



# Request for City Council Action

## DEPARTMENT INFORMATION

ORIGINATING DEPARTMENT	REQUESTOR:	MEETING DATE:
Public Works	City Engineer Wagner	February 9, 2026
PRESENTER(s)	REVIEWED BY:	ITEM #:
Consent	City Administrator/Finance Director Flaherty	3.5 – Release of Security

## STRATEGIC VISION

MEETS:	THE CITY OF OTSEGO:
	Is a strong organization that is committed to leading the community through innovative communication.
<b>X</b>	Has proactively expanded infrastructure to responsibly provide core services.
	Is committed to delivery of quality emergency service responsive to community needs and expectations in a cost-effective manner.
	Is a social community with diverse housing, service options, and employment opportunities.
	Is a distinctive, connected community known for its beauty and natural surroundings.

## AGENDA ITEM DETAILS

RECOMMENDATION:	
Staff recommend the City Council approve release of securities regarding Boulder Pass Grading and Mineral Extraction.	
ARE YOU SEEKING APPROVAL OF A CONTRACT?	IS A PUBLIC HEARING REQUIRED?
No	No
BACKGROUND/JUSTIFICATION:	
<p>Fehn Companies has a promissory note with the City to ensure that they adhered to the grading permit, which included mineral extraction for the area that is now Boulder Pass. One item the security may be used for was milling and overlaying for that portion of Quaday Avenue designated as the allowed haul road. When the street area (Quaday Avenue from the mine exit to CSAH 38) was reviewed, it was in no worse shape than any other section of Quaday and was milled and overlaid in 2024 as part of the City’s regular maintenance schedule. The security was also intended that when the gravel extraction was “trued up,” the security was there to ensure payment of the gravel extraction fee. However, since the County requires a fee, the City legally cannot impose an additional fee.</p> <p>Therefore, staff recommends release of all securities regarding Boulder Pass Grading and Mineral Extraction.</p>	
SUPPORTING DOCUMENTS ATTACHED:	
<ul style="list-style-type: none"> <li><b>Resolution 2026-09</b></li> </ul>	

## POSSIBLE MOTION

PLEASE WORD MOTION AS YOU WOULD LIKE IT TO APPEAR IN THE MINUTES:
Motion to adopt Resolution 2026-09 releasing securities regarding Boulder Pass Grading and Mineral Extraction.

## BUDGET INFORMATION

FUNDING:	BUDGETED:
Fund 701 – Development Escrow	N/A

**CITY OF OTSEGO  
COUNTY OF WRIGHT  
STATE OF MINNESOTA**

**RESOLUTION NO: 2026-09**

**RELEASING SECURITIES REGARDING  
BOULDER PASS GRADING AND MINERAL EXTRACTION**

**WHEREAS**, Fehn Companies Incorporated has a promissory note with the City to ensure that they adhered to the grading permit, which included mineral extraction for the area that is now Boulder Pass; and

**WHEREAS**, the City and Fehn Companies Incorporated entered into a Grading Agreement; and

**WHEREAS**, all requirements of the Grading Agreement have been met.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OTSEGO, MINNESOTA:**

1. Releases all financial securities regarding Boulder Pass Grading and Mineral Extraction.

**ADOPTED** by the Otsego City Council this 9<sup>th</sup> day of February, 2026.

**MOTION BY:  
SECONDED BY:  
IN FAVOR:  
OPPOSED:**

**CITY OF OTSEGO**

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Jessica L. Stockamp, Mayor

ATTEST:

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Audra Etzel, City Clerk