

Oronoco Town Board
Special Meeting Minutes
Use Agreements
August 18, 2026 at 5pm

A special meeting of the Oronoco Town Board was held on Tuesday, August 18, 2026, at 5:00 p.m. at the Oronoco Community Center, located at 115 Second Street SW, Oronoco, Minnesota.

Supervisor Ken Mergen called the special meeting to order at 5:00 p.m.

Pledge of Allegiance

Attorney Ruppe was called to participate in a conference call with the Oronoco Township Board.

Oronoco Township transferred the King's Park property to Lake Zumbro Forever, Inc. (LZFI) via a Quit Claim Deed in 2025. As specified, the transfer was subject to deed restrictions. LZFI satisfied all contractual and legal requirements necessary to complete the transfer.

A critical element of the Quit Claim Deed is the designation of the property as "public." Because the land remains in public ownership, it is not subject to acquisition through adverse possession or prescriptive easement.

The Minnesota Department of Natural Resources (DNR) and the Office of Management and Budget have since raised questions regarding the original transfer of the property to LZFI.

It is believed the State's concern relates to a statutory restriction governing bond-financed property. Minnesota Statute 16A.695, Subdivision 3, provides that property acquired or improved with state bond proceeds may not be sold by a public officer or agency unless the property is no longer needed for its original purpose and the sale is authorized by the Commissioner of Minnesota Management and Budget (MMB).

As a result, the State has requested that LZFI Quit Claim Deed the property back to Oronoco Township. Following this, Roger Behrens, with the Office of Management and Budget, suggested that Oronoco Township enter into a use agreement with LZFI. Mr. Behrens recommended the Township draw up a use agreement to allow LZFI to use the land until the bond is satisfied. Under the terms of the agreement, LZFI would be permitted to use the property. LZFI would be required to maintain insurance on the property, comply with all terms and conditions of the use agreement, and communicate with the State regarding the intended use of the property.

Attorney Mark Couri attended a conference call, on behalf of Oronoco Township, with Roger Behrens, Office of Management and Budget. Attorney Couri stated that Oronoco Township is willing to work with all parties but we have not heard back from LZFI in regard to the Quit Claim Deed.

Attorney Ruppe sent a draft use agreement to the Office of Management and Budget. Roger Behrens reviewed and revised the document and tentatively agreed to the revisions, contingent upon LZFI's agreement to the terms.

Supervisor Mergen inquired how the Township acquired the King's Park property. Attorney Ruppe stated that the deed came from a property owner. The State provided funds for the purchase of the property, which was subsequently conveyed to Oronoco Township. During the term of the bond, any use or transfer of the property must be approved by the State.

Supervisor Matzke noted that all legal paperwork for the property was given to LZFI when the Quit Claim Deed was signed. This paperwork has not been returned to the Township.

Supervisor Johanningmeier emphasized the importance of including appropriate restrictions and penalties in the use agreement to protect the Township from liability. Attorney Ruppe will continue working on the use agreement and will provide a draft to the Board of Supervisors for review. Once the Supervisors are satisfied with the terms and language of the use agreement, Attorney Ruppe will forward it to LZFI, the Office of Management and Budget, and the DNR for review and signatures.

Supervisor Mergen made a motion directing Attorney Ruppe to send a letter to LZFI, the Office of Management and Budget, and the DNR regarding the quitclaim deed, use agreement, and return of the legal paperwork, seconded by Supervisor Matzke. The motion carried unanimously.

Adjournment

Supervisor Mergen made a motion to adjourn, seconded by Supervisor Matzke. The motion carried and the meeting adjourned at 5:58pm.

Respectfully Submitted:

Clerk Jody Schroeder

Tammy Matzke

Ken Mergen

Joel Johanningmeier