Fund.
Debt Srv Principal	50,000		(50,000)	For the Water Booster Station. The final principal payment was made in 2025. Yay!
Bond Interest	1,160		(1,160)	For the Water Booster Station. The final interest payment was made in 2025. Yay!
Wages	39,980	41,780	1,800	Reflects PW 3% wage increases, adding health insurance benefits, removal of Public Works Assistant, and an adjustment to the wage allocations among funds based on actuals. See Proposed 2026 Wages spreadsheet and the Budget Workshop Memo for more details.
Benefits	5,860	5,480	(380)	PERA, Medicare and SS.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Workers Comp	1,800	1,200	(600)	Decreased based on actuals.
Office Supplies	400	400	-	Allocated across funds with the General Fund covering majority.
Training and Instruction	1,800	1,200	(600)	Training requirements. Decreased based on actuals.
Computer Software/Hardware	1,900	1,700	(200)	Split across all funds with General Fund covering majority.
Motor Fuels	1,000	1,000	-	Fuel - split across funds.
Chemicals	8,000	8,000	-	This is for chemicals needed to keep the water quality at recommended levels.
Engineering Fees	4,000	5,000	1,000	For general engineering needs in the water department. Increased for Comp Planning
Telephone	170	170	-	Split across all funds with General Fund covering majority.
Postage	200	400	200	Split across all funds with General Fund covering majority.
Insurance	5,000	5,000	-	Property/casualty insurance.
Leak Protection Insurance	2,640	2,640	-	equal line item on revenue side.
Electric Utilities	19,500	19,000	(500)	Mainly electric for the booster station.
Repairs/Maintenance	30,000	30,000	-	See Proposed 2026 Repairs & Maintenance spreadsheet for details.
Depreciation	26,800	30,000	3,200	Similar line item on the revenue side - to cover depreciation of assets.
Dues and Subscriptions	6,020	7,640	1,620	Required dues for operating water system. See last page of Proposed 2026 CIP spreadsheet for more details. Increased due to MN Dept of Health water connection fee increase - there is an equal increase on the revenue side, so does not effect the rate increase for the Water Fund.
Capital Outlay	34,700	34,700	-	See Proposed 2026 CIP spreadsheet for more details.
Debt Srv Principal	15,000	45,000	30,000	This is for the water fund's portion of the 2021 Street Project bonds (Series 2021A) and the principal debt service payment for the CR19 Watermain bonds (Series 2024A).
Debt srv interest	53,400	43,800	(9,600)	This is for the water fund's debt service portion of the 2021 Street Project bonds (Series 2021A), and the debt service for the CR19 Watermain Project (Series 2024A).
			-	
Water Expenditure Totals:	335,900	312,320	(23,580)	

2026 Water Fund Rev	311,970
2026 Water Fund Exp	312,320
	(350)

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

WASTEWATER FUND (FUND 602)

Wastewater Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Interest Earnings	5,000	3,000	(2,000)	Earned interest.
Refunds/Reimbursements	7,000	10,000		Ende Septic dumping fees.
Sewer Sales	250,300	262,800	12,500	Lowered from 9% to 5% increase as directed at the budget workshop. See Proposed 2026 Fee Schedule and expenditure details below. The increased MCES Municipal Wastewater Charge and the anticipated Quad City wastewater line changes (saving up for this in the CIP) are the largest increases in this fund. 15% increase was recommended in our Long Term Financial Plan (LTFP).
Sewer Penalty	1,200	1,200	-	
WW Revenue Total:	263,500	277,000	13,500	

Wastewater Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Wages	16,130	16,620	490	Admin department wages allocated across all funds. 3% wage increase as planned in the Pay Grade/Step Structure and adding health insurance benefits. See Proposed 2026 Wages for more details and the Budget Workshop Memo for more details.
Benefits	2,440	2,590	150	
Wages	43,120	33,640	(9,480)	Reflects PW 3% wage increases, adding health insurance benefits, removal of Public Works Assistant, and an adjustment to the wage allocations among funds based on actuals. See Proposed 2026 Wages spreadsheet and the Budget Workshop Memo for more details.
Benefits	6,260	4,420	(1,840)	
Workers Comp	1,400	1,400	-	
Office Supplies	200	200	-	Split across all funds with General Fund covering majority.
Training and Instruction	1,000	1,000	-	Safety training required.
Computer Software/Hardware	1,700	1,900	200	Split across all funds with General Fund covering majority.
Motor Fuels	1,300	1,300	-	Fuel - split across funds.
Chemicals	4,200	4,200	-	For chemicals needed at sewer ponds remaining.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Engineering Fees	3,000	2,000	(1,000)	Lowered to get wastewater rate reduced to 5%.
Telephone	170	170	-	Split across all funds with General Fund covering majority.
Postage	200	400	200	Split across all funds with General Fund covering majority.
Insurance	3,000	3,000	-	Property/casualty insurance for Wastewater Fund.
Utility Services	15,000	20,000	5,000	increased based on actuals.
Municipal Wastewater Chrg	71,890	81,600	9,710	Annual Municipal Wastewater Charge to be paid to MCES in 2026. Increased due to wet year calculation.
Repairs & Maintenance	41,500	45,000	3,500	See Proposed 2026 Repairs & Maintenance spreadsheet for details.
Dues and Subscriptions	5,320	3,990	(1,330)	See last page of Proposed 2026 CIP spreadsheet for more details.
Capital Outlay	37,000	39,900	2,900	See Proposed 2026 CIP spreadsheet for details. Lowered by removing \$5000 for aerators as directed at the budget workshop and reducing sewer line replacement line item by \$2000 to get rate down to 5%.
Debt Service Principal	5,000	10,000	5,000	Scheduled principal payment for the Wastewater portion of the 2021 Street Project bonds (Series 2021A).
Interest	3,070	3,000	(70)	Scheduled interest payment for the Wastewater portion of the 2021 Street Project bonds (Series 2021A).
WW Expenditure Total:	262,900	276,330	13,430	

2026 WW Fund Rev	277,000
2026 WW Fund Exp	276,330
	670

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

GARBAGE/RECYCLING FUND (FUND 603)

Garbage/Recycling Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Other County Grants/Aids	3,500	4,000	500	This is the SCORE recycling and organics grant we apply for and receive from the county. Increased based on actuals.
Interest Earnings	200	300	100	
Garbage Charges	40,000	40,000	-	User fees collected. Current rates are \$1.25 above what we are charged by Randy's.
Recycling Charges	18,000	18,000	-	User fees collected. Residential and organics recycling combined.
Penalties	600	600	-	Penalties paid on delinquent accounts
			-	
G/R Revenue Totals:	62,300	62,900	600	

Garbage/Recycling Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Wages	9,220	9,500	280	Admin department wages allocated across all funds. 3% wage increase as planned in the Pay Grade/Step Structure and adding health insurance benefits. See Proposed 2026 Wages for more details and the Budget Workshop Memo for more details.
Benefits	1,400	1,480	80	PERA, medicare and SS.
Office Supplies	300	300	-	Split across all funds with General Fund covering majority.
Computer Software/Hardware	800	1,000	200	Split across all funds with General Fund covering majority.
Independent Contractor	36,000	36,000	-	This is for our contracted garbage service.
Postage	600	400	(200)	Split across all funds with General Fund covering majority.
Independent Contractor	14,000	14,000	-	For residential recycling and organics services combined.
			-	
G/R Expenditure Totals:	62,320	62,680	360	

2026 G/R Fund Rev	62,900
2026 G/R Fund Exp	62,680
	220

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

STORMWATER FUND (FUND 604)

Stormwater Revenues

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Interest	1,400	900	(500)	Interest earned.
Stormwater Charges	89,100	93,500	4,400	Lowered from 9% to 5% increase as directed at the budget workshop. The Long Term Financial Plan recommends 15% increase.
Penalties	1,000	1,200	200	
Interfund Operating Transfer				
			-	
SW Revenue Totals:	91,500	95,600	4,100	

Stormwater Expenditures

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Wages	4,610	4,750	140	Admin department wages allocated across all funds. 3% wage increase as planned in the Pay Grade/Step Structure and adding health insurance benefits. See Proposed 2026 Wages for more details and the Budget Workshop Memo for more details.
Benefits	700	740	40	PERA, medicare and SS.
Wages	11,840	12,280	440	Reflects PW 3% wage increases, adding health insurance benefits, removal of Public Works Assistant, and an adjustment to the wage allocations among funds based on actuals. See Proposed 2026 Wages spreadsheet and the Budget Workshop Memo for more details.
Benefits	1,730	1,610	(120)	PERA, medicare and SS.
Workers Comp	400	400	-	
Office Supplies	300	300	-	Split across all funds with General Fund covering majority.
Computer Software/Hardware	600	700	100	Split across all funds with General Fund covering majority.
Motor Fuels	1,300	1,300	-	Fuel - split across funds.
Engineering Fees	13,000	13,000	-	
Telephone	160	160	-	Split across all funds with General Fund covering majority.
Postage	200	400	200	Split across all funds with General Fund covering majority.
Insurance	1,600	1,600	-	Property/casualty insurance.

2026 BUDGET PROPOSAL DETAIL
for 12.09.25 Council Meeting

Account Description	Last year's amount	This year's proposed amount	Increase or (decrease)	Explanation
Repairs & Maintenance	15,000	15,000	-	See Proposed 2026 Repairs & Maintenance spreadsheet for details.
Dues and Subscriptions	8,400	8,530	130	See last page of Proposed 2026 CIP spreadsheet for more details.
Capital Outlay	31,450	34,850	3,400	See Proposed 2026 CIP and Proposed 2026 LSWMP (2nd last page of CIP Packet) spreadsheets for details. Lowered by reducing the private drainage system line item in the LSWMP from \$10,000 to \$6,000 as directed at the budget workshop to get the rate increase down to 5%.
			-	
SW Expenditure Totals:	91,290	95,620	4,330	

2026 SW Fund Rev	95,600
2026 SW Fund Exp	95,620
	(20)

WATER CAPITAL FUND (FUND 611)

Current Cash Balance: 80,761 Saving up for infrastructure/water booster station repairs/maintenance/replacement.

WASTEWATER CAPITAL FUND (FUND 612)

Current Cash Balance: 135,491 Saving up for wastewater capital projects.

STORMWATER CAPITAL FUND (FUND 614)

Current Cash Balance: 89,388 Saving up for stormwater capital projects.

DUES/SUBSCRIPTIONS FOR THE CITY OF LORETTO									
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2020	2021	2022	2023	2024	2025	2026	2027	2028
101-41900-433									
MN Association of Small Cities	420	420	420	420	420	420	460		
Delano Herald/Local Publication	290	300	320	350	350	400	420		
Crow River News/Local Publication		90		80	100	110	140		
League of MN Cities	820	860	900	930	1,000	990	1,200		
MN Mayors Association (through League)		30	30	30	40	40	40		
Delano Seniors	1,800	1,900	1,900	1,960	2,000	2000	2,040		
Hwy 55 Corridor (Wright County)	250	250	250	250	250	500	500		
NW Hennepin Leauge of Municipalities	200	200	200	200	200	200	200		
MCFOA and IIMC	260	260	270	270	240	240	250		
Notary Public				250	renews every five years				250
General Fund Total	4,040	4,310	4,290	4,740	4,600	4900	5,250		
601-49400-433									
MN DNR (Water Fee)	200	200	200	200	500	500	700		
MN Dept of Health (Connection Fee - pd quarterly)	2,520	2,520	2,530	2,530	2,580	2580	3,930		
MN Dept of Public Safety - Hazard Fee	50	50	50	50	50	50	50		
MN Rural Water Association	100	100	100	115	220	220	220	225	
Employee dues	50	50	50	50	50	50	50		
AMI meter read software support (Core&Main)	2,300	2,400	2,500	2,500	4,700	2320	2,390		
AMI cellular data						300	300		
GIS licenses (split between 601 and 602)				650				600	
Water Fund Total	5,220	5,320	5,430	6,095	8,100	6,020	7,640		
602-49450-433									
MPCA (Annual Permit)	505	505	505	505	1,000	1,000	1,000	1,000	
Employee dues	50	50	50	50	50	50	50		
MN Dept of Public Safety - Hazard fee	25	25	25	25	25	25	25		
MN Pollution Control Agency (every 5 years)	1,400	**Renews every five years - next in 2030				1400	-		
AMI meter read software support (Core&Main)	2,300	2,400	2,500	2,500	4,700	2320	2,390		
AMI cellular data						300	300		
MN Rural Water Association	200	200	200	220	225	225	225	225	
GIS licenses (split between 601 and 602)								600	
Wastewater Fund Total	4,480	3,180	3,280	3,300	6,000	5,320	3,990		
604-49600-433									
Pioneer-Sarah Creek	5,700	5,800	5,800	5,800	5,600	5,500	5,500		
Stormwater Coalition (LMC)	425	425	425	425	500	600	630		
Medina Stormwater Charges	1,900	2,100	2,100	2,150	2,100	2100	2,200		
MPCA annual MS4 fee - upcoming					200	200	200	200	400
MPCA (renewal of application fee)				400	renews every five years				
Stormwater Fund Total	8,025	8,325	8,325	8,775	8,400	8,400	8,530		
TOTAL ALL FUNDS	21,765	21,135	21,325	22,910	27,100	24,640	25,410		

ORDINANCE NO. 2025-05

CITY OF LORETTO, HENNEPIN COUNTY, MINNESOTA

**AN ORDINANCE OF THE CITY OF LORETTO, MINNESOTA
AMENDING FEES FOR CITY LICENSES, PERMITS AND SERVICES**

THE CITY COUNCIL OF THE CITY OF LORETTO DOES ORDAIN:

WHEREAS, the Loretto City Code establishes that some fees will be set from time to time by the City Council; and

WHEREAS, the City Council has been advised that certain fees need to be established by ordinance; and

WHEREAS, City staff has reviewed the fees that the City currently charges and is recommending that Fee schedules, attached hereto as Exhibit A and Exhibit B, be adopted.

NOW THEREFORE, the City Council of the City of Loretto does hereby adopt the Fee Schedules attached hereto as Exhibit A and Exhibit B.

This Ordinance shall take effect upon adoption and publication as provided by law.

Adopted by the Loretto City Council this 9th day of December 2025.

Kent Koch, Mayor

ATTEST:

Mary K. Schneider, City Clerk Treasurer

ORDINANCE 2025-05
EXHIBIT A
CITY OF LORETTO - SCHEDULE OF LICENSES, PERMITS, AND FEES

CODE SECTION	DESCRIPTION	AMOUNT	COMMENTS
120:00	Park Field Use Rentals	(See City of Loretto Park Field Use Rental Fees)	5% increase for 2026
405:10	Building Permits	(See City of Loretto Building Permit Fees and MetroWest 1994 Fee Schedule)	Amended in 2015
410:10 & 410:15	Water & Sewer Availability Charge/Conn FeeOrd Water - R-1 & PUD Districts Sewer - R-1 & PUD Districts Water - R-2 (per unit) Sewer - R-2 (per unit) Water - TC, GC, & I Districts Sewer - TC, GC, & I Districts	\$3,600 \$3,800 \$2,600 \$2,700 \$2,400 \$2,200 \$1,600 \$1,700 \$4,800 \$5,000 \$3,300 \$3,500	5% increase for 2026 5% increase for 2026 5% increase for 2026 5% increase for 2026 5% increase for 2026 5% increase for 2026
410:25 Subd 1	Water & Sewer Monthly Service Rates Water - Minimum (up to 4,000 gal) Water - Above 4,000 gallons Water from City Hydrant Water from City Hydrant Depreciation fee Sewer - Minimum (up to 4,000 gal) Sewer - Above 4,000 gallons	\$50.64 \$53.17 \$12.65 \$13.28 \$12.00 \$12.60/1000 gal \$500 deposit for new vendor \$11.30 \$11.87/month/account \$48.51 \$50.94 \$17.21 \$18.07	5% increase for 2026 Per 1,000gl - 5% increase for 2026 Plus \$20.00 hookup fee 5% increase for 2026 New 2025 5% increase for 2026 5% increase for 2026 Per 1,000gl - 5% increase for 2026
410:35 Subd 3(a)	Storm Water Base Rate per REF value	\$23.82 \$25.01	5% increase for 2026
535:15	Garbage Collection Monthly Service Rates	\$1.25 Over Cost of Republic	update contractor name 2023
536:10	Recycling Collection Monthly Service Rate (includes organics recycling)	\$1.25 over cost of Republic	updated 2023
410:25 Subd 10	Water & Sewer Reconnection Charge	\$50.00	
410:25 Subd 8	Water Meter Purchase	At Cost	
410:30 Subd 5	Water Meter Test	At Cost	
412:115	Grading, Erosion, & Sediment Control Permit	\$100.00	Plus Expenses*
420:61 Subd 2	Variance	\$150.00	Plus Expenses*
420:70 Subd 3	Conditional Use Permit Interim Use permit	\$150.00 \$150.00	Plus Expenses* Plus Expenses* Added 2/8/11
420:80	Zoning/Land Use Amendment Administrative Zoning Review	\$200.00 \$100.00	Plus Expenses* new in 2011
412:85	Public Works Director	\$72.31	new in 2012
Administrative/Staff Fees	City Clerk	\$68.24	new in 2012
	Public Works Employee	\$43.20	new in 2012
	Office Assistant	\$32.00	new in 2012
	Grounds keeper	\$21.92	new in 2012
430:00 Subd 2a ii	Preliminary Plat/Subdivision & Large Lot Divisions	\$250.00 + \$25.00/lot in excess of 3 lots	Plus Expenses*
430:00 Subd 3a	Final Plat	\$150.00	Plus Expenses*
430:00 Subd 4	Simple Lot Divisions & Division and Rearrangement	\$100.00	Plus Expenses*
435:10 Subd 3	Sign Permit	\$50.00	Plus Expenses* & Building Permit
505:00	Returned Check Charge (M.S. 609.535)	\$30.00	Updated 2024
	MnWARN Equipment Rates: Cat 90 HP Utility Trailer	\$95/hour	New in 2011
	Skid Steer w/operator	\$105/hr	New in 2011
515:20 Subd 3	Driveway Permit	\$25.00	Plus expenses*
	Right-of Way Permit	\$100.00	new in 2011

ORDINANCE 2025-05
EXHIBIT A
CITY OF LORETTO - SCHEDULE OF LICENSES, PERMITS, AND FEES

CODE SECTION	DESCRIPTION	AMOUNT	COMMENTS
600:10	Dog Licenses (Kennel)	\$50.00	Plus expenses*
	Chicken License (Annual)	\$25.00	Plus expenses*
800:10 Subd 9	Tobacco License (Annual)	\$100.00	Plus expenses*
805:05	Mechanical Amusement Device	\$15.00	Plus expenses*
810:15	Bingo License (Annual)	\$25.00	Plus expenses*
815:25	Gambling License (Annual)	\$25.00	Plus expenses*
820:35	Peddler, Solicitor, Transient Merchant Lic.	\$50.00	Plus expenses*
835:30	Fireworks Sales License (Annual)	\$50.00	Plus expenses*
830:35 Subd 1	Adult Establishment License (Annual)	\$3,500.00	Plus expenses*
830:35 Subd 2	Investigation Fee - Adult Establishment	\$500.00	increased for 2011 from \$300
902:45 Subd 1	Liquor License Fees - Annual		
	On-Sale	\$3,500.00	
	Off-Sale	\$100.00	
	Sunday	\$200.00	
	2 AM Closing	\$200.00	
	Wine	\$500.00	
906:05	3.2 Beer	\$100/fee waived for holder of Wine License	new in 2023
	Consumption and Display	\$250.00	new in 2025
902:50	Investigation Fee - Liquor License	\$500.00	increased in 2010
902:30	Liquor License Fees - Temporary		
	3.2 Beer	\$25.00	
	Intoxicating Liquor	\$100.00	2022 Increase to cover inspection costs
	Site Development Escrow - Residential	\$3,000.00	** increased for 2024
	Site Development Escrow - Commercial	\$8,000.00	** increased for 2024
	Site Modification Escrow - Residential	\$2,000.00	** increased for 2024
	Site Modification Escrow - Commercial	\$4,000.00	** increased for 2024
	Special Meeting of Council	\$1,500.00	Plus Expenses* Increase for 2024
	Assessment Search	\$25.00	
	Notary	free to residents \$1 for non-residents	new in 2023 new in 2023

Other inquiries to the City requiring legal, engineering, planning, or clerk time outside of the regular scope of duties will be billed at cost. Additional costs--such as postage, photocopies, publication, notification, and supplies--will also be billed at cost.

*Expenses may include--but are not limited to--legal, engineering, planning, council and clerk time, publication, office costs, notification, investigation and supplies.

**Applicant deposits escrow in the required amount and agrees to pay all expenses related to the request, including any expenses in excess of the escrow. The City will refund any excess escrow.

ORDINANCE 2025-05
EXHIBIT B
CITY OF LORETTO
SCHEDULE OF PARK FIELD USE RENTAL FEES

The Loretto Ballfields consists of three baseball/softball fields.
Those wishing to use the Arnold Klaers Baseball Field must contact the LCAA for field use agreements.

Field use fees are based on a 2 hour time slot. If additional time is needed you will be charged for an additional 2 hour time slot.

Baseball and Softball Field Use

Game Ready Field*	\$54.00 \$57.00/field
Practice Field**	\$31.00 \$33.00/field
League and Tournament Rates	Fees calculated on case by case basis
SECURITY DEPOSIT***	\$500/field reservation or \$800/Tournament or League
On-call fees for rechalking and dragging fields between games on nights and weekends	\$100

*These fees cover the city's cost to have the field game ready, including having it dragged and chalked on the day of reservation. Renter is responsible for any dragging or chalking needed between games on the same day.

**Practice Field will not be dragged or chalked.

***SECURITY DEPOSIT: The applicant, having fulfilled the obligations under the field reservation agreement, and after a post-event inspection by the Public Works Department, will have their Security Deposit refunded.

1. a full security deposit will be returned to the applicant upon having left no financial obligation to the City and having caused no damage beyond ordinary wear and tear.
2. A percent of the security deposit will be retained by the City pending:
 - a. any financial obligation to the City,
 - b. the percent of damages to the facilities beyond the ordinary wear and tear.
3. Ten percent of the original amount of the damage deposit will be retained by the city for each instance of the ballfield lights being left on overnight.

(Ordinance Summary)

ORDINANCE NO. 2025-05

CITY OF LORETTO

AN ORDINANCE AMENDING FEES FOR CITY LICENSES, PERMITS AND SERVICES

The above-referenced Ordinance amends the City's fee schedule for utility rates, park fees, and water and sewer availability charges. This summary is adopted pursuant to Minn. Stat. §412.191, Subd. 4.

A printed copy of Ordinance 2025-05 is available for inspection and copying by any person, during regular office hours at the Loretto City Hall, at 279 Medina Street North, Suite 260, Loretto, MN 55357.

Dated: December 10, 2025

Mary K. Schneider, City Clerk Treasurer



Memo

To: City of Loretto From: Nick Wyers, PE

Project/File: 227705283 Date: December 3, 2025

Subject: 2023 Street Improvements Project – Pay Request #8 & Final and Change Order #3

Council Action Requested

Staff is recommending the City Council Approve Pay Request #8 & Final and Change Order #3 for the 2023 Street Improvement Project to Omann Contracting Companies, Inc. in the amount of \$27,132.71 contingent on the City receiving project closeout documents.

Summary

Change Order #3 includes the cost deduction to cover the City incurred costs for pavement and rehabilitation and restoration areas. The City and contractor agreed to split the reclamite treatment costs for pavement. The total costs for the reclamite treatment was \$9,860 where each the City and contractor were responsible for \$4,930 The site restoration costs are estimated at \$1,500 to cover sod costs on the north end of the project. The pay request #8 includes the final restoration work to address vegetation and grading on the project site. This pay application includes the final payment for this project including all retainage. Below is a project summary:

Contract Value	\$933,677.59
Change Orders to date (#1-3)	\$46,420.74
Revised Contract Value to Date	\$980,098.33
Work Completed to Date	\$970,545.44
0% Retainage	\$0.00
Amount Paid to Date	\$943,412.74
Total Pay App #8	\$27,132.71

Financing

This project is funded through a combination of City funds (bonding) and special assessments.

Engineer’s Recommendation

We recommend approving Pay Request #8 and final and Changer Order #3 to Omann Contracting Companies, Inc. in the amount of \$27,132.71 contingent on the City receiving project closeout documents.

**SECTION 00 63 63
CHANGE ORDER FORM**

Change Order No. 3

Date 11/24/2025

Agreement Date 3/15/2024

Name of Project: 2023 Street Improvements Project

Owner: City of Loretto

Contractor: Omann Contracting Companies, Inc.

The following changes are hereby made to the Contract Documents:

Pay Items were added to the contract document to address the repairs completed by the City of Loretto for the pavement and restoration areas.

Justification: During wear course inspection spring 2025, it was determined the wear course paving did not meet specifications. Multiple options were analyzed with a reclamite treatment contracted by the City to be to best option. The contractor agreed to cover half to costs to cover the areas that were in need of maintenance. The restoration areas on the north end of the project required additional repairs. The City and contractor have agreed to split the costs of completing the repairs in the spring of 2026.

Original Contract Price: \$ 933,677.59

Current Contract Price adjusted to previous Change Order: \$ 986,528.33

The Contract Price due to this Change Order will be decreased by \$ 6,430.00

The new Contract Price including this Change Order will be \$ 980,098.33

Revised Contract Substantial Completion Date: October 19, 2024

The Contract Time will be increased by 0 Calendar days

Current Contract Substantial Completion Date adjusted to this Change Order: October 19, 2024

Revised Contract Final Completion Date: December 21, 2024

The Contract Time will be increased by 0 Calendar days

Current Contract Final Completion Date adjusted to this Change Order: December 21, 2024

Approvals Required:

To be effective, this Order must be approved by the Owner and the Contractor if it changes the scope of objective of the Project, or as may otherwise be required by the Supplemental General Conditions.

Requested by: Nick Wyers
Nick Wyers, P.E.

Accepted by: [Signature]
(Contractor)

Accepted by: _____
City of Loretto

END OF SECTION

Action c.

**SECTION 00 62 76
APPLICATION FOR PAYMENT FORM**

OWNER: City of Loretto
PROJECT: 2023 Street Improvements
CONTRACTOR: Omann Contracting Companies, Inc.

PAY ESTIMATE NO. 8 & FINAL

Original Contract Amount:	<u>\$ 933,677.59</u>
Contract Changes approved to Date (List Change Order Numbers):	<u>\$ 46,420.74</u>
Revised Contract Price :	<u>\$ 980,098.33</u>
Work Completed to Date (attached):	<u>\$ 970,545.44</u>
Retainage to Date, 0%:	<u>\$ -</u>
Work Completed to Date Less Retainage to Date:	<u>\$ 970,545.44</u>
Total Amount Previously Certified:	<u>\$ 943,412.74</u>
Payment Request This Estimate:	<u>\$ 27,132.71</u>

I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid.

Omann Contracting Companies Inc.
CONTRACTOR

Project No. 227705283

CERTIFICATE OF CONTRACTOR


I hereby certify that the work and the materials supplied to date, as shown on the request for payment, represents the actual value of accomplishment under the terms of the contract dated 03/15/2024 between between the City of Loretto (OWNER) and Omann Contracting Companies, Inc. (CONTRACTOR) and all authorized changes therto:

By _____
Title _____

4972

Approval:

(CONTRACTOR)

 _____ Date 11-24-2025

STANTEC CONSULTING SERVICES, INC.

Nick Zipse
_____ Date 12-1-2025

CITY OF LORETTO

_____ Date _____

END OF SECTION

Project No. 227705283

NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL PRICE	COMPLETED TO DATE		LESS PREVIOUS PAYMENTS		CURRENT PAY REQUEST #8 & FINAL	
						QTY	PRICE	QTY	PRICE	QTY	PRICE
1	MOBILIZATION AND DEMOBILIZATION	LUMP SUM	1	\$18,700.00	\$18,700.00	1	\$18,700.00	0	\$0.00	1	\$18,700.00
2	TRAFFIC CONTROL	LUMP SUM	1	\$2,500.00	\$2,500.00	1	\$2,500.00	0	\$0.00	1	\$2,500.00
3	CL FILING & GRUBBING	TRNG	5	\$1,150.00	\$5,750.00	5	\$1,150.00	0	\$0.00	5	\$5,750.00
4	REMOVE CONCRETE CURB AND GUTTER	LN FT	4192	\$3.80	\$15,929.60	4136	\$3.80	56	\$213.60	4136	\$15,716.00
5	REMOVE SEWER PIPE (STORM)	LN FT	959	\$9.65	\$9,243.35	945	\$9.65	14	\$135.10	945	\$9,108.25
6	REMOVE SEWER STRUCTURE (STORM)	EACH	12	\$431.38	\$5,176.56	13	\$5,176.56	0	\$0.00	13	\$5,607.94
7	REMOVE FLARED END (STORM)	EACH	1	\$552.28	\$552.28	1	\$552.28	0	\$0.00	1	\$552.28
8	REMOVE SLUMP LINE	LN FT	444	\$4.50	\$2,000.00	1225	\$5,627.75	0	\$0.00	1225	\$5,627.75
9	REMOVE SANITARY MANHOLE CASTING	EACH	7	\$181.63	\$1,271.41	5	\$908.15	0	\$0.00	5	\$908.15
10	REMOVE CONCRETE DRIVEWAY PAVEMENT	SO YD	280	\$197.58	\$55,342.40	2	\$395.16	0	\$0.00	2	\$790.32
11	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	SO YD	280	\$8.00	\$2,240.00	163	\$1,306.12	0	\$0.00	163	\$1,306.12
12	SAVING AND RESEAL GRAVEL DRIVEWAY	SO YD	100	\$5.45	\$545.00	89	\$485.05	0	\$0.00	89	\$485.05
13	SAVING BITUMINOUS PAVEMENT (FULL DEPTH)	LN FT	24	\$10.18	\$244.32	0	\$0.00	0	\$0.00	0	\$0.00
14	SAVING CONCRETE PAVEMENT (FULL DEPTH)	LN FT	280	\$2.30	\$644.00	280	\$644.00	0	\$0.00	280	\$644.00
15	REMOVE BITUMINOUS PAVEMENT	SO YD	220	\$3.25	\$715.00	175	\$568.75	0	\$0.00	175	\$568.75
16	REMOVE BITUMINOUS PAVEMENT	SO YD	5550	\$1.75	\$9,712.50	5610	\$9,817.50	0	\$0.00	5610	\$9,817.50
17	REMOVE BITUMINOUS PAVEMENT	LUMP SUM	1	\$6,500.00	\$6,500.00	1	\$6,500.00	0	\$0.00	1	\$6,500.00
18	REMOVE AND REINSTALL SIGN	EACH	7	\$154.80	\$1,083.60	11	\$1,702.80	0	\$0.00	11	\$1,702.80
19	REMOVE FENCE	LUMP SUM	1	\$1,528.00	\$1,528.00	1	\$1,528.00	0	\$0.00	1	\$1,528.00
20	COMMON EXCAVATION - OFF SITE (EV)	CU YD	4490	\$19.55	\$87,729.50	4186	\$81,836.30	0	\$0.00	4186	\$81,836.30
21	COMMON EXCAVATION - OFF SITE (EV)	CU YD	4490	\$6.05	\$27,169.50	0	\$0.00	0	\$0.00	0	\$0.00
22	GEOTEXTILE FABRIC, TYPE V NON-WOVEN	SO YD	7170	\$1.95	\$13,981.50	7264	\$14,164.80	0	\$0.00	7264	\$14,164.80
23	GEOTEXTILE FABRIC, TYPE V NON-WOVEN	TON	4740	\$17.15	\$81,291.00	4321	\$74,105.15	0	\$0.00	4321	\$74,105.15
24	AGGREGATE BASE CLASS 5 100% CRUSHED	TON	3180	\$24.00	\$76,320.00	2746	\$65,904.00	0	\$0.00	2746	\$65,904.00
25	4" PERFORATED PVC SCH 40 DRAIN TILE PIPE	LN FT	1268	\$24.77	\$31,400.36	4059	\$100,541.43	0	\$0.00	4059	\$100,541.43
26	4" PERFORATED PVC SCH 40 DRAIN TILE PIPE	LN FT	652	\$26.83	\$17,499.21	639	\$17,144.37	0	\$0.00	639	\$17,144.37
27	4" PVC DRAIN TILE CLEANOUT W/THREADED CAP	EACH	11	\$304.44	\$3,348.84	5	\$1,522.20	0	\$0.00	5	\$1,522.20
28	4" PVC CLEANOUT W/ YARD INLET	EACH	9	\$830.26	\$7,472.34	10	\$8,302.60	0	\$0.00	10	\$8,302.60
29	BITUMINOUS MATERIAL FOR TACK COAT	TON	280	\$33.50	\$9,380.00	275	\$9,175.00	0	\$0.00	275	\$9,175.00
30	TYPE SP 9.5 WEARING COURSE MIX (3.B)	TON	580	\$84.75	\$49,147.50	467	\$39,582.75	0	\$0.00	467	\$39,582.75
31	TYPE SP 12.5 WEARING COURSE MIX (3.B)	TON	730	\$84.75	\$61,867.50	629	\$53,257.50	0	\$0.00	629	\$53,257.50
32	TYPE SP 9.5 WEARING COURSE MIX (3.B)	TON	19	\$450.00	\$8,550.00	14	\$6,300.00	0	\$0.00	14	\$6,300.00
33	CONCRETE CURB & GUTTER - SUBGRADE	LN FT	4192	\$17.34	\$72,689.28	4118	\$71,406.12	0	\$0.00	4118	\$71,406.12
34	CONCRETE CURB & GUTTER - SUBGRADE	SO YD	280	\$85.02	\$23,805.60	273	\$17,750.46	0	\$0.00	273	\$17,750.46
35	DRIVEWAY CURB EDGING	LN FT	25	\$25.80	\$645.00	0	\$0.00	0	\$0.00	0	\$0.00
36	12" RC PIPE SEWER CLASS V	LN FT	791	\$55.73	\$43,882.43	791	\$43,882.43	0	\$0.00	791	\$43,882.43
37	15" RC PIPE SEWER CLASS V	LN FT	467	\$55.02	\$25,884.34	467	\$25,884.34	0	\$0.00	467	\$25,884.34
38	21" RC PIPE SEWER CLASS V	LN FT	271	\$84.82	\$22,992.02	271	\$22,992.02	0	\$0.00	271	\$22,992.02
39	24" RC PIPE SEWER CLASS II	LN FT	168	\$90.82	\$15,257.76	163	\$14,803.66	0	\$0.00	163	\$14,803.66
40	24" RC PIPE SEWER CLASS II	EACH	1	\$3,199.20	\$3,199.20	1	\$3,199.20	0	\$0.00	1	\$3,199.20
41	24" RC FLARED END WITH TRASH GUARD	EACH	2	\$885.85	\$1,771.70	2	\$1,771.70	0	\$0.00	2	\$1,771.70
42	CONNECT TO EXISTING STORM SEWER PIPE	EACH	5	\$2,822.52	\$14,112.60	5	\$14,112.60	0	\$0.00	5	\$14,112.60
43	4" DIAMETER STORM SEWER CATCH BASIN MANHOLE	EACH	10	\$3,601.80	\$36,018.00	10	\$36,018.00	0	\$0.00	10	\$36,018.00
44	5" DIAMETER STORM SEWER CATCH BASIN MANHOLE	EACH	3	\$4,229.56	\$12,688.68	3	\$12,688.68	0	\$0.00	3	\$12,688.68
45	5" DIAMETER STORM SEWER CATCH BASIN MANHOLE	EACH	4	\$1,451.51	\$5,806.04	3	\$4,354.53	0	\$0.00	3	\$4,354.53
46	CONNECT TO EXISTING DRAINAGE	EACH	10	\$158.22	\$1,582.20	5	\$811.10	0	\$0.00	5	\$811.10
47	CONNECT TO EXISTING SLUMP LINE	SY TO	10	\$37.15	\$371.50	4	\$148.60	0	\$0.00	4	\$148.60
48	2" POLYURETHANE INSULATION	TON	20	\$87.20	\$1,744.00	21	\$1,831.20	0	\$0.00	21	\$1,831.20
49	INSTALL NEW SANITARY MANHOLE CASTING, RINGS, AND ISI BARRIER	EACH	9	\$1,274.52	\$11,470.68	9	\$11,470.68	0	\$0.00	9	\$11,470.68
50	INSTALL NEW SANITARY MANHOLE CASTING, RINGS, AND ISI BARRIER	EACH	7	\$500.52	\$3,503.64	5	\$2,502.60	0	\$0.00	5	\$2,502.60
51	STREET SWEEPER (WITH PICKUP ARM)	HOUR	15	\$50.00	\$750.00	2	\$270.00	0	\$0.00	2	\$270.00
52	WATER FOR DUST CONTROL	EACH	1	\$1,000.00	\$1,000.00	2	\$2,000.00	0	\$0.00	2	\$2,000.00
53	STABILIZED CONSTRUCTION EXIT	EACH	1	\$1,000.00	\$1,000.00	0	\$0.00	0	\$0.00	0	\$0.00
54	STABILIZED CONSTRUCTION EXIT	EACH	17	\$129.77	\$2,206.09	7	\$908.39	0	\$0.00	7	\$908.39
55	STORM DRAIN INLET PROTECTION - MAINTAINED	LN FT	64	\$4.02	\$257.28	45	\$180.90	0	\$0.00	45	\$180.90
56	SILT FENCE, TYPE B - MAINTAINED	SO YD	3100	\$9.29	\$28,800.00	0	\$0.00	0	\$0.00	0	\$0.00
57	COMMON TOPSOIL BORROW (LV)	SO YD	25	\$10.32	\$258.00	0	\$0.00	0	\$0.00	0	\$0.00
58	HYDROMULCH HANDOUT SEED MIX 25-141	SO YD	25	\$17.15	\$428.75	0	\$0.00	0	\$0.00	0	\$0.00
59	CONIFEROUS TREE, 6" HT B&B	EACH	2	\$553.47	\$1,106.94	0	\$0.00	0	\$0.00	0	\$0.00
60	CONIFEROUS TREE, 6" HT B&B	EACH	2	\$553.47	\$1,106.94	0	\$0.00	0	\$0.00	0	\$0.00
SUBTOTAL BASE BID					\$869,906.59		\$856,456.03		\$854,145.12		\$2,310.91
ALTERNATE 1 - EXTRA 6" OF SAND											
A1.1	COMMON EXCAVATION - OFF SITE (EV)	CU YD	1200	\$13.50	\$16,200.00	1188	\$16,038.00	1188	\$16,038.00	0	\$0.00
A1.2	SUBGRADE EXCAVATION (EV)	CU YD	120	\$13.50	\$1,620.00	0	\$0.00	0	\$0.00	0	\$0.00
A1.3	SELECT GRANULAR BORROW (MODIFIED)	TON	2260	\$17.15	\$38,759.00	2217	\$38,021.55	2217	\$38,021.55	0	\$0.00
SUBTOTAL ALTERNATE 1					\$56,579.00		\$54,059.55		\$54,059.55		\$0.00

ALTERNATE #2 - SEED															
A2.1	HYDROMULCH MNDOT SEED MIX 25-151	50 YD	3100	\$2.32	\$7,192.00	5866	\$	13,609.12	4972	\$	11,535.04	894	\$	2,074.08	
				SUBTOTAL ALTERNATE #1	\$	7,192.00	\$	13,609.12	\$	11,535.04	\$	2,074.08			

TOTAL CONTRACT AMOUNT															
				\$933,677.59	\$	924,124.70	\$	919,739.71	\$	4,384.99					

CHANGE ORDER #1 - WATERMAIN REPAIR														
CO1.1	WATERMAIN REPAIR	LS	1	\$	23,994.24	\$	23,994.24	\$	23,994.24	\$	23,994.24	0	\$	-
				SUBTOTAL CHANGE ORDER #1	\$	23,994.24	\$	23,994.24	\$	23,994.24	\$	0	\$	-

CHANGE ORDER #2 - BEDDING MATERIAL AND SPRINKLER REPAIR														
CO2.1	3" MINUS SPRINKLER SYSTEM REPAIR	TON	647	\$	39.50	\$	25,556.50	\$	647	\$	25,556.50	0	\$	-
CO2.1	3" MINUS SPRINKLER SYSTEM REPAIR	LS	1	\$	3,300.00	\$	3,300.00	\$	1	\$	3,300.00	0	\$	-
				SUBTOTAL CHANGE ORDER #2	\$	28,856.50	\$	28,856.50	\$	28,856.50	\$	0	\$	-

CHANGE ORDER #3 - PAVEMENT AND LANDSCAPING REPAIR														
CO3.1	PAVEMENT AND LANDSCAPING REPAIR	LS	1	\$	(6,430.00)	\$	(6,430.00)	\$	0	\$	-	1	\$	(6,430.00)
				SUBTOTAL CHANGE ORDER #3	\$	(6,430.00)	\$	(6,430.00)	\$	-	\$	1	\$	(6,430.00)

TOTAL REVISED CONTRACT AMOUNT														
				\$980,098.33	\$	970,545.44	\$	972,590.45	\$	-	\$	1	\$	(6,430.00)

CONTRACT SUMMARY

ORIGINAL CONTRACT AWARD AMOUNT	\$933,677.59	COMPLETED TO DATE	\$970,545.44	LESS PREVIOUS PAYMENTS	\$972,590.45	PAYMENT REQUEST 8 & FINAL	-\$2,045.01
CHANGE ORDER TO DATE	\$46,420.74	CURRENT RETAINAGE (0%)	\$	3%	\$29,177.71	PAYMENT REQUEST 9	\$
REVISED CONTRACT AMOUNT	\$980,098.33	TOTAL CURRENT PAY REQUEST	\$970,545.44		\$999,718.14		-\$2,045.01

HENNEPIN COUNTY

Healthy Tree Canopy Grants

Hennepin County offers grants to cities, affordable housing properties, schools, and nonprofit organizations to enhance the county’s tree canopy. The goal of the program is to support efforts to educate the public on tree care and the importance of trees, combat threats to trees from invasive insects and disease, and promote the development of a more diverse and resilient tree canopy.



	Cities		Affordable housing	Schools and nonprofit organizations
Eligible recipients	Step 1: For cities with no tree inventory or an incomplete inventory.	Step 2: For cities that have a completed tree inventory and a Minnesota DNR certified tree inspector or an ISA certified arborist under contract.	<ul style="list-style-type: none"> New and existing multifamily affordable housing properties. Single-family houses controlled by land trusts and organizations who manage owner-occupied homes restricted to buyers with lower incomes. 	<ul style="list-style-type: none"> Public, private, and charter schools. Nonprofit 501(c)(3) organizations
Eligible projects	To complete tree inventories only	Develop tree management plans, conduct tree plantings, maintain newly planted trees, replace ash trees, conduct outreach, install gravel-bed nurseries, ash tree removals and treatments	Ash tree removal and tree plantings on affordable housing properties.	Tree plantings, tree-related education, Arbor Day celebrations, tree inventories, ash tree removals
Application timeline	Applications are accepted once per year. Applications are due Tuesday, March 25, 2025. Grant projects are selected through a competitive process.			
Amount of funding available per grant	Reimbursement of actual costs of project. Minimum amount of \$1,000 up to a maximum amount of \$5,000.	Reimbursement of actual costs of project. Minimum amount of \$10,000 up to a maximum amount of \$50,000.	Reimbursement of actual costs of project. Minimum amount of \$5,000 up to a maximum amount of \$20,000.	Reimbursement of actual costs of project. Minimum amount of \$1,000 up to a maximum of \$10,000.
Matching funds	25% match of the total project costs is required.			No match required.
Project timeline	12 months			
Reporting requirements	<ul style="list-style-type: none"> Each grantee must enter into a formal agreement with the county Submit a work plan with budget, planting designs, and maintenance plans Submit a final report with invoices and project outcomes Documentation regarding expenses, such as time sheets, invoices and receipts 			

Contact us today

Staff is available to help you develop projects and answer any questions related to the grant and application process.

Learn more at hennepin.us/trees or contact leslie.alcantarmeja@hennepin.us



DETERMINATION OF LOCAL AND AREA WIDE LEVY BY MAJOR PURPOSE OF LEVY

Proposed Taxes Payable 2026

City of Loretto

Tax Rates

Tax Capacity

Budget Item	(A) Certified Levy	(B) Distribution Percentage (A) Item / (A) Total	(C) Area Wide Levy Table VIII Col E	(D) Local Levy (A) - (C)	(F) Tax Rate (D) / (E)	(G) Spread Levy (E) X (F)
General Revenue	\$ 610,520.00	77.8223%	\$ 73,768.54	\$ 536,751.46	53.590%	536,756.37
Bonded Debt	\$ 173,984.73	22.1777%	21,022.46	152,962.27	15.272%	152,964.05
Total	\$ 784,504.73	100.0000%	\$ 94,791.00	\$ 689,713.73	68.862%	\$ 689,720.42

Market Value (If Applicable)

	\$ -		\$ -	0.00000%	\$ -
--	------	--	------	----------	------

HRA/EDA (If Applicable)

0	\$ -	0.0000%	\$ -	\$ -	0.000%	\$ -
---	------	---------	------	------	--------	------

Sewer Districts (If Applicable)

0	\$ -	0.0000%	\$ -	\$ -	0.000%	\$ -
0	\$ -	0.0000%	\$ -	\$ -	0.000%	\$ -

Values and Distribution

	County	Tax Capacity	Market Value	Area Wide Dist
Munic	Hennepin	1,001,598	99,124,800	\$ 94,791.00
		-	-	\$ -
	Total	1,001,598	99,124,800	\$ 94,791.00
HRA/EDA	Hennepin	1,001,598	99,124,800	\$ -
		-	-	\$ -
	Total	1,001,598	99,124,800	\$ -
Sewer #1	Hennepin	-	-	\$ -
		-	-	\$ -
	Total	-	-	\$ -
Sewer #2	Hennepin	-	-	\$ -
		-	-	\$ -
	Total	-	-	\$ -

DETERMINATION OF LOCAL AND AREA WIDE LEVY BY MAJOR PURPOSE OF LEVY

Final Taxes Payable 2025

City of Loretto

Tax Rates

Tax Capacity

Budget Item	(A) Certified Levy	(B) Distribution Percentage (A) Item / (A) Total	(C) Area Wide Levy Table VIII Col E	(D) Local Levy (A) - (C)	(F) Tax Rate (D) / (E)	(G) Spread Levy (E) X (F)
General Revenue	\$ 578,700.00	77.0719%	\$ 60,675.62	\$ 518,024.38	51.816%	518,027.35
Bonded Debt	172,157.73	22.9281%	18,050.38	154,107.35	15.415%	154,110.54
Total	\$ 750,857.73	100.0000%	\$ 78,726.00	\$ 672,131.73	67.231%	\$ 672,137.89

Market Value (If Applicable)

	\$ -		\$ -		\$ -
--	------	--	------	--	------

HRA/EDA (If Applicable)

	\$ -		\$ -		\$ -
--	------	--	------	--	------

Sewer Districts (If Applicable)

	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -

Values and Distribution

	County	Tax Capacity	Market Value	Area Wide Dist
Munic	Hennepin	999,744	99,173,950	\$ 78,726.00
		-	-	\$ -
	Total	999,744	99,173,950	\$ 78,726.00
HRA/EDA	Hennepin	999,744	99,173,950	\$ -
		-	-	\$ -
	Total	999,744	99,173,950	\$ -
Sewer #1	Hennepin	-	-	\$ -
		-	-	\$ -
	Total	-	-	\$ -
Sewer #2	Hennepin	-	-	\$ -
		-	-	\$ -
	Total	-	-	\$ -

From: [Nate Sparks](#)
To: [Graham, Todd](#); [Thamman, Freya](#); [Mary Schneider](#)
Subject: Re: Loretto - Syst Stmt - 11/20 Request for lower EMP forecast
Date: Monday, November 24, 2025 10:55:00 PM
Attachments: [image003.png](#)
[image533143.png](#)

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Todd,

I think this is a very reasonable number.

Thank you for helping us out.

Nate

Nate Sparks
Senior Professional Community Planner I



952.221.0540 (o)
-
701 Xenia Avenue S, Suite 300
Minneapolis, MN 55416
wsbeng.com

For a list of WSB employee licenses and certifications visit [here](#).

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From: Graham, Todd <todd.graham@metc.state.mn.us>

Sent: Friday, November 21, 2025 12:38 PM

To: Thamman, Freya <Freya.Thamman@metc.state.mn.us>; mschneider@ci.loretto.mn.us <mschneider@ci.loretto.mn.us>; Nate Sparks <nsparks@wsbeng.com>

Subject: RE: Loretto - Syst Stmt - 11/20 Request for lower EMP forecast

EXTERNAL EMAIL

Mary, Nate—

RE: Loretto employment forecast.

Freya Thamman provided me your comments.

We previously had a data-sharing agreement with Minnesota DEED. The excessive counts that show up recently are the result of errors by DEED's Research and Statistics Office. In my opinion – and I cannot demonstrate this because the raw data is classified *nonpublic* – this may be because the post office for the larger area is called “Loretto MN 55357”. Employer addresses *that could not be mapped* by DEED are default-assigned to the ZIP code point -- but some of these employers may actually be in Greenfield or Medina.

I ask Loretto to trust our recommendation of a revision:

Recommendation:

- 266 jobs in 2020
- 280 jobs in 2030 (a -45% reduction of the forecast)
- 290 jobs in 2040
- 300 jobs in 2050

Please indicate that we agree on this revision. If so, this forecast adjustment will be added to a list of adjustments to be acted on by Met Council in early 2026.

--Todd Graham

PS: DEED's *published* statistics are below. The timeseries is very erratic because of the community location miscoding issue.

Research Web Internal Edit Screen | MNDEED - LMI - QCEW | Community Profile - Research Web

https://apps.deed.state.mn.us/lmi/qcew/ResultsDisp.aspx

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Labor Market Information | Data Home | QCEW Home

Change: Loretto, Hennepin | 2025, 2024, 2023... | Total of All Ownerships | Total, All Industries (000000)

QCEW RESULTS

Download

Employment | Establishments | Wages | Average Weekly Wages | Gross Employment Gains* | Gross Employment Loss* | More BED*>

Geography	Industry	Ownership	Year	Q1	Q2	Q3	Q4	Annual
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2025	270	276	NA	NA	NA
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2024	359	412	413	351	384
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2023	419	463	510	424	454
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2022	450	494	551	434	482
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2021	280	298	307	306	298
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2020	321	263	315	282	295
Loretto, Hennepin	Total, All Industries (000000)	Total, All Ownerships	2019	302	306	328	330	317

* Business Employment Dynamics

< Previous

Todd Graham
 Principal Forecaster
 Metropolitan Council Community Development
 Ph. 651-602-1322
[Book time to meet](#)

From: Thamman, Freya <Freya.Thamman@metc.state.mn.us>
Sent: Thursday, November 20, 2025 5:42 PM
To: Graham, Todd <todd.graham@metc.state.mn.us>
Subject: Loretto - Syst Stmt - 11/20 Request for lower EMP forecast

Hi Todd,

I received the attached letter from Loretto today. They indicated:

- The current level of employment for the City is 266. Then the projected 2030 number is 510.
- As a nearly fully developed City, the City of Loretto currently has only four vacant parcels available for new development.
 - Two of these properties are currently guided Mixed Use and two are guided Commercial. Based on the size of the properties, the Mixed Use guided vacant properties may account for about 2 dwelling units and 2 employment units and the Commercial guided vacant properties may account for about 28 employment units. The City would struggle to identify properties to accommodate an additional 240+ units of employment.
- The City of Loretto would like consideration of a lower number for the employment projection.

I let them know that I would coordinate with you on their request.

Thank you,
~Freya

From: Mary Schneider <mschneider@ci.loretto.mn.us>
Sent: Thursday, November 20, 2025 9:32 AM
To: Thamman, Freya <freya.thamman@metc.state.mn.us>
Cc: Nate Sparks <NSparks@wsbeng.com>
Subject: [EXTERNAL] System Statement Comments

Hi Freya,

The Loretto City Council has reviewed the 2050 Comp Plan System Statement and wishes to submit the attached comments. Please confirm receipt.

Thank you!

Mary K. Schneider
City Clerk Treasurer
City of Loretto
Population 673
279 Medina Street North, Suite 260
PO Box 207
Loretto, MN 55357
763-479-4305

Water 1)

Senate Capital Investment Committee Bonding Tour

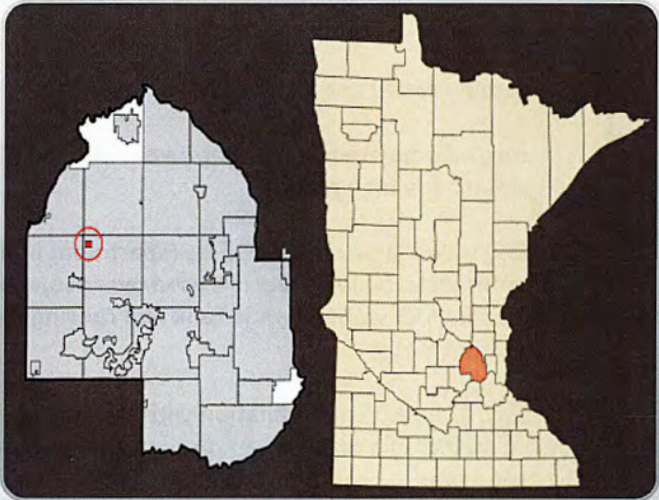


12/2/2025

1

Loretto Facts

- Incorporated - 1940
- Population - 673
- Taxable Parcels - 263
- Land Acres - 160



2

Loretto Water Infrastructure

Bonding request: \$2.7 million to:

- Replace water mains
- Replace water valves
- Replace wastewater lines
- Replace lead and unknown service lines
- Water treatment pilot study
- Street reconstruction

3

History

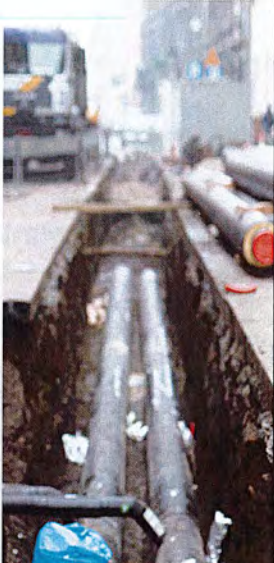
1950's – Water and sanitary sewer installed

2019 – Completed Capital Improvement Plan (CIP) and identified this project as a high priority

2023 – Two large structure fires (apartment building June 6th and commercial building Oct 6th) used over 200,000 gallons of water draining our water storage tank and causing the entire city to be without water

2024 - Phase 1 – Coordination with Hennepin County on County Road 19 water main replacement project (Completed) Local bonding of \$890,000

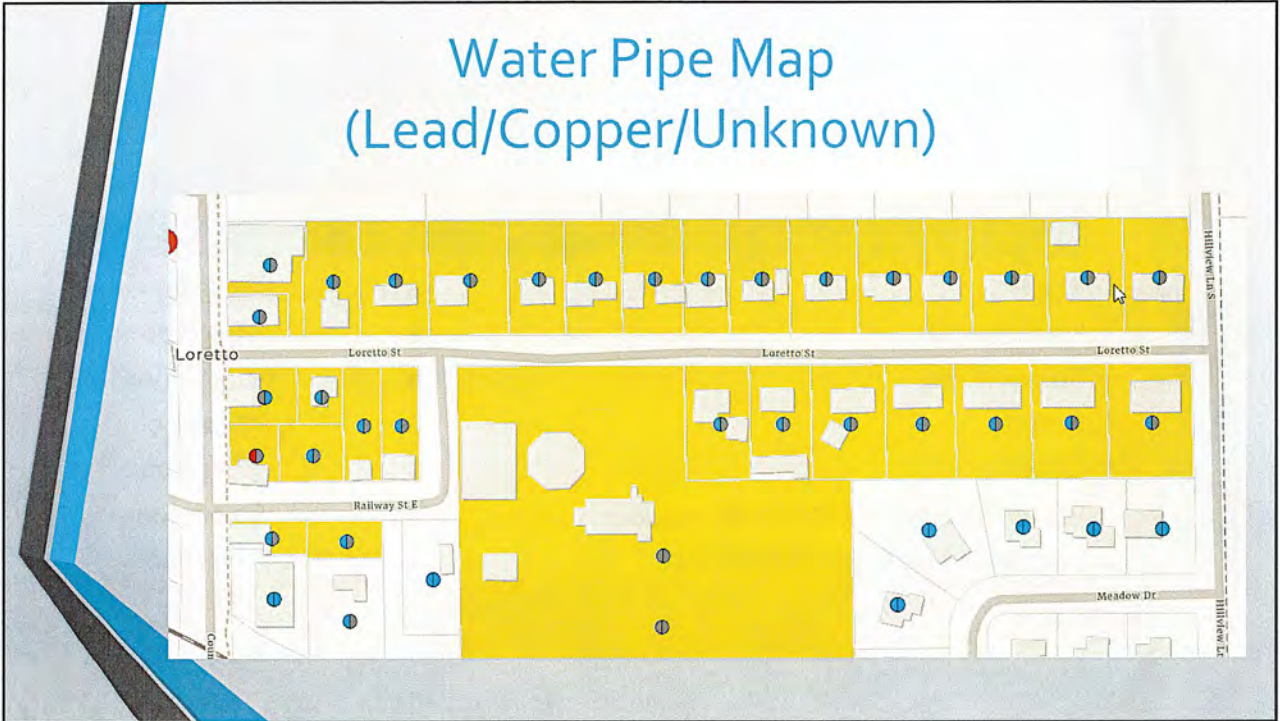
2025 – Testified to the Capital Investment Committee



4

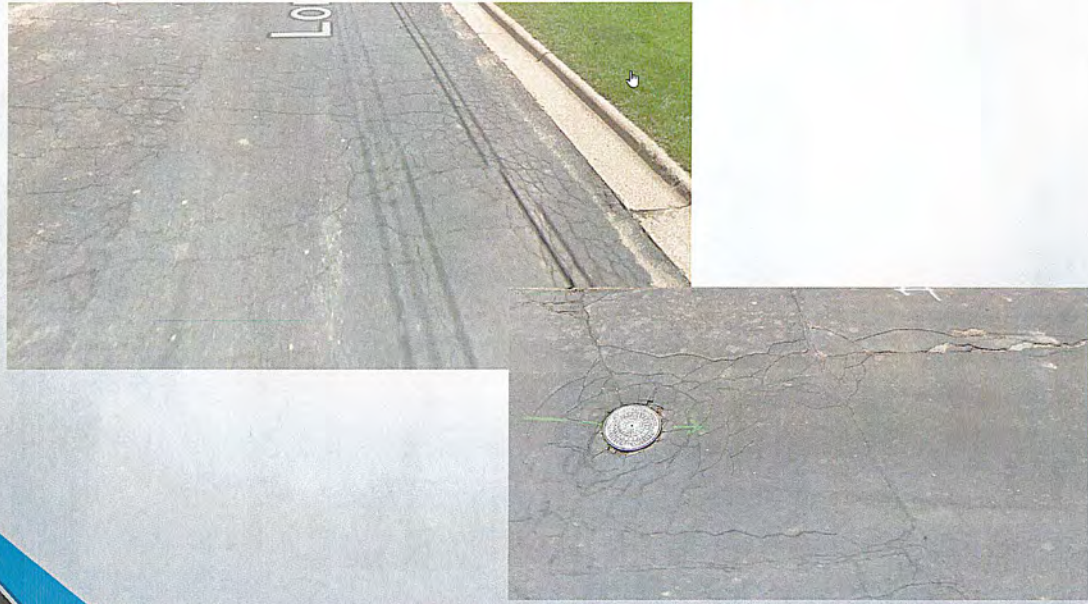


5



6

Road Reconstruction Needs



7

Project Costs

Project Cost Summary	Amount
Water	\$ 478,750.00
Wastewater	\$ 433,750.00
Storm Water	\$ 332,500.00
Street	\$ 1,296,250.00
Other	\$ 98,750.00
Water Treatment Pilot Study (Manganese, Iron, Ammonia)	\$ 60,000.00
Total Bonding Request Amount	\$ 2,700,000.00

8

Timeline

- May 2026 – Secure Funding
- June 2026 – Begin final design
- September 2026 – Competitive Bidding
- April 2027 – Construction Begins
- October 2027 – Project Complete




9

Need for State Bonding

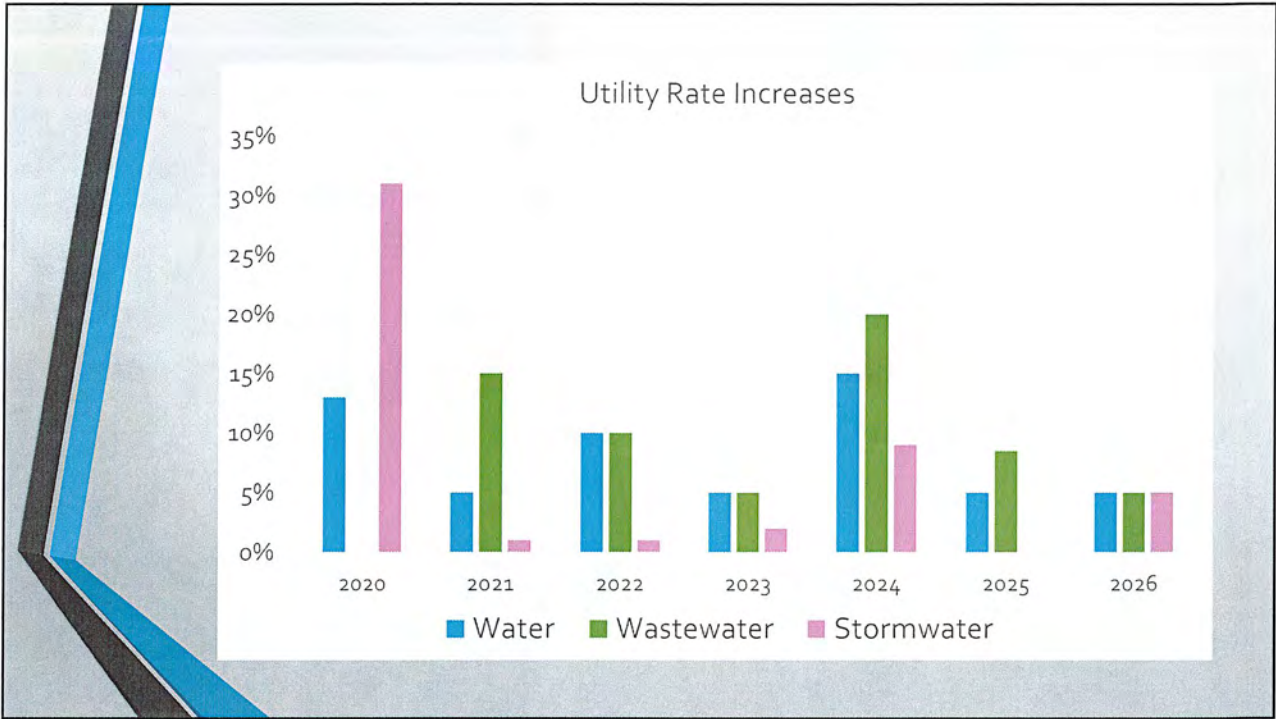
Critical Infrastructure Challenges
The city faces multiple watermain breaks underscoring urgent infrastructure replacement needs.

Emergency Water Usage Impact
Initial water for large structure fires responded to by West Suburban Fire District Station 1 come from Loretto’s system and serve four surrounding cities.

Financial Constraints
Local funding for water, storm water, wastewater, and street infrastructure projects has reached its maximum capacity. Since 2021, \$3.4 million has been allocated through bonding and debt levies while operating within general fund budget of less than \$1 million. Our bonded indebtedness has reached 23% of the total levy per year for the next 15 to 20 years. This has put additional stress on our levy as well as forced increases in utility rates.



10



11

Questions?

12

STATEMENT

Parkes 2)

City of Loretto
279 N. Medina St., Suite 260
P.O. Box 207
Loretto, MN 55357
 Phone: 763-479-4305 Fax: 763-479-2685

Closing date: 12/1/2025
Due Date: 12/31/2025

LCAA

Attn: Herb Koch
 P.O. Box 221
 Loretto, MN 55357
 Phone: 763-479-3565

Date	Vendor	Description	Debit	Credit	Balance
5/13/2025	Magic Turf	field conditioner	186.00		186.00
5/13/2025	Magic Turf	spring field maintenance	818.00		1,004.00
5/20/2025	Magic Turf	turf maintenance	700.00		1,704.00
5/20/2025	ProLawns	insect control	321.56		2,025.56
6/13/2025	Magic Turf	field maintenance	500.00		2,525.56
7/8/2025	Magic Turf	field maintenance	2,060.00		4,585.56
7/25/2025	ProLawns	insect control	321.56		4,907.12
7/14/2025	Magic Turf	field maintenance	618.50		5,525.62
8/8/2025	ProLawns	insect control	321.56		5,847.18
8/25/2025	ProLawns	insect control	321.56		6,168.74
9/9/2025	ProLawns	insect control	321.56		6,490.30
9/15/2025	Magic Turf	field maintenance	618.50		7,108.80
9/15/2025	ProLawns	insect control	321.56		7,430.36
10/24/2025	Magic Turf	field maintenance	1,150.00		8,580.36
10/24/2025	Magic Turf	field maintenance	2,975.00		11,555.36
	Xcel	Yearly Electric (Apr-Oct)	2,169.29		13,724.65
	City of Loretto	Yearly Water (Apr-Oct)	376.34		14,100.99

Total balance due: \$ 14,100.99

**LCAA Baseball Field Expense Worksheet
2025**

2025 LCAA Expenses

Date	Vendor	Description	Total	Amount Paid by LCAA	Date
5/13/2025	Magic Turf	field conditioner	\$ 186.00		
5/13/2025	Magic Turf	spring field maintenance	\$ 818.00		
5/20/2025	Magic Turf	turf maintenance	\$ 700.00		
5/20/2025	ProLawns	insect control	\$ 321.56		
6/13/2025	Magic Turf	field maintenance	\$ 500.00		
7/8/2025	Magic Turf	field maintenance	\$ 2,060.00		
7/25/2025	ProLawns	insect control	\$ 321.56		
7/14/2025	Magic Turf	field maintenance	\$ 618.50		
8/8/2025	ProLawns	insect control	\$ 321.56		
8/25/2025	ProLawns	insect control	\$ 321.56		
9/9/2025	ProLawns	insect control	\$ 321.56		
9/15/2025	Magic Turf	field maintenance	\$ 618.50		
9/15/2025	ProLawns	insect control	\$ 321.56		
10/24/2025	Magic Turf	field maintenance	\$ 1,150.00		
10/24/2025	Magic Turf	field maintenance	\$ 2,975.00		
total			\$ 11,555.36	\$ -	
				Balance	\$ 11,555.36

2025 Electric Utilities

Month/Description	Rates	Usage	Amount to bill		
May Electric				Premises usage	LCAA portion
Basic Service Chg	25.98	0.5	\$ 12.99	770	48% 367
Energy Cost	0.04765	367	\$ 17.49		
Fuel Cost	0.021299	367	\$ 7.82		
Sales true up	-0.0045	367	\$ (1.65)	Actual kW=	770
Winter Cost	11.9	5.24	\$ 62.40	Actual kW=	11
Affordability chg	9.2	0.50	\$ 4.60		
Resource Adj	8.75	0.50	\$ 4.38		
Interim Rate Adj	13.82	0.50	\$ 6.91		
Score Board/Lights			\$ 267.86		
Total			\$ 382.80		

**LCAA Baseball Field Expense Worksheet
2025**

Month/Description	Rates	Usage	Amount to bill					
June Electric								
Basic Service Chg	25.98	0.5	\$	12.99	Premises usage	LCAA portion		
Energy Cost	0.04765	485	\$	23.12	1018	48%	485	
Fuel Cost	0.027271	485	\$	13.23				
Winter Cost	11.9	0.90	\$	10.67	Actual kW=	1.88		
Summer cost	16.49	1.96		32.39	Actual kW=	4.12		
Resource Adj	7.98	0.50	\$	3.99				
Sales true up	-0.0045	0.00	\$	-	Actual kW=	146.56		
Sales true up	0.00759	153.72	\$	1.17	Actual kW=	322.44		
Affordability chg	9.2	0.50	\$	4.60				
Resource Adj	5.62	0.50	\$	2.81				
Interim Rate Adj	9.9	0.50	\$	4.95				
Score Board/Lights			\$	293.15				
		Total	\$	403.07				
July Electric								
Basic Service Chg	25.98	0.5	\$	12.99	Premises usage	LCAA portion		
Energy Cost	0.04765	249	\$	11.88	523	48%	249	
Fuel Cost	0.027572	249	\$	6.87				
Summer Cost	16.49	2.38	\$	39.31	Actual kW =	5		
Sales true up	0.00759	249.33	\$	1.89	Actual kW =	523		
Affordability chg	9.2	0.50	\$	4.60				
Resource Adj	5.21	0.50	\$	2.61				
Interim Rate Adj	9.52	0.50	\$	4.76				
Score Board/Lights			\$	390.89				
		Total	\$	475.80				
August Electric								
Basic Service Chg	25.98	0.5	\$	12.99	Premises usage	LCAA portion		
Energy Cost	0.04765	222	\$	10.59	466	48%	222	
Fuel Cost	0.026288	222	\$	5.84				
Summer Cost	16.49	2.86	\$	47.17	Actual kW =	6		
Sales true up	0.00759	222.15	\$	1.69	Actual kW =	466		
Affordability chg	9.2	0.50	\$	4.60				

LCAA Baseball Field Expense Worksheet

2025

Resource Adj	5.82	0.50	\$ 2.91
Interim Rate Adj	10.5	0.50	\$ 5.25
Score Board/Lights			\$ 278.51
Total			\$ 369.54

Month/Description	Rates	Usage	Amount to bill		
September Electric					
Basic Service Chg	25.98	0.5	\$ 12.99	Premises usage	LCAA portion
Energy Cost	0.04765	201	\$ 9.56	421	48% 201
Fuel Cost	0.023705	201	\$ 4.76		
Summer Cost	16.49	2.38	\$ 39.31	Actual kW =	5
Sales True up	0.00759	200.70	\$ 1.52	Actual kW =	421
Affordability chg	9.2	0.50	\$ 4.60		
Resource Adj	5.02	0.50	\$ 2.51		
Interim Rate Adj	9.17	0.50	\$ 4.59		
Score Board/Lights			\$ 255.91		
Total			\$ 335.75		

October electric					
Basic Service Chg	25.98	0.5	\$ 12.99	Premises usage	LCAA portion
Energy Cost	0.04765	175	\$ 8.36	368	48% 175
Fuel Cost	0.021277	175	\$ 3.73		
Summer Cost	16.49	0.74	\$ 12.18	Actual kW =	1.55
Winter Cost	11.9	1.64	\$ 19.57	Actual kW =	3.45
Sales True up	0.00759	665.51	\$ 5.05	Actual kW =	1396
Affordability chg	9.2	0.50	\$ 4.60		
Resource Adj	4.54	0.50	\$ 2.27		
Interim Rate Adj	7.86	0.50	\$ 3.93		
Score Board/Lights			\$ 129.65		
Total			\$ 202.34		

total usage: 1,700

2025 Total Electric Costs **\$ 2,169.29**

**LCAA Baseball Field Expense Worksheet
2025**

"Baseball Concession" premises has a separate meter for LCAA:

Actual usage at this premises:

total E usage:	1700		
total E usage at this premises (Apr-Oct):	3566 from main Xcel meter	May	770
% of total to be used to calculate monthly:	48%	June	1018
		July	523
		August	466
		Sept	421
		Oct	368
		Total:	3566

2024 Water Expenses

Month	Baseball Concession	Baseball Sprinklers	Baseball Dug Out	Total	LCAA Costs
April	This is the city's responsibility per the agreement	0	0	0 \$	-
May		12000	0	12000 \$	75.90
June		7800	0	7800 \$	49.34
July		12700	0	12700 \$	80.33
August		6000	0	6000 \$	37.95
September		14700	0	14700 \$	92.98
October		6300	0	6300 \$	39.85
Total				\$	376.34

Water Rate: \$12.65/1000 gallons

Per agreement - LCAA will pay half water expenses for sprinklers and dug out

Supplies total due:	\$ 11,555.36
Electric total due:	\$ 2,169.29
Water total due:	\$ 376.34
Grand total:	\$ 14,100.99